

THE

House of Assembly Debates

(OFFICIAL REPORT)

FIRST SESSION 1986 - 91

HOUSE OF ASSEMBLY

Tuesday, August 01, 1989

Pursuant to the adjournment, the House of Assembly met at 12.15 p.m. on Tuesday, August 01, 1989.

PRESENT

His Honour L. A. WEEKES, J.P., (Speaker)
His Honour J. J. PAYNE, (Deputy Speaker)
Rt. Hon. L. E. SANDIFORD, B.A., M.A., (Econ.), J.P., (Prime Minister and Minister of Finance and Economic Affairs)

Hon. H. deB. FORDE, Q.C., M.A., LL.B.

Hon. B. M. TAITT, B.A.(Hons.), M.P.A., LL.B.(Hons.), (Minister of Health)

Hon. P. M. GREAVES, Q.C., B.A., (Deputy Prime Minister, Minister of International Transport, Telecommunications and Immigration and Leader of the House)

Hon. E. E. GREAVES, B.A., Ed.M., (Minister of Trade, Industry and Commerce)

Dr. R. C. HAYNES, M.B., Ch.B., F.R.C.P.(Edin.), (Leader of the Opposition)

Hon. Dr. D. G. BLACKMAN, B.A., M.A., (Minister of Transport and Works)

Hon. M. A. KING, Q.C., LL.B., (Attorney General, Minister of Legal Affairs and Minister of Foreign Affairs)

Hon. W. O. FRANKLIN, A.I.C., M.I.A.S., J.P., (Minister of Agriculture, Food and Fisheries)

Hon. H. A. BLACKMAN, B.Sc.(Econ.), (Minister of Housing and Lands)

Mr. D. A. C. SIMMONS, Q.C., LL.M.

Mrs. M. BARKER-WELCH, (Parliamentary Secretary, Ministry of Education and Culture)

Hon. C. V. WALKER, (Minister of Education and Culture)

Mr. L. L. BRATHWAITE, J.P., (Chairman of Committees)

Mr. E. BOURNE

Dr. E. A. SIMMONS, M.D.

Hon. W. W. HALL, G.C.M., H.B.M. (Minister of Tourism and Sports)

Mr. C. A. NEBLETT, B.A., (Parliamentary Secretary, Prime Minister's Office)

Mr. C. LeR. TROTMAN, MA.

Mr. R. L. MORRIS, B.A., Cert. Ed.

Mr. P. J. M. MILLER

Mr. R. P. BYER, LL.B., L.E.C.

Mr. D. J. H. THOMPSON, LL.B.

Prayers were led by Rev. Father Ivan Harewood.

Mr. SPEAKER: The House is in session.

MINUTES

Mr. SPEAKER: The Minutes of the meeting of Tuesday, July 18, 1989.

Hon. P. M. GREAVES: Mr. Speaker, I move that the Minutes of the proceedings of this Honourable Chamber held on July 18, 1989 be taken as read and approved, Sir.

Hon. B. M. TAITT: I beg to second that, Sir.

Mr. SPEAKER: If there are no observations, let those Minutes stand confirmed.

ANNOUNCEMENTS BY HIS HONOUR THE SPEAKER

Mr. SPEAKER: I am to announce that I am in receipt of the Accounts and Statements as prepared by the Accountant General for the month of May 1989.

MATTER OF PRIVILEGE

Hon. B. M. TAITT: Mr. Speaker, Sir, I rise on a point of privilege to draw to Your Honour's attention a matter which I consider to be important for Your Honour's consideration for submission to the Committee of Privileges.

Sir, under Section 34 of the Parliament (Privileges, Immunities, and Powers) Act, Cap. 9, Section 34 reads:

"(1) Any person who -

- (a) publishes any statement, whether in writing or otherwise, which falsely or scandalously defames either House or any committee, or which reflects on the character of the President or the Speaker or the chairman of a committee in the discharge of his duty as such; or
- (b) publishes any writing containing a gross, wilful or scandalous misrepresentation of the proceedings of either House or any committee thereof or of the speech of any member in the proceedings of either House or any Committee thereof; or
- (c) publishes any writing containing false or scandalous libel on any member touching his conduct as a member; or
- (d) publishes to any person other than a member of the House by which a committee was appointed or, in the case of a joint committee, other than a member of either House, any report of the committee or of any evidence given before or any documents presented to the committee or any extract from such documents, before such committee has presented its report to the House or Houses by which the committee was appointed; or..."

It goes on to cite Section (e) and then it goes on, Sir:

"is guilty of an offence and liable on conviction thereof by a magistrate's court to a fine of one thousand dollars or to imprisonment for twelve months, or to both such fine and imprisonment.

(2) In this section, the expression "publish" in relation to any writing, means exhibiting in public or causing to be read or seen or showing or delivering, or causing to be shown or delivered, with intent that the writing may be read or seen by any person."

Mr. Speaker, I wish to direct your attention to a publication called "The Weekend Nation" of Friday, July 28, 1989, a copy of which I have in my hand, Sir. Page 7 of that under a headline "DLP's Disregard For The Masses -

An NDP View", the article, Sir, does not have a byline so I cannot say who wrote it. It has some very interesting statements, some of which I will quote for Your Honour. This is without prejudice to any private action which I might take in due course. That article said, Sir, after some comment which I do not choose to read, and I quote:

"We consider it nothing short of contempt and arrogance that the Minister has maintained a deafening silence despite calls from the Leader of the Opposition, the NDP's Shadow Minister of Health, Senator Vere Brathwaite, and Shadow Minister of Legal Affairs, Mr. Richard Byer.

They have persistently called upon the Minister to assure the health of the nation and to act quickly to restore confidence in the Ministry for which he has accepted responsibility. Barbadians deserve at least this.

But it is clear that Mr. Taitt's behaviour is symptomatic of the general disregard in which the Government holds the Barbadian masses.

Indeed, whilst not having guts enough to speak for the record on the recent motion of no-confidence in the Minister of Agriculture, Food and Fisheries introduced by NDP's Edgar Bourne, Mr. Taitt was on[^] of the most vociferous members of the Government's front-bench who relentlessly, in asides; poured scorn on the NDP's efforts to debate seriously the agricultural sector of our economy, of which the chicken-processing industry forms an integral part. The behaviour of Government members who remained silent for the record leaves three questions unanswered: Did they not find themselves able to honestly support the Minister of Agriculture? Was Mr. Taitt afraid to stand up and be counted lest he founds himself also the subject of the incisive and intensive interrogation of the Opposition? Were they all of the opinion that all is well in the Ministry of Agriculture, Food and Fisheries and more particularly, the chicken-processing industry? We know for sure the answer to the second question is in the affirmative. Mr. Taitt preferred to speak from a safe haven, albeit a coward's refuge. However, their position on the first question is not clear."

Mr. Speaker, later on in the article they went on to say:

"But what is one of the most disturbing aspects of the Government's response to the no-confidence motion is the fact that by their votes the DLP has sent abroad the message that it is no business of a black parliament to debate, never mind condemn, a possible conflict of interest situation revealed by a black parliamentarian and involving another black parliamentarian.

The NDP totally repudiates such conduct and all Barbados can now see that the DLP, by their votes in Parliament and by the stories generally bandied about by their supporting columnists, are prepared to give active support to that kind of misconduct in public office." 12.25p.m.

Mr. Speaker, I have no doubt that in due course the lawyers will discuss some aspects of this report, but I drew it to Your Honour's attention because, first of all, it was a dastardly and damning lie, it is destructive and it is viciously contemptuous of this Parliament. I cannot believe that the NDP referred to here could be the National Democratic Party, because the leader of that party would know very well that when this Honourable Member was standing up and facing bullets for him he would have been able to lead the miscreant who wrote this to understand that this Honourable Member could not be a coward.

He will be able to answer that in due course, but I believe that this is a matter that should be referred to the Committee of Privileges for its consideration, and it is in that context that I raise the matter here.

I believe the section I just read indicates that no Honourable Member in here is to be castigated by anyone at any time for any vote which he casts in this House, and furthermore for any Honourable Member to allow himself or his group to suggest that an Honourable Member in here is a coward is itself a form which I am not able to describe on the floor of this House.

I just wish to assure Your Honour, Sir, that the other aspects of this will be dealt with in due course, and any other Honourable Member on that side, or in that section of that side, who wishes to test my cowardice can feel free to do so at any time. I draw it to Your Honour's attention for what it is worth.

Mr. SPEAKER: In accordance with Standing Order 76 the Honourable Member has risen on a point of privilege and I so decide that the matter shall now be referred to the Committee of Privileges.

PAPERS LAID

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, I am commanded to lay the Civil Establishment General (Amendment) (No. 2) Order, 1989; also, the Customs (Amendment) Regulations, 1989; also, the Customs Tariff (Amendment) Order, 1989; also, the Customs Tariff (Amendment) (No. 2) Order, 1989; the Travel Ticket Tax (Rate of Tax) (Amendment) Order, 1989; and the Consumption Tax Order, 1989.

Hon. P. M. GREAVES: Mr. Speaker, I am commanded to lay the Report and Financial Statements of

the Barbados Port Authority for the year* ended 31st December, 1988; as well as the Annual Report of the Air Transport Licensing Authority for the year 1988.

PRIVATE MEMBERS' NOTICES

Mr. R. P. BYER: Mr. Speaker, I wish to give notice of the following Resolutions:

1. "WHEREAS there is serious public concern over the progressive deterioration in recent years of law and order in our society;

AND WHEREAS public policy should be directed to relieving such concerns among our citizens by the maintenance of law and order;

BE IT RESOLVED that this House call upon the Government to take immediate steps to arrest the deterioration of law and order in Barbados."

2. "WHEREAS the demand for land for house spots and adequate housing continues to increase;

AND WHEREAS these areas of unsatisfied demand are largely among the poor in our nation;

BE IT RESOLVED that this House urge the Government to implement land and housing policies to satisfy the needs of all our people."

Mr. P. J. M. MILLER: Mr. Speaker, I beg to give notice of the following Resolutions:

1. "WHEREAS the illegal traffic in and use of narcotic drugs has increased in Barbados in recent years;

AND WHEREAS drug trafficking and drug abuse are damaging to the orderly social and economic development of any society, and particularly our own;

BE IT RESOLVED that this House call upon the Government to institute measures designed to eliminate from this country -

- (1) the traffic in narcotic drugs
- (2) drug addiction; and
- (3) illegal use of all drugs,

and also to ensure that, thereafter, comprehensive controls are maintained in those matters."

2. "WHEREAS there are small businesses in need of financial, developmental, marketing and other assistance;

AND WHEREAS such small businesses can and do contribute significantly to the social and economic well-being and aspirations of our nation;

BE IT RESOLVED that this House urge the Government to implement effective programmes designed to assist the small business sector of our country.¹¹

Mr. E. BOURNE: Mr. Speaker, I rise to give notice of the following Resolution:

"WHEREAS the high level of unemployment in Barbados has for a long time continued to be a cause of grave concern;

AND WHEREAS the impact of joblessness has fallen most heavily on women generally, and young persons in our community;

AND WHEREAS the consequences of prolonged high levels of unemployment have had a serious negative effect on the entire fabric of our society;

BE IT RESOLVED that this House call upon the Government to implement policies and programmes to minimise the prevailing high level of unemployment¹¹

NOTICES OF QUESTIONS

Mr. D. J. H. THOMPSON: Mr. Speaker, I should like to give notice of a Question:

"To ask the Minister of Transport and Works -

1. Is the Minister aware of the absence of a tenantry road at Sunbury, St. Philip?
2. Is the Minister aware that there have been over three specific promises by successive governments to effect the building of the road?
3. If the answer to 2 above is in the positive, will the Minister please state the date of the proposed commencement of building of the road?"

12.35 p.m.

REPORTS FROM SELECT COMMITTEES

Hon. P. M. GREAVES: Mr. Speaker, there is a Report before this Chamber from a Select Committee set up by this House. That Report is ripe for being considered. It is a Report from the Select Committee on the Constitution of Barbados (Amendment) Bill, 1988.

I am proposing, Sir, that later in the sitting we move the adoption of this Report, Sir.

FIRST READINGS OF BILLS

On the separate motions of Hon. P. M. GREAVES, seconded by Hon. B. M. TAITT, the following Bills were read a first time:

A Bill to amend the Airport Service Charge Act, Cap. 59.

A Bill to amend the Stamp Duty Act, Cap. 91.

A Bill to amend the Representation of the People Act, Cap. 12.

A Bill to amend the Elections Offences and Controversies Act, Cap. 3.

and:

A Bill to amend the Consumption Tax Act, Cap. 63.

ORAL REPLIES TO QUESTIONS

Hon. H. A. BLACKMAN: Mr. Speaker, Sir, the Reply to Parliamentary Question No. 94, asked by the Honourable Member for St Thomas is ready.

ORDERS OF THE DAY

Mr. SPEAKER: Government Business is the instant order of the day.

SUSPENSION OF STANDING ORDERS

Hon. P. M. GREAVES: Mr. Speaker, I beg to move that Standing Orders Nos. 6, 16, 18, 20, 42(5), 43 and 44 be suspended for the remainder of this sitting.

Hon. B. M. TAITT: I beg to second that, Sir.

The question that those Standing Orders be suspended for the remainder of the day's sitting was put and was resolved in the affirmative without division.

GOVERNMENT BUSINESS

Mr. SPEAKER: Order No. 1.

Order No. 1 was called - To move that the House resolved itself into Committee of Supply to consider the grant of sums of money for the services of this Island.

On the motion of Hon. P. M. GREAVES, seconded by Hon. B. M. TAITT, Mr. SPEAKER left the Chair and the

House went into Committee of Supply, Mr. L. L. BRATHWAITE in the Chair.

COMMITTEE OF SUPPLY

Mr. CHAIRMAN: The House is in Committee of Supply.

SUPPLEMENTARY ESTIMATES 1989-90-NO. 1

HEAD 78 - MINISTRY OF HEALTH Subhead 8 - Minor Projects \$130 000

Hon. B. M. TAITT: Mr. Chairman, Sir, this Supplementary comes early in this year to provide a sum of money to allow for the link up of the complex of buildings at Jemmott's Lane which formerly housed the Barbados General Hospital which now houses the Ministry of Health and the Ministry of Education to the Bridgetown Sewerage System.

Back in 1981, arrangements were made for the various public buildings in Bridgetown to be linked to the sewerage system and a sum of \$572 000, under Head 42, Ministry of Transport and Works, Subhead 5, Maintenance of Property, \$572 000 were allocated to connect Government buildings to the Bridgetown Sewerage System.

In 1982, \$100 000 was allocated to the complex. But it does not seem that the Ministry of Finance made the monies available during 1982 for that particular project. And for the succeeding years, for one reason or another, the funds were not allocated and the complex was not connected up.

I became aware of it late last year and asked that the matter be dealt with as a matter of urgency, and this Resolution is the result.

Mr. Chairman, I have subsequently discovered that most of the buildings have, in fact, been connected up. My understanding is that there are some 15 that were completed by 1986 and then, there were another 10 which were completed since 1986. However, partly because

Aside.

Hon. B. M. TAITT: These are public buildings. If the Honourable Member seems to want to know some of them, they include St. Mary's Infants School, the Junior School, Harrison College, Wesley Hall, St. Ambrose, the School Meals Centre in Country Road, among other things, but almost all of the Government buildings in the Bridgetown area. But for some reason, the complex housing these two Ministries was not included. It seems as though there was some difficulty determining who was responsible for the complex, who should prepare the documentation because the Ministry of Education and the Ministry of Health share

the complex, but it was under the aegis of the Ministry of Housing and the sewerage connections were under the aegis of the Ministry of Transport and Works. 12.45 p.m.

Anyhow Sir, from last year the Government and Cabiner made a decision that the Ministry of Health will now have responsibility for the total complex and it is in that context that we took the initiative to have the sewerage system connected. Hence, we come for this \$130 000.

I believe the opportunity should be taken to say a few words about the sewerage plant at Lakes Folly in relation to the sewerage of Bridgetown, because there has been from time to time a tremendous amount of difficulty with the Bridgetown Sewerage Plant. As you know, the sewage flows from the service area of Bridgetown and it also receives septage hauled from the surrounding area. The plant was constructed and commissioned by 1982 as part of a long term programme to reduce the pollution load exerted on Carlisle Bay by domestic waste from Bridgetown.

Recently, the Government had an international company which happens to be functioning in Barbados in connection with another related project to do a survey or examination of the plant to discover why it was not functioning at the levels it should. Indeed, we discovered that between 1982 and the time that the study was done in 1988 that the amount of maintenance which ought to have been done on an ongoing basis within the plant had not, in fact, been done and, as a result, the system which is very sensitive has not been functioning in the way it was designed to function which led to the development of odours. There are a number of reasons given why odours were, in fact, generated in the plant that was determined to accept a certain quantity of sewage and septage. Certainly, one of the reasons given was that the plant has been forced to accept a larger quantity of septage than it was designed to accept as a result of the decision made in 1984 to shut off the Cowell Street dumping area which used to allow for septage to be dumped directly into the sea. The result has been that all of the septage hauled from the West Coast and South Coast and the surrounding Bridgetown area now has to go to the sewerage plant. There are certain adjustments which ought to have been made within the plant, but those adjustments appear not to have been made and this has created some difficulties.

I think it is fair to say that steps have been taken and are being taken to correct these deficiencies. These steps are being taken by the Barbados Water Authority and the sewerage plant should be functioning in the way it was designed to function within a few months, if it is now not so functioning.

I am also authorised by the Minister of Housing to indicate that land has been located for those remaining houses adjacent to the sewerage plant and that one of the

problems, as we have discussed before, was that they wanted to be moved to approximately the same place so they could retain the community as a single community. I believe to a large extent this will now become feasible because land has been located in an area not too far away from where they are which will allow for resettlement of these persons.

If any Honourable Members have any questions relating to the system, I will be happy to answer them to the extent that they have a bearing on health and, any details which we may have in that regard. But the urgency for connecting up the compound at Jemmotts Lane has become even more insistent, because the system which allows for raw sewage to go out into was by pipes which run parallel to the old jetty at Lower Bay Street and a series of manholes. We have reason to believe that this pipe has rotted and that some raw sewage is, in fact, emitting into the sea. This obviously is unacceptable and, therefore, steps have already been taken to have this connection made as a matter of urgency and by this House approving the \$130 000, if it does, we will be in a position to have the connection made as a matter of urgency.

Mr. Chairman, I therefore beg to move that this Head stands part.

Mr. CHAIRMAN: The Member for Bridgetown.

Mr. P. J. M. MILLER: Mr. Chairman, I will always support anything that is going to be done to alleviate what has become a very serious problem in the Chapman Lane area. The Honourable Minister alluded to the fact that from time to time - I do not want to misquote him - noise has been made about the conditions down there. I think it is a little more than noise. I think it is more than from time to time too. I think the Minister himself knows that the conditions in the area as a result of that plant are extremely bad. If the Minister will cast his mind back to the 1986 campaign, he would recall that we did not think that the people were being treated too well in that area by the then Government Well, clearly since then all they have got really have been promises, promises, and promises.

I am not going to suggest that the Minister is not really making an effort this time to alleviate the problem in that area. You see I do not think that any of the Honourable Members in this Honourable House nor yourself, Sir, could even start to understand what the conditions are like unless you have been there yourself and smelled that stench. It smells worse than anything you could ever think of. Think of the worst smelling thing. That is worse than it. That is the condition under which people try to eat their lunch on Sundays.

This is not a contentious matter as far as I am concerned, only to the extent that nothing seems to have been done about it. Clearly, Members on both sides can

agree with me that nobody should have to live under those conditions. The plant is in the centre of a residential area. Only on the western side of that plant is a warehouse and a few houses, but the other 3 sides of the plant are all residential. Clearly, if it does not function properly, one can appreciate what conditions people have to live under.

I would like the Minister to also give me some assurance, about what I call some sort of experiment that was being carried out at that plant, that it will come to an end. There is some strange matter, a greyish looking matter that is pumped on the lawns and around the trees at that plant. That in itself smells awful. It does not have the same stink smell as when the plant is burping, as I call it. It has a musty, strange, old smell. I gather that it was some sort of experiment to see if there was any way that some of the effluent from the plant could be put to use as a fertilizer. I do not know if that is true, but there was this stuff being pumped. I asked someone working by the plant and that is what I was told. 12.55 p.m.

A previous Minister of Health once told me any time I want any information on the plant I should ask the people working there. When I asked that is what they told me, so I was wondering what it is in the first place and if it is still going on.

The last area, Mr. Chairman, because as I said I do not believe that this is something for one to argue too much on, one is only happy to hear that something is being finally done - or is about to be done, as I was corrected - about the problem.

The Honourable Minister alluded to the fact that the Minister of Housing indicated that the residents are finally going to be moved. I would assume when he says the residents he means on both sides, the northern perimeter fence and the western fence. If this is so, I am wondering if we could get some indication as to where they are going. The people down there have been told that they were going so many places already, that they themselves want to know where they are going.

At one time it was indicated to them by someone purporting to be from the National Housing Corporation that they would be removed to Brittons Hill or Valery, Collymore Rock or somewhere like that. There was a lot of noise about that and that was squashed. Then a man purporting to be from the Ministry of Housing started measuring their properties, indicating that they would be moved to Passage Road. Then the Honourable Minister of Sports along with the Member for St. Michael West clearly indicated that there would be no such thing, that up there will be a playing field. So they were back to square one, still by the smell of the sewerage plant and not knowing where they were going. The last report I got from the Ministry of Housing was that these people were going to be

- to use the words of an officer from that Ministry - scattered around wherever they could find a spot of land to put them.

Aside.

Mr. P. J. M. MILLER: The only Comissiong I know in the City is a Reverend and he did a very good job at James Street Church when he was there, and he has done very well at funerals and so on. That is the only one I know.

Aside.

Mr. P. J. M. MILLER: The Honourable Member for St. John indicates that it is hereditary for them to do good jobs at funerals. I did not know that, but he would know about the other Comissiong very well, whoever he is. They are good friends, so I am not getting into that.

Aside.

Mr. P. J. M. MILLER: I see that the Honourable Prime Minister is wondering if Comissiong knows more than he, because he does not seem to know where they are going, from the way he is looking at me. But that is another matter.

Mr Chairman, in all seriousness, Sir, I believe it is only but fair that some indication be given - not necessarily from the Minister of Health, because he was only saying what he heard the Minister of Housing say, that the people will soon be moved, but I have heard that since 1986 and before by another Minister of Housing in another administration - so I think it is only fair that at some time in the very near future that the Government, through the Minister of Housing, indicate to these people where they are going. Although I hear *sotto voce* the Member for St. Lucy saying no, I do not think he means that. I think he would really join me in asking the Minister of Housing to let the people know where they are going, and in the soonest possible time. Clearly, you are asking them to continue to live in a very terrible area in terms of the smell, and at the same time you have them living with the uncertainty that they do not know where they will be going next.

With those few words, Sir, I would like to say that I would support this in the sense that it is going to assist in the repair to the plant at Lakes Folly.

Thank you.

Hon. H. deB. FORDE: Sir, the Minister in introducing the Resolution spoke only about the need to link up the remaining Government buildings.

Asides.

Mr. CHAIRMAN: Just a minute. I should like to indicate that all members are permitted to speak without any form of interruption.

Hon. H. deB. FORDE: He stated that the complex at the old General Hospital is one of those remaining Government buildings still to be linked up. I wonder whether the Minister will give this Committee a list of the other Government buildings within the environs of the Bridgetown scheme that remain unlinked to the sewerage system, and give us some idea of the schedule for linking up those buildings.

Some time ago as well, Sir, over a period of time during our administration, there was an appeal to the private sector to link up as soon as possible to the system. In those days moral suasion rather than any pressure was being used to persuade them to do a linkage. Has the Minister now any figures on the number of private businesses which have been linked up? And the number that remain unlinked?

Our Government also made arrangements for grants, not merely loans, to be available to dwellers within the City and within the area of the sewerage that extend, I think slightly beyond the main Bridgetown area, so that they can have the financial facilities for linking up to the scheme. In the initial stages not many people made use of those facilities. I should be pleased if the Minister would inform the Committee as to whether those facilities are now much more being used than formerly, and whether the link up has taken place before repaving of roads occurred in some of the areas.

I have had the benefit of seeing some correspondence from the Ministry to persons within the area threatening that if they are not linked up within a certain time legal action will be taken through the courts. The correspondence that I saw did not indicate to those persons the availability of financial grants and loans to assist them, and I wonder whether the Government has followed up on the provisions which we had within the Ministry for making people aware of these facilities.

I want, Sir, to go back as well to the decision to discontinue the pouring of septage at the Cowell Street area. In my view that was a very correct decision and in fact already we are reaping the benefits of the decision, in that there is definite evidence that the reefs and other marine life off the Bridgetown coast have revived significantly and once again we are seeing an increased amount of fish within the area. I understand that the deterioration in the reefs has ceased and one is already seeing that the water in that area has improved significantly in its clearness and also in its purity. The decision cannot be faulted in any way as a correct decision, and indeed I would like more and more to

see less of the raw sewage going into the coastline of Barbados outside of the Bridgetown area.

I am aware of the adverse consequences to our reefs, particularly off the Rockley coastline, which are still being caused by raw sewage seeping into the reefs of Barbados.
1.05p.m.

Whilst I am aware, Sir, that the Barbados Labour Party Government left in place provision for the establishment of the south coast sewerage scheme, I believe that whatever can be done in the meantime to minimize the damage pending the erection and establishment of that system would be much appreciated.

I have seen the beach at Rockley coming right back down to Gravesend suffering the ill effects of indiscriminate pouring of raw sewage into the sea off Barbados. The problem at the old hospital has been a problem that has been going on for some time. In fact, bathers in that area have noticed the raw sewage when they swim around. It is unhealthy for those people who use the sea. And if for no other reason than this, I would support this Resolution on that ground, to get rid of the problem that has occurred at that part of our coastline, Sir.

The Minister has not specified the particular maintenance problems of which he spoke. But I believe that those problems would have occurred much subsequent to 1984. Prior to 1984, from my memory of the Report of the Lawler MaTuskie team and during the period, certainly for which the former contractors were responsible, there were some breakdowns from time to time. But if the problems occurred subsequent to 1984, it was only when the throughput had increased significantly. Because at one stage, the complaint of the scheme was that there was not enough throughput going through the system. Now the complaint is that there is too much. And I can understand that. Because until we get the south coast and the west coast schemes on stream, and if we stop, for instance, the places where they have been dumping sewage, then we would expect that the throughput would have increased. But I do not know what is the nature of the maintenance problems of which the Minister speaks. Perhaps he could specify much more for the benefit of the Committee.

But it is my understanding, talking to some of the engineers who were involved in this initial project, that there have been problems there that possibly could have been avoided with maintenance. But I understand that the nature of those maintenance problems manifested themselves subsequent, very subsequent to 1984.

Dr. R. C. HAYNES: Mr. Chairman, just a very brief contribution on my part.

I am very interested to know what percentage of persons in the Bridgetown area have actually hooked up to

the sewerage scheme, as it was always my understanding that the malfunctioning or the inefficient functioning of the sewerage plant was due to the fact that not a sufficient volume of effluent was reaching the plant and therefore, the plant needed more effluent and more people to join up with the scheme.

Now I am hearing today that there is a problem because there is an overload at the plant. If there is an overload at the plant and there is an insufficient number of hook-ups in the Bridgetown area, then where is the additional sewage coming from? If you do not have enough persons hooked up and yet you have an overload situation, where is the additional sewage coming from? Or has there been an under estimation of the total volume of sewage which the plant would be required to handle from the Bridgetown area?

I should also like to support the position taken by the Honourable Member for the City. I have gone down there with him on more than one occasion and I can assure him that it is very difficult to identify, in strictly chemical terms, the type of malodorous emissions which one gets from that sewerage plant. And indeed, it must create a lot of difficulty for the persons living in the immediate vicinity.

I am very glad to hear that the Minister of Health has informed this Honourable House today and through this House, of course, the nation that the persons living in the immediate vicinity who are affected by the smells coming from the plant will be removed as soon as possible, and that every effort will be made to maintain a situation where they can live in close proximity to each other without breaking up the community. I am very pleased to hear that I know that it is a very pressing problem for the people in the city and I hope that something will be done in the not too distant future.

But what does surprise me, Sir, is that this Resolution falls under the heading of a minor project. The sum is only \$130 000 for a large number of buildings on the opposite side of Jemmott's Lane which I happen to visit from time to time. It is also, to my almost certain knowledge, that we were served at Delaware.....

Laughter.

Dr. R. C. HAYNES: - I do visit there from time to time too - with the appropriate notices to conform with the requirements of the law and to connect up with the sewerage system, without delay. And despite the serious financial strain and burden that would be caused with complying with such a legitimate request according to the law, by the Ministry of Health, it is as I say to my almost certain knowledge that we complied with the law. I believe that there are other private citizens in Jemmott's Lane who would have complied with the law some years ago.

Now the question arises and it does bother me, and I think it must be a matter of concern for the Minister as well, that here you have a Government building which accommodates large numbers of people, the Ministry of Education, one of the largest Ministries, the Ministry of Health, another large Ministry where you have had a problem with the discharge of effluent into the adjacent sea and all these years could have gone by and for \$130 000 nothing done.

I do not say this, Sir, as a criticism of the present Minister, because he has indicated that the matter was brought to his attention only recently, from what I can gather. And hence, he has hurried down here with a supplementary resolution. But it does indicate to me a kind of malaise within our administrative structure, not necessarily at the political level where this kind of thing can happen. That you can actually send letters out to people living next door to you and tell them that in the interest of the health of this nation, you need to conform with the law, you need to incur significant expenditure. And I am quite sure the kind of expenditure that individuals, either private individuals or corporate citizens who reside across the road, the percentage of their capital that they would have to expend on this kind of exercise would be far greater than \$130 000 for buildings that would probably be worth \$30 million or \$40 million or more than that, probably \$50 million, \$60 million across the road. 1.15p.m.

So that I think that this kind of thing should cause concern to Members of the House where successive Governments contributed - one Government who has put the sewerage scheme in place and another has continued to manage the sewerage scheme and has been actively looking at additional sewerage schemes, one for the West Coast and one for the South Coast. You can have a situation where the sewerage from the Ministry of Health and the Ministry of Education could still be going into the sea when, in fact, passing a few yards - just a few yards. I do not think it is more than 20 or 25 yards in front of those buildings that you had the sewerage system; at a time, if my initial observations were correct, when at the beginning of the scheme there was insufficient effluent and more than that the insufficient effluent in the system was not only causing inefficiency in its operation but, if I remember correctly, it was suggested that some of the actual breakdowns and some of the mechanical problems with the plant were due to the fact that they do not have a sufficient volume of effluent to handle.

So I think that this kind of thing really needs to be looked into. I am glad that the Resolution has come here. All I can hope is that since there seems to be a large amount of effluent that we ensure that the pipes along Jemmotts Lane are large enough to carry not only the effluent from the other side but also the effluent from the Government buildings as well so that we do not get any backup in that

area. I believe that the sewerage system in that area also accommodates a significant amount of drainage of rain water from the way how the sewerage systems were constructed around Jemmotts Lane because of the proximity to the sea and the ease with which you actually reach water level that a significant amount of water actually goes into the sewerage system along Jemmotts Lane.

Sir, we have no difficulty in supporting this Resolution and, before I wind up, I sincerely hope that we will see some action in the not too distant future in bringing some relief to the residents in the City who live adjacent to the sewerage plant. It really is awful down there. The smell, in fact, is not only offensive but it is somewhat nauseating. There seems to be some kind of sulphurous smell or something that comes out of the plant and, as the Honourable Member for the City said, not necessarily the typical type of smell that you get from sewage in general. It is like a continuous odorous smell I would say.

So Mr. Chairman, as I said, we support the Resolution and I hope that its coming here early in the financial year is an indication that there will be early action. I hope that when the Minister replies that he would tell us when he plans (1) to commence work on this project and (2) to urge on his colleague, the Minister of Housing, to begin to do something about the residents in the City who are affected by the smell.

Thank you very much.

Mr. CHAIRMAN: The Member for St. George South.

Mr. R. P. BYER: Mr. Chairman, I just want to be particularly brief about what I have to say. It is usual in these matters that the debate is confined to the subject matter under consideration. In this case, we are talking about the Bridgetown Sewerage Project.

As you know, Sir, there is the pulverization plant at Workman's in St. George which also deals with the disposal of garbage and things that we want to get rid of. The Minister and myself for sometime now have been working on a problem in St. George and, in his reply, I wonder if the Minister can give me some update as to the latest position if the information is available in relation to what the Ministry is doing about similar problems at the pulverization plant in St. George. In fact, the area that they had set aside for disposal of the refuse is now filter overflowing.

Mr. D. A. C. SIMMONS: Mr. Chairman, I just want to ask the Minister one question before he replies. I have raised it in here twice before. Government had been carefully monitoring the pursuit of arbitration proceedings in relation to the sewerage plant and I think that we had got some judgments overseas. Certainly, we got a judgment in Puerto Rico. I have been in receipt of correspondence that

suggests that the lawyers who were acting on behalf of Government in New York have been threatening to sue the Government for work done or alleged to be done.

I would wish to hear from the Minister whether there has been a Resolution and settlement of Government's alleged indebtedness to the firm of lawyers in New York and, in any event, I think the House deserves to know what is the status of the arbitration proceedings or the efforts to collect the outstanding debt which I believe is about \$2 million.

Hon. Dr. D. G. BLACKMAN: Mr. Chairman, I want to associate myself with this timely action undertaken by the Ministry of Health. As a regular bather at the beach which is almost adjacent to the complex of buildings to be linked to the sewerage plant, I have to flee frequently from the western portion of the beach to elsewhere because of the effluvia emanating from the direction of those buildings. I am not one of those hearty souls who persist in spite of the discolouration of the sea and the unpleasant odours like many Barbadians labouring under the fictitious belief that you can never contract an infection from the sea and many of them have been laid up in beds and so forth because of this strange superstition that many Barbadians cling to.

The whole question of sewage is problematic. It is always problematic when new technology is transferred to an environment where it has never existed before. 1.25 p.m.

There have been numerous complaints about the foul odours coming from the sewerage plant in the Emmerton Lane area, and there is a cleavage of opinion among engineers as to whether it is possible to build an odour free sewerage plant anywhere.

Those of us who drive about other countries are disconcertingly aware of the fact that from time to time we encounter seemingly strange and unpleasant odours normally coming from sewerage plants, but the wisdom which resides in the Water Authority is to the effect that this odour will disappear as soon as there is an optimum load of sewage being handled by the plant. The plant was built to handle two million gallons of sewage per day and is currently using 700,000 gallons of sewage. At the same time conventional wisdom there also holds that the problem of the odour is exacerbated by the fact that more septage is used than had been planned for. The capacity of the plant is geared to accommodate 5,000 gallons of septage and 35,000 gallons of septage is processed every day.

I have received several explanations as to the differentiation between sewage and septage, which differ from so called expert to so called expert, but the wisdom within the Water Authority is that septage relates to that waste that is hauled outside of Bridgetown and brought to the plant. The Water Authority believes really that there is

no material difference between sewage and septage and that the crucial difference is that the septage is hauled from outside the area. There are other 12 people with different views, depending upon the degree of liquidity of the one or the other.

There are several attempts being made to diminish the odours at the plant and the latest effort is to import a chemical whose suppliers assure us that it is 100% efficient. We will soon see whether this is a claim equivalent to that of the proverbial used car salesman or not.

At the present time there are some 680 connections made out of a total of 1,903. One hundred and fifty of these are inhouse installations, and the general view is that these houses are so insubstantial that they cannot meaningfully be connected to the sewerage plant. I do not know if these houses are included in the plan for relocation that has been referred to here earlier today, but if not, it would seem to me that a necessary pre-condition for hooking up these houses would be to replace them by more substantial structures.

I want to point out that there is a tremendous amount of education still needed by those persons who own private dwellings and businesses, and yes, even Government Departments, with-respect to the necessity to hook up at the earliest opportunity in order to promote health. There are still 29 Government buildings at the time of reckoning that are in default. The Water Authority is under instruction that wherever feasible it should undertake on its own initiative to effect the hooking up of these dwellings or business houses to the system, and then charge the owner of the property later for any costs incurred. It is hoped that in the interest of improving the financial situation within the Authority that persons make these connections as expeditiously as possible.

The Water Authority is currently operating at an accounting deficit, though not a cash flow deficit. This is due to a multiplicity of factors, many of them correctable in the medium term by beefing up the administrative procedures of the Authority itself, but I want to point out that when the Water Authority is looked at by itself it operates at a profit. The cause of the deficit is the financial position of the operation of the sewerage plant, which under the agreement entered into between the Government of Barbados and the Inter-American Development Bank requires that the Water Authority assume control for the operation of the plant. There is a link then between the possibility of more expensive water and the exercise of civic responsibility and obedience to the law by all those persons who are required to make these connections, because in making these connections as soon as possible, we improve the financial position of the operation of the sewerage plant and consequently the Water Authority.

I do not know that there are any other pertinent questions which I should respond to. Again, I support this Resolution and I hope that when the House authorises the Ministry of Health to act there will be immediate action to solve these problems.

Hon. M. A. KING: Mr. Chairman, I rise to respond to one specific point raised by the Honourable Member for St. Thomas in relation to the status of the proceedings which have been instituted in relation to the sewerage treatment plant.

The position is, Mr. Chairman, that a lot of the litigation proceedings have been completed. There have been arbitration proceedings where an award was given in favour of the Government. Proceedings were taken in Barbados, I believe in Puerto Rico and other places and decisions were taken in favour of the Government. What has followed since then is that the lawyers representing the Government have been in the process, let me put it that way, of taking proceedings to execute the judgments which have been given in favour of the Government. 1.35p.m.

Now one of the problems which I have discovered in the course of those proceedings is that they seem to be taking forever, and that innumerable bills are coming in from the lawyers. And it seems that the way the bills are coming in, the amounts which the Government is being billed for will some day soon, if we do not bring a stop to it, equal the awards.

Aside.

Hon. M. A. KING: Well, equal or surpass the awards which have been made in favour of the Government. So that a decision has to be taken as to what to do.

What the lawyers are suggesting is that proceedings be taken in Canada to execute the judgements, in New York, all over the place. Every minute a huge bill is coming to the Government in respect of these extra proceedings which are desired. So that one has to assess the situation and take a decision. After an analysis of the total situation it looks as if we are not getting very far and that the Government is being asked to pay for proceedings which are not likely to produce any results and that the time has to come when you decide to cut your losses.

So what we did was to decide well look, this is all pointless, because I mean, Government is not a milch cow. We cannot continue paying money without the prospect and hope of getting something back. We took a decision that we will try and bring a stop to this. What the lawyers who were representing the Government did then was not to sue for work done but to sue for the loss of fees which they were anticipating to collect, the contingency fees. They are saying that because we decide not to proceed to final

execution, we are going to sue the Government now because you deprive us of an opportunity to recover the contingency fees which we would have gotten. In my judgement, it looks as if we are being taken for a ride and we decided it was time to stop the nonsense.

What it has necessitated is that we find ourselves now in a lawsuit with the lawyers representing us because we decide to, what they say, deprive them of the opportunity to recover their contingency fees.

So that is the state where it is now and that is the litigation that we are involved in.

Hon. B. M. TAITT: Mr. Chairman, I believe that the two Honourable Ministers have answered the specific questions raised by the two Honourable Members. I should like to just deal with the others now.

And I should like to start by saying to the Honourable "Member for the City that I am unable to tell him what the experiment was that was going on to which he referred. I am not aware.

Aside.

Hon. B. M. TAITT: I am told it is sludge which is the residue when the sewage has been processed. There is a residue which sludge is usually carried and dumped at the landfill, because the sludge is considered to be harmless. Except we were a highly industrialized country, we would have metals in the sludge and we would then have to process it further for the removal of metals et cetera. There was an effort to cultivate a garden within the environs of the Plant itself with the sludge, that soon proved to be not feasible. It stopped a full year ago, the experiment so-called stopped or was supposed to have been stopped. Our information is that it stopped a year ago. But in any case, it has stopped and the experiment, whatever it is has come to an end.

I want to remind the Honourable Member for Christ Church West that we did not in fact, I hope I did not give the impression that I considered the decision to stop the dumping of raw sewage at Co well Street to be a wrong decision. I think it was a correct decision. Although there are many persons who argue that because of the direction which the swells take from Co well Street headed out to sea that the dumping of raw sewage would in fact not affect Carlisle Bay. I hold to the view that the dumping of any sewage into Carlisle Bay is unacceptable and, as a matter of fact, it is clear that there is another form of effluent which was going into Carlisle Bay from one of the industrial plants in Barbados which, from time to time, leave the fishes in the water in the area somewhat drunk, intoxicated. That is a fact, that anyone who goes diving in the Atlantis Submarine will, from time to time, see the odd fish behaving in a strange way. And we have come to the

conclusion that it was from an effluent which was coming out from one of the industrial plants with their product which the Honourable Member for the City would be very familiar ...

Aside.

Laughter.

Hon. B. M. TAITT: One of the former Members of the City. But, Sir, even so, the reef, such reef as there was in Carlisle Bay has died and there is not much hope of its reviving. However, fish have come back into Carlisle Bay, ever since we have been taking certain steps.

I want to give him the assurance therefore that what we indicated was that the amount of septage which has to be hauled to the plant has increased considerably as the Honourable Member mentioned. But it has to be made clear that, whereas the problem was multiplied between 1984 and 1986, what we are attempting to do now is to solve the problems. This Government is a Government that when we come upon problems, we solve them. Whenever the Minister of Health has become aware of a potential danger, the Minister of Health has acted promptly in defence of the people, and has been quite surprised at some of the statements made recently by some Honourable Members inside and outside of this Chamber. Because those Honourable Members know that, for example, Mr. Chairman, almost from the day the Minister of Health became aware of certain nefarious practices alleged that the Minister took immediate steps.

The Minister of Health had no responsibility, and still has no responsibility for the licensing of the chicken farms. But immediately after it became within the purview of his knowledge, he took steps, and can now state categorically that all of the medium and large sized farms in Barbados who process chicken have come up to the standard or have gone out of business. They have been licenced or they have gone out of business. The only one that falls into that category is the Barbados Marketing Corporation which was recently given an additional 15 days because the engineers installing the freezing equipment said they needed another 15 days.

So that to the call by the Leader of the Opposition and his motley band that they wish responses, let me say to him that there is nothing to enquire into. The responses have been given. The Minister has acted decisively. I was very pleased to hear him say that he is pleased that the Minister has acted promptly on this matter. 1.45p.m.

On the question of the massive holdings on the other side of Jemmotts Lane.....

Asides.

Hon. B. M. TAITT: You do not have massive holdings. The massive holdings on Jemmotts Lane - the property at the corner where Delaware is located. You referred to Delaware. It is worth at least \$2.5 million.

Asides.

Hon. B. M. TAITT: I am sorry, Sir, \$4.5 million. So that with regard to his being called upon by the Ministry of Health to sewer his property or the property of the corporate giants as he puts it

Asides.

Dr. R. C. HAYNES: Mr. Chairman, it just suddenly dawned on me.....

Mr. CHAIRMAN: What has the Honourable Member risen on?

Dr. R. C. HAYNES: That the statement by the

Mr. CHAIRMAN: What has the Honourable Member risen on?

Dr. R. C. HAYNES: The statement by the Minister about the value of Delaware Medical Centre is incorrect and I shall record that because it has implication for land * tax payments.

Mr. CHAIRMAN: I still do not know on what point has the Honourable Member risen?

Asides.

Hon. B. M. TAITT: Sir, it is clear that the Honourable Member wishes the Minister of Finance not to be aware of all that he should be aware of. I want to make this point that « Ministers of Finance are very peculiar persons. Except for this Minister of Finance, all the others that have held the portfolio between 1982 and the present appear to have acted in the same way in unison when it came to the release of funds. It is one thing for the Parliament to pass the sums of money for the connecting up of the various properties, but they can only operate if the funds are, in fact, released by the Minister of Finance. While I cannot speak with absolute certainty as to how the Leader of the Opposition behaved as a Minister of Finance in regard to this specific property, I^H can say that he had the same mien and manner as his predecessors in the business of releasing funds.

Let me merely say that in

Aside.

Hon. B. M. TAITT: ...Except for the Ministry of Tourism. I do not understand how the Honourable Member for St. Michael South Central could be going around the

country talking about the inefficiency of the Minister of Health when he himself was among the persons who stated categorically that, when it comes to releasing money, he can always put it in the hands of tourism because they were *ad idem* on the efficiency on which the funds were spent.

Asides.

Hon. B. M. TAITT: Mr. Chairman, Sir, in the 1981-82 Estimates, in fact, Subhead 17 there was a total figure under Subhead 17 of \$129,000 and Subhead 17 said, "Sewering of Ministry's Properties. This Subhead provides for the cost of connecting the various properties under this Ministry's control into the new Bridgetown sewage system".

As early as 1981-82 the Ministry of Health sought to get the funds for the connecting of this property to the sewerage system. Therefore, Sir, up until 1986 it was the failure to release the funds which has resulted in this difficulty and between 1986 and the present the difficulty was determining who was responsible for putting forward the project. As a matter of fact, Sir, at the risk of being pedantic, I just wish to give you some idea of how the Minister of Health operates. I was looking at the file, Sir, and I realized that the communication at 1 in the file was dated 1988/09/14 and that is the one which drew the matter to the attention of the Senior Medical Officer of Health. That was dated on September 14, Sir, and the Minister wrote in the file on September 16 - "Permanent Secretary - We discussed immediate steps should be taken to have a supplementary provision to deal with this dangerous situation." Now that is 2 days.

I sometimes get very concerned at some of the statements which are made by some Honourable Members. I am saying to you, Sir, that within 2 days of becoming aware of this matter the Minister of Health acted to have the funds and today we are voting for them. I give the House the assurance and I give the Honourable Member.....

Asides.

Hon. B. M. TAITT: It had nothing to do with the Ministry of Finance. The Ministry of Finance for the record acted expeditiously and the Minister of Finance of the day wrote on the first occasion that it came to him:

"P.S. Finance -1 approve. 1989/06/29."

So far as the politicians are concerned, the matter arrived at him on 89/06/27 and he pronounced on it on 89/06/29. So the 2 politicians acted within 2 days each.

Asides.

Hon. B. M. TAITT: We have no difficulty, but there are certain technical matters which the Honourable Member as Minister knows must be pursued in these matters. There

must be designs before the matter can go out to tender and before we can get an estimate. All of these things have to be done.

Mr. Chairman, I just want to deal with the other question raised by the Honourable Member for St. George North.

Aside.

Hon. B. M. TAITT: ...St. George South, Sir. Mr. Chairman, you saw the speed and manner in which he corrected me. I thought we were close friends.

Aside.

Hon. B. M. TAITT: You are! Lord, save me from my friends.

Aside.

Hon. B. M. TAITT: Oh! I understand, Sir. I cannot recognize anybody outside of here, Sir. I understand that certain circumstances and the line of sight vision of the Honourable Member for St. George South have connected up with certain persons and, as a result, Sir, they will be agitated.

Aside.

Hon. B. M. TAITT: Mr. Chairman, Sir, so far as the pulverization plant is concerned, the steps that we have taken are that a heavier cover is being put on the solid waste as it is reduced to a smaller size. One of the problems had to do with where they were putting it and how much cover was being administered until such time as the solid waste plant is acquired. We have started the proceedings to acquire. As you know, it will take more than a couple of years before it comes to fruition. We have started the process of installing a massive solid waste disposal plant. We have identified where we are seeking the finance and we are seeking the finance to have it in as expeditiously a manner as possible. In the meantime, we have to take steps to deal with the landfill at Mangrove and the solid waste disposal plant at St. George, so that we have reduced the volume that is processed at St. George in a given day.

I might say, Mr. Chairman, that we have also identified what is possibly the last landfill area that we can find in Barbados and we are taking steps to have a scientifically prepared landfill at that area. We are now negotiating with the owners of the land. The problem in Barbados with landfill is that there is nowhere in Barbados now that is not within a reasonable distance of some neighbourhood where the land is not in Zone 1. It means, therefore, that landfills will become a thing of the past for Barbados within a very short time. We expect that the cement plant will provide when it has excavated certain

areas to a certain depth the basis for additional landfills. The distance to St. Lucy will mean that such a landfill would be operative for the northern and middle parts of the country but not necessarily the southern areas. 1.55p.m.

When the new landfill becomes operable, we will seek to reduce the use of the two existing landfills, that is to say, the one at Workmans, St. George and the one at Mango Pond in St. Thomas until we phase them out, but in the meantime we have introduced a regime for their use. For example, at Mango Pond after a meeting with the residents between the Honourable Member for St. Thomas and officials from the Ministry we have come up with a regime for its use, including a continuing 24 hour security, including preventing any illicit trucks from going on the dump. Some of them were in fact hauling septage and loading it on to the landfill, in the area adjacent to the landfill, in an unauthorised manner and we are reducing the times within which raw sewage or raw septage can be deposited in the two acre lot next door.

I have reason to believe, from the reports which have come, that this has improved the situation considerably, but the Government is quite concerned and sympathetic with citizens in all the immediate and surrounding areas when they complain about the stench and the inconvenience, and we wish the population to understand that we will do everything that is humanly possible to make it comfortable for them.

The Honourable Member for the City raised questions about the movement of persons from around the existing sewerage plant. I am unable to tell him exactly where the persons will be going. He indicated that all the people were getting were promises. If in fact the Minister of Housing had moved them to disparate parts of the country, it could have been accomplished within a matter of months after we got into office. However, out of humane consideration and on the direction of the Honourable Member for the City, in co-operation with the Honourable Member for the City, who is now not in his place, and I regret that, but it was agreed with him and the Honourable Members on this side that we would seek to put all those persons in the same place so that they could continue a homogeneous community. Therefore, for him to suggest that we have been delaying the matter for some other reason than the humane reason of trying to keep them together is to be quite unreasonable and unfair to the Minister.

Even so, we might not be able to guarantee, if they are more than a certain number, that all of them will be able to be in the same place. However, to the extent that it is possible and feasible they are going to be in the same place, so the Honourable Member can go and discuss this with his colleagues wherever they discuss these matters and let the people know that the Government of Barbados is acting as

it always does, with expedition and in a humane and gentle fashion.

Mr. Chairman, I believe I have answered all of the relevant questions and so I can only give this Committee the assurance that so far as this project is concerned, within hours of the House passing this Resolution steps will be put in train for the connecting up of this project.

There were two other questions which the Honourable Member asked which I think have been answered, and so I beg to move that this Head stand part.

The question that Head 78 stand part was put and resolved in the affirmative without division.

On the motion of Hon. P. M. GREAVES, seconded by Hon. B. M. TAITT, Mr. CHAIRMAN reported the passing of one money Resolution in Committee of Supply, and Mr. SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Hon. B. M. TAITT, seconded by Hon. P. M. GREAVES, the Resolution was read afir^ and second time and agreed to.

SUSPENSION OF SITTING

Hon. P. M. GREAVES: Your Honour, I move that the House be now suspended until 3.30 p.m.

Hon. B. M. TAITT: I beg to second that.

The question was put and resolved in the affirmative without division, and Mr. SPEAKER suspended the sitting accordingly. 2.05 p.m.

ON RESUMPTION Mr. SPEAKER:

This sitting is resumed. Order No. 6.

AIRPORT SERVICE CHARGE (AMENDMENT) ACT, 1989.

Order No. 6 was called - To move the Second Reading of a Bill to amend the Airport Service Charge Act, Cap. 59.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, the purpose of this Bill is to amend the Airport Service Charge Act, Cap. 59 so that the proposals made in my Financial Statement and Budgetary Proposals to this Honourable Chamber on the 26th April, 1989 relating to an increase in the airport service charge would be given effect.

This Mr. Speaker, is a Bill which seeks to give effect to what has already been approved. This is the enabling legislation now which would complete that particular

process. It is a very simple Bill, Sir, and the purpose of it is really to increase, with effect from the 1st May, 1989, the airport service charge which is familiarly known as the departure tax from \$16 per person to \$20 per person.

Unless there are questions raised by Honourable Members, I would seek to answer those questions, but at this stage, I beg to move that this Bill be now read a second time.

Hon. P. M. GREAVES: I beg to second that, Sir, and reserve my right to speak.

Mr. SPEAKER: The Honourable Member for St. Thomas.

Mr. D. A. C. SIMMONS: Mr. Speaker, Sir, I just wish to draw a couple of things to the Prime Minister's attention.

During the Budget Debate, of course he would not have had enough time to go into all the individual proposals made by the Minister of Finance. But there are one or two anomalous matters with this travel ticket tax, the airport tax, that even though I am not speaking specifically about the airport tax, the departure tax, I want to speak about the ticket tax, in a related way. And there is an anomaly, Sir.

If a travel agent in Barbados sends an airline ticket to, let us say, a person in Antigua, that ticket attracts 20% in Barbados and 10% in Antigua. So that there is a double hit of tax on that person. It is restrictive to some extent of the flexibility and the freedom of travel agents to send tickets overseas for even Barbadians who are, let us say, a family or a couple of children in New York who are coming home on holiday and the parents buy a ticket in Barbados and we send it over to New York for the children, it attracts the tax in Barbados, even though the journey originates in America.

I think it might be considered unfair or unusually burdensome on, particularly Barbadians who reside overseas, if the business is done in Barbados and the ticket has to be sent overseas.

Similarly, if you are a local agent who is asked to send a ticket for someone, let us say, to go from Miami to the Bahamas or Miami to Toronto, that ticket attracts tax, even though, the person, the passenger does not physically come to Barbados. The ticket originates in Barbados in the sense that the travel agent sends it out of Barbados, but the trip does not originate in Barbados.

And I think that these are one or two anomalous situations that perhaps in time the Minister of Finance could address with a view to seeing if there is any unfair disadvantage or discrimination.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, I should like to thank the Honourable Member for St. Thomas for drawing this particular matter to my attention. I wish to give him the assurance that I would examine the points that he has raised with a view to seeing if there are grounds for making some changes in this particular regard.

Thank you.

The question that this Bill be now read, a second, time was put and was resolved in the affirmative without division.

On the motion of Hon. P. M. GREAVES, seconded by Hon. M. A. KING, Mr. SPEAKER left the Chair and the House went into Committee on the Bill, Mr. L. L. Brathwaite in the Chair.

COMMITTEE

Mr. CHAIRMAN: The House is in Committee.

Clauses 1 to 3 inclusive were called and passed.

On the motion of Hon. P. M. GREAVES, seconded by Hon. M. A. KING, Mr. CHAIRMAN reported the passing of one Bill in Committee and Mr. SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Hon. P. M. GREAVES, seconded by Hon. M. A. KING, the Bill was read a third time and was passed. 3.40 p.m.

STAMP DUTY (AMENDMENT) BILL, 1989

Order No. 7 was called - To move the Second Reading of a Bill to amend the Stamp Duty Act, Cap. 91.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, this Bill is also one following upon the presentation of the Financial Statement and Budgetary Proposals on April 26, 1989 and during the presentation of those measures I made the following proposals:

- (1) That with immediate effect all non-CARICOM imports which are now subject to a rate of stamp duty of 15% would be subject to a rate of 20%.
- (2) That the new rate of stamp duty will not apply to machinery and equipment imported for use in the manufacturing sector nor to the requirements for the refurbishing and upgrading programme in the tourism sector. Stamp duty on those items would remain at 15%.

- (3) The stamp duty in respect of agricultural inputs would be removed with immediate effect
- (4) The items which are now subject to stamp duty at the rate of 10% could continue to enjoy that privilege. All other rates of the existing regime of stamp duty would remain unchanged.

This short Bill, Mr. Speaker, seeks to give effect to those measures and I beg to move that this Bill be now read a second time.

Hon. P. M. GREAVES: I second that, Sir, and reserve my right to speak.

Mr. SPEAKER: The question is that this.....

Dr. R. C. HAYNES: Mr. Speaker, I have already expressed my views on these matters during the debate on the Budgetary Proposals and I do not think it necessary to make any further intervention at this point. There will be ample opportunity for a review of the matter at the next Budget and we will await that occasion.

Mr. D. A. C. SIMMONS: Mr. Speaker, Sir, I am not going to be long on this. As I understand it, Sir, this is an attempt to standardize relief from duty. There are some aspects that I would like to hear the Minister of Finance address. As I understand it, at present producers are granted waivers at the discretion of the Minister, or it had been so until recently. We would like to know, Sir, what is the cost to the revenue of the waivers where the Minister waives duties generally. We would like to know what is the cost to the revenue of the waivers. In the Budget this year, Sir, the Minister so far as I can remember cited a figure without saying whether it was net of the amounts now granted by waiver or not. Since waivers are now granted, their cost is really no additional loss to the revenue. There were figures given estimating what removal of stamp duty would result in a leakage from the revenue. I am asking the Minister if he can tell us whether those figures are not and whether the waivers that has been granting in the past amount to "X" dollars and what would be the effect of this legislation having regard to what was done by discretion before, Sir.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, I think the Honourable Member well knows that that is not information that can be readily given on the floor of the House spontaneously. I will certainly communicate to the Honourable Member if he wishes to get that information through the House or if he wishes to ask a formal question. However he wishes it to be done, I will be willing to respond. Generally speaking, any new measures introduced in the Budget or any reference to waivers would generally refer to additional or new waivers and would not necessarily include what was being done before. I would just make that general point, but I will have the matter researched further so that information may be given.

The question that this Bill be now read a second time was put and resolved in the affirmative without division.

On the motion of Hon. P. M. GREAVES, seconded by Hon. M. A. KING, Mr. SPEAKER left the Chair and the House went into Committee on the Bill, Mr. L. L. BRATHWAITE in the Chair.

COMMITTEE

Mr. CHAIRMAN: The House is in Committee.

Clauses 1 and 2 were called and passed.

On the motion of Hon. P. M. GREAVES, seconded by Hon. M. A. KING, Mr. CHAIRMAN reported the passing of one Bill in Committee, and Mr. SPEAKER resumed the Chair and reported accordingly.

On separate motions of Hon. P. M. GREAVES, seconded by Hon. M. A. KING, the Bill was read a third time and passed.

CONSUMPTION TAX (AMENDMENT) BILL, 1989

Order No. 11 was called - To move the Second Reading of a Bill to amend the Consumption Tax Act, Cap. 63.

Rt Hon. L. E. SANDDFORD: Mr. Speaker, this is yet another of the Bills consequential upon the presentation of the 1989 Financial Statement and Budgetary Proposals. 3.50 p.m.

During the presentation of that statement and those proposals I indicated (1) that with immediate effect all non-Caricom imports which are now subject to a rate of stamp duty of 15% would be subject to a rate of 20%; (2) that the new rate of.

(Aside)

Rt. Hon. L. E. SANDIFORD: I am sorry. I have two files here.

Mr. Speaker, as I have indicated, this is consequential to the Financial Statement and Budgetary Proposals which I delivered on 26th April, 1989, and on that occasion I made the following proposals in relation to the Consumption Tax:

- (1) the removal with immediate effect of Consumption Tax on agricultural inputs, on certification by the Ministry of Agriculture;
- (2) the removal with immediate effect of Consumption Tax on machinery and equipment for use in the manufacturing sector;

- (3) with immediate effect the rates on all those items subject to Consumption Tax of 9% would be increased to 10% and all other rates, except those on motor vehicles, would be increased by three percentage points; and
- (4) with immediate effect the Consumption Tax on soft drinks should be changed by the litre as follows: and I had indicated the details during the presentation.

This short Bill seeks to give enabling effect to those particular proposals, and I beg to move that this Bill be now read a second time.

Hon. P. M. GREAVES: I beg to second that, Sir, and reserve my right to speak.

Mr. D. A. C. SIMMONS: I wonder if the Prime Minister is in a position to say whether he is now satisfied that within his Ministry the definitions in relation to machinery, equipment, materials and supplies for use in agriculture have now been settled to the satisfaction of the officers in the Customs Department.

Shortly after the Budget Speech there was a lot of unhappiness where people connected with agro industries sought to have the benefit of what the Prime Minister had introduced during the budgetary proposals, and there was a tremendous amount of frustration engendered, because in the Customs Department the interpretation that was being given to the language of the Prime Minister during the budgetary proposals was not consistent with the expectations of those in the agro industrial sector.

Specifically I know of a case where a farmer who is in manufacturing - indeed he is in the manufacture of rum - was importing two bits of machinery from different suppliers for use in his factory, which is agro based, and the interpretation that was put on it was that he was importing parts.

I believe that the matter hung fire for a number of days. I do not know if it was ever settled, but it was a complaint that I had heard. It was not even raised with me specifically, I happened to be in a group and people were talking about this.

Similarly, in respect of irrigation equipment and in respect of the use of land rovers or that type of vehicle in the agricultural industry. Those bits of equipment were denied the benefit of the budgetary proposals. That is why I was asking if all of those grey areas of interpretation have now been clarified so that we will have no future difficulty, having regard to the passage of this Bill today, because I think we must always remember that a taxing statute must be certain, and there cannot be room for several different interpretations. I think the way it came across in the Budget

was unclear. It is not the first year that that has happened, but it was unclear and it admitted of a variety of interpretations in the Customs Department.

Secondly, Sir, I understand the need to get through this legislation today or tomorrow, so I am not going to hold up the House, but I must say in a general way at this stage that there can be no doubt that the budgetary proposals of this year, allied to the budgetary proposals of last year and the wanton introduction of consumption taxes on a wide range of goods has resulted in a substantial increase in the cost of living. I do not care what the official report will say, I do not trust them any more, so if they are going to tell me 6%, I know what I feel in my pocket and what my wife, who shops, comes back and tells me and shows me as a basket of goods for \$200 or \$150 or whatever. I am not going to make a fuss about it today, I am just warning the Government that in the public domain they should keep their ears to the ground and they will find out that the people are dissatisfied with the level of the cost of living in Barbados, and it is largely attributable to the imposition of consumption taxes without a sense of feeling.

That is all I will say today, Sir.

Dr. R. C. HAYNES: There is one brief point I wish to make. I do not want to deal with the consequences of the very large increases in consumption taxes at this point in time. This Bill actually deals, as I understand it, with only the adjustments in consumption tax in respect of agricultural inputs and in respect of machinery and equipment in the manufacturing sector.

When the Right Honourable Prime Minister read out the number of adjustments that he made, he also made adjustments to the various rates of consumption tax. I do not clearly recall whether the enabling legislation was brought to the House already for the adjustment of the rates, the basic rate and the other rates that were changed at the time of the Budget, so I just ask this in the event that it has not been done it might be a matter of embarrassment. I am not sure whether it has been done or not, it is not my recollection, but unless clause 2 by adjustment and renumbered on those paragraphs has some significance, it would seem to me that this Bill addresses only the adjustments in respect of what are stated in the Addendum, but there were additional budgetary measures which may or may not be the subject of legislation prior to today.

I do not recall, it is just a question I am asking.
4.00 p.m.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, let me in replying deal with the last matter first. I did in fact lay an Order today and this is the Schedule to the Order which sets out - it was laid today just after the start of proceedings, Sir, and I think that would have the answer. The Order has been made and it was laid today.

If I may deal with the question raised by the Member for St. Thomas, no particular matter has been drawn to my attention in respect of the matters which have been raised by the Honourable Member. I did seem to hear about Land Rovers and whether they could come under the provisions and I am not sure. But these are matters which are dealt with at the official level. If there is a problem that calls for some policy determination or some such matter, then they would be referred to me. But the whole question of the tax regime and the people who seek to benefit under that tax is one that is ongoing. Those who are seeking to import things, seek to import them under as favourable a condition as possible and the Customs Department and the other tax collectors seek to ensure, that as far as possible, the wording and the intention of the legislation is in place. A lot depends on whether there is a strict interpretation or a liberal interpretation of the particular measures. We must not be too idealistic about this. And while we accept that it is ideal to have the measures certain, it provides ample opportunities for Attorneys-at-Law and other representational agents to argue their case. So I do not think this will ever end. We will have these kinds of representations, from time to time.

Aside.

Rt. Hon. L. E. SANDIFORD: Well, that is why I said I had heard about the problems, Mr. Speaker, with the landrovers. And the question was whether, in the circumstances, it was really for agricultural purposes or for other kinds of purposes which may be more predominant than agriculture. I do not know. That is a matter for the interpretation. There are always these, as the Honourable Member calls it, these grey areas which come up for interpretation and determination and things like that.

But you can be assured that the measures were intended to give additional incentives and assistance to the agricultural sector. That was the intention. I believe that a number of persons are benefitting under this particular regime and that it is contributing hopefully towards the resuscitation of the agricultural sector. At least, that is the intention. If in fact that is not so, I would be the first one when the information is available to come and say what the position is and what further steps, if any, may be required and may be possible in those circumstances.

But let me say that this represented a very positive step, not only to talk, but to do something in order to respond to the very questions that were raised by the persons in the sector themselves.

Thank you, Mr. Speaker.

The question that this Bill be now read a second time put and was resolved in the affirmative division. without ion.

On the motion of Hon. P. M. GREAVES, seconded by Hon. M. A. KING, Mr. SPEAKER left the Chair and the House went into Committee on the Bill, Mr. L. L. BRATHWAITE in the Chair.

COMMITTEE

Mr. CHAIRMAN: The House is in Committee.

Clauses 1 and 2 were called and were passed.

On the motion of Hon. P. M. GREAVES, seconded by Hon. M. A. KING, Mr. CHAIRMAN reported the passing of one Bill in Committee and Mr. SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Hon. P. M. GREAVES, seconded by Hon. M. A. KING, the Bill was read a third time and was passed.

Mr. SPEAKER: Order No. 2.

RESOLUTION TO APPROVE THE GUARANTEE OF THE PAYMENT BY THE BARBADOS DEVELOPMENT BANK OF THE SUM OF \$10 000 000 AND INTEREST THEREON PERTAINING TO AN EIGHTH ISSUE OF NATIONAL DEVELOPMENT BONDS AND FOR DISCHARGING CERTAIN OF THE BANK'S FUNCTIONS.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, Sir, this Resolution seeks to provide a guarantee to the proposal of the Barbados Development Bank to borrow \$10 million by way of the issue of National Development Bonds, as a means of financing the operations and activities or assisting in financing the operations and activities of the Barbados Development Bank. Under the terms of the Barbados Development Bank Act, certain steps have to be taken in relation to the giving of that guarantee and this particular Resolution seeks to follow those steps. 4.10p.m.

This is I think the 8th issue of such National Development Bonds. There is nothing new in the concept of issuing development bonds. It is an ongoing process and it is in order to enable the bank to carry out the very important and crucial purposes for which the bank has been established. Those purposes, Sir, are set out in the legislation, Chapter 323, and the bank has a duty under that legislation at Clause 4 to facilitate and encourage savings and investments, to assist persons in establishing, carrying on, or expanding development enterprises by granting loans and other forms of financial assistance to such persons and to assist persons in establishing, carrying on, or expanding small manufacturing businesses and small retail businesses by granting loans and other forms of financial assistance to such persons.

In order to perform those duties, the bank has certain general powers including the provision of financial assistance by way of loans, the purchase of debentures, participation in any share issue, or by guaranteeing loans from other investment sources to persons wishing to establish, extend, or modernize any development enterprise. There are a series of other steps which the bank may take in the performance of its duties. Those are set out at Clause 5 of the Barbados Development Bank Act, Cap. 323.

Now we can see from those purposes that the Bank has a most important function to perform and it is a crucial institution in this country. Development is what Barbados is about. We all wish to improve the quality of life in this country and we wish to increase the level of economic activity and the involvement of people in that activity, so that they themselves may have an enhanced standard of living and that they can share from an increased national cake. That is what the business of Barbados is about and in pursuit of this particular objective a number of institutions have been established and others may have to be established. A number of practices and procedures are set in place in order to facilitate that process of development.

We live in a world and in a country that relies substantially on the workings of the market place in a large number of instances in order to allocate the resources necessary for the performance of economic functions. In order for the Barbados Development Bank to fulfill its duties and to attain the purposes for which it has been established, it must have funds. The sources of funding for the Bank is its authorized capital and I believe that stands at \$13 million which I believe is the authorized capital of....

Aside.

Rt. Hon. L. E. SANDIFORD: Now let me check on the figures, Sir. Let me be accurate about that because we are proposing to increase the authorized capital of the Bank. Thirty million dollars (\$30 million), Sir, is the authorized capital. That has been one source of the funding for the Bank.

Secondly, I think that is the input of the Central Bank. I believe it provided some \$7 million of the Bank's capital. Then there are loans from international agencies and two, in particular, we are concerned about in this particular measure that is before us - one being a loan from the European Investment Bank and the other one a loan from the Inter-American Development Bank, both of which are relevant to the matter that is before us now. Then there is the issue of National Development Bonds which we are seeking the guarantee for the raising of \$10 million through that particular process. The other source really is the activities of the Bank, that is the returns that the Bank gets on the loans which it has made/For that to be a beneficial

source of funds for the Bank, the loans would have to be performing loans in that the interest and repayment of principals would be taking place in an orderly manner.

Now the Bank has experienced some difficulties largely because in the last category that I mentioned of loans. The number of loans have been nonperforming and the Bank has had to make substantial provisions for loan losses and for bad debts from time to time because of problems encountered in that particular area. It does not take a Solomon, Sir, to understand that if loans are made to an individual or to a company, or to a partnership that the Bank expects to be repaid the principal and the interest on the amount of money or loan over a period of time. It must be recognized also that if the loans are in sectors of the economy in which there are either weaknesses or recessionary tendencies, then chances are that the people who borrowed the money to operate comfortably in the particular sector might find difficulty in the repayment of the loan if that particular sector or those sectors are experiencing difficulties. That is substantially what happened. 4.20 p.m.

A large percentage of the loans of the Barbados Development Bank was in the area of tourism, in the area of manufacturing and industry, a smaller number was in the area of agriculture, and these are the areas which during the early 1980's and beyond experienced considerable difficulties.

Aside,

Rt. Hon. L. E. SANDIFORD: Earlier and before? The economy of Barbados was in recession and the Bank had loaned funds to people who had invested in those areas in which the recessionary trends were hardest felt. For these, Sir, and for other reasons - and this is not partisan, I am trying to give a historical background to the present position of the Bank - and with the deepening of the recession the Bank's balance sheet started to show the results of that recession.

The losses accumulated and increasing provision was made for loan losses and for bad debts, and all of these have fed into the situation and status of the Bank, so that at the 31st March, 1988 the Bank in terms of its balance sheet was insolvent. I refer to that as a balance sheet insolvency, but the Bank has been able to continue to operate to meet demands for loans and to meet its other commitments and obligations, because there was really not a liquidity insolvency. What has happened is that the shareholders' equity is being eroded in relation to the liabilities of the company.

What is required is a package of proposals to resuscitate, to restructure and to refinance the Bank, because here is no question about it, the Barbados

Development Bank is an essential financial institution in this country and this Government is committed towards the continuation, the expansion and the development of that Bank. Just as we established the Bank - I believe the legislation was 1963 but the Bank actually got going some years later - just as we have nourished it through its infancy and it has expanded and grown ever since that time, we are prepared to ensure that it continues to provide funding and advice and other assistance to those who wish to participate in the economic life and make a contribution to the growth of the country.

What the Bank needs then is the provision of new resources, and that is why the Government is proposing a five point plan for the recapitalisation and restructuring of the Bank. Those five points I will indicate now, Sir.

First of all, there are the proceeds of the European Investment Bank loan of I believe some Bds. \$9 million approximately or \$9.5 million on which the Government is concluding negotiations with the European Investment Bank, and the guarantee for that was given by this Honourable Chamber not so long ago, and we are proposing to on-lend those particular funds to the Barbados Development Bank in order to improve the equity base of the Bank.

Secondly, there is an ongoing loan with the Inter-American Development Bank, and we are in discussion with that Bank, for the transfer to the Barbados Development Bank of the proceeds also of that loan, and both of these would be treated as equity for the Barbados Development Bank.

The thrust of these two aspects of the five point plan is to strengthen the equity base of the Bank so that it is able to meet its obligations and to meet the demands of those who wish to borrow money for economic purposes.

Thirdly, Sir, we are proposing to raise the limit of the authorised capital of the Bank from \$30 million, as set out in the legislation, to \$60 million.

Aside.

Rt. Hon. L. E. SANDIFORD: The figure is not wanton or heartless or anything like that. This Government does not do anything wantonly or heartlessly in the imposition of Consumption Tax or anything like that, these are all done within the framework of what is in the best interest of the country as a whole and I would like to refute any such charges coming from the member for St. Thomas. 4.30p.m.

Aside.

Rt. Hon. L. E. SANDIFORD: I do not really wish to detain the House too much on these details, if the reasoning

behind the increase from \$30 million to \$60 million were required. That could be provided.

Then, Sir, we wish to strengthen the institutional capability of the Bank in the area of what it is supposed to do by law, that is, adequate assessment of loan requests, the appraisal of those particular proposals and then, the evaluation and the constant monitoring of the progress of the loans, so that both the clients of the Bank and the Bank itself can be satisfied, not only that the funds are going towards the objectives for which the loans have been made, but also that the proceeds of the loans are being used in the most efficient manner possible. This is in the mutual interest of the two sides, both the clients who are borrowing the funds, as well as the Bank. The Bank has a vested interest in all of this.

There has been a lot of talk, Sir, about bad debts and things like that. Let me say, Sir, that a bank relies substantially upon income from the loans that it has made in order to keep its doors open and in order to continue its functions. All of the talk about bankruptcy and insolvency and so on, Sir, a substantial part, the vast majority of the inputs which would lead to such a conclusion, apart from pure paper statements, I think are, I would not like to say misplaced, but I think it comes substantially from a misunderstanding of the true and full role of a development bank and of the present situation of the Barbados Development Bank.

The Bank borrows money from international agencies, or the Government borrows money and onlends to the Bank. The Bank borrows the money. More often than not and I think I am correct, Sir, in saying that in all of the cases those loans are guaranteed by the Government of Barbados. And the legislation specifically indicates that if there is any default on a payment, if the Minister of Finance is satisfied that there is a default, that steps would be taken, that he is empowered to take steps to make good the payment. That is what the legislation says and that is a requirement of the Minister of Finance. Those loans to which I made reference and the one that is being considered for the \$10 million also is by way of guarantee. But those loans go on the books of the Barbados Development Bank and they go towards the assessment as to whether the Bank is solvent or insolvent, and we use the technical jargon in order to determine it. But in fact, Sir, the funds are guaranteed and in the last resort, it is the Consolidated Fund that has to meet any such default.

The fifth plank of this restructuring and recapitalization proposal is in relation to the injection of \$10 million over a two-year period and these will come, without anticipating what Parliament may do, Sir, I propose that over the next two years to seek by way, let us say of supplementary funds in this particular year, some \$5

million to put into the equity of the shareholders capital of the Bank and another \$5 million during the next Financial Year.

So these five planks seek to restructure, to refinance and to recapitalize the Bank, and the intention is that these measures would restore the Bank to balance sheet solvency and to ensure that there should be no liquidity problems and other questions about the strength of the Bank.

Sir, I think we have been fortunate in this country, in terms of the operations of our financial institutions. There are very few banking systems anywhere in the world which have not experienced difficult times during the 1980s. Indeed, in one of the strongest economies in the world, the United States system, there has been a number of bank failures. I do not have to identify them here on the Floor. And what we have to ensure is that we agree on the fundamental need for these institutions and that we seek to take the steps not to reduce confidence in the operations of our financial institutions, in the hope of scoring some political point, but that in all of our statements, we should remember that our financial institutions rely upon confidence, upon trust and upon a fine understanding of the nature of financial transactions and on the need to build up that support which is crucial for successful bank intermediation.

I am confident, Sir, that this package that we are putting together will go a long way, and I am hopeful that it will go a long way towards restoring the Barbados Development Bank towards a stronger base from which to conduct its operations. Throughout the whole of the 1980s there has been a lot of talk about the Bank and criticisms of the Bank, but as far as I can recall, there has been no package pulled together in the way that we are pulling these five points together for the strengthening of the Bank. We are seeking to address the problems of the bank and of taking positive steps, not talk, for seeking to correct some of the ills in the Bank. And banks, like other institutions have weaknesses, it certainly has strengths, and we are trying to correct them.

And our projection is, that if these measures work, that by the year ending March 31, 1990, far from having a negative net equity, the Bank should have a positive net equity of just over \$3 million. 4.40 p.m.

In 1991 it should be about \$9.4 million and in 1992 some \$11.2 million. These are the kind of projections that we are making for turning around the situation of the Bank. I can say we are now in 1989.... 1990, 1991, and 1992. With the support of the people of Barbados, yes we will be monitoring the development of the Bank and we will be having responsibility for the affairs of the Bank over that

period well into the 1990's. Do not get too worried: I was singing Sunday night, but you were not there. I will warn you. I will tell you where to go.

Aside.

Rt. Hon. L. E. SANDIFORD: You were not there on Sunday night and you will not be here either. Sorry, I will not go down that line because the last person who told me so I think the Member for St. Thomas knows well. I was told from over there, that you will not be coming back.

Aside.

Rt. Hon. L. E. SANDIFORD: No, no, your friend. You would have heard it - the former Leader of the House, Mr. Lammy Craig.

Aside.

Rt. Hon. L. E. SANDIFORD: The only difference is that will be true about you.

Laughter.

Rt. Hon. L. E. SANDIFORD: Sir, I think that I have said enough to indicate that we are seriously looking at the situation of the Bank and we are taking the necessary steps in order to resuscitate that Bank.

This Resolution seeks to give the guarantee for the development bonds for the borrowing by the Bank of the principal sum of \$10 million. This is the eighth issue of National Development Bonds and, coincidentally, it comes at a time when I am speaking from memory, but I believe it is either the third or fourth issue of National Development Bonds. It must be the fourth issue I believe. The final tranche of that became due in March this year of some \$5 million. This injection, therefore, will be part of the management programme of seeking to deal in an orderly way with the repayment of commitments as well as the investment of funds into development and productive purposes in the economy.

Mr. Speaker, with those words, I beg to move that this Resolution do now pass.

Hon. M. A. KING: Mr. Speaker, I second that and reserve my right to speak.

Asides.

Dr. R. C. HAYNES: Mr. Speaker, the Honourable Member has spent a long time, in fact, in apologizing to the country for the bankruptcy of the Barbados Development Bank. I wonder if he clearly understood that the main burden of his speech was that the Bank is bankrupt, but it has money to onlend largely because of the low level of

disbursements and, thirdly, that unlike other financial institutions, an institution whose equity and operations generally are guaranteed by Parliament would not face the same disabilities before the law in respect of continuing to function in conditions of bankruptcy. That is the full burden of your speech. What you have said is that the capital of the Bank has been totally eroded to the point where it is now negative.

Now my understanding in banking terms is that that constitutes bankruptcy. If it was any other bank in Barbados and the directors continued to carry on the banking business, which they could not do under the Banking Act, they would be prosecuted under the Bankruptcy Act as I am quite sure the Honourable Attorney General will be able to tell you that. This technical difference between total insolvency and negative network and the ability to function is largely because it enjoys a Government guarantee.

Aside.

Dr. R. C. HAYNES: No, no, and here I think we will part company in terms of our perspectives of a Development Bank. In terms of a philosophy which envisages that the taxpayers either through direct taxes, agencies, or through the guarantee of loans may put capital into a bank and then that bank by its operations can create a situation where the capital is progressively eroded, to my mind that does not constitute good banking. It does not constitute the fundamental role and it indicates to me that there has been something very fundamentally wrong with the operations of the Barbados Development Bank over the years.

Aside.

Mr. SPEAKER: I will not permit any interruptions. Dr.

R. C. HAYNES: I did not interrupt anybody. Mr.

SPEAKER: I am sure you did not.

Dr. R. C. HAYNES: The Honourable Member talks about checking the roster book. The facts are and it is very simple that under the requirements of a study done by the IDB it was necessary in 1986 and 1987 to make realistic provisions for loan losses in order that the Government can qualify even now for the input in terms of equity which he is talking about from the IDB. In fact, in terms of any losses resulting from loans during the 1986-87 period to the best of my knowledge, the only loan made on which a loss was made during that period amounted to less than \$200,000 - one loan. 4.50 p.m.

Somebody should explain to the Honourable gentleman that if the Barbados Development Bank makes a

bad loan today, it is unlikely to show up in the books until three, four or five years from now.

Aside.

Dr. R. C. HAYNES: I have not started to allocate any blame yet, I am not blaming anybody, I am dealing with the question of development banking and what I am saying here today is that what is happening is that the people of this country are being called upon once again to recapitalise the Bank because the money that was there has been completely lost as a consequence of its operations. Therefore, it is our responsibility to state very clearly now that when the Bank is recapitalised, any further new capital that any future Government should be coming here for would be to enhance the capacity of the Bank to lend more in relation to its capital base. In other words, what I am saying is that we should never be in this position, because as it stands now we can take several types of decisions.

In some countries when these banks have become bankrupt they just bury them, they call them by another name and move on the next day to something else. That has happened in several Caribbean countries. What is being done now is basically a refinancing package as far as restoring the equity base of the Bank, and when you ask yourself what was the source of the equity that went into the Bank over the years, funds provided by the Central Bank of Barbados with a guarantee by the taxpayers, funds from foreign investment sources, mainly the European Investment Bank, guaranteed by the taxpayers, and direct inputs from the taxpayers of Barbados through appropriations in this Honourable House, and all that money has been lost. Make no mistake about it.

Aside.

Dr. R. C. HAYNES: It has been lost. Of course it has gone. If the capital is gone, the money has been lost. The only way you can recover any of that money

Aside.

Dr. R. C. HAYNES: Where is the money then? If the capital has been depleted, and if you are now in a negative position, where is the money? It means that the money has been lost and therefore the only chances of any recovery of any portion of that money would occur in one or two circumstances. The one circumstance is if the provisions for bad debt were over generous and some of those bad debt provisions in fact turn out down the road to be viable propositions, and then some of that money can flow back; or in the alternate, if the Bank could perform so strongly over a period of time that it would be able to make substantial contributions back to its equity position.

If that was the case, you would not be coming to the House. It would not make any sense. If it was the judgment

of the Minister of Finance that the performance of the Bank could be such that out of its income it could restore its equity base, then there would be no need to come to the House, so therefore I presume that if you come to the House your judgment must be that out of the operations of the Bank you would not be able to generate surpluses to restore the equity base of the Bank. Therefore you had to seek new equity because of lost money.

You will note very carefully that I have not sought to allocate any blame so far in this area, because it seems to me to go to the very root of what constitutes good banking in the context of a development bank. Whether or not a development bank can be seen as a source of economic stimulation in difficult times at the expense of the integrity of the bank; and if that is so, if that is an instrument of public policy, whether or not the funds should not be put in a bank up front either by way of borrowings, or in the alternate by way of capital injection from the Consolidated Fund. However, it would be my view that at all times any financial institution must adhere to the accepted banking practices in relation to the sector of banking in which it is involved.

There are precise rules in relation to commercial banking, there are fairly well known rules that operate in relation to development banking. However, in either circumstance you should never find yourself in a situation where you have lost the sums of money which we have lost in the Barbados Development Bank. We had better get it straight that it is a decision you have to take, otherwise you are going to find yourselves like development banks in many Third World countries around the world which have folded up, and I have said that one convenient way to get around these things is just to bury the bank and open a bank next day by a new name. Those who have the money will continue to function, those who have lost, too bad, and in the long run the taxpayers are the people who will have to carry the burden. It has happened here in two Caribbean countries in the past where development banks have been actually buried and new banks opened next day with different names.

Hon. E. E. GREAVES: Mr. Speaker, on a point of order. I regard the Honourable Member for St. Michael South Central as a person who is knowledgeable in these matters. He said earlier today that he tells the truth all the time. I have no reason to doubt that he is telling the truth now. I would like to be enlightened by the Honourable Member and I am asking in which two countries of the Caribbean has this happened. Just let us know. I am interested in knowing that, Sir.

Dr. R. C. HAYNES: I will let you know privately. I do not think it is the kind of statement which I would wish to make on the floor of the House, because sometimes information will come to you from different sources and you do not want to make these things available on the Floor

of the House, but it is well known. It is a well known fact that these things have happened to development banks in the past. If you do not know of them, then that is a problem for you, but I promise you that I will tell you privately.

Mr. SPEAKER: I would just like to remind the Honourable Member, if he responds to Asides in the House it is going to create difficulty for me to keep the House in order. I would prefer if all members would try to ignore some of the Asides so that the debate will continue without interruptions. Certainly if you respond to them it creates a difficulty for the Chair.

Dr. R. C. HAYNES: Thank you very much, Sir. I usually try very hard to avoid responding, but the Honourable Member for St. Lucy intervenes in such a way that it is very difficult not to react to him. I have known him very well, Sir, for many years. 5.00 p.m.

Now, Sir, let us look at this recapitalization package here. We are getting money from the European Investment Bank, we are getting money from the IDB, as I understand \$10 million will go in from the Consolidated Fund over a two-year period, and if I understand correctly, part of the proceeds of this \$10 million bond issue will go partially to the redemption of previous debt and some contribution to equity and some for further onlending. Also, there is a proposal to increase the authorized capital of the bank from \$30 million to \$60 million. I have no difficulty with that.

But where I do have a problem is whether the Minister can assure us that steps are being taken in the Barbados Development Bank to ensure that you never find yourself with a situation again where over 40% of your loan portfolio is non performing both in respect of interest payments, and in most instances, even in respect of capital repayments. Because when you have reached that kind of situation - and I say this, Sir, I have heard one or two criticisms about the extent of loan provisions made when Mr. Russell was Chairman of the Barbados Development Bank. I do not know how often it is recognized that that was almost a certain precondition of the ability to clean up the portfolio of the Bank in order to ensure that overseas institutions such as the IDB and the European Investment Bank would wish to lend money to the Barbados Development Bank. It is absolutely important to make sure of that because if they have a contaminated portfolio, if a study has been done which demonstrates that over 40% of the portfolio is contaminated, then you have a problem. When I say contaminated, I mean contaminated in banking terms, that is, non performing. It means the Bank has to survive on the basis of 60% of its portfolio performing. What then happens is that the Bank then has to meet its administrative cost, it has to meet the cost of its loans, and at the same time, it finds itself in a situation that the only way it could balance its balance sheet from year to year is by draw ng on equity which was made available to the

Bank. And hence the running down of the equity of the Bank. This means that the Bank has to set about with.... You want to interrupt. Go ahead.

Hon. E. E. GREAVES: On a point of order, Mr. Speaker. I do not want to interrupt. But again, for my enlightenment and the enlightenment of the House, is the Honourable Member saying that when he was Minister of Finance and the gentleman whose name he called was the Chairman of the Barbados Development Bank, that he found that the Bank was bankrupt and he had to try to get the finances in such a way that they would be able to get financing from the IDB? I want to know, if in short is he saying that previous to 1986 the Barbados Development Bank was bankrupt?

Dr. R. C. HAYNES: Mr. Speaker, these strange constructions on the words of others are quite amazing. What I did say is that what I became aware of was that there was an IDB study going on in relation to the Barbados Development Bank. And as part of that exercise, a significant proportion of its portfolio was non performing. As a consequence of that, various steps had to be taken in order that the image and structure of the Bank can be so set to permit the international institutions to lend freely to the bank.

I should make it quite clear. I have no difficulty with decisions as to what role a bank should play. But if you wish it to play a particular role, then I think it is important to put the money up front, not after the event. I think that is the problem that we are faced with here at the moment.

Now on the question and, Mr. Speaker, I did not like that parallel with US bank failures. Because the US bank failures, as you know, have been largely due to bad banking practices in the United States. Not only bad banking practices, but in many instances highly questionable, almost criminal practices within some of those banks. At one level, it was due to sheer greed by making loans to Third World countries which they knew they would never be able to repay, and hence they got themselves in trouble and had to make substantial provisions for those loans, over the past few years. Or, in relation to the other banks who were not involved in international banking, the leverage in terms of the lending was far too high. And one of the problems that the savings and loans banks and other banks have had was that they did not adhere to sound banking principles. And then in some instances, there was some element of corruption, as you know, in relation to those banks.

So I do not think that we should make any judgement at all on the viability of our banking system in relation to what has happened in the United States. Fortunately, the United States is large enough to absorb banking failures and there is also the Federal Insurance Schemes that help to protect the deposits, \$50 000 or less per lesser deposit, you can get insurance under the FIDC Scheme.

Another problem that has bothered me about the Barbados Development Bank is that despite the perilous situation in which it has found itself, the interest rates on loans made by the Barbados Development Bank, over the past 5 to 10 years have been so high that they virtually militated against the success of many small and medium-sized businesses in Barbados. So basically, you have a development bank which is lending at high rates of interest and despite that, finds itself in a situation where the spread between the money it borrows and the money it lends is such that it cannot overcome the other losses that are occurring elsewhere in its financial portfolio.

So that one very important objective of a refinanced development bank must be one of making sure that it makes available to small businesses and medium-sized businesses in particular, loans at interest rates that are far more reasonable than in the past. Indeed, many people I know have paid off the development bank from time to time and gone to a commercial bank when they get access to commercial bank financing and consolidated their long-term loans and their short-term loans with commercial banks because it made no difference where they got the money from, in terms of the cost of lending. So this is something that we have to look at. And in this context, it is very important to make sure that the interest rate at which we borrow for funds for the Development Bank would be such that with a* 2%, 2¹/₂% spread that the loans, particularly to small and medium-sized businessmen can be at a much lower rate. Unless you do that, you would be back in the same situation. 5.10p.m.

If you seriously look at the accumulated debts of many of the small businesses and medium sized businesses to the Development Bank, you will see that a substantial slice of those debts really relates to interest accumulated over the years. So that unless you do that, we will never be able to ease the burden on those enterprises in such a way that your books down the road would improve unless you keep putting money into the bank.

I believe that there is a very strong case for making sure that the Bank gets access to finance at a significantly lower rate than has been generally obtained in the past and to make sure that the Bank is in a position to onlend its money at a significantly lower rate than what obtains at present. Now this means that decisions may have to be taken on interest rate policy in respect of the Development Bank that does not necessarily accord.....

Aside.

Dr. R. C. HAYNES: Yes, I did for the Development Bank for a very good reason. Oh, yes! This is a very valid point. No, no, I am not saying that. The Honourable Member has just made the point that I reduced the interest rates payable on loans at the Development Bank and in the

short term that reduced revenue immediately to the Bank. That is correct. The point is this. The hope is that down the road we will make recovery easier. That is a very important thing. If you lend money to a developing enterprise at an interest rate that is unbearable, you are virtually killing the project from the very beginning and you are making sure that you end up with a bad debt. That is the point I am making.

Aside.

Dr. R. C. HAYNES: No, no! You have made sure that you end up with a bad debt down the road. I always said that in Barbados the most dangerous weapon you can use in terms of affecting the viability of small and medium sized businesses is the weapon of interest rates. Few people fully appreciate the debilitating impact of 1/2 per cent or 1 per cent rise in interest rates on small and medium sized businesses in Barbados. I can assure you that even a 1/2 per cent or 1 per cent differential in what people can obtain at the Development Bank and elsewhere will make a substantial difference in their ability to grow and repay the fine over time.

I would urge that a firm policy No. 6 on the agenda. You mentioned 5. Of the 5 you mentioned, they simply related to money. Four related to money that you are borrowing to replace the equity. So really that is just one point - four sources of money but one point.

The second point you made related to management of the bank. The third point I would suggest that you make is to look at an interest rate regime for development bank lending in Barbados. If you do not do that, you will never be able to fulfil the objectives as stated in the legislation relating to the Barbados Development Bank. People who have 30% or 40% of a project or maybe 50% do not need to go to the Development Bank. The people who have to have a higher debt ratio, the man who has to look probably for 80% or 75% of the money to borrow in a project - this is the kind of man who finds himself dependent on borrowings from the Development Bank. He is the very man who is going to be heavily penalized by an interest rate policy that is going to erode his profitability and, in fact, erode even the little equity that he has got in his business so that he will run into a vicious cycle after a time.

Item 4 should be a progressive and informed interest rate policy on the part of the Development Bank in the future so as to avoid the vicious cycle of high interest rates compromising the ability of the small businesses and medium sized businesses to whom you have loaned the money to be able to service the very loans over time. That is very important.

Item 5 on the agenda should be serious attention to the business of providing funds. You may call it a micro-window if you like. You may not like the term for obvious

reasons or the small entrepreneur if you like who may have absolutely no collateral but he has a brain, he has skill, he is of good repute, and all he wants is maybe \$5,000, \$10,000, or \$15,000 to get started. He may have a record of some kind in terms of the business that he is involved in working for someone who can vouch for the fact that he is of good standing and has the appropriate skills. I would suggest that that micro-business window or a special facility for very small entrepreneurs might well be an important factor in creating significant employment opportunities for our young people.

We talk a lot about altering the criteria used by banks traditionally in Barbados for lending. We talk a lot about it. We do nothing about it. What I am saying is that I will be happy to come in here and support a Resolution if the Government was coming here for a million dollars to make available to the Barbados Development Bank for the purpose of financing small loans out of the micro-business window. I am sure that with proper supervision even if you lost \$100,000 or \$200,000 of that money up front and you created 40 or 50 small businessmen in Barbados, which in a short while you would be employing maybe 150 or 200 people, then it is money well spent in the national interest. I am not saying that you will be 100% successful. I am not saying that you should not put a ceiling on the amount of money you are prepared to put at risk. I am not saying that you should not put a ceiling on the amount of money you are prepared to lend per individual. I am not saying that you should not exercise caution and criterion and some kind of effective judgment in relation to the recipient of those loans. What I am saying is that having done that that facility should be available.

You take, Sir, a young tiler. All sorts of modern equipment.....

Aside.

Dr. R. C. HAYNES: A tiler - people who lay tiles, floor tiles. A young tiler who can get access to modern equipment can enhance his output 2 or 3 times and employ 2 or 3 people in terms of his productive capacity. I watched one recently.

Aside.

Dr. R. C. HAYNES: Sometimes access to a saw - do you know the number.....

Aside.

Dr. R. C. HAYNES: Saw, s-a-w, not the hand saw. I am now talking about the electric saw, a powerful electric saw, that can make a big difference in terms of the production of the work in Barbados. In a short time that worker will be providing additional employment for other people. They cannot get the money now. The point I am

trying to make is that even although all the money is there, under the present criteria used unless you make some of that money available to the micro-business window

Aside.

5.20 p.m.

There is no point telling me it is in the Act, it does not obtain. You know that too. You go to the Development Bank, you know the kind of security that they demand of you up there. There is very little opportunity for a young man who has a skill in Barbados. A man of good repute wanting \$10,000, where is he going to get the \$10,000 from in Barbados?

Aside.

Mr. SPEAKER: I have given the Honourable Member the right to speak on the Floor and I take that as an offence to the Chair as well too. I will still repeat that if the Honourable Member could forget hearing some of the Asides it would be much better for the debate.

Dr. R. C. HAYNES: My remarks, Mr. Speaker, will in terms of lending without the traditional collateral required, relate strictly to the micro entrepreneur, to the very small businessman where the sums at risk per loan would be very small, where the total involved in any given year would be very small in the hope that even if you get a 25% fall out by the wayside, you would still be able to have helped 75% of those who have received the loans.

Mr. Speaker, my heart cries out again and again when young people come to me.

Aside.

Dr. R. C. HAYNES: I did cry then, Sir, and that is why I set up the micro business window in the 1987 Budget and provided a quarter of a million dollars to start off with, because I was crying, and I am still crying now, Sir, because you see so many opportunities in Barbados. Mr. Speaker, you would be surprised to see how over the past ten years or so, many Barbadians today operate outside the official economy of Barbados, and by their own inventiveness and by their own abilities they have been able to make a major contribution to the economy of Barbados. This mechanism will also help to ensure that many of those operators come right back within the official economy of Barbados as well. You would be surprised to see the extent to which that has grown over the past years.

The question of interest rates needs to be addressed. The other question that needs to be addressed is that of very large loans from the Barbados Development Bank. We are borrowing \$10 million by these bonds and these could be wiped out with two or three large loans.

Aside.

Dr. R. C. HAYNES: Well, part is redemption and maybe a one, two or three million dollar loan could wipe out the whole lot, so that given the scale of the loan portfolio of the Barbados Development Bank, I think that care has to be taken when the Bank is faced with applications for loans of the order of three or four million dollars, because a single loan of \$3 million or so can make a considerable amount of money that could be available to a large number of people available to one person. That is something that you have to watch, because the amount of money that you have to lend is relatively small and the Development Bank, certainly in terms of its concept and otherwise, has a responsibility to make sure that whatever funds are available there should be the widest possible spread of beneficiaries in terms of its lending portfolio.

I say that because I am fully aware of circumstances * which have arisen where there have been these large disbursements made and I think that it is essential that some policy should be established as to how these large loans are handled by the Development Bank, whether the Development Bank might be the place in the first instance to handle more than a given amount of financing and probably find some other arrangement whereby a package can be organised. Faced with such a situation, I was able to organise a package with another financial institution for a particular situation.

The point I am making is that one or two loans involving refinancing of existing loans could wipe out and absorb most of the money that is being borrowed today and still there would be no money for on-lending to a large number of people.

These issues, the issue of interest rates, the issue of adequate recapitalisation, a proper recognition that you are dealing with *de facto* bankruptcy of the Bank and that the *de jure* component of that is avoided only because of the exercise of a guarantee from this Parliament and not to allow people to put in your mouth words like "it is not bankrupt," "it is insolvent," "it can still lend on" and so on. Sure you can still lend on in a situation if you are making deposits today and lending out money tomorrow, but the point is this, it is a bankrupt situation without the guarantee. That should be recognised and we must take a decision

Aside.

Dr. R. C. HAYNES: It is part of the law, but the point is this. There was a time in this world when there was a general assumption that sovereign debt could never be bad debt. I think with the experiences of the international banks over the past five years that concept has been thrown out the window. I believe that even locally it is recognised that a sovereign debt could be a bad debt. I did not say the ***

Barbados Government. All I am saying is that even locally in respect of the accounts of a particular institution it is recognised that the accrual of interest on a Government debt is no longer a valid accounting procedure to follow because one must contemplate the possibility, in the absence of IMF intervention, that the debt might be a bad debt, so the point I am making is that you cannot from a functional level judge bankruptcy or otherwise purely on the technical legal basis of a Government guarantee.

The institution must be able to function, must be able to be viable, must be able to meet its obligations to the public of Barbados without going into bankruptcy, and you must not encourage people to think in that way. There is no good reason why with proper management and proper organisation down the years the Barbados Development Bank should ever be faced with the situation of bankruptcy. Let it never happen again. We have this responsibility, because we are really talking here of over \$40 million in taxpayers' liabilities.

Aside.

Dr. R. C. HAYNES: I am not concerned about the Barbados Labour Party, I am not concerned about the Democratic Labour Party, I am not concerned about the National Democratic Party, I am speaking here on a banking matter, not a partisan issue, and I am not going to be drawn into partisan foolishness when you are dealing with a serious financial institution.

Aside.

Dr. R. C. HAYNES: I am not getting involved in partisan foolishness, I am dealing with a serious financial institution.

Aside.

Dr. R. C. HAYNES: Mr. Speaker, the Honourable Member is saying I do not want to criticise the Barbados Labour Party.

Mr. SPEAKER: I did not hear the Asides, so I think you had better not hear them either.

Dr. R. C. HAYNES: Mr. Speaker, there is a rule in this Honourable House against repetitious speaking. I have already done so, so I do not need to do it again. I cannot repeat the same speech I made before in this Honourable House. 5.30 p.m.

Laughter.

Aside.

Dr. R. C. HAYNES: I cannot repeat the same speech I have made before in this Honourable House.

If I can wind up here, Sir, we will support the Resolution. We have no difficulty with that. We recognize that these problems have been problems that developed over a number of years. I do not think that it is really worthwhile getting down to the business as to who is responsible for what or who is not responsible for what. What is important is to address, I think, the issues which I have suggested to you in my very brief contribution.

Thank you very much, Mr. Speaker.

Hon. H. deB. FORDE: Mr. Speaker, let me begin by saying that the Minister has introduced this Resolution without so much as giving to the House the benefit of the most recent report of the Barbados Development Bank. My information is that that Report has been in the hands of the Minister. The most recent 1988-89, the one that would have been completed at March, should have been completed at March 1989. Usually you get....

Aside.

Hon. H. deB. FORDE: My information is, Sir, that that Report, not the 1987-88 Report is already in the hands of the Ministry. The Minister could tell me if they have. If he has not got it, well then, it is in the hands of the Development Bank. But surely the information for the Financial Year 1988-89 would have been very critical to the debate on this issue of borrowing a further \$10 million by way of development bonds from the public of Barbados. I say this, Sir, because before the bond issue can be placed with the public or in the public domain, it would be necessary for the bank to issue a prospectus. And among the information which the prospectus should reveal to the public is not only the rate of interest which would be payable and the time of redemption, as is set out in the Addendum to this Resolution, but lenders to the bank would wish to know what is the correct financial position of the Bank.

I understand that in the last Financial Year, the Bank's gross earnings before taxation shows a very gross loss position. In short, the Bank itself has not been able, during the past year, to earn enough to pay for its normal administration expenses and to service its loans even before it has made provision for its bad debts. And if that information is correct, then it shows a gross deterioration in the position of the Bank over the past few years. Because if one would look back to the years 1984-85, 1985-86 and before that, you would see that the Bank was making, in similar circumstances a profit in those years. The Honourable Member - the Reports are here, Sir, if he wishes to check them.

And I wish to say further, Sir, the position which the Bank has reached on technical insolvency is a situation that was drawn to the attention of the Government by this Opposition as long ago as March, 1989, four months ago.

The Honourable Member for St. Peter who unfortunately had to be overseas at this time drew the situation quite carefully to the Government's attention and pointed out that urgent measures were needed to deal with the position. The first measure which the Minister brought before the House was brought in June and this is the second measure that was brought to the House. As you would see, Sir, whatever the Honourable Minister may say sitting down about the position being brought to the attention in the eighties, one would see that between the period in the last three years, there has been a terrible deterioration in the Bank's situation. I hope to highlight why some of this occurred, Sir. But I must ask, why is it that it is taking this piecemeal approach to dealing with the issue which has been highlighted as a serious issue for some time?

Now, Sir, one of the reasons why the Bank finds itself in the current situation is because, and I say in the last year or so, there have been obvious signs of bad management. Let me illustrate, because I like to talk in concrete terms. Bad management decisions. The Manager of the Bank in 1986 was sent on 18 months leave. He was being made.... - the Prime Minister is well aware of this. I do not know if it had your approval at the time. He came in to wrap it up - to go on leave all the time. It was pointed out by his Attorneys to the Bank that they were contravening the law in which they were dealing with him, and they then had to send him on what was called special leave. Now he was being paid during this period of time. One would have thought that if you are going to treat a senior Manager of a bank in those circumstances, in that way that there had to be substantial grounds for so dealing with him. And therefore, if at the end of the day, the Government could tell me that there was legal justification for treating him this way, I would not fault and characterize their action as bad judgement, whoever was the Chairman at the time.

Aside.

Hon. H. deB. FORDE: I have not given notice of the names, as the Prime Minister knows. But it happened during the time that the Honourable Member for St. Michael South Central was the Minister with responsibility, and the then Chairman was a commercial banker who believed that commercial banking was equated with developmental banking at the time.

Now, Sir, what happened at the end of the day is that that decision was a bad decision in law and the BDB has ended up paying the General Manager close to \$200 000, my information is \$180 000 in addition to the 18 months.

So that if you add that total expenditure together, you are getting close to \$350 000 to \$400 000 in expenditure. 5.40 p.m.

That is a fact. When I get up in the House and make statements, I try to do so from a factual basis so that I can justify the inferences. You may not agree with them that I ask the House to draw. Likewise, Sir, I want to know why during this very period 1987/88 some \$381,000 was paid out to consultants and among the people drawing the consultancy fee is the chairman of the Bank either directly or by way of a company with which he was associated.

Aside.

Hon. H. deB. FORDE: However it was, Sir, that is my information. That is my information. The Minister has the opportunity to tell me that it is incorrect

Aside.

Hon. H. deB. FORDE: Not this present chairman, not Tennyson Beckles. I am not making any allegations. Pardon. I am talking about the period 1987-88....Harrison?

Aside.

Mr. SPEAKER: I am not going to permit any names to be bandied about without substance.

Hon. H. deB. FORDE: The Honourable Member may want to know - not the present chairman. You want me to say the Honourable Member for St. Michael South Central was the Minister. He was the Minister. I am not denying it. He was the Minister at the time. I am going to deal with the matter, Sir.

Now Sir, the Honourable Member does not believe it. He can check the figures when I give them to you. You can check them whenever you want. You know when I came in here and said that there was cocaine in the bag some people said that I was lying. When I come in and give you information, check it out.

I am saying further, Sir, that you will find that as a result staff morale in the Bank has sunk to a low because senior staff was saying that they did not know who was next. In addition to that, you had the situation where senior staff felt that decisions that they could take were now being left to consultants and you found the result of low staff morale. The Minister has not characterized any of this. I am going to characterize it though, Sir. It has manifested itself in the situation even where you have got more approvals you have got low disbursements. Because of these low disbursements in the portfolio of the Bank, you have ended up with the Bank not earning interest on its new loans to persons who were viable. You have to recognise that and you have ended up with the position where those new loans

although approved have not been getting into the system and, therefore, employment opportunities have not been created. Now to me those are worrying factors.

I want to deal with the bad loan situation because it is being made to appear to this House as though the loans were so bad and occurred under our time. I hear people saying in our time that there was no hope for these loan positions. I want to go back to events just prior to May 28, 1986, Sir. The Bank's board met and dealt with the Audit Report for 1985-86 and they provided for bad debts of \$3 million. This was approved in early May and the Bank Report was written and approved. There was a change in the board in July 1986 and with that change the provision of \$3 million was increased to a bad debt provision of \$8.081 million and showing a loss for that year of \$7.4 million in bad debts instead of \$2.4 million. I want to deal with that, Sir.

I say without fear that there was an over provision, an unnecessary over provision for bad debts and I say so for this reason. The facts are now showing that the tourism sector, particularly which was the heaviest targeted one, had begun to honour not only principal but principal and interest. The Minister said so and that, therefore, what appeared as a bad debt provision in truth and in fact was not a real bad debt provision and that it was an unnecessary over provision. It is that provision when it comes back into account will show that the equity of the Bank of the authorised capital has not been eroded to the extent that it is felt that it is eroded. There is another effect from this, Sir. The effect is that the Bank had a system of accruing interest. With the over provision, the method of accruing interest has been changed and this is shown in the Bank's Report which has been laid in this House for the period of 1987-88, "Recording of Interest". I read from page 46:

"Interest is recorded on an accrual basis. Where however legal action is initiated on a loan or where a borrower is in receivership, interest is received to the extent of the cash received. This latter treatment is also accorded loans with instalments of interest and/or principal 12 months or more in arrears. However, in prior years the latter treatment was accorded loans with instalment of interest and principal 12 months or more in arrears. The effect of the change in policy has been to decrease interest revenue and to increase the net loss for the year by \$1.5 million."

Now that is a policy decision that was taken. I do not believe that it was a sound policy decision that was taken in that way, because now you have not been able to accrue interest and show it, although the position is showing that the people are paying and even the interest payments are being brought back.

Aside.

Hon. H. deB. FORDE: The Honourable Member tells me that he has now reversed that policy. I must raise those when I hear these questions being raised. Obviously, those will effect the picture that is being painted of the performance of this Bank and how to deal with the picture and the reasons why the Bank has reached this position. I said, for instance, that I want as well to deal with an area that should be tightened up, Sir. In 1986, the Bank's total revenue was \$9.886 million and expenses before bad debt were \$9.07 million or a profit of \$800,000. However, in 1987 and 1988, the Bank's total revenue was \$7.463 million and this barely paid the interest expense from borrowed funds and the Bank showed a loss. That was another result.

So that unless the Government can show me where their policy decisions on these matters are in keeping with well recognised accounting and accepted principles, particularly in developmental banking, and that it is tightening it up as it ought to tighten up on administration, expenses, and on unnecessary expenditure as has occurred on the decision to dispose of the manager of the Bank who is now by the way a major consultant in the Eastern Caribbean on development financial corporations or development banking. He is at present assigned to the Government of Dominica through the aegis of the CDB and Inter-American Development Bank. He was not considered good enough to manage the Barbados Bank, but through a recognised regional and international institution they considered this same manager worthy to be a major consultant to set up a development bank in another of the Caribbean countries. The tax payers have had to pay for that. So what I am saying that unless we can show in those instances that we are controlling in a way the expenditure side of the Bank and proper management decisions, we will continue to erode the capital of the Bank needlessly in areas that we should not, 5.50p.m.

Aside,

Hon. H. deB. FORDE: I know you had no problem with Leslie, but I have to deal with the matter, because when I get in here speaking on behalf of the Barbados Labour Party everybody wants to put the ills of the world at the Barbados Labour Party and they forget that the steps we were taking during the years were steps similar to what the Honourable Member has taken too. I will list the five steps, Sir, because we took those steps to supply equity, to supply ongoing funds and to strengthen the Bank so that it could perform its task.

Let us take the authorised capital of \$30 million. My friend says there were five steps, increasing the authorised capital from \$30 million to \$60 million. Between the period 1976 and now the authorised capital of the Bank has moved more than once. We have injected new money either by ourselves repaying loans to the IDB or otherwise into the

Bank and we moved it up to \$30 million. Although the Government is proposing to increase the authorised capital to \$60 million, in truth and in fact over the next ten years the Government itself only intends to inject \$10 million of new funds into the Bank in this way - \$5 million this year by supplementary and another \$5 million in the next financial year. In actual fact, unless the Government is telling me that it is going to write off, itself repay loans that the Bank has incurred in its own right previously, and it is going to assume those new loans as the Government's liabilities and responsibilities so that the Bank itself is free from those loans. That is the only way that either one or two of the statements of the Minister of Finance could amount to the injection of new equity capital into the Bank.

If the responsibility for repaying those loans remains with the Bank itself, then I will contend on financial and legal grounds that there is really no new injection of real equity on that five point plan other than the \$10 million of which the Minister spoke.

Now, Sir, the Minister spoke of the proceeds of the European Investment Bank loan for 7.5 million ECU's or \$9.5 million which this House passed and we agreed to in June. I am not going to reflect on that vote, but he said they are doing something about it. From the Bank's Report you will find that the first loan from the European Development Bank - and there have been more than one ~ for similar purposes was had under the Barbados Labour Party. We recognised then the need for looking for this source of funding if the Bank was to continue its task, and if the Minister has any doubt about it I refer him to the Bank's Report, the last one that I have in the House. The Honourable Member for St. Lucy will be surprised to hear in the House. It is the 1987-88 Report, page 22. He will see that the loan account was first signed, a first loan of 2.5 million ECU's, the equivalent of Bds. \$5.4 million, with the European Investment Bank in June 1979. Then there was a second loan which we made in February 1982, and I could go on and on.

If they want to see the foresight of the Labour Party, it is nothing new. We had that foresight, we had the vision and we were finding the money as well at the time.

Then the Honourable Member spoke about getting money as well from national development bonds. The first development bond loan was floated under the DLP for \$1 million. I think that was 1972 or 1973. There was no issue of development bonds thereafter. This is now the eighth. Since then we have floated six other development bond issues at varying rates of interest reflecting world and other conditions and the fact is that we were on-lending, from interest as low as 7% and 6% and one at 10%. We have floated those and we have redeemed them depending on market conditions. Market conditions, including our own,

can vary from time to time and therefore almost on each occasion the loans have been subscribed or fully subscribed.

This five point strategy is nothing new as far as I am concerned. It is the historical record of how you refinance the Bank if there are problems and provide funding in order to make the projects ongoing.

The Honourable Member spoke of getting money from the Inter-American Development Bank. You will see that when the Government came in we had already undertaken loans from the Inter-American Development Bank. In fact, there was a loan agreement in March 1986 for \$6 million between the Government of Barbados and the Inter-American Development Bank, and this is the Bank's own document for 1987-88, its Report which is laid in this House, at page 22: "The funds will be transferred by ^ the Government to the Bank as equity."

Aside.

Hon. H. deB. FORDE: There is continuity, Sir. Wise policies should always be continued. I agree with the Minister. Acquired wisdom is still good wisdom.

Aside.

Hon. H. deB. FORDE: I am not denying the policy is wise, my argument is the timing of the policy should have been sooner. I am not arguing about the need to do these things. We all foresee the need to do it, so that if you look at every item of the five point programme being advanced here, it is a programme that we have tried and that we have used, I contend successfully, when it was necessary to use it.

I am going to come back to the reasons why I say that ** this type of provision was an urgent provision. I have cited some of the reasons. I disagree strongly with the view that it was only primarily the loan losses position that got us to this situation. I am not denying the fact that at one stage manufacturing and tourism were undergoing pressure and one had to reschedule debts, just as the Government no doubt will find it may have to reschedule some of its own debts. You had to reschedule debts in the industry, but we do recall that Barbados also had a period of tremendous expansion of its exports, the golden years as they were, where we were lending and providing for exports until of course the second world recession came and therefore our people felt the hardships of the world recession which impacted directly on our manufacturing industry, principally in the Caribbean because of the collapse of Guyana and Jamaica, and we must never forget it, and that therefore Barbados has had to carry a subsidy through the CMCF because we cushioned our manufacturers over that period of time and obviously it impacted in ways on the ^ Bank.

Aside.

Hon. H. deB. FORDE: That is a correct interpretation too. It might not be the administrative interpretation that people like, but it is a factual interpretation of the position. Therefore that money has come into the hands of Barbadian manufacturers in a way by ourselves from here, although we have not settled the procedures for the Central Banks of the region with the Guyanese, but we have settled it with our own manufacturers. There is no Barbadian manufacturer who is owed money by a Guyanese for that period of time. The debt has been transferred at a Central Bank level. We must never forget it. 6.00 p.m.

So in a way when I hear people cry out, we were then subsidizing the manufacturers of Barbados, although people are not grateful for that. They still gave the Party hell. So we took it like true democrats. But a proper objective analysis would show that the Barbados Labour Party was not this non caring people that they are talking about, Sir. And I can illustrate this, Sir.

I feel that one of the things this Bank is not doing is that it is now disbursing only 20% to 30% of the approved loans, and that that too is mucking up the Bank's balance sheets. And I will show you foresight, Sir. The Honourable Member talks about small business. I cannot call names in here and I do not want to hold up people's business but, for instance, a small loan of \$3 000 granted to a canteen, mobile canteen serviced by us in 1978 has seen black entrepreneurs, small entrepreneurs now extended their business not only to restaurants, Sir,.....

Mr. SPEAKER: May I clarify the statement the Honourable Member just made. I object to names being called without documentation. Once the documents are authentic, I have no difficulty with the names.

Aside.

Hon. H. deB. FORDE: Sometimes you can call the name without.... I will talk to you about that, Sir. I am not calling names particularly on this one, Sir.

But the result of that is that that business has moved not only into the restaurant business, but has diversified into supermarkets and other business that today, its turnover is more than DaCosta's and Super Centre

Aside.

Hon. H. deB. FORDE: and it provides more than 1 000 jobs, and it is a purely black business. That is one of the small businesses. I could go on and show by example, Sir, every time I hear people talk in here where the lending to small business has been significant.

I agree with the Honourable Member for St. Michael South Central.

Aside.

Hon. H. deB. FORDE: The micro window of this bank is now virtually closed, other than the Bank has taken \$250 000 and onlend it to WID which has not got the Bank experience, and the bank itself has opted out of a small business sector which is mostly the black sector where it should be taking the sector, encouraging the sector and ensuring that it monitors it and gives it all of the technical assistance because it has the potential for tremendous growth, as I have just illustrated by one customer of the Bank. And I can illustrate it otherwise.

I believe that the Bank is wrong to opt out of being a direct lender itself in the micro business of Barbados and I believe, as the Honourable Member for St. Michael South Central has said, that it is that micro window that offers a 'tremendous growth opportunity and will go towards helping redressing what we call the imbalances, what the Honourable Member for St. Michael East calls the imbalances in our society. And therefore when I see a reversal.....

Aside.

Hon. Dr. D. G. BLACKMAN: Mr. Speaker, I never used that phrase. It is a figment

Hon. H. deB. FORDE: What I call then.

Hon. Dr. D. G. BLACKMAN: of journalistic imagination and repeated by the Honourable Member for Christ Church West.

Hon. H. deB. FORDE: What I call - if he does not want to, because he has never used it, Sir, he would have coined a good phrase, but he does not want it, Sir - what would be inverting "imbalances" unattributed in the society. Now those are the areas that I would wish to think that the bank would again look at and get involved in.

Mr. SPEAKER: Two minutes more.

Hon. H. deB. FORDE: Because one seriously wants to know where it is going and how it is going and why it is going in a particular place, Sir.

Now, Sir, I wish finally to ask the Minister, if he would let us know because he has not given us, what really is the record of the bond issue and how much has the public subscribed on those issues, Sir.

So if I may summarize, Sir, I believe that the measures are necessary. I believe that the measures could have come earlier. I consider as well that the Bank's directorate has

taken some decisions that were incorrect decisions and has worsened whatever has been the situation. And I have cited those, Sir. I believe that in addition to the things which I have highlighted that the bank needs to reduce its overall expenses to increase its disbursements and particularly to pursue the micro window for its micro portfolio, as cited by the Honourable Member for St. Michael South Central.

I am indebted to you, Sir.

Mr. C. A. NEBLETT: Mr. Speaker, while rising to support this Resolution, I must relate to one or two points that have been raised by previous speakers. The first one I will deal with is the one about bad debt provision. Bad debt provision from an accounting point of view is not made willy nilly, but it takes into consideration the whole life of a debt, its performance in repayment, before one can make a particular or a specific amount.

The question of the Barbados Development Bank looking at its most recent statement and I refer specifically to the notes on the accounting policy, namely, they stated clearly how the recording of interest has been done and obviously this would effect the question of the balancing amount for specific debts.

Now when it comes to the accounting policy, it must be applied consistently from year to year to be generally accepted. In this case, it would have been most difficult where the firm of Chartered Accountants who have audited the accounts of the Barbados Development Bank to have switched from one policy to another without clearly stating it in its notes that this has been the case. Hence, the question of stating that the bad debt provisions were increased at a stage to convert a profit to a loss, I would caution very much that view, simply because it would not be in keeping with the generally accepted principles, and it would be contrary to the standard statements of accounting practice.

So I believe, at the time when the auditors reviewed the accounts of the Barbados Development Bank, they were firmly of the opinion that accounts totalling somewhere in the region of \$8 million would have been difficult to collect. We saw that same principle applied the following year, the one in reference was the 1985-86 year where \$8 million was provided for. Then again in 1986-87, \$8.4 million was provided for. It is clear that they have been applying these policies in a consistent manner.

But let us look at the overall. Between 1981 and 1988 the loans receivable of the Barbados Development Bank moved from \$31 million peaking at \$91 million in 1986 and then reducing to \$77 million in 1988. That means there has been quite a bit of activity. Obviously there would be included, in those accounts, some strange and doubtful ones. It was a time of expansion, as the claim was made. And remembering that the Barbados Development Bank is

always seen as a Bank of last resort, most of their clients have to be clients of the commercial system who have found that they cannot get the necessary funding from that source, and especially, when they are going in for asset purchasing et cetera, they resort to the Development Bank to get this kind of financing. Hence, you would find that the risk element is very high when it comes to the clients of the Barbados Development Bank.

Aside.

Mr. C. A. NEBLETT: You will get a chance to say that. Therefore, looking against that background, consider say in 1981, the provisions for bad debt of the Bank was then at a mere \$66 000. It increased gradually. It reached a point to \$2.7 million in 1985. In the meanwhile look at the increases.

Now if you look at a percentage wise of the bad debt provision as against the balances, you would not see any significance. But because of the serious jump, up to \$91 million in 1986, it was obvious that the \$8 million and the \$8.4 for 1986 and 1987 would have followed as a result of this.

There has been a clearing of the portfolios. They have been going through these accounts pretty intensively and out of them, they* have extracted quite a bit of those bad debts that were not performing at all.

What we have got to look at is that we have lost in the meanwhile a total of \$25 million. This happens to be the issued share capital along with a deficit of about \$1.1 million, making a total of \$25 million. 6.10p.m.

What we still have intact the question of loan receivables to the tune of \$77 million as against a payable, a long term debt of \$79 million. This will tell us that if all of these debts are collectible we have got a narrow base of about \$7 million that we must be concerned about. Nonetheless, efforts have been made to recapitalize the Bank through borrowings, the raising of Development Bonds, and other various sources. This is in keeping with what had taken place over a period of say 8 years. If you look from 1981 until 1988, there has been an input through increased issue share capital to the tune of \$14 million. They have been going in by \$1 million and \$5.6 million over a period of time.

Now all of this, when viewed against the cost of money, one should say that you have substantial profits looking at the interest elements. We have a serious problem here in Barbados in dealing, as I mentioned earlier, with those borrowers who turn to the Bank as a last resort for their financing. Usually, they are either craftsmen or traders who have not had very much experience in management. It is rather sad even at this late stage for us to be talking in

terms of providing funds at lower interest or through a micro-window without considering seriously the provision of consultancy services that will help these entrepreneurs in their accounting, marketing, and general management of their units so that they can respond. Usually, we have the case where the Bank officers would only take a look at the business when they discover that they are not meeting their legal obligation and usually it is very late in the day because much of the funds have been dissipated by bad management decisions.

I think we should look seriously at encouraging the Bank to have on its staff the kind of expertise that would literally hold the hands of the entrepreneurs and guide them through their difficulties especially in their early years of investment. This would help to a considerable extent to preserve the integrity of the Bank and at the same time make these enterprises successful in the sense that they would meet their objectives whether it would be for employment generation, foreign exchange earnings, or generally enhancing the corporate help of the economy.

It is nice to bandy figures about. It is nice to make claims, etcetera, but we must realize one important factor. The businessman moves into an area to make a profit, but while he is more or less having his nose at the wheel, there are changes. The scenario changes and he might need to adjust his sights from time to time, but he has not got the training or experience. Here it is that I think that the Bank should consider seriously in having the kind of expertise to guide them and by that means we will be able to overcome some of the problems and reduce the wastage that appears to be moving into the area of our industrialization and our general business community.

Mr. Speaker, I need not go any further. I hope that I have explained and I hope that those who have been making some strange statements will understand. It is all right for us to use our words, but remember the practical people out there have their hands on the levers and it is them who need the guidance.

Thank you very much.

Mr. D. A. C. SIMMONS: Mr. Speaker, Sir, I am going to support the Resolution because on June 6th there had been a similar Resolution in this Honourable Chamber in which the Government was seeking to borrow \$9.6 million from the European Investment Bank and we supported the Resolution then. We on this side want to be consistent.

Now I think, Sir, that it is necessary for us to look a little bit about the history of the Development Bank in the last year or 2 years to examine what forces gave rise to this decision today on the part of the Government to come for the \$10 million. When the Development Bank was last debated in this House, it was the contention of the Barbados

Labour Party that the \$9.6 million which was then raised was not enough for the reason that that money was only to pay off part of the outstanding historical obligations of the Bank. We said then that the Bank needed more money in addition to the \$9.6 million which was being raised. 6.20 p.m.

I am pleased to see that the Government, and particularly the Prime Minister and the Minister of Finance, has been responsive to the suggestions that were made then and, subject to correction, in the Budget from this side of the Opposition. You will recall, Sir, that for as much as we are criticised, even by correspondents in the Press who cannot read between the lines and who say that we do not have ideas, it was the Barbados Labour Party as recently as June 6 that made two suggestions to the Prime Minister for the recapitalisation and refinancing of the Bank. One was that having regard to the excess liquidity that there was in the banking system, the Government instead of going to the European Investment Bank could have floated a loan locally and raise the money, as we suggested, through national development bonds. Today this is precisely what the Government is doing.

Secondly, we suggested that a way of capitalising the Bank was by the provision of funds on budget. I heard earlier this afternoon the Prime Minister give an undertaking, which he will keep, that he is going to take \$5 million later on this year by way of supplementary, that is on budget, to help recapitalise the Bank and another \$5 million next year, presumably.

I am happy that two of the suggestions of the Barbados Labour Party specifically for the restructuring and recapitalisation and refinancing of this Bank have been recognised by the Government as having merit. That is all we seek to do on this side. We will be critical when there is need to be critical, but at the same time we will make, we hope, constructive criticisms and we will make constructive suggestions for implementation by Government.

I am not saying that anything we said on June 6 or that we are saying today is new, it was born out of our experience as to how we had attacked the problem of an insufficiency of equity in the Bank when we had responsibility for the Bank, and I think it is a function of the Opposition, and I agree with the Prime Minister to this extent, that Government is a continuum. He used the word "continuity" *sotto voce* when the Honourable Leader of the Labour Party was speaking, and if we tried certain mechanisms in our time and found that they worked, then one cannot quarrel if a successor government finds that there is merit in what had been done before and decides to use it.

That is only one part of the coin, Sir. Even though we feel content that the Government has acceded to our suggestions for the capitalisation of this Bank, there are

other matters which cause concern. On 28th April, 1988, reporting on the year 1987, the Prime Minister at page 8 of his Budget Speech said, and I quote, Sir: "Long term lending by the Barbados Development Bank declined by \$2.3 million. Loans to tourism and manufacturing fell slightly, while loans to other enterprises fell by \$1.9 million."

In my submission, in 1987 the writing was on the wall that something was wrong with the Bank's ability to disburse loans at the level that it had done hitherto. This was said last year by the Prime Minister who obviously recognised the problem then, and the criticism must be that it has taken the Government in excess of 15 months to do something about redressing that slide where it was evident from 1987. In the meantime, as Government on the one hand recognised a slide in the efficacy of the Bank's portfolio, the Government has taken two years to seek to redress - my friend is saying to begin to redress - the trend that had been set in 1987.

I understand, and I am not going to be unreasonable, how Government functions. In something as important as the Development Bank one would not wish the Government to rush headlong to make a decision or take a decision without proper thought and without careful scrutiny. Yet the options that were available to the Government were not unusual, because historically the Bank had been in a situation where in previous years it needed recapitalisation, and all that Government had to do really was to look and see what methodology and mechanisms had been used in the past to deal with the problem of erosion of equity.

There had been a precedent set, but at the same time as Government had to be careful about its decisions, on the other hand for two years - because I say according to the Prime Minister's budgetary statement of 1988 he said there was a problem, he identified the problem, \$2.3 million and a fall off in other loans by \$1.9 million - for two years the small businessman in this country who ought to have had access to the Bank, a bank whose function is to provide risk capital, as distinct from the commercial banks in town - praise God I do not run about and borrow anything from them, and I am knocking wood, Sir - that small businessman, the entrepreneur, has been denied access to a source of funds for two years while, I must say, Government dithered.

In the context of our politics in Barbados, Government is seen as the one institution which must have a solution to a problem. If Government recognised a problem in 1987, it was incumbent upon Government, having regard to the pivotal significance of this institution, to have come up with a decision with more expedition than it has now taken Government. I really have to ask, was Government waiting for the solution to the problem to be suggested by the Barbados Labour Party on June 6 this year when we debated the EIB loan?

When we debated that loan on June 6 I never heard from anyone on the Government side any agreement with the two suggestions that were made from this side, which I outlined earlier, that is to say, raise some money on budget and raise some money locally, having regard to the excess liquidity in the banking system. So I can only conclude that they were waiting for the Labour Party to give them the answers. 6.30 p.m.

Well we have given the answers.

Now, Mr. Speaker, the Bank, under the Democratic Labour Party for the past 3 years has been clearly an outstanding failure.

Asides.

Mr. D. A. C. SIMMONS: Well I have to search for something. We understand. The Member for St. Lucy and I understand, Sir. It has been an outstanding failure not only because in the Prime Minister's own words in 1988, not mine, his words in 1988, lending declined significantly, Sir. He did not use the word significantly, let me make that clear. That is my word. But it has been an outstanding failure because the management structure of the BDB in the past three years has not lent any stability to the institution.

We had a Chairman removed, after the Prime Minister became Minister of Finance, the former Chairman was unceremoniously removed. And, unless something has been said today during my absence outside, I have heard no good and sufficient reason for the change of that Chairman who was a man of considerable experience in the world of banking in the Caribbean, not only in Barbados, and is now purveying his services as far afield as Africa. But we can dispense....

Aside.

Mr. D. A. C. SIMMONS: - Bangkok or wherever. But that shows that in the banking - I am not dealing with the gentleman as a politician. I am dealing with him, in the area of his own special expertise, that of banking - ... with the services of one who has been so well qualified.

Mr. SPEAKER: Will the Honourable Member....

Mr. D. A. C. SIMMONS: Yes, Sir. You are keeping them quiet, Sir?

Mr. SPEAKER: Everybody.

Laughter.

Mr. D. A. C. SIMMONS: Sir, that we can dispense with the services of one who has been so well trained. I was in London when he was up there with Mr. Darwin Clarke

and Mr. Keswell Carter on a Barclays sponsored course in the early sixties.

Asides.

Mr. D. A. C. SIMMONS: Before what?

Aside.

Mr. D. A. C. SIMMONS: Before he joined the Dems, Sir. He was in London training. Barclays gave him a scholarship and he came back to the Caribbean and he served....

Aside.

Mr. D. A. C. SIMMONS: Yes.

Aside.

Mr. D. A. C. SIMMONS: ... well in Jamaica and he came here and had some experience, Sir.

Aside.

Mr. D. A. C. SIMMONS: Pardon?

Aside.

Mr. D. A. C. SIMMONS: He had some experience here with the National Bank, Sir, and thereafter he was enwrapped in the bosom of the Democratic Labour Party.

Aside.

Mr. D. A. C. SIMMONS: Yes, Sir.

Asides.

Mr. D. A. C. SIMMONS: And there was a lot of hugging up between himself and the Democratic Labour Party.

Laughter.

Mr. D. A. C. SIMMONS: So much so that he campaigned against me in Bridgefield in 1985 in May.

Aside.

Mr. D. A. C. SIMMONS: I bet him all the time.

Aside.

Mr. D. A. C. SIMMONS: No.

Aside.

Mr. D. A. C. SIMMONS: Yes, the one in Melrose.

Aside.

Mr. D. A. C. SIMMONS: There is a little levity being introduced in the debate, Sir. But I do not want it to appear that this matter is frivolous.

I am serious when I say that we had a person with vast experience, good paper qualification....

Aside.

Mr. D. A. C. SIMMONS: and he has been removed from the senior management of the Bank. He is not the only one.

Aside.

Mr. D. A. C. SIMMONS: A General Manager who had served for upwards of 14 years with the Bank, upon the change of Government, life was then....

Aside.

Mr. D. A. C. SIMMONS: Well, I did not hear the Honourable Leader of the Barbados Labour Party, but I believe he has made this point, Sir. I am going to make it very brief. He was moved out.

Asides.

Mr. D. A. C. SIMMONS: The Democratic Labour Party, Sir. This wicked Government....

Laughter.

Mr. D. A. C. SIMMONS: ... uncaring Government, Sir, ensured that he went home....

Aside.

Mr. D. A. C. SIMMONS: ... on special leave. No. The Right Honourable Prime Minister had nothing to do with Mr. Leslie. Let us be fair. The Honourable Minister of Finance had nothing to do, this present one. I cannot remember....

Laughter.

Mr. D. A. C. SIMMONS: ... with Mr. Leslie.

Asides.

Mr. D. A. C. SIMMONS: Well alright. It must have been Mr. Barrow then.

Laughter.

Mr. D. A. C. SIMMONS: The late great, Sir.

Asides.

Mr. D. A. C. SIMMONS: But that gentleman was uprooted. And an important link in the senior management of the bank had been removed.

Then the IDC, also in pursuance of a policy of unfair conduct to employees got rid of a lady of exceptional mental qualities who was subsequently taken on at the Bank and has been let go. All under the Democratic Labour Party.

Aside.

Mr. D. A. C. SIMMONS: A very analytical person. Jenny Fields. They chased her away.

Mr. SPEAKER: Hear no asides.

Mr. D. A. C. SIMMONS: Alright, Sir, thank you, Sir. What I find, Sir, is that....

Aside.

Mr. D. A. C. SIMMONS: No, no, no. The stability that one should look for in senior management has been fractured, and there is uncertainty.

Asides.

Mr. D. A. C. SIMMONS: I do not want to call any names. If you tamper with an institution as important as the Barbados Development Bank, an institution where public confidence is a necessary prerequisite of good banking practice, then in my submission, Sir, you seriously undermine the capability of that institution to perform its functions, statutory or otherwise. The Prime Minister laboured the statutory functions. That is all well and good. But there are other functions. And there are other functions which depend upon a stability of something called morale. And if the staff in the BDB do not have the necessary morale, you cannot expect an injection of 100% in their responsibilities to the Bank. I think that Government has to grapple with this. I am very serious.

Aside.

Mr. D. A. C. SIMMONS: I think we all agree in this House that one of the greatest problems confronting Barbados and most Thkd World countries in the 1990s is the problem of management. Some countries have suffered severely. Jamaica, after 1982 when there was a brain drain, perhaps, it started before that, and some of their best brains at senior and middle management level left the country.

Aside.

Mr. D. A. C. SIMMONS: Pardon?

Aside.

Mr. D. A. C. SIMMONS: And Guyana, same thing, Sir. We have a number of refugees all through the Caribbean now, Guyanese refugees trying to find a niche in communities where they expect some stability that would give them peace of mind and enable them to perform in the particular fields for which they are trained.

Fortunately, we in Barbados have not gone through the kind of ringer that has affected Jamaica and Guyana. I think Trinidad is on its way to experiencing some of those pangs. We tend to be more conservative in Barbados. But I am only issuing a warning that we cannot afford to tamper with our senior managerial staff in giving them a sense of insecurity in important organizations which are crucial to the development of this country. 6.40 p.m.

I fe[^] that we have failed over the last 3 years in respect of the Barbados Development Bank. Even though one will accept that local, regional, and international economic climates have not been conducive, at the same time I think that we have contributed to the problems in the Barbados Development Bank by:

- (a) not addressing the problems quickly;
- (b) unnecessary tampering for whatever purposes with crucial management positions in that organization.

Now I want to deal with some specifics, Sir. The 5-Point Plan of the Government does not introduce anything new. The Prime Minister did mention the strengthening of the institutional capability of the bank without more. He did not say what that meant. If that is that he intends to put in certain structures or mechanisms in the management of the bank, as I think he probably means, then we accept that.

The other matter, Sir, of the E.I.B. funds and so on, I understand that they are injecting capital to secure the equity of the organization. I wish to make a plea though, Sir. When the bank is recapitalized and its equity base is restored, it now has some funds to lend out. I wish to urge that even though it is a bank that it must be careful about its lending policies. At the same time it must recognize that it is performing a role that is different conceptually and practically from those fellows down there in the commercial banks. There has to be a greater empathy with the borrower than what you get when you walk into one of those banks. I do not deal with them, Sir. They are not going to insult me. National Bank did it to me in 1982. No bank will ever get the chance again. I went to borrow

\$20,000 from the National Bank and they told me that they were not lending to politicians. I was a politician and they said it - the National Bank. It is written into the records of this House. I do not want any part of them again, never again. I will pay the mortgage on my house and that is it.

Aside

Mr. D. A. C. SIMMONS: I went to the National Bank, not Barclays but the Barbados National Bank, to invest in a company with 25 other Bajans. I asked them to lend me \$20,000 and they carried me all around the world. I went on holiday, came back, and the money still did not come up.

Aside

Mr. D. A. C. SIMMONS: It was a viable project. I will tell you later on because we recently sold the land.

Aside

Mr. D. A. C. SIMMONS: I am a high risk because I smoke.

Aside

Mr. D. A. C. SIMMONS: I really feel, Sir, that even though we say that there should not be political interference in these organizations and, when you put in a new board, there is nothing wrong at all with the Minister responsible for the board meeting with the board before they really get down to business and telling them what he conceives as the role of the board. There are many people who never get any idea of what the Minister's policy is or what he would like to see because they have never had a meeting with the Minister. You appoint them. Sometimes you meet with the chairman. He does not necessarily carry back the instructions to the 6 or 7 more on the board. A way must be found to get it across to the board that in dealing with applications you have to apply standards that are qualitatively different from the standards applied in commercial banks. Their only criterion is how much money that they are going to make for head office in Canada. In a Development Bank, the perspective is different.

I am very pleased, Sir, that when the Labour Party had responsibility for the running of the Development Bank - the reports are there - the number of loans, the types of people we helped, and so on are testimonies to the fact that I think those boards felt an empathy with the borrowers. There will be some though who will come with all kinds of wild schemes and will invoke all kinds of emotional and racial considerations to get their hands on the money. I am only warning that that kind of thing can be dealt with when the Minister meets with his new board and tells them what he expects and what they must look for because after all these are public funds. The \$10 million that we are going to have over 2 years by way of supplementary and perhaps in

the Budget next year, or whenever the Prime Minister brings the second charts, are taxpayers funds. However much they want to be of assistance to entrepreneurs and so on, finally the accounting is with Parliament on behalf of the people whose taxes go to make up those funds which are ultimately borrowed. It is as simple as that, Sir.

Mr. Speaker, Sir, I am pleased that the Barbados Development Bank will be in a position shortly I hope to get going again. There has been a hiatus. There has been a feeling that nothing much has been happening. Loans have been approved but not disbursed because the dollar bills were not there and now we are going to put the dollar bills there. I wish the Bank every blessing, Sir, in pursuance of its public responsibilities and I am happy to lend my support to this Resolution subject to the various caveats which I have invoked during the course of my speech, Sir. Much obliged to you, Sir.

Hon. E. E. GREAVES: Mr. Speaker, I shall be very 'brief in my intervention. I would want naturally to support the particular matter because of the importance which it means for all of us, particularly in terms of development. I think that the point has been made that when one is talking about a development bank there is a particular approach which has to be followed in looking at how the Development Bank functions. 6.50p.m.

A lot of talk has been made by the Opposition that the Barbados Development Bank is bankrupt and had all sorts of problems and what have you. I was under the impression, Sir, that the problem which the Barbados Development Bank is now grappling with, which the Prime Minister has decided to deal with at this point, has been as a result of problems which the Barbados Development Bank has been encountering for a number of years and which previous Ministers of Finance did not have the guts to deal with. This is the long and short of it.

Mr. D. A. C. SIMMONS: On a point of order, Sir. The Honourable Minister was not in his place when the Honourable Member for Christ Church West read out how similar approaches were adopted in 1979 and 1981. It is all in this document here.

Hon. E. E. GREAVES: We are talking, Sir, about after 1981 and, as I understand it, the whole question of the provision for bad debts seems to have been somehow or other pushed into the background. What we are trying to do now is to bring all these issues to the fore, recapitalise the Bank, put it on the kind of footing that would enable it to perform the functions which are outlined in the Barbados Development Bank Act, which are consistent....

Mr. D. A. C. SIMMONS: On a point of order, Sir. I have found the page. I want to read it into the record. The Honourable Member is misquoting, Sir, because he said

1979 to 1981 and not after that Page 21: Third issue of National Development Bonds, August 1979, for a total of \$10 million. Fourth issue, opened in 1982, fully subscribed, \$5 million was redeemed on October 1, 1987. Fifth issue of National Development Bonds, opened in 1984, was fully subscribed, balance as at March 31, 1988 \$9.999 thousand. There was one in February 1986, the sixth issue. It is all here, Sir. Consistently in our time.

Hon. E. E. GREAVES: Sir, I suppose the information is correct. I am not disputing that information^ but the fact of the matter is that it was not enough. That is the whole point. Therefore, the piecemeal measures which were adopted by the Barbados Labour Party still left the Barbados Development Bank lacking. What we are doing now is coming with a package which will really deal with the problem once and for all, and with proper management in place, and with the Bank making decisions which are consistent with good development banking practices we will see the Development Bank playing the kind of role which it should play in the development of this country. The Development Bank is a very important institution and we therefore have to ensure that it gets the support which it deserves.

Sir, the Honourable Member for St. Michael South Central and Leader of the Opposition has obviously a very short memory, and maybe a convenient memory, because when one sits and listens to the Honourable Member one cannot believe that he was the Opposition spokesman for finance during the period 1981 to 1986 and had a number of things to say about the Barbados Development Bank. When I tried to get out of him the reasons which in his opinion at this time now as Leader of the Opposition he felt were responsible for the problems in the Development Bank, he "dipsy doodled" and would not try to confront the problem which he identified when he was Opposition spokesman for finance, so I would want at this point to refresh the memory of the Honourable Member for St. Michael South Central.

This is contained in the House of Assembly debates for Tuesday, February 18, 1986. The debate had to do with a guarantee by the Minister responsible for finance for the payment of a sum of \$15 million and interest thereon borrowed by the Barbados Development Bank for the sixth issue of national development bonds. At page 3368 the Honourable Member had this to say about the Barbados Development Bank, and I am going to read three extracts from that speech because I think it is very important. I quote:

"I am saying from the floor of this House that there are another \$7 million in bad debts for which provisions has not been made____"

Aside

Hon. E. E. GREAVES: Well, I am reading it This is what is recorded here. He would not have said that, but I am reading what is exactly in the record.

"... in the accounts of the Barbados Development Bank yet and will have to be made in future years. I go further, Sir, and say this, that there are a large number of properties that I know about which the Barbados Development Bank has virtually written off - because they know that those projects would be no good in the future, they have been no good in the past, they are no good at present - and they would be only too glad if somebody would come along and try to rescue them and make a decent offer in order to rescue the problems."

Then later on in the same speech the Honourable Member had this to say:

"There are many instances where people have bought a piece of land for \$20 000, got a revaluation of that land, a paper revaluation for \$100 000, and then gone and borrow \$900 000 from the Development Bank with the equity, the actual capital inside there, being \$20000."

Those are the Honourable Member's words.

"I know of one case where the actual cash outlay was \$22 000, a further \$200 000 borrowed temporarily from a commercial bank, \$1 million borrowed from the Development Bank, the commercial bank paid back \$200 000 and the Barbados Development Bank left holding the loan for \$1 million."

All I am saying, Sir, is that the problems which the Honourable Leader of the Opposition identified this afternoon are not new problems to the Development Bank, these are problems that have been there before, which the Honourable Member knew about As a matter of fact, all of the details which even at that time we did not know about, the Honourable Member knew and therefore made this public. The point is that provisions have to be made for bad debts. 7.00 p.m.

And it is a fact that in the past, a number of people have taken the Barbados Development Bank for a ride. We would hope that that would no longer be the case.

The Honourable Member for St. Thomas made the point that the Development Bank must show some empathy towards the borrowers. I agree entirely with that. But I would also say that the borrowers must show some empathy with the Development Bank and also for other people who would want to borrow from the Barbados Development Bank. It is a fact that there are people who have borrowed money from the Development Bank and who have refused

to repay the Development Bank. And if those same people have loans from the commercial banks, they will pay the commercial banks before they pay the Barbados Development Bank, because they feel that since it is a Government institution that the Government could always lose the money or the Government would do nothing about it.

I think that the message has to go abroad that the Bank has a role to play in the development of this country, and if we borrow money, if the Government guarantees money, if the Barbados Development Bank loses money, it is the taxpayers, all of us who are losing that money and we will have that less money to make available for developmental purposes. I think it is important that this message goes abroad and with the new capitalization and with the new approach which this Administration is adopting towards the Barbados Development Bank that we would see a new attitude being demonstrated all around, in terms of how the Development Bank functions and indeed, how people relate to the Development Bank. I think it is very important.

I was rather disappointed in the Leader of the Opposition to see how....

Aside.

Hon. E. E. GREAVES: I am not surprised because....

Dr. R. C. HAYNES: On a point of order, Sir. The Honourable Member said he is disappointed. The Honourable Member has just said that with remarkable prescience I was able to say that there was a need for provision of bad debt of \$7 million early in 1986 when in Opposition and when the Accountants did the books in 1987, they made a provision for \$7 million. Remarkable accuracy. And yet you say, you say you are disappointed?

Hon. E. E. GREAVES: I wonder, Sir, if the Honourable Member could tell us what he did when he was Minister of Finance, to put the Development Bank on a proper footing? That is what I want to find out.

Aside.

Dr. R. C. HAYNES: On a point of elucidation, Sir.

Hon. E. E. GREAVES: Yes.

Dr. R. C. HAYNES: The first responsibility of the Minister of Finance, the Government having agreed, Parliament having agreed to raise that money from the IDE which made, as a condition a strengthening of the management of the BDB and a tidying up of the portfolio which today enables you to go to the markets and borrow the money. Make no mistake about it. That is what had to

be done as a precondition, plus the micro business window which you have stopped small people from St. Lucy from getting any....

Mr. SPEAKER: Now that is going beyond the point of elucidation.

Dr. R. C. HAYNES: He asked me what I did, Sir. He has stopped a lot of people, Sir,....

Mr. SPEAKER: Yes. But that is going beyond the point.

Dr. R. C. HAYNES: Small people.

Asides.

Hon. E. E. GREAVES: Mr. Speaker, the Honourable Member said that as a precondition for financing that we had to put management in place and that the accounts of the Barbados Development Bank had to be tidied up.

Let us just look at the last statement.

Aside.

Hon. E. E. GREAVES: Yes. You did say that. I tried to find out from you what you meant when you said that the accounts had to be tidied up.

Are you saying then that the accounts of the Barbados Development Bank, under the Barbados Labour Party were untidy? That is what you are saying.

Aside.

Hon. E. E. GREAVES: On a point of elucidation, Sir. The Honourable Member has asked a question and I have told you, when I am dealing with financial institutions, I am not involved in partisan politics.

Laughter.

Dr. R. C. HAYNES: On this occasion, what I have said, Sir, is that the IDB, as you well know and all of us know made it quite clear that there had to be a change in the basis for accrual of interest and also the basis for which provisions were made for bad debt.

I am not here to protect the Barbados Labour Party or anybody. I am speaking on a factual basis. And that is a fact of life.

Hon. E. E. GREAVES: I understand. So, what is the problem? You have just confirmed what I am saying. You only confirmed what I am saying, that what you are saying is that in 1986 when you were Minister of Finance, before you could go to the international market to borrow money,

you had to put the books of the Barbados Development Bank in order.

Dr. R. C. HAYNES: I did not say so. The money was already....

Aside.

Dr. R. C. HAYNES: borrowed, Parliament had already approved it. It was a question of disbursements and the requirements of the international institution. Do not misrepresent me!

Hon. E. E. GREAVES: The Honourable Member is saying that before he could draw down the money from the IDB, the IDB said that the books had to be put in order, that the books were not in order. The books had to be put in order. That is what the Honourable Member is saying.

Dr. R. C. HAYNES: On a point of order, Sir. I had no responsibility to draw down any money from the IDB. Once Parliament approves it, the Bank could draw down the money, not me.

Hon. E. E. GREAVES: Sir, I do not think that the Honourable Leader of the Opposition could be so puerile as to believe that I would think that he personally draws down money. The Minister of Finance does not draw anything. There is no Minister of Finance who draws down anything.

I really am disappointed. But my disappointment continues in the Honourable Member.

Aside.

7.10p.m.

The point which I am making is that the Honourable Member is saying that he had to put the books of the Barbados Development Bank in order before either the IDB loan was granted or before it was drawn down. He said that the loan was approved already and, before the loan was drawn down, the books had to be in order.

Dr. R. C. HAYNES: The Honourable Member is accusing me of saying that I had to put the books in order. What I am saying is that the steps were taken as a precondition by the IDB, not by me.

Aside.

Mr. SPEAKER: May I have some order please?

Hon. E. E. GREAVES: Sir, before we can proceed, we have to get certain principles right and this is the whole point. We have to get certain principles right. That is why I am trying to get the Honourable Leader of the Opposition to understand. So that when one is saying that the IDB was saying that as a precondition for the drawing down of the

loan, things had to be put in order. That is what the Honourable Member is saying that as a precondition things had to be put in order. The books of the Barbados Development Bank had to be put in order as a precondition for the drawing down of the loan.

Aside.

Hon. E. E. GREAVES: Exactly. That is why I am making the point. It is a condition before

Mr. SPEAKER: The Honourable Member is addressing the Chair. The Honourable Leader of the Opposition has spoken already and there is no opportunity for a second speech by the Honourable Leader of the Opposition. All questions would need to be addressed to myself.

Hon. E. E. GREAVES: Yes, Sir. I appreciate that, Sir. The Honourable Leader of the Opposition tries to be clever. I said, "He tries to be clever". When one pushes him into a corner, he tries to use words to get out of the corner that he is boxed in. He is obviously boxed into a corner this evening. All we are trying to do is to get the principle on which he tried to conduct the debate properly established and, then once we get the principle established, we will be able to deal with the arguments.

It is a fact that the Development Bank had problems during the Administration of the Barbados Labour Party. It is a fact that the Development Bank encountered problems during our Administration and we are trying to put the matter right. This is all that we are saying.

Aside.

Hon. E. E. GREAVES: No, the Honourable Member would want the public to believe that the problems of the Barbados Development Bank only started within the last year or two. I am saying that it is a continuing problem and I think to the Prime Minister's and Minister of Finance's credit that he is taking the bull by the horns and trying to get the matter resolved once and for all. Contrary to what the Member for Christ Church West has indicated that these are piecemeal measures, the Prime Minister is coming with a package of measures which will deal with the particular problem which is being encountered.

Now the Honourable Leader of the Opposition made mention about the micro-business window and in a remark he said something about the removal of the micro-business window, or stopping small people from St. Lucy of getting loans from the micro-business window. That is what he said. Well, I really do not even know that is worthy of a reply. All I will say to the Honourable Member for St. Michael South Central, the Leader of the National Democratic Party.....

Aside.

Hon. E. E. GREAVES: "Nuff Dead People"....to come to St. Lucy and tell that to the small people down there and let me deal with you down there. We are not going to deal with St Lucy in here. Let him come down there and make that point and then we will deal with that down there. Next time we are having an assembly, come to St. Lucy. I will invite you down there.

Aside.

Hon. E. E. GREAVES: I will deal with you in good time.

Sir, I think this is a matter which is very clear to everybody. You know, quite frankly, I do not see what is the big fuss. We will get the matter of the Development Bank straightened out The Development Bank will play the role of a development bank and will recognize that it cannot operate like a commercial bank but at the same time has the interest of the public's monies to manage and it has to play a developmental role. I would really like to think that we will see a new approach and we will certainly see a different attitude coming from persons who borrow from the bank recognizing that in the same way that they expect that the bank has the responsibility for promoting development, that they also have a responsibility to assist in this particular regard.

I thank you, Sir.

Aside.

Hon. B. M. TAUT: Mr. Speaker, I wish to associate myself with the remarks of the Honourable Member who has just sat down. I would like to go a little further and deal with a philosophical difficulty which the Leader of the Opposition now seems to have. The Leader of the Opposition seems to have difficulty in terms of the framework in which he put the stewardship of the Barbados Development Bank. Let me be the first to assist him in remembering. Let me help him remember that he has said on more than one occasion in the past when he was Minister of Finance that he found that under the Barbados Labour Party the Development Bank had been taken to a point where, if it were not rescued, it would have disappeared completely. For a substantially long time we had a methodology under the Barbados Labour Party steeped in a propagandist^ approach to development banking which tried to give the people of Barbados the impression that suddenly a Moses had come to development banking. What we had constantly in this period was this statement that the Development Bank is now making working capital available to ordinary people.

Now development banking as we understood it and still understand it, and I believe the Leader of the Opposition understands that - if it is one thing that the Leader of the Opposition understands, it is the concept of development banking because I have heard him on numerous occasions inside and outside of this House during the time when he was on this side wailing against the Barbados Labour Party systematically, continuously, and virulently.

Aside.

Hon. B. M. TAITT: Did you ask me about Burger Bee? Burger Bee is a local company. You want to know about Burger Bee. Burger Bee is a small company that has been systematically destroyed. It is a small company that was borned by a single Barbadian and, when I was functioning as a consultant, I became involved with it. It is a single, ordinary individual who lives at Appleby Gardens and who tried to get a loan to assist him in development, just as the Honourable Member for the City tried to develop a small business and had a lot of assistance because of his stock and trade. But Burger Bee was owned by ordinary black Barbadians.

Mr. P. J. M. MILLER: On a point of elucidation.

Aside.

Laughter.

Mr. P. J. M. MILLER: On a point of order, Sir. I said on a point of order. Are you the Speaker now? Do you think the only body that can make a mistake is the Honourable Leader of the House?

Mr. SPEAKER: You see the trouble we have is that too many speeches are made sitting down and sometimes we feel that we have spoken.

Laughter.

Mr. SPEAKER: That is why I have been consistently saying.....

Laughter

Mr. P. J. M. MILLER: No, Sir, I just want to enlighten the Honourable Member for St. Michael West that I have developed many small businesses not one but several and most have been successful except for the one that he is alluding to and that he and I know about.

At this point certain remarks made by the Honourable Member for St. Michael West and the Honourable Member for the City were directed to be expunged from the record by Mr. Speaker.

Mr. SPEAKER: Now I am going to ask Honourable Members to observe the rulings from the Chair.

Aside.

Mr. SPEAKER: I am speaking. If Honourable Members do not want to sit, I can easily show them how to get out of here very easily. 7.20 p.m.

When I rise from the Chair to make a ruling on a matter, I shall not tolerate any member who refuses, who persistently ignores my presence. I will forgive it on this occasion. On any other occasion I am sure that you will accept my final ruling on that matter. I am asking members not to persist any more with that kind of discussion.

Will the Honourable Member for St. Michael West continue?

Hon. B. M. TAITT: Yes, Mr. Speaker. I was making the point that the Development Bank has been used as a propaganda mechanism under the Barbados Labour Party when the then Chairman gave the impression that some new and special and different arrangement in development banking was descending upon Barbados, because the Development Bank was (a) making a profit, and (b) that persons who run certain kinds of businesses were going to be allowed, through the generosity and the humane approach of the Development Bank, to move from a position of poverty into the ranks of the affluent.

The fact, Sir, that when one examines the record what one finds, and what the Leader of the Opposition found when he became Minister of Finance, and which he has discussed on more than one occasion, was that the Development Bank far from being a vehicle for development was being converted into a form of commercial banking in competition with the commercial banks in Bridgetown.

I will give an example, Sir, of what I am talking about. Let us say, hypothetically, that one person wanted to sell a piece of property or to sell a piece of equipment and another person wanted to buy that equipment. The Development Bank suddenly found itself able, whereas the equipment may have been advertised at \$8,000, to lend \$16,000 to purchase the same piece of equipment. That equipment having been purchased for \$16,000, the Development Bank then crowed that it had helped the individual who bought the equipment.

If you could trace the genesis of the entire transaction, what you found is that there was a measure of conflict where the seller of the equipment and the buyer of the equipment lived in the same neighbourhood, and the one was an official of the Development Bank, the seller. These are the kinds of things that happened while the country was

being told that the Development Bank had just gone into a new phase.

We have bad debts, Sir, that have been accrued this year, bad debts that had been clearly earmarked as bad debts a long time ago. Persons were able to go to the Development Bank and borrow large sums of money to fuel their businesses and their other activities, and those persons.....

Aside.

Hon. B. M. TAITT: But you know better than anybody else. The Honourable Member for Christ Church West does not need a list. The Honourable Member for Christ Church West knows a tremendously large amount of things that he pretends not to know. He knows, Sir, and he knows that a number of the bad debts in the Development Bank were bad debts almost from the day after the loans were made, debts that could never be anything else but bad. They were conceived badly, they were born badly, they were stunted at growth and they had no opportunity whatsoever to be anything else but bad debts.

In this country, Barbados, Sir, we have been the victims of a systematic arrangement - I will go no higher than that in this House - by which certain people have used the facilities in this country for certain purposes. Then we discuss it in political terms and the politicians are the ones who are identified as corrupt. We have politicians who go out and spread information about other politicians, saying they are corrupt, casting aspersions on their colleagues without evidence, or even a scintilla of evidence, but they allowed persons in this country who have taken a hegemony on the development.....

Aside.

Hon. B. M. TAITT: You would know about him better than anybody else.

Mr. SPEAKER: I will ask the Honourable Member not to pay attention to asides.

Hon. B. M. TAITT: Well, you know how it is with me, Sir.

Mr. SPEAKER: I will have to take them out from the records. Any replies to asides I will have to take out.

Hon. B. M. TAITT: Trained in the art of music, Sir, my ears are very sensitive and if anybody drops a pin I hear it.

Mr. SPEAKER: Well, I will just respond by the natural process.

Hon. B. M. TAUT: Well, trained as you are in the art of response, Sir, I expect that. You are the best Speaker we have ever had and I will be guided by you in these matters.

Aside.

Hon. B. M. TAITT: Do you question that? You are not the best Leader of the Opposition we have had so far. I do not know why the Honourable Member for Christ Church West does not resume his rightful place as Leader of the Opposition, if he can get the Honourable Member for the City to do a "dipsy doodle".

Sir, I am making the point that in this country a lot passes and we make fun at it, but in the editorials and in the serious columns and in the not so serious columns that are being written in this country a number of people are being portrayed. The Honourable Member, the Minister of Agriculture, is being portrayed in this country as somebody who might have a conflict of interest arising out of remarks that are made by serious members of this House in and out of the country.

Certain remarks made by Hon. B. M. TA/TT were ordered by the Speaker to be expunged from the record.

Hon. B. M. TAITT: I am not embarrassed by anything I have said or done. In 1983 I made a statement and by 1989 the lawyers have advised me how to behave, and because I am knowledgeable about the law, because I believe in the rule of law, I will behave according to how my lawyers advise me. Not like some members I know who ought to be steeped in the law and who in spite of various attempts to feed them with concepts of the law will make wild and irresponsible statements which suggest no acquaintance whatsoever with the principles of law. I am not like that, Sir. If my lawyers advise me to do something, I follow their advice as any corporate or regular citizen should do, so if they tell me to apologise I will apologise. It takes a big man to be able to apologise, but it takes a very wicked group to be able to make a man apologise twice in a newspaper. It takes a very wicked group, Sir, to make a person apologise twice. I am the only man in the history of Barbados who had to apologise twice, once on Tuesday and once again on Wednesday. Check the records, Sir, and you will never find ever in the history of Barbados that anybody who had to apologise as part of the normal flow of the law had a virtual preview in both newspapers of the apology. Never in the history of the laws of defamation have we ever had a preview, where one newspaper actually carried the details of what I am going to say tomorrow. They call that decency. They have the temerity to discuss integrity, but they think if they orchestrate that kind of approach to public life that that is desirable. I say it is wicked.

Mr. SPEAKER: I will ask the Honourable Member now to.....

Hon. B. M. TAITT: Sir, I am discussing conflict of interest in the Development Bank and I am showing how the conspiracy in this country, a conspiracy of silence.....

Mr. SPEAKER: Yes, the point can be made but it can be over extended to the point where it becomes irrelevant to the Resolution, so I am suggesting that you bring it closer. 7.30 p.m.

Hon. B. M. TAITT: Yes, Sir. So in the Development Bank....

Asides.

Hon. B. M. TAITT: My friend. Granty does not know anything about what went on. He would never do that. He is a decent man.

Aside.

Hon. B. M. TAITT: Sir, the conflict of interest in the Development Bank is apparent for anyone who examines it. And the Leader of the Opposition is seized of the conflict of interest methodology that was used during the regime of the Barbados Labour Party. I know he is seized of it because he has discussed it with me on more than one occasion, Sir.

Aside.

Hon. B. M. TAITT: He knows about it. We have articulated it on the platforms. We have gone the length and breadth of this country. So the Leader of the Opposition knows what I am talking about, Sir. The conflict of interest methodology.

Aside.

Hon. B. M. TAITT: I could never mislead him. When it comes to misleading, he has no peer.....

Laughter.

Hon. B. M. TAITT: so I could not mislead him.

Laughter.

Hon. B. M. TAITT: We understand each other extremely well in these matters.

But the conflict of interest, under the Barbados Labour Party cannot now be gainsaid by the Leader of the Opposition. There is no attempt to marry these two fledgling political parties that would allow the Leader of the Opposition to escape the positions which he has taken against the Barbados Labour Party. It does not behove the Leader of the Opposition

Aside.

all sides of this Honourable Chamber are in support of the proposals. I fear to think that if we were in disagreement how long we would spend on this particular issue, Mr. Speaker.

Sir, I do not have the power of Cicero or Demosthenes to give to this particular theme that we are discussing the kind of succinct, rhetorical flourish that it really deserves because we are dealing with a very important issue here. It is the restructuring and refinancing of a major developmental institution in this country in order to enable the people of this country including the small people in this country to be able to utilize their talents and their skills to earn a living out of their own creativity, their imagination, and their application. This is really what this particular Resolution is about. It is to take an ailing institution and to revitalize it so that it will be able to meet the requirements of persons in this country - large, medium, or small - for financing to assist them in their entrepreneurial or other business activities. Really, our objective is that we should be able to create a new class of entrepreneurials in this country and by new class I mean persons who have found it difficult in the past to gain access to the resources that would enable them to share in the development and growth of the country.

What we are doing here is to provide Development Bonds through the eighth issue and no one has denied that there were issues of National Development Bonds before. This is the eighth issue which means that there have been seven before. The purpose of this, as I have indicated.....

Aside.

Dr. R. C. HAYNES: That is a fair conclusion.

Rt. Hon. L. E. SANDIFORD: It is logical and fair. The bonds that are being offered will be issued in two tiers. It will have a two-tier interest rate structure, one based on the maturity of the bonds. There will be a 6-year bond for the period 1989 to 1994 that will bear an interest rate of 7% and then there will be an 8-year bond for 1989 to 1997 that will bear interest at 7.5%. The bonds will be issued in denominations ranging from \$100 to \$1/2 million so that the small investor as well as other investors will have an opportunity to participate in this particular issue. The interest that will accrue to the bond holders will be free of Income Tax on the individual bond holdings of up to \$50,000. Those are the terms of the bonds and, Sir, these bonds have played and will continue to play a very crucial role in providing the Bank with resources for the elements of the lending programme for the Bank. The Bank obtains from National Development Bonds counterpart funds for its programmes with the international lending agencies. The proceeds from the bond issue also allows the Bank to provide financial assistance to projects in the important areas which are not eligible for funding under the external

programmes because in many instances there are conditions attaching to the loans from the external agencies. 7.50p.m.

This one, raised from local sources, may be directed into the area of the small business sector and projects which involve the refinancing of existing debt.

We are hearing a lot about micro business window and other kinds of terms. You hear about mini, micro and all types of terms. When this particular Bank was established, there were two categories being used. There was small business and there was large business and the Bank was intended to deal with both areas. We did not dissect the small business sector into different categories or segments, so within the legislation itself there is provision and there is a requirement to lend to small business, and small business means anyone wanting from \$2,000 or \$3,000 up to whatever the maximum may be permissible.

We do not have to get into these semantics as to how we describe these things. The Bank has a responsibility now to lend to small business and within that small business sector we are grouping whatever group you want to put in there, whether it is micro, mini or however you wish to describe it. We do not want to go through that particular phase.

Sir, there seems to be some feeling that provision is not made for small business or that provision is not made for the small man, or that provision is not made for the micro business, and when we get down to talk, even though we are agreeing with the proposals being put forward we have to do a little song and dance, and sometimes we even want to behave rude or something like that, but you will not permit it in here, Sir, to give some impression that there is some departure or some change from the provision of funding for micro lending.

I hear about the \$3,000 loan that has been made. I do not know how many of those there were in the past, but let me put it this way. I do not know why we have to jump around. We acknowledge what is done, we acknowledge the record, and the member for St. Michael South Central, in I believe the one set of budgetary proposals that he presented to this Honourable Chamber, I think he made some provision for setting up the micro window, and thereafter provision was made subsequent to that for a facility to be made available.

I have here the Capital Estimates for the Ministry of Finance, Head 73, Subhead 2, Contributions to Domestic Development and Financing Institutions. The description in the Current Estimates for that particular Subhead reads: "Provides for the augmentation of resources of the Barbados Development Bank and Capital contribution with respect to the Loan agreement 178/ICBA. Provision is also included for the Micro business window at Barbados

Development Bank..." and it goes on to make reference to another component of the Head. A quarter of a million dollars is included in this current Estimates for the very thing that the members out there are calling for, and they have copies of the Estimates. They have all kinds of documents. I heard the leader of the minority Opposition...

Aside.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, I do not dance about like the member for St. Michael West, if I want to call them a micro party I will call them a micro party and I would not talk about any 50 years or anything like that, I would do the count in here. They are micro in here. He is truthful and honest, and he will get up and say that I said in here they are micro. He cannot deny it.

Aside.

Rt. Hon. L. E. SANDIFORD: That is exactly the point I am on now, that they are out there calling for some micro something to be established, and in the very Estimates here provision is made for a quarter of a million dollars this year, and I believe provision was made for this, as I indicated previously

Hon. H. deB. FORDE: On a point of elucidation. The Honourable Member is not speaking to the point and he is again, with respect to you, Mr. Speaker, misrepresenting my speech. What I said is that the Development Bank itself was not lending to micro business directly, it had taken the money and was lending it on to Women In Development. If the Honourable Member will look at his speech he will see that I have correctly stated the position.

Rt. Hon. L. E. SANDIFORD: So what? There are two ways of dealing with the matter of lending to small business. The institution itself can make the loan or it can associate with other institutions which may be closer to the small business people, or which may have a more direct contact with them, and which will in fact deal with speeding up the disbursements that the members may be talking about. That is a practice that is known in banking. The Inter-American Development Bank does it in relation to development banks in member countries. The World Bank does it in relation to other banks in the area. One institution in order to on-lend to other institutions may pass on money, and so it is true that the Barbados Development Bank has made and is making funds available to the National Development Foundation... you have to build up... and to the Women In Development organization for them to on lend to their clients. But that does not mean that the Barbados Development Bank does not have its own window available. And I will be ensuring that the Bank also will be making its loans in that particular area; if they are not doing it. They will be doing it as well, in addition to making funds available to other people. 8.00 p.m.

Asides.

Rt. Hon. L. E. SANDIFORD: That is precisely the position. And I really do not understand. Instead of getting up and saying, yes, these are worthwhile areas, in one sentence they say that they will support the proposals and then spend 99% of the time in being critical and in dog dancing and other kinds.....

Hon. H. deB. FORDE: On a point of elucidation, Sir. Nobody was dog dancing, cat dancing or sleep walking. The point I am making, Sir, is that the Honourable Member again is really not dealing with the point. There are two points that the Honourable Member must answer. One is that I was making the point that even where money was provided for these two organizations for onlending, the Bank's records show there had been no draw down, according to the last report available to this House, and that is page 17 of the Report. The Right Honourable Member would see that.

And I went on further to say, Sir, that the Bank itself should use its experience, because of the potential it had for small people to grow into larger businesses later. And those are the points I am answering.

The Right Honourable Member has now conceded that of course he would tell them to continue to do so. Exactly what I am calling for.

Rt. Hon. L. E. SANDIFORD: I use the terms that you use. Mr. Speaker, I see the Member there waving a Report. And quite earlier on, he said that I had some Report for 1988-89 and that I had information from that Report which I should make available to the House.

Sir, I have made available the Report for the year 1987-88. No Report for the year 1988-89 has come to my desk. The Member says he has it. He says he has it. I do not know if he is a member of the....

Aside.

Rt. Hon. L. E. SANDIFORD: He did not say he has it.

Aside.

Rt. Hon. L. E. SANDIFORD: Not in here! He said he did not have it. Not in here!

Aside.

Rt. Hon. L. E. SANDIFORD: You see what I mean by dog dancing.

Laughter.

RL Hon. L. E. SANDIFORD: Perfect example of it, Sir. But I wish to make it clear that that Report has not yet come to hand. I have not received it from the Barbados Development Bank Board. My understanding is that they have considered the Report recently, and I do not know whether they have finalised their consideration of the Report. So I am not in a position to make information available from that Report to the Honourable Member or to this House. All I can do is to give the assurance that as soon as the Report becomes available, and after I have examined it, and the Cabinet has taken a decision on it* we will take the appropriate steps in respect of the laying of that particular document. I should just like to get that particular point out of the way.

Sir, there was some indication, I believe the Member for St. Thomas was building up a basis for some kind of criticism. You see, whatever we do in the House, we have to find something to criticize about because you do not want to be seen giving full support to the proposals of the Government or the Minister of Finance or to any Minister for that matter. And so, they have started talking about tardiness and that type of thing.

Aside.

RL Hon. L. E. SANDIFORD: Mr. Speaker, this Bank lends money in all areas, so long as they qualify under the Bank's condition. And I consult closely with the Minister of Agriculture, as far as policy is concerned for the development of agriculture. We have been having discussions about the flow of financing for agricultural projects.

I want to make it absolutely clear that if any Member in here said anywhere that I have been looking for a Minister of Agriculture or talking to people with a view for them to becoming Minister of Agriculture, I refute that entirely. I have never had such discussions. And the Leader of the NDP should be ashamed to make such a statement. Entirely without foundation! Untrue! And if he is going to an assembly, not the House of Assembly or the general assembly, Sir, because he could not make that statement in here....

Mr. SPEAKER: That is what I was going to say, that you are replying to a statement that was not made in here.

Rt. Hon. L. E. SANDIFORD: No, no, Sir. I am not replying to the statement in here. And that is the Minister of Agriculture. And when in public, we can be making those kinds of allegations, not even in his moments of forgetfulness do you get that kind of thing from the Member for St. Thomas. He does not do that kind of thing. Why should....

Mr. D. A. C. SIMMONS: I was resting quietly.

Laughter.

Mr. D. A. C. SIMMONS: The Honourable Leader of the Opposition, if he made the statement was only saying that the Minister of Health had given the Prime Minister his own advice that he should have moved the Minister of Agriculture before the debate. And the Minister had said it would look as though pressure had been put on him, Sir.

Laughter.

Hon. B. M. TAITT: On a point of order, Sir. I have never given the Prime Minister that advice or any advice on the allocation of his Minister, Sir. I absolutely, categorically deny it, Sir.

Aside.

Hon. B. M. TAITT: And the Honourable Member should withdraw that, Sir, and it should be struck from the record. It is not true.

Laughter.

Rt Hon. L. E. SANDIFORD: There is some reference, Sir, to some solemn talk about interest rates and so on, Sir. I spelt out in the 1988 Financial Statement and Budgetary Proposals, the policies that I would pursue in respect of the matter of interest rates. And with your permission, Sir, I would wish to quote from that particular document which is already a document of this House. And this is what I had to say in the Financial Statement and Budgetary Proposals on Thursday, April 28, 1988. At page 26, this is what I said:

"With respect to policy on interest rates, I shall be pursuing the following four principles"

- (1) local lending rates should be as low as is feasible, taking account of the underlying trends in foreign interest rates;
- (2) there should be the greatest possible stability in the domestic rates;
- (3) depositors should earn a reasonable return bearing in mind the margin that all banks whether local or foreign require for their viability; and
- (4) the movement in the domestic rate should reflect the local demand and supply of credit.

Sir, those are the broad principles under which interest rate policy is being pursued in this country and therefore, we seek the most favourable rates as possible. Because we are very conscious that the cost of borrowing money is an important factor in the total economic situation. And we

would of course wish to make money available at the lowest possible rates.
8.10p.m.

There are factors which influence this because money is one of the scarce resources and sometimes when we talk on the one hand we say that you should follow sound banking policies and market policies and so on. On the other hand, you say that we are calling upon the taxpayers to carry a particular burden and on the other hand you say the taxpayers should carry a burden.

It seems that given the particular position of a Member at a particular time whichever argument it suits to advance is the one that is advanced at that particular time. We will pursue the interest rate policy which I have indicated and I am consistent in all of this because I set out quite clearly the principles on which I will be proceeding and which this Government will be proceeding as far as the management of the finances and the economy of the country is concerned.

Mr. Speaker, these National Development Bonds are intended to assist in the development of the country, particularly in the area of development of small business and small business sector. That is precisely why we have come with this package. Let me say now that the arguments of the Minority Party in this Chamber - not you, but the Barbados Labour Party. That Minority Opposition Party over there. Their argument now is that this is nothing new and underlying that must be some idea that whenever you are doing something that it has to be something new. There must be some underlying belief that the only positive steps that can be taken must be based on something new. That is why I was at pains to stress that there is continuity and there is change. At sometime you have to stress the theme of continuity and at another time depending on the circumstances and depending on the conditions which you are dealing with you have to create something new.

Now I would like to know when in the past 10 years, 11 years, let me say, or 12 years has any money raised from external sources for the Barbados Development Bank been converted into equity.

Aside.

Rt. Hon. L. E. SANDIFORD: The question I am on, Sir, is not only the transfer of the funding to the institution but as a deliberate policy not as hindsight or because of a requirement to do so, but up front saying that the money which will be on lent to the institution will be treated as equity. This is what we are saying in respect of the proceeds from the European Investment Bank Loan.

Aside.

Rt. Hon. L. E. SANDIFORD: I am saying that this is part of the injection of equity into the institution. I am saying that it is not merely \$10 million coming from the issue of the National Development Bonds, but it is also these other injections which will go towards the equity of the bank. That is how we are going to build it up. It is a source of funding. The bank needs equity. It needs recapitalization and it needs that because over the years, let us say, we have been making a lot of talk about provision for bad debts. This is an accumulated situation. Let us not try to prove that the the record is not what it is. The bank has been in difficulty down through the years and the time is now for rejuvenation, recapitalization, and injection of resources. That is why I have studied the development of the bank. I have studied the issues involved. I have listened to the points made by those who wish to be borrowers or those who have been borrowers and the kinds of problems that they have raised. We want to get a bank that is not just a small bank but a bank that is responsive to the needs of the people, a bank that is conscious of its developmental - role, and a bank that has the institutional capability. I said what I was talking about. I spelled this out. The Member for St. Thomas probably was not in his seat. I did indicate that the bank must be able to carry out the kind of study or requests to it and also carry out the management of the loans that it makes as well as evaluation and not wait until there are difficulties in order to take final steps.

I think, Sir, that this particular package, when taken together as a package, represents a decided thrust for the rejuvenation and revitalization of the Barbados Development Bank. We are not only doing talking....

Mr. D. A. C. SIMMONS: On a point of order, Sir. The Prime Minister had asked for some information about when the last equity was injected into the bank under the Barbados Labour Party. The 17th Annual Report 1985-86, Page 5, Sir:

"In accordance with an agreement with the Inter-American Development Bank under the fourth funding programme, the bank wrote off the sum of \$3.9 million in principal and interest and increased the provision for doubtful debts by \$4.2 million. After these adjustments were taken into account, the bank recorded a loss of \$7.4 million. Government will transfer as equity to the bank the \$12 million obtained from the IDB under the fourth funding programme. This transfer should help offset the effects of the loss from the bank's equity. Funds obtained under the programme will also be used for products, tourism, and industry."

Rt. Hon. L. E. SANDIFORD: What year is that?

Mr. D. A. C. SIMMONS: 1985 to 1986.

Rt. Hon. L. E. SANDIFORD: Sir, the point I am making is that the Government has an ongoing arrangement with the Inter-American Development Bank.

Aside.

Rt. Hon. L. E. SANDIFORD: I am not sure, Sir. Let me put it this way, Sir. I have been....

Dr. R. C. HAYNES: On a point of elucidation, Sir. I would have thought that one would boast of a situation if the shareholders out of their own resources could provide the equity for an institution and, when you borrow externally, you borrow sufficiently to cover the external cost of any lending that you will make. When you borrow externally for equity purposes, there is nothing wrong with it, but it is important to recognize that you are doing that because of the ability of the shareholder in dealing with the matter, the shareholder in this case being of course the Government. You do not want to commit \$30 million. It is nothing to boast about whether it was done in the past or now, The obvious tiling is that if we could have put \$30 million from the Consolidated Fund into the BDB, that will be the ideal situation. It is nothing to boast about really.

Rt. Hon. L. E. SANDIFORD: There is no boasting in this. I am spelling out a particular situation and I am saying that we are putting a package together for the revitalization of the bank. That is the only point that I am making. I am not boasting about this. The fact is that we have to put together a package which involves local financing and it involves the flow of resources from external sources as well. That is the package.

The point I was going to make, Sir, is that we have been having some persuading to do, let me put it that way, with the Inter-American Development Bank in respect of this very arrangement with the Barbados Development Bank. I do not wish to put it any stronger than that. 8.20 p.m.

I am in discussion with the Bank on this particular matter to see how we can facilitate the flow of resources from the Inter-American Development Bank to the Barbados Development Bank. We have been having to use our best endeavours here in order to deal with this particular matter. Sir, I think I have dealt with most of the questions that have been raised. The argument about tardiness is a purely political point. You are talking about something in June 1989 and we are now at the beginning of August. I do not know that there is any tardiness indicated here. We have been pulling the things together and trying to do what is best for the Barbados Development Bank and for the country.

The Cabinet gives consideration to these matters. We do not do anything hastily, we study the matters and the issues very carefully and we come up with a package that

we believe we can manage from our resources. I have given the projections down to the year 1992 and I know that the people of Barbados understand that this Democratic Labour Party Government is in tune with their needs and their aspirations and that they will continue to have confidence in this Government in revitalising not only the Barbados Development Bank but the economy of Barbados and the future development of our country.

Thank you.

The question that this Resolution do now pass was put and resolved in the affirmative without division.

SUSPENSION OF SITTING

Hon. P. M. GREAVES: Mr. Speaker, I move that this sitting be suspended until 10.00 a.m. tomorrow.

Hon. B. M. TAITT: I beg to second that.

The question was put and resolved in the affirmative without division, and Mr. SPEAKER suspended the sitting accordingly. 8.25 p.m.

ON RESUMPTION Mr.

SPEAKER: This sitting is resumed.

Order No. 3 - Resolution to approve the guarantee of the payment by the Barbados National Bank to the Export Development Corporation of Canada an amount not exceeding U.S.\$5 million or 85% of the price of Canadian goods or services, whichever is the lesser amount.

Rt Hon. L. E. SANDIFORD: Mr. Speaker, the Barbados National Bank is again a public financial institution. It performs a very important role in this community of providing funding for business, agriculture and other sectors of the economy to enable the people of Barbados and the businesses in Barbados to conduct their activities with the appropriate funding that would be necessary for the conduct of the business.

It is a statutory body and I know that the purposes of the Bank have been set out from time to time ever since it had been established, so I do not propose to go into the purposes of the Bank and the duties and functions of the Bank. These are deemed to be well known. What I would say, however, is that the Bank is empowered to borrow funds and the legislation also makes provision that sums borrowed may be guaranteed by Parliament in such manner and on such terms as the Minister may think fit. That would be in respect of the payment of the principal and the interest +* of such authorised borrowings.

The Bank has determined that it is appropriate at this stage to borrow a sum not exceeding U.S. \$5 million or 85% of the price of Canadian goods or services approved by the Export Development Corporation of Canada, whichever is the lesser amount. This money is being borrowed in order first of all to enable the Bank to provide funding for the Caribbean Sea Island Cotton Company, including machinery for the spinning mills of that company in Barbados, and also it is intended for other clients of the Bank who might use the funds to finance approved imports of machinery and equipment.

There are two aspects at least to this particular facility that is being provided. The principal purpose is to enable the Caribbean Sea Island Cotton Company, called CARSICOT, to have the funding for the purchase of machinery and other capital equipment, and also to enable other clients of the Bank to finance the purchase of machinery and equipment as may be approved.

The funds which will be lent to the Barbados National Bank will carry an interest rate of 9.65% per annum, net of all withholding taxes, and the repayments will be made in semi-annual instalments over an eight and a half year period. It is intended that the Barbados National Bank would on-lend the funds to the ultimate borrowers at a higher rate of interest but within the reasonable interest rate regime that the Leader of the Opposition and myself agree should prevail in this country, a reasonable rate of interest, and the administrative and other commitment fees will be passed on to the ultimate borrowers of the funds.

The repayment of the principal and the interest will be the direct responsibility of the Barbados National Bank, but as I said there will be a guarantee by the Government, and that is the purpose of this particular Resolution that is before us.

The line of credit represents a direct foreign exchange access for immediate use towards the development process in Barbados and therefore it would reduce the need to seek such funding from other sources. This also is funding for the productive sector of the economy and it represents investment spending rather than consumption spending.

We have high hopes for the particular project which these funds are supposed to be spent on. We believe that this project in the agricultural sector has the potential not only for generating employment at different levels but also for improving and multiplying the skills of Barbadian workers connected with the cotton industry from the primary phase of the growing of the cotton right through to the making of garments and apparel from the cotton which may be produced from the lint that results from the processing of the raw cotton.

I think, Mr. Speaker, that those are the important aspects relating to this particular Resolution, and I beg to move that this Resolution do now pass.

Hon. B. M. TAITT: I beg to second that, Sir, and reserve my right to speak.

Dr. R. C. HAYNES: Mr. Speaker, this Resolution before the House seeking a guarantee by the Government of Barbados for a loan to the Barbados National Bank is highly unusual, and I believe it is probably the first of its nature that I have seen relating to the Barbados National Bank. 10.10a.m.

It is a loan in foreign currency for the purpose of paying for goods and services of Canadian origin. It carries an interest rate of 9.65%, net of all withholding taxes repayable in $8\frac{1}{2}$ years and indeed, Sir, that interest rate at a time when funds on deposits in Barbados are attracting rates at somewhere in the region of 4% and at a time when there is significant excess liquidity in the banking system of Barbados.

I am deeply concerned about this guarantee for a variety of reasons. Indeed, I can say up front that unless certain questions I have to ask are answered, I will not be supporting it. We have looked at this matter very carefully in the National Democratic Party and we find some very fundamental reasons why we would have difficulty in supporting this particular Resolution.

In the first instance, Sir, these funds are to be used principally to finance the operations of a company, the Caribbean Sea Island Cotton Company, CARSICOT which, as I understand it, is a company that has multiple shareholding. I am not sure of the proportions at the moment because I would have thought that the Minister of Finance would have thought it only reasonable, in introducing such a Resolution, not to confine himself purely to the financing aspect of an operation but to let us have other aspects of the operation involved.

As I understand it, the Barbados Government or a Barbados Government agency is a shareholder in CARSICOT.

Rt. Hon. L. E. SANDIFORD: On a point of elucidation, Sir. I am speaking here as the Minister of Finance and I have limited myself to the financial aspect of this matter. Any questions you have to raise in relation to the operations of CARSICOT or the holdings in CARSICOT will be supplied by the Minister, against whom you sought to pass a vote of no confidence. He will supply that information to you.

Dr. R. C. HAYNES: I must say that that is most unusual. Because if you are going to come to the House for

a guarantee, it is important to let the House know all the facts relating to the use of those funds.

Aside.

Dr. R. C. HAYNES: Well, I will proceed. My understanding is this that the Government of Barbados or one of its agencies is a minority shareholder in CARSICOT. My understanding is that there are other Governments who are shareholders in CARSICOT. My understanding further is that there are private individuals, a private corporation that has a shareholding in CARSICOT.

What we are being asked to do here by this Resolution is for the taxpayers of Barbados to underwrite a guarantee to a company, bear the full responsibility for the guarantee in a situation where there are other shareholders involved. I find this, Sir, to be most unusual. On all previous occasions where, either loans or guarantees have been sought in this Honourable House in relation to loans where, either several Governments have been involved in a project when each Government has been called upon to bear its share of the responsibilities for the guarantee. And indeed, there was only one instance that I can recall where this Legislature was called upon to guarantee a loan to an operation outside the orbit of public utilities in Barbados, to guarantee Resolutions for the operations of companies that are either privately owned or which are mixed, private and publicly owned.

In other words, Sir, it is as though any two of us inside here decided to enter into a project, let us say myself and the Honourable Member for St. George South. I put in \$30 000, I am the minority shareholder. He puts in \$70 000 in equity. And then he asks me to go to the bank and be the sole guarantor as a minority shareholder for \$1 million. Now this does not make sense to me to start off with. I am very, very unhappy about that. That is in the first instance.

In the second instance, we have not been told who are the shareholders and all these related companies. I want to know who are the shareholders in CARSICOT. I want to know who are the shareholders in any other related companies, whether it is involved in the knitting process, in the spinning process, or whatever. This information is obviously fundamental. It is fundamental information that should be given to the House. It is alleged that it is public knowledge. I do not have the information. And that information should be part and parcel of the presentation to this Honourable House, if we are asking the taxpayers of this country to guarantee \$5 million.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, on a point of explanation. I have already indicated that I have given the aspects relating to the financing of this matter. If you wish information related to the structure of CARSICOT, the Minister under whose portfolio that particular subject comes will supply the information. I do not think it is in

your position to tell me how I should introduce any matter. I have more experience in these matters than you!

Dr. R. C. HAYNES: I am very glad to hear you have more experience than I have in these matters. But I also have some experience of the comments of the Duffus Commission in Barbados. And you better remember that ultimately, you are the person responsible, as Minister of Finance, under the Financial Administration and Audit Act

Aside.

Dr. R. C. HAYNES: Just remember that. And that you are the person. You have to satisfy yourself, be knowledgeable of and be fully aware of all the factors involved in a consideration of this nature.

I, Sir, am directing to the Minister of Finance again a further question. I would wish to know what is the authorized share capital of these various companies. 10.20 a.m.

I would also wish to know

Aside.

Dr. R. C. HAYNES: This is fundamental information. If you go to any bank to borrow any money as we are here in fact guaranteeing a loan and, if there is any default, then the taxpayers are the people who have to pay this money. I would also want to know not only the authorized share capital of each and everyone of the companies, but I would wish to know how much equity in terms of cash or in terms of other considerations have been put in by the other shareholders. I would also wish to know the extent of the leverage of the various companies, that is what is their debt equity ratio in relation to these ventures. I would have to have that information in order to make a reasonable judgment as to whether it makes good sense for the taxpayers to be guaranteeing a loan of this size. That is the second point I wish to know.

You know, Sir, it is amazing how history repeats itself. I think that I am sufficiently experienced in these matters and I have a lot of information to know that there are certain people who walk around the world putting together projects, selling those projects to Third World Governments, seeking Government guarantees in relation to export development agencies whether they be in Italy, United States, and Canada or anywhere else and I speak very advisedly in terms of the countries that I have chosen. I know that the rip-off can start off up front before one single aspect of the project has been put in place.

I have a responsibility as Leader of the Opposition and Shadow Minister of Finance to ensure that this information is made available to this Honourable House and to the public of Barbados if they are going to be satisfied that they

are justified in adding a further U.S.\$5 million to the contingent liabilities against the Consolidated Fund. I wish to know the equity injection either in terms of cash or any other considerations. I also wish to know the full composition of the equity.

If I put together a company, Mr. Speaker, and I go into Bridgetown in order to make a loan at any commercial bank, these are basic questions that they are going to ask. If we are going to guarantee a loan, then I think that this information should be available to us. As I said, it is always a very dangerous business for Governments to find themselves guaranteeing loans to companies which are largely private sector and which they do not have a determining position in terms of equity outside the area of public utilities because the Government always has a fallback position in relation to a Public Utilities Board which can protect the position of the taxpayers in respect of loans made to those public utilities. So that I wish to get that basic information.

The third point that I wish to make is this. It is my understanding that some 1,500 acres of Government lands either owned directly by Government or through a totally owned Government agency that those lands are being made available for cotton, cotton being the basic input to this operation. Is the Government giving any consideration in terms of equity for the use of those lands. It is my further understanding that the Government would have incurred significant losses by the digging up of second crop canes and at least one of those plantations in order to make those lands available for cotton if they are not second crop, then third crop, but anyhow before the canes have given a full return on their value. Is there any consideration for those costs being built into the equity position of the Government of Barbados or any of its agencies? What is the cost of making these lands available for the growing of cotton and, if so, what contribution in terms of equity will the Government be getting?

Sir, you have a situation here where you have Government lands being used and prepared for cotton and where you have the Government guaranteeing a \$10 million loan, and we do not know the extent of Government shareholding in the company or who are the other shareholders in these operations. At least the House has not been told. I happen to know to a large extent what is going on but the House has not been given the information. I would urge the Minister of Finance to look very carefully at what he has been asked to bring to this Honourable House today. I will move on, Sir.

It is also my understanding that the logo or trademark, whichever you like to call it, for Sea Island cotton which no longer resided within Barbados has been recovered at a significant cost in order to make this project viable. I would like to know who paid for that. I would like to know whether the cost of repatriating the logo or trademark, if

you like, is part of the consideration for equity participation by the Government or one of its agencies. I would also like to know, Sir, whether the situation which existed when the logo was not domiciled in Barbados - I believe it was in the United Kingdom - whereby Sea Island cotton which has a distinctive feature and its value resides in the fact that it has an unusually long fibre in relation to other cottons, whether the situation will continue where the Sea Island cotton will be adulterated with the Egyptian cotton and sold on the world market as sea island cotton. I want to know that because I would happen to know that if you are going to borrow \$5 million and if you can only secure the commitment of 1,500 acres so far, that you cannot guarantee a level of production of Sea Island cotton which could make this project viable unless it is mixed with other cottons. I happen to know the economics of this thing. I will end that point when I finish my speech.

One of the problems that we have in relation to the logo or trademark not being domiciled in Barbados is that it has been abused and what has happened is that when we exported Sea Island cotton either from Barbados or the Eastern Caribbean it was adulterated with Egyptian and in one year with Chinese cotton and marketed as sea island cotton. Is that going to continue?

Now I understand, Sir, that there has been some Egyptian cotton which has found its way into Barbados in recent days under another invoice name. Is there any connection between that and this project? The Minister of Finance must tell us the amount of acreage which needs to be put under Sea Island cotton in Barbados and in the other participating countries in order to justify this kind of capital expenditure on equipment and so on. 10.30 a.m.

I am fully apprised of what I am talking about, don't you worry. I am aware that if we can grow cotton in Barbados in sufficient quantities the quantities would have to be very large in order to support the very expensive superstructure of milling, knitting and marketing and the final production of a whole range of garments ranging from shirts, under clothes, handkerchiefs and various other things like tablecloths, ties and so on.

The value added, Sir, begins after the primary product has been produced and that is where a whole variety of interlocking companies come into operation, and I want to know who are the shareholders, by name so we can identify their history, in each and every one of those companies. Make no mistake about it, I want to know that. Can we produce enough cotton on a continuing basis in Barbados in order that we can keep those mills fed? This has always been the fundamental question.

This is a matter that I looked at three or four years ago. The capital cost of the investment, if my memory serves me well, is somewhere about \$30 million - I made a

statement on it some time ago - but the cost of the manufacturing process, the mills and so on, is very high in order to justify the investment. To mill Sea Island cotton *per se* unadulterated, you have to produce an awful lot of cotton in Barbados and in the Eastern Caribbean, otherwise it automatically becomes a non-viable operation.

This question of adulteration with the use of other cottons being imported in order to feed these mills is a matter of grave concern, because it is one thing a private entrepreneur hijacking the Sea Island cotton logo, proceeding to adulterate it and selling goods on the Japanese market containing a mixture of Sea Island cotton and Egyptian cotton. Mr. Speaker, I have a shirt which is supposed to be a Sea Island cotton shirt from Barbados and the shirt was a mixture of Sea Island cotton exported to Japan and Chinese cotton. I have gone to the mills in Japan and I have seen what was going on.

Hon. B. M. TAITT: On a point of order, Sir. The Honourable Member is giving information to the House which can mislead the House. Sea Island cotton is a brand of cotton and the logo "Sea Island" has been imprinted on cotton that has a percentage in excess of a certain percentage of the cotton grown in the islands called the West Indies which has a longer fibre. It has always been mixed with cotton from somewhere else in order to provide a certain binding. You can find this in an Encyclopedia Britannica, you do not have to go through any ponderous examination. Anybody who is familiar with fabrics will explain it, Sir.

Dr. R. C. HAYNES: Mr. Speaker, I have taken the trouble of trying to identify what is Sea Island cotton and how it differs from other cotton. I have taken the trouble of going to a laboratory and looking at the cotton fibres under a microscope, and the difference is very, very significant. It relates to the length of the fibre, it relates to the way in which the different segments of the fibres are jointed together, and that is how you get the superior quality in relation to Sea Island cotton. That is why, Sir, unless you wash a Sea Island cotton shirt under precise conditions, then you can alter the fibres in such a way that you can never change it again. It is very interesting.

The next point I wish to make, Sir, is this. We have all sorts of people participating in these various companies. Have the private growers of Sea Island cotton in Barbados been offered any shares in the companies? How many shares have they been offered? What percentage have they been offered in the various companies?

I will go further and say this. If you are going to have a viable cotton industry, and I am coming home to St. Lucy now, what is quite clear is that you must have people who are knowledgeable in the production of cotton and you must be able to offer a decent wage to the persons who are going to pick that cotton. As the Honourable Member for St. Lucy

would know, two years ago or thereabouts several plantations in St. Lucy and elsewhere could not recruit labour to pick the cotton and the cotton had to be ploughed back in the ground. That related very much to the price offered to the farmer for the cotton.

Aside.

Dr. R. C. HAYNES: All the labour was taken down to the NCC, 20 people from one plantation, and the people had nobody else to pick the cotton. You know that is a fact too. Do you wish me to identify the plantation or not?

Hon. E. E. GREAVES: Mr. Speaker, on a point of order. The Honourable Member is indicating that in St. Lucy they have not been able to recruit labour to pick the cotton. I would like him to (a) identify the plantation or plantations, (b) inform this Honourable House if plantations in St. Lucy and across the island have been able to recruit enough labour to reap the sugar cane, and (c) state if labour is not a problem in agriculture. 10.40 a.m.

Dr. n. C. HAYNES: Mr. Speaker, I believe that those questions should probably....

Aside.

Dr. R. C. HAYNES: I will not reply. I am not going to reply, Sir. But I would just indicate to him that there are procedures within this House where he can ask a formal question of the Minister responsible for Agriculture.

Laughter.

Dr. R. C. HAYNES: If I may continue, Sir, the capacity of the primary growers to grow cotton in Barbados would very much be determined by whether they can offer an attractive price to the people of Barbados, those who are prepared to pick the cotton.

Would you believe it, Sir, that with all these millions of dollars around the place that the cotton growers in this country are offered something like \$1.90 a pound? And they were told this is the maximum they could get. Then, in a short period of time thereafter, at a subsequent meeting I think they were offered \$2.15.

Asides.

Dr. R. C. HAYNES: Who are they negotiating on behalf of? And I would say this, that the cotton yield in the past on ADC estates has been the lowest in this country, the yield per acre, as compared with the yield outside of the ADC estates.

Asides.

Dr. R. C. HAYNES: Then, Sir, there is the question of how do you grow cotton in the context of a diversification policy? It is not my concept of agricultural diversification to commit whole plantations to cotton.

Aside.

Dr. R. C. HAYNES: All you are going to do in a very short period of time is to ensure maximum erosion of the soils of those plantations.

My understanding, Sir, of diversification is that this would take place around sugar and that you would have, on given plantations, a mixture of sugar, cotton and other crops. So that you may find yourself in a very short period of time where you have grown cotton on ADC estates successfully for one year or two years and the third year, you run into a whole lot of problems. The question is, Sir: Why is it that cotton has never been considered to be a viable crop in Barbados on a long-term basis?

Aside.

Dr. R. C. HAYNES: That is not true, Mr. Speaker. In the 1930s, and I have researched this myself for participation in a Debate when I was in the Opposition,.....

Aside.

Dr. R. C. HAYNES: I have researched this, several acres, thousands of acres in Barbados, about 3 000 acres were put under cotton. The first year it did reasonably well, the second year less, the third year in trouble and then gradually the whole cotton thing petered out.

Now, Sir, if that were to happen, who is going to pay this \$10 million? Who is going to pay it? I am going to pay it? You are talking about \$10 million, Sir, \$10 million guarantee in an agricultural project in Barbados and the agricultural project being cotton, knowing the history of cotton over time.

Now these are some very basic and some very fundamental issues. I do not think that any reasonable person would expect an Opposition to come in here and say yes to a guarantee by the Government of Barbados of \$5 million in an operation where they have not even been given the very basic information, as to the nature of the operation.

We have not heard of any feasibility studies. No one has told us anything about the long-term projections in relation to this project. Nobody has told us about the income that would be generated in order to repay this loan. No one has told us about what other loans, apart from this

\$5 million would be entered into in relation to the project. And each new loan of course would affect the viability of this loan. No one has told us anything. I believe it is highly unreasonable to come in here and make this kind of presentation and ask any reasonable person to vote for a measure, based on the kind of information presented.

I have cautioned and I believe that the Government might be well advised to look a bit more carefully into other aspects of what they are getting involved in. The last occasion that Parliament gave its guarantee to this kind of operation, the Democratic Labour Party was in office. I am quite sure the intent was good. But you are all aware of what happened down the road.

Aside.

Dr. R. C. HAYNES: You all know what happened down the road. It is a very dangerous step in public financing, as far as I am concerned, for the Government to be entering into this kind of arrangement. It is a very dangerous step. You are guaranteeing a situation over which you have no control! That is the point I am making.

Aside.

Dr. R. C. HAYNES: Yes. But the PUB has a PUB backup. You were not here. I made the point that in each instance where the Government has guaranteed loans certainly since I have been in here, to private sector operations, they have been always in the area of public utilities where the Government has an agency out there, the Public Utilities Board....

Asides.

Dr. R. C. HAYNES: I did not say to run the Light and Power.

Aside.

Dr. R. C. HAYNES: I did not say the Light and Power.

Asides.

Dr. R. C. HAYNES: One of the very fundamental things about rate making is to guarantee a rate to a public utility which makes sure that they can service their loans. That is one fundamental feature, when you set a rate. Okay? Do you understand that now?

Aside.

Dr. R. C. HAYNES: The point I am making is that a guarantee to a public utility.....

Aside.

of this particular project We have seen it again and again and again, and I certainly would wish to ensure that all the parameters are right in order to justify this kind of commitment of the taxpayers by way of a guarantee.

I thank you very much, Mr. Speaker. Hon.

W. O. FRANKLIN: Mr. Speaker, Sir. *Aside*.

Mr. SPEAKER: May I remind Honourable Members that the person who is allowed to speak is not done on consensus, it is done on who catches the eye first, and I find it difficult in those circumstances when I give a person the permission to speak that one seems to think that the Standing Orders are breached. I have allowed the Honourable Member for St. Philip North to speak and so he should.

Hon. W. O. FRANKLIN: Mr. Speaker, Sir, first of all let me say that the contribution by the Leader of the Opposition has been noted and I will seek to give whatever information I have. What I do not have, if he cares to put it by way of a Parliamentary Question I will get the answers for him.

Let me start, Mr. Speaker, by giving the background to the project. I am certain the Leader of the Opposition would have some information on the background, but for the other Members I need to give some information.

When I came to the Ministry there was a gentleman from Japan by the name of Mr. Suzuki who had come to Barbados previously and had offered to revive the Sea Island cotton at a price of U.S. \$4.50 per pound. Mr. Suzuki then with the former Minister of Agriculture signed what we thought was a letter of intent which had legal validity that the price on the cotton of U.S. \$4.50 per pound could not have been changed without consultation with the Barbados Government, and if there was any change it could only be upwards.

As soon as I became Minister of Agriculture, to my surprise a Mr. Suzuki came to Barbados with a delegation which included a Mr. Knight from England, who was also the person certified to stamp the Sea Island cotton on goods authenticated. Mr. Suzuki had already gone before I had seen him and notified the growers of cotton in Barbados that as from that year, the 1986-87 crop, he had unilaterally reduced the price of cotton from U.S. \$4.50 per pound to U.S. \$2.20 per pound. When Mr. Suzuki came to see me, I sat down and I listened to Mr. Suzuki and I told Mr. Suzuki in no uncertain terms that as far as I was concerned the agreement for U.S.\$4.50 per pound was legal and binding and I was not going to entertain any other price for our cotton besides U.S. \$4.50 per pound and I would negotiate

with him for the other crop, the 1987-88 crop, against the background that the agreement said we could only go upwards.

Mr. Suzuki left Barbados against that background and we found ourselves in Barbados in the industry in a very precarious position in that the cotton was already in the ground, over the previous year the former Government had not made any other arrangement about marketing, it was almost exclusive with Mr. Suzuki and therefore we had to find a solution.

I then went to the Cabinet of Barbados, of which the Leader of the Opposition was then a member, and I explained to the Cabinet the problem we had and I sought the Cabinet's approval for me not to sell the cotton at that price but to provide me with the sums of money to pay the growers at \$ 1.90 per pound.

Let me deal with the price to the growers up front. Mr. Speaker, out of every pound of seed cotton you get no more than .31 of a pound of lint. In other words, the rough ratio is 3:1, three pounds of seed cotton to a pound of lint. You also have to take out ginning costs. Therefore, if you are in a contractual arrangement of U.S. \$3.50 per pound, which is Bds. \$7.00 per pound, for your lint, and up to now all we are doing is selling-lint, and that is a better price than what Mr. Suzuki paid us after he reneged on the contract -he * only paid us \$3.05 per pound, and I will come back to that - if you are getting \$7.00 a pound in your hand and it takes three pounds of seed cotton to make a pound of lint, if we are paying \$1.90 which when multiplied by 3 is \$5.70, you have not even taken out ginning costs yet, which over the past couple of months had worked out to roughly \$1.30 or so per pound of cotton, you will find that what you are paying for the seed cotton plus the ginning cost is almost all you have got for the lint you are selling, and we are only still selling lint. *

11.10a.m.

When I had that problem, Mr. Speaker, with Mr. Suzuki, after very long discussions internally in the Ministry and from conversations I canvassed, I came to the conclusion that Barbados could not exist as a primary producer of cotton only, at the price we had to pay for our labour, and if the cotton industry were to be successful, we had to do some value added in Barbados. Let me repeat. Barbados cannot exist as a primary producer of cotton only, because when you check the world market on cotton, Sea Island Cotton has a premier price on the world market. Geisha 45 Cotton, Pinia Cotton, Suvin Cotton, these are all excellent long staple cottons. If you check the world market any day for the price of cotton lint, you would see that at Geisha 45 you very seldom go pass US\$1.60 per pound, Pima \$1.50 per pound, Suvin \$1.55 per pound. Therefore the Sea Island Cotton on the world market has been getting

a premier of almost two to one, despite the fact that these are excellent cottons. And the reason Sea Island Cotton has gotten that price is because:

- (1) its reputation as a cotton that has the longest staple in the world;
- (2) the cotton that has the capacity of being spun finest with the highest counts, a possible count of 120. Geisha can be spun up to about 90 to 100;
- (3) the silkiness of the cotton;

and: (4) the tensile strength of the cotton.

Now, over the years, because we were not doing a lot of research work in the Sea Island Cotton, the quality of the Sea Island Cotton had gone down. And where before we used to have a 2 inch length of staple, you are only having a 1 3/4 inch length now. Therefore, we recognized two things. We need to do some work on cotton and we need to do some value added in Barbados.

Now let me explain to this House up front, once and for all. My only interest in the cotton project in Barbados is to see if I could bring to this country and to the farmers of this country, a maximized return from a singly unique product, the only one we have in Barbados for the good of the people in Barbados. If anybody in this House knows of any association by this Government with anybody who is not good for the Government of Barbados

Aside.

Hon. W. O. FRANKLIN:..... they have the right to tell the Minister of Finance of Barbados, or if it is a criminal act, report it to the Director of Public Prosecutions, because let me repeat, the only interest we in this Ministry and this Government have is to maximize for the people of Barbados, the one resource we have.

After I discovered, Mr. Speaker, that this was the stance by Mr. Suzuki, I then said that we are not going to continue selling Sea Island Cotton only. But anybody in future would have to think about arrangements for processing. The word was out on the world market and we had people from Italy, we had people from Canada, we had people from Japan, we had people from the UK, we had people from all parts of the world interested in it.

The Government then commissioned a feasibility study by Tootals of England to have a look at the situation to see what their recommendation would be. Tootals came back and recommended that, in their opinion, the industry should look at a possible mill for 2 million pounds of lint per year. I asked Tootals to do two things:

(1) a study using pure Sea Island Cotton; and: (2) a study using part of the year, because we were very conscious of the fact that the machinery must be kept going 24 hours a day, 365 days a year, to have a look at the designing equipment that would be able to use other long staple cottons, so that we can do two types of textiles:

- (i) a pure Sea Island Cotton textile;
- and: (ii) a textile made from other cottons.

The reason is that that was to be a back-up position in Barbados in case we could not produce year round 2 million pounds of lint that at that time the Report called for.

After exhaustive discussions, we finally decided that we would start serious negotiations with a company called Scothalls Ltd. of Canada. As a result of that, the Government at that time immediately ordered the necessary checks on the company which is on another file which I do not have, and we were satisfied that it is a reputable company that we can start to talk to.

Previous to this situation, let me get back to what was happening. The Japanese were buying the Sea Island Cotton, and as was said by the Leader of the Opposition, rightly so, they were mixing it in Japan!

Asides.

Hon. W. O. FRANKLIN: They were mixing our Sea Island Cotton in Japan, a company called

Asides.

Mr. SPEAKER: Order, please.

Hon. W. O. FRANKLIN: a Japanese company of which Mr. Suzuki had an interest was mixing our cotton in Japan and selling on the world market as pure Sea Island Cotton, and making millions of dollars. He was getting royalty that nobody then thought should come back to Barbados. The only person who was benefitting from our Sea Island Cotton was the Japanese company.

I thought, as Minister of Agriculture, that this cannot continue. I started to have discussions with the Government of Montserrat, the Government of St. Kitts and Nevis, the Government of Antigua and Barbuda and the Government of Barbados, because we wanted to have a situation where the Japanese could not trade off one island against the next, because they are good at that, and have us in Barbados growing Sea Island Cotton and they get their Sea Island Cotton from the other 3 countries, and therefore dilute the cotton on the market. We would not have had total control of the supply of Sea Island Cotton. As a result, let me deal

with the first company, a company called Caribbean Sea Island Cotton Company Ltd, CARSICOT was formed. The shareholding of that company is as follows, Mr. Speaker:

4% by the Government of Montserrat; 4% by the Government of St. Kitts and Nevis; 8% by the Government of Antigua and Barbuda; 33% by the Government of Barbados; and 51% by Scotthalls.

Aside.

Hon. W. O. FRANKLIN: Thirty-three per cent of CARSICOT. Mr. Speaker, the reason why that shareholding was agreed on is that we in our opinion have had examples throughout Barbados that wherever there was a joint company between Government and private enterprise, and the Government held the majority shareholding, there was always a likelihood of management not being as good and secure as it could have been. Therefore, when we looked around it, because of the experience in Barbados, that when there is any joint enterprise, any time the Government has a majority shareholding it seemed to have problems with management and the approach is not as businesslike, the Ministry decided that it would keep it in private enterprise hand, and it was agreed by Cabinet, to make sure there is no Government interference in it and that it would be run along the lines of any good commercial company. 11.20a.m.

Dr. R. C. HAYNES: I trust that the Honourable Member will let us know who are the shareholders of Scotthalls.

Hon. W. O. FRANKLIN: Mr. Speaker, I do not know that and he can check it. I do not know, Mr. Speaker. It is a public company, Mr. Speaker.

Aside.

Hon. W. O. FRANKLIN: Mr. Speaker...

Aside.

Mr. SPEAKER: Order please! Order please!

Hon. W. O. FRANKLIN: Mr. Speaker, the total anticipated capital of that cotton....

Dr. R. C. HAYNES: On a point of order, Mr. Speaker. My question is - who are the shareholders of Scotthalls? He said that they were checked out.

Hon. W. O. FRANKLIN: Mr. Speaker, the primary shareholder of Scotthalls that I know of is a gentleman by

the name of Mr. Nitin Amersey. I do not know the other shareholders. If they need it, they can check it.

Aside.

Hon. W. O. FRANKLIN: Nitin Amersey....N-i-t-i-n.

Aside.

Mr. SPEAKER: I have not curtailed the Honourable Member's speech, but I want to also add this as well. I think we are....

Aside.

Mr. SPEAKER: If Honourable Members would listen, I am saying that the Honourable Minister, as far as the Standing Orders go, would be obliged to answer any question under "Oral Replies To Questions". Outside of that, the answering or giving of information is purely a matter for the Minister's discretion but he is only tied down to a question specifically so under Standing Orders dealing with questions. Therefore, if the Minister indicates in a way his discretion in answering the question, I will not permit other Members to continue to harass in that sense the Minister when they have recourse to adequate information. Will the Minister proceed?

Hon. W. O. FRANKLIN: Mr. Speaker, Sir, originally the company CARSICOT was to have been the holding company and was to have had responsibility for two things, the marketing of the finished product and the overseeing of the patent. The concept was that the private farmers of Barbados would provide the cotton and it would be purchased and ginned from the private farmers of Barbados. Over the last two years, Mr. Speaker, while discussions were going on about the possible processing in Barbados with a Japanese company called Niko Boseki and in conjunction with a trading house called Sumatomo, we came to the situation where the Japanese people who had the technology and who were prepared to join with us were adamant that they were not going to invest their money in any plant in Barbados unless they had a minimal guarantee of acreage at any one time of 1500 acres of land under cotton that would provide them with the minimum amount of lint they needed to run the factory for the time of the year that they would be doing Sea Island and would come back later to design in the factory.

I tried all I could to persuade the growers of Barbados that the only way that they are going to benefit from cotton and get more money is if we reached the stage where the processing is done in Barbados and by a pass-back arrangement through royalties or anything part of the thing. The growers then would be able to get more money in their hands plus the fact that they would be offered shares in any processing in Barbados. It was a chicken and egg situation. We could not go on to a processing situation unless we

were guaranteed a minimum amount of acreage. The farmers were saying that they could not guarantee a minimal acreage because at that time what we were getting for cotton on the world market was U.S.\$3.15 and it would not allow us to pay them more than \$1.90 a pound for the seed cotton. We could not have paid more. In an effort, Mr. Speaker, to encourage them further, last year before I took the profits that were made by the ADC at the ginning company I passed back the profits to the growers because I recognised that we must get the growers at the stage where they needed to go ahead and grow in Barbados and, if they did not go ahead and grow the cotton, we could not have done that.

After we got that problem, I then went to the Cabinet of this country, Mr. Speaker, and explained the difficulties we were having in the project and it was agreed that we would make available to CARSICOT some 1500 acres of land from the ADC. Now let me deal with that aspect of the arrangement.

Mr. Speaker, the arrangement is that the Government of Barbados would lease to CARSICOT on a 25 year lease 1500 acres of land and the lease would be valued and the value of that lease would be taken up as equity by the Barbados Government. The reason we went by way of a lease and not by an outright turn over of ownership was that it was a precautionary measure by the Government of Barbados that if we did it by way of a lease the Government would still have recourse to the lands if anything did not go right. Let me start by saying that in any enterprise there is an element of risk. When you take into consideration, Mr. Speaker, the agricultural situation in Barbados, is this Government being faulted by the Opposition for trying to go into a situation of maximizing the return from a product in order to add to the agricultural development in Barbados? All we were looking at at that time, Mr. Speaker, and we are still looking at it was to see how we can do some value added in Barbados.

As I said, we had difficulties and I do not want to go into it. This is a long letter that I wrote to Mr. Erne Deane on August 24th in which I almost pleaded with Mr* Deane to ask the farmers of Barbados to cooperate with us on the project since we could not get the commitment of the Japanese for investment if they could not be guaranteed a minimum of 1500 acres. The Ministry of Housing in their section has been charged with valuing the lease and the Ministry of Finance is looking after the financial matters of the thing. This is the information. I do not know the value of the lease.

Mr. Speaker, we have started now looking at the processing situation. We looked at the design as done by Tootal and the Japanese were of the view that the plant should not have been done that way. Tootal advocated the plant of 20,000 spindles and that plant of 20,000 spindles would need 2 million pounds of lint a year which we

figured that at the best production would be about 4,000 acres of cotton in Barbados. When the Japanese started to look at it after exhaustive examination of the Tootal Report, they did their own feasibility and recommended to us that we have a plant that was going by a three stage. The first stage of the plant would be 6,666 spindles and it would be so designed that you could multiply the plant in modules until you get to the 20,000 if we so needed. The plant is also designed, Mr. Speaker, let me put it this way, that the plant can use other long stapled cottons. This is what I am going to speak to you about later in case we could not do 100% Sea Island cotton in Barbados. Now we admit in Barbados and we have been very careful with the problem that we can have an extensive growing of cotton. As a result after discussing it with the agronomist, etcetera, we decided that we would not put cotton on any land with higher than a 6% to 7% slope. 11.30a.m.

When you put the cotton on lands with higher than a seven to eight percent slope - 8% at the outside - it is then you start to invite and have additional problems of pasture erosion. I am advised that if you keep your cotton to under 7% slope and you do good agronomic practice, the erosion is not faster than some other crops. In Barbados we ascertained that there are only about 5,000 acres of land underneath that, so as a result we started to talk to the other people to supply us with Sea Island cotton and to date we have had an offer from the people. The other islands at the moment collectively have about 1200 acres under cotton and it is projected by 1990 they will have 1700 acres under cotton. It is further projected that by 1993 they will have 4,500 acres under cotton.

Now, let me be very specific. Anyone who has any knowledge of Sea Island cotton will tell you that you cannot pass off a mixture of Sea Island cotton with anything else on it. There is something called fingerprinting of cotton, and the experts will tell you there is no way you could pass off to any expert any mixture of cotton, because when they fingerprint the cotton they can detect almost immediately if it is Geisha 45, if it is Pima, if it is Sea Island cotton or what it is.

Asides.

Hon. B. M. TAITT: Sir, on a point of order. The Honourable Members on the other side would have this House believe that I said something contrary to what the Minister is saying. What I said had nothing whatsoever to do with the point the Minister is making.

Hon. W. O. FRANKLIN: Mr. Speaker, what is the present position? The present position is that a company

called CARSISPIN has been established to do the processing of cotton and the shareholding of CARSISPIN is as follows:

51% CARSICOT

10% Belize Sea Island Cotton Limited and/or the Government of Belize, this has not been decided as yet;

25% Japan Participation, that is, bQween Niko Boseki, who are spinners and would provide the technology, and Sumatomo, which is a trading house; and

14% Local Investors, 10% of whose shares would be made available first of all to the cotton growers of Barbados.

May I repeat that CARSISPIN would be doing the processing. The total anticipated capital for the first phase of 6,666 spindles is Bds. \$8 million. The total anticipated capital for CARSICOT, which at first I did not give you, is Bds. \$4.4 million.

Mr. Speaker, at the moment the stage we are at is that the Japanese company has agreed to the participation in the company and we have agreed to implement the processing in the following order. At first we were thinking of doing the spinning mill first, but spinning calls for more technology, so in order to speed up the process we have decided that at the first stage we would establish in Barbados a knitting company and in the first instance the yarn would be brought in from Niko Boseki who are the people presently spinning the yarn in Japan.

That is the first stage and my understanding is that that operation, if all goes well the equipment will be sourced by December of this year and they should start some test spinning about January of next year. That is the first part, the knitting mill, because knitting is an easier process, and we will bring the yarn from Niko Boseki and knit it in Barbados. The reason why we did that was that we wanted to start to get some follow through for Barbados and we figured if we started with knitting fabric in Barbados we would be able to immediately get into the cut and sew industry.

Those of you who follow the world market would realise that there is a special niche in marketing for Sea Island cotton products. People would go and buy a Sea Island cotton shirt for twice the price they buy a Geisha, because of the reputation. It is called the gem of the fibre. That is what our Sea Island cotton is called. That is the first stage we expect to do.

The second stage, as I say, is that with the establishment of the spinning mill, which would then

provide the yarn, which would allow us then to go from the yarn into the knitting as well as from the yarn into weaving, because there are two processes of making cloth, knitting and weaving.

The beauty of the Sea Island cotton, as I have said before, is that it has the capacity to be spun to very fine counts, up to about 120 counts, and what it really means is, if I may explain, if you took the thickness of the thread that is spun by Sea Island cotton, you would take 140 of them to make one inch, and the finer the cloth is, the more expensive the cloth. Geisha cotton has been spun up to about 110 and the others usually 60, 70 or 80. We expect when we do the textile mill here in Barbados that we would be both knitting and weaving, which would allow us to have the fine fabric here that would go into a cut and sew industry.

There are certain by-products, Mr. Speaker, of the cotton. The first by-product we are working on is the cotton seed oil which we expect to extract very soon. The second by-product is the cotton seed meal which will be used as animal feed. The third is called cotton liners.

Mr. SPEAKER: The Honourable Member will have to wind up.

Hon. W. O. FRANKLIN: Very quickly, Mr. Speaker, I will take the last couple of minutes to give the other companies they requested and what they are. There is a company to be registered called Seacot Incorporated. I believe that is the company to make the cotton garments. The shareholding, once again CARSICOT retains a share -

51% CARSICOT 19%

Local investors

30% A Canadian company called Texpro Incorporated.

The total anticipated capital is Bds. \$2 million.

The Montserrat Sea Island Cotton Company Limited is now part and parcel of CARSICOT and that ownership is as follows:

51 % Government of Montserrat

49% CARSICOT

The reason for that is that there is already an operation in Montserrat and we wanted to incorporate that into it because the 30% comb out from the factory in Barbados will be able to be used by the Montserrat people to put it at 30 counts.

Belize Sea Island Cotton Incorporated, 10% CARSICOT, there is a 35% owned by a Mr. Dan Murphy and Mr. John Edminster or nominee, a 10% by a Mr. Don Avertt and a 45% Scotthalls or its nominee. The total anticipated capital is U.S. \$4 million.

Those are the companies, Mr. Speaker. Time will not permit me to give all the information, but on this paper is a quick rundown of what the companies are supposed to be doing. 11.40a.m.

Quickly, CARSICOT's objective is to be the holding company, CARSISPIN will spin the fibre, SEACOT will produce knitted fabrics and garments; Montserrat Sea Island Cotton is already involved in the garment industry and is being tied into it. Belize Sea Island Cotton has been set up in Belize to produce a long staple cotton, not Sea Island Cotton. We are seeking, as a back-up to have grown in Belize, Guyana and Trinidad where discussions are going on, a special long staple cotton that would provide the additional bulk for the plant. Therefore the plant will be doing two things. It would be running pure Sea Island Cotton and the plant would be running non Sea Island Cotton, and they might well consider using a mixture of some fabric of some Sea Island Cotton and something else.

The feasibilities have been finalised by the Japanese company. The Japanese are satisfied that it is feasible and I have been told that the directors have given the okay for them to go ahead with the investment. Therefore I hope that with a little goodwill on everybody's part that we in Barbados will very soon have a fully integrated industry that would add to the betterment of Barbados, so that the farmers, by their active participation or by royalties that would be paid would allow themselves to get better prices. That is all this Ministry seeks, that is all this Minister seeks. All the Minister is asking is good luck to the project

Applause.

Hon. H. deB. FORDE: Mr. Speaker, Sir, whilst it is possible to understand the desire of the Minister to move Barbados from being a primary producer to the position where it is an industrial producer of all of the by-products of the cotton industry, the Government must still take seriously and listen to the very telling comments and statements made by the Leader of the Opposition, the Official Leader, and those which, if I myself may characterize them in the same vein, will be made from this side.

The objective is not a wrong objective, but along the road of countries moving from primary production to being the ultimate industrial producer are many bottlenecks and are many dangers. The arrangement now being made is not the only one which the Government has looked at. Very soon after the Government came to power, it went on

record as telling us that it had available to it funds under, I think it was the 806 provision up to something like \$20 million through the Puerto Rican, US connection for investment in the cotton industry. At that time,....

Aside.

Hon. H. deB. FORDE: ... Mr. Speaker, Sir, the Government began talking with Mr. Richmond, with Mr. Curlee and with various other persons from the United States of America about establishing a joint arrangement with American interests. At that time, the head...

Hon. B. M. TAITT: Sir, on a point of order. Hon.

H. deB. FORDE:... of the United States.

Hon. B. M. TAITT: On a point of order, Sir. The Honourable Member is misleading the House. He said that the Government went on record as saying that it had funds available under 806. This Government, to my knowledge, Sir, has not gone on record. The Honourable Member should indicate when the Government said so and where it said so, so that we would know, because the Minister of Agriculture does not seem to remember that.

Mr. SPEAKER: That is the reason why I cannot adjudge whether he is misleading the House or not because the information is not here. So I prefer not to use that statement but to correct the allegation, whatever it is.

Hon. H. deB. FORDE: The Honourable Members obviously do not listen when their various Ministers speak, Sir. The Honourable Member if he wants to get the newspaper clippings, I could make them available to him across the Floor so that he would also recall the statement made by the then Minister of Finance....

Aside.

Hon. H. deB. FORDE: That is what you want to hear. You want to think that I am going to be putting blows on the Leader of the Opposition. But I am saying that it is a statement that binds the Government.

Hon. B. M. TAITT: Mr. Speaker

Hon. H. deB. FORDE: Go on.

Hon. B. M. TAITT: ... it could not bind the Government because no Minister could have talked about any 806. There is nothing called 806.

Asides.

Hon. B. M. TAITT: He said 806. He does not know and the Minister who spoke obviously did not know if he said 806.

Aside.

Hon. H. deB. FORDE: There are funds available under the Puerto Rican, United States arrangement.

Aside.

Hon. H. deB. FORDE: That is a fact. That was being looked at.

Aside.

Hon. H. deB. FORDE: And I go further and say that the Minister of Agriculture had discussions with Mr. Richmond in September 1986 - Look at your files, that is a fact-ofThreadex.

Asides.

Hon. H. deB. FORDE: I am not going to misrepresent the Government. They want to hear, Sir.

Asides.

Mr. SPEAKER: You will earn yourself a few more minutes. That is the most I can do in the circumstances.

Hon. H. deB. FORDE: The Government had discussions with various United States interests who advised the Government of the pitfalls along the road. I am saying that they are not pitfalls that should be ignored. And that therefore, when the Government reaches this stage, it must be careful of the ultimate intention of some of the persons with whom it is participating.

Hon. W. O. FRANKLIN: Mr. Speaker, on a point of elucidation. I should just like to state, Mr. Speaker, that speaking from the Ministry of Agriculture's point of view, we met with Mr. Richmond for one thing. We discovered that Mr. Richmond was marketing a product in America and was disguising or intending it was made from Sea Island Cotton. As a result, Mr. Richmond....

Asides.

Hon. W. O. FRANKLIN: ... came down to Barbados with the intent of buying Sea Island Cotton. When I told him we were not interested any further in selling Sea Island Cotton, that was the end of the discussions with Mr. Richmond.

Asides.

Hon. H. deB. FORDE: Mr. Speaker, Sir, if the Honourable Member for St. Michael West continues to interrupt, I will draw the Rules to Your Honour's attention, Sir.

Mr. SPEAKER: I am sure the Honourable Member knows very well that I would not allow him to be interrupted unnecessarily. I think I have warned Members not to pay attention to asides. My difficulty in the Chair is that if you respond to asides, then I have an obligation to weigh the situation. But as long as Members ignore asides, then I can deal with the question very carefully. So it is the Members who need to listen to my advice. Pay no attention to asides.

Hon. H. deB. FORDE: Now, Sir, the first pitfall is the one which was pointed out in here by the Leader of the Opposition and it is a point to which we must pay careful attention.

As I understand it, the National Bank of Barbados is about to make a loan to CARSICOT - Caribbean Sea Island Company Ltd. - and for the purpose of making that loan, it wishes to borrow money, hard currency and to borrow that money. It asked for a guarantee from the Government of Barbados, and this House is being asked to give the guarantee. 11.50a.m.

Neither the Minister of Finance nor the Minister of Agriculture has told this House up to now what additional guarantees besides CARSICOT's obligation to repay will be given. That is the crucial point. I raise this, Sir, because the Honourable Member has spoken about the experience * that we have had of this House voting in my time for guaranteeing the debt of International Seafoods Limited and the Government ended up paying that back because there was no hard guarantee behind International Seafoods Limited.

Now I wish to know and the public of Barbados is entitled to know what collateral is CARSICOT going to be giving in support of these loans. CARSICOT is already, as I understand it, obtaining banking facilities from the National * Bank and I want to know, therefore, is it going to have in support the guarantees of the other shareholders and not only the Government of Barbados to the extent of 33%? I want to know whether the other 67% guarantee is going to come so that the taxpayer down the road does not have to pay this debt. When the Honourable Members on this side asked for a breakdown of the shareholding of the principal shareholders of Scothalls Limited, we are not doing so wantonly or lightly. What is significant is that Mr. Amersey himself who is the principal shareholder is not offering any ~ guarantees, none whatsoever. You cannot touch him personally nor can you touch his interest in India. You are not going to be able to touch the Government of Antigua, St. Kitts, and Montserrat because they are not giving any guarantees. In the last resort, is it not a question of the Consolidated Fund? The Prime Minister probably believes that the Consolidated Fund is unlimited. The public of Barbados' pockets are lined. We have a duty to ensure that the arrangements being put in place are adequate and in the

last resort this guarantee will not be called to prop up the National Bank because the persons who have the primary obligations are not paying. They want to know what are the pitfalls and that is the essential point. That is why when we inquire who are the shareholders of Scotthalls and are they people who are prepared to put their money where their mouths are to supply the guarantees necessary. It is a financial and serious question from the Opposition side.

Now Scotthalls of Montreal is a sort of confirming house of people who are in the trade. They do not produce any cotton in Canada. They do not. Mr. Amersey's interest is solely in India which is a main competitor as well and we ought to know it's with our own Sea Island cotton. Let us face the fact. You can ask any recognised trading house to give you the information on these people if you want to know. So that in the long run one has to ask what is the intention. All that glitters is not so much gold. Just as Threadex had their own agenda, we must not be blinded in the Caribbean to other people's agendas. It does not mean that we must not get into joint ventures. I am not saying that to the Government at all. The Government cannot be other than clear as to what are the agendas of other people.

Now I know for a fact that there is interest in the trading centres which Barbados is getting under LOME and our arrangement under CARBFCAN and our arrangement as well under CBI1 and hopefully CBI1. Therefore, part of this arrangement and the Minister has to listen, Sir - they take everything in here as though it is critical of the Government. When we speak, we speak in the interest of Barbados on matters of this nature. I must know that part of their hidden agenda is whether the Caribbean islands can be used to get their increased products through our doors right into the United States. There is nothing wrong with that. Given GAT and given their position, we are trying to attract people to come this way. In the process, we must be sure that we are getting the maximum benefits under such arrangements and, secondly, that we are not being used as dupes. The first thing that bothers me is the breakdown of the shareholding of Scotthalls of Canada Limited and whether or not they are prepared to give the guarantees. They are hesitant to do it.

Now the other point I wish to make whilst I am on the shareholding is that what is significant is that none of the primary growers are involved in this holding company. They push them off to the processing company, CARSISPIN, down through the line. So no local primary grower other than the Government through the ADC will be involved in this process. Really, if we wanted the security, why must Scotthalls have 51% and then turn around and have a percentage of the subsidiary companies that lock back in with the amount that the Government of Montserrat has. Now that would put me on notice. It may not put other people on notice, but it puts me on notice. I ask that there should be terms in the agreement, which has not been given to this House, where they must offload their shares just as

we have made the Barbados External Telecommunications offload a percentage of shares down through the Islands and where they have to continue to do it to the public of Barbados and principally the growers and the primary producers.

I tell you why, Sir, it is important. One of the things that has happened is that WISICA, West Indian Sea Island Cotton Association, which is the owner of the trademark has agreed to give CARSICOT for 10 years the assignment of the trademarks right and with that assignment carries substantial royalties. In the first year, the royalty already was something like U.S.\$1.5 million and of that the Scotthalls people is getting 51% of whatever is coming to them. That is why when the Barbadian growers complain and say that they wish more than the \$1.90 which the Minister subsequently increased to \$2.05, and they say that they have not been paid and it is now being negotiated at \$2.15. It is that they are concerned about these hidden matters. Their concerns must not be treated lightly. We have a duty to ensure that if we are going to maximise the use of our cotton in the ways in which the Minister I believe genuinely desires to be maximised - he is very emotional on this subject - we also have to maximise the benefits that are coming to those people who are the primary producers, Sir. 12.00 noon.

Hon. W. O. FRANKLIN: Mr. Speaker, on a point of elucidation. I will follow the document as we go ahead. Under the matter of royalties, I am reading from a document I have, the royalties will be used to maintain registration of marks in various countries, as well as defend against encroachment by all legal means. The net proceeds will be divided as follows: Promotion 60%, Research and Development 15%, WISICA and participating countries 25%. The Governments also agree that their share of the royalties would be earmarked for distribution among cotton growers and for the development of cotton production generally. It will be allocated in proportion to the raw cotton produced and sold and marketed throughout CARSICOT. That is the arrangement we have made.

Up to date, Mr. Speaker, it is of interest to note that prior to the establishment of CARSICOT we never got any royalties, nothing at all.

Asides.

Hon. H. deB. FORDE: The Honourable Member can shout as much as he likes. Let the Minister put the document there, on the table of the House. What I am saying is, that is \$1.5 million in the first year. It is going to increase. The Government must know that it is going to increase, and no matter how much they say it is going to go in research and development, the point is that at the end of the day Scotthalls is going to get the majority of the royalties.

I am going to deal with the trademark afterwards, because I heard a lot of talk about what happened with the trademark. The Minister does not know the breakdown of Scothalls Limited shareholding in itself. I have told him, and I hope he understands, that the substantial shareholder as I know is Mr. Nitin Amersey and whilst I believe the gentleman is an investor with money, I believe the Government must also be wary as well to ensure that in* the long run the cotton industry and the name of Sea Island cotton is going to be secured. I started on that point and I want to continue on it

The Minister has stated that a company has been formed in Belize and it is intended to use Belize long staple cotton. When he gave the shareholding you will note once again the link up between Scothalls Limited and the persons who ran Scothalls Limited in that company. When the Leader of the Opposition said that he had information that they were thinking of using, and bastardising if you want to say that Sea Island cotton, he used the word "adulterated" and I do not believe, like the others, that he was saying so whimsically, because some confirmation has come from the Minister when he says that they realised that they may not be able to produce enough cotton every year so that the mills can work 365 days, which means that they are going to have a mixed product.

That is what the Japanese did, Sir, and there is the tremendous fear - and the Egyptians are already campaigning against us and making statements in GATT, the Minister of Trade will have to remember

Aside.

Hon. H. deB. FORDE: Not at the official level, but when you go to the negotiations remember this. We will be used in this way in order to give the problems.

Aside.

Hon. H. deB. FORDE: The Honourable Member wants to know if long staple cotton of Belize is the same as Sea Island cotton. It is not The Minister knows that, too. The four territories that produce Sea Island cotton are Barbados, Antigua, Montserrat and St. Kitts from time immemorial. The Sea Island cotton went to Egypt, Sudan and India and has been bastardised, but the Geisha 45 of which he spoke is about the nearest to it in quality on the world market. Read the futures any day in the New York Times and you will see. What I am saying is that the Belize long staple cotton which is to be produced is another way, if we are not careful, that we might find ourselves in danger of not maintaining the good name, the credibility and the economic viability and financial worth in the market of Sea Island cotton. I wish to tell the Government take note and take warning.

I am also concerned about CARSISPIN, Sir, because once again if you look at the information which the Minister gave us, the majority shareholding in CARSISPIN goes right back to Scothalls, a complete tie in again, and it is a very minor shareholding promised but not yet given to the local cotton growers. If you talk to any of the cotton growers in St. Philip, Christ Church, St. Lucy and St. John, you will find that none of them up to now has taken up any interest whatsoever in CARSISPIN and they have very little information about CARSISPIN. They themselves are concerned about this type of arrangement and one of the complaints being made is that these people are being facilitated all of the way without corresponding financial and other obligations being placed on them.

Now I come to the rental of the 1500 acres, Sir. I spoke about that some weeks ago in the Minister's constituency at Industry Hall. I said then that the Government was going to take River, Spencers, Dodds and other plantations and make them available to the company by way of lease. The Minister has not told us what is the valuation of the leasehold for 25 years. He says he does not know. He has to ask himself about that and I am sure that he will satisfy himself, being a well recognised valuer with expertise in this particular field, that the valuation is reasonable and that the equity which we are putting in is matched to the extent of the obligation of CARSICOT as well. He has to make sure that whilst our equity is up front by way of land, of ginnery, of vehicles and of guarantees, that the cash from these other people is also had up front, because that is all they are bringing, Sir, we can buy their technical expertise anywhere in the world today. We can buy it in India, in Japan, in America, in Egypt, in Sudan and we can even buy some of it out of Canada and certainly the United Kingdom, so we must make sure that their equity is up front

This is a serious point, Sir. It is a fact that at Dodds and at Springhall over 300 acres of young canes are at present being ploughed back in. That is my understanding. This is going to have an effect on sugar production for 1990 and beyond. That is the first point I want to make. The Leader of the Opposition asked the correct question. Is there any credit being given to the Government of Barbados for this? The House is entitled to know that 12.10p.m.

When I speak in here, Sir, on a fact, I never say I am never wrong. But I try not to come in here and make allegations, unless I can give the facts on it

Hon. W. O. FRANKLIN: Yes, Mr. Speaker. On a point of order. ADC has been asked to value that and that would be taken as part of the covenants of Barbados. Any work by ADC or any losses by ADC, as is usual in valuation will be taken into consideration. ADC has been asked to do that

As I said, the Ministry of Housing, the competent authority has been asked to do the valuation. They are working on it. And all that I know of is that our competent authority is doing it and that is all I can say.

Aside.

Hon. H. deB. FORDE: Now, Sir, he wants the next question. This should interest the Honourable Member for St. Lucy and of course the Honourable Member for St. Michael Central, who unfortunately is not here. I always enjoy hearing him, Sir.

Aside.

Hon. H. deB. FORDE: Sir, under the Sugar Workers (Minimum Wage and Guaranteed Employment) Act, Cap. 359, sugar workers are guaranteed, out of crop, a minimum number of days. If 1500 acres are being taken out for planting cotton solely, I want to know whether this Act is going to be applied to CARSICOT. We read the other day of the severance and the payment of severance of \$1 million to people from the several plantations.....

Aside.

Hon. H. deB. FORDE: in St. Lucy. Alright, Sir. I know the severance. Unfortunately, they are not treating all of them equally. They are looking for the people who are near to the retiring age and who might have some time left, the Minister must be aware of this, and telling them go on vacation so as not to pay them severance, Sir.

Asides.

Hon. W. O. FRANKLIN: Mr. Speaker, the persons have all been asked to opt whether they want to continue with other lands of ADC or if they want to be severed.

Aside.

Hon. W. O. FRANKLIN: All of them opted to be severed. In the meantime, some of them were entitled to vacation and they are getting the vacation. In the meantime, we have to go out and write them individual letters, under the Act, so that they would sign to say if they are willing to be severed or not. And that is being carried out

Hon. H. deB. FORDE: I am glad to have the Minister's assurance, Sir. I can now assure the constituents of the Honourable Member for St. Lucy on the point. I am glad to have the assurance.

Laughter.

Hon. H. deB. FORDE: I am glad to have the Minister's assurance. My duty here is to represent all the

people in Barbados, up in St Lucy and down, Sir. I can now give the assurance. It is in the House.

Now, Sir,....

Hon. E. E. GREAVES: Mr. Speaker, the Honourable Member can give the assurance to the House. But the people from St. Lucy who work at Springhall, including Harold Thompson who he is talking about

Asides.

Hon. E. E. GREAVES: - Big BLP - will get \$344 000.1 have the list and they all know the information.

Aside.

Hon. E. E. GREAVES: About \$344 000.

Hon. H. deB. FORDE: He has not even got the exact figures. The Honourable Member has not got the exact figures.

Aside.

Laughter.

Hon. H. deB. FORDE: I can promise him, if he wants the exact figures of how much money is being paid to people in his constituency, I will bring it back to him, after lunch, Sir. I can assure the Honourable Member, he has not got the figures.

Anyway, Sir, I want to move on. The point I am making here is that you have again another pitfall that if you do not tie in this company, you will find that they have not got the same limitations and the cost of production that applies to oilier estates in Barbados. And that, therefore, I want to have the Government's assurance that they will not be able to wiggle out of the similar provisions in the Sugar Workers (Minimum Wage and Guaranteed Employment) Act, as now applied to people working on that plantation.

Now, Sir, the Minister spoke about the agronomic and environmental problems of planting cotton. I have to be historical in this respect, Sir. Evidence has shown ever since the settlement that unless cotton is handled in a manner of rotation, that there is a danger to the soils of Barbados. We were planting cotton for a long time, ever since the Island was settled. We first had cotton and tobacco.

We gave up cotton and went to sugar because not only of world market conditions then but the reality of what was involved. It was a time of slave labour. Anybody like you, Mr. Speaker, or myself or any Honourable Member with this colour in those days did not own anything. We were owned! And despite the fact that the labour was easy and

there, the experience of cotton in Barbados meant that we had to get out of cotton. One of the reasons was the agronomic and environmental problems.

Aside.

Hon. H. deB. FORDE: Tried in the thirties, as the Honourable Member for St. Michael South Central said.

The Minister tells me that his tests show that you cannot plant it on anything with a slope of less than 7%. If you go over 7%, you are in trouble. Now I am saying to the Minister that soil loss measurements done recently in cotton fields with a slope of- 5% and without adequate erosion control measures show that there was a displacement of as much as 28 cubic metres of soil per 3/4 acres of land.

Aside.

Hon. H. deB. FORDE: I have to put it, Sir. I am giving the pitfalls. The Honourable Member for St. Michael South East *sotto voce* said, without adequate. Because one of the things that one has to be aware of, given the agronomic knowledge available to Barbados, is that unless the conditions are maintained very strictly and the adequate measures include rotating of crops, not simply growing cotton, *per se* as these people intend to do, then there is a great danger to our soil conditions, Sir.

Now, Sir, I have talked about the price being offered. The price being offered at the moment is \$2.15 per pound. In addition, the company is offering crop insurance in case there is a hurricane. The production costs to the farmer is \$2.35 per pound. So that the cotton farmers, and some of them are small people are arguing that they are not even being rewarded at the price of production. That is why the Government will find that very few of them have joined up and in fact, that this year, you will find that there are only something like, I think it is 300 acres which were planted last year by 22 private growers. And this year so far only 200 acres by 14 private growers. So that no enthusiasm is being shown because growers get the impression that the Government is not with them on this matter.

I have not got time in this debate in the half an hour to go into all the problems of seeds, Sir. But I must ask the Minister for another assurance. It is my understanding that at the Bridgetown Port there was US\$50 000 worth of cotton seeds that came in in the last few weeks.....

Aside.

Hon. H. deB. FORDE:..... which is not Sea Island Cotton and there is a tremendous fear that that is going to be grown here and bastardize the true Sea Island Cotton of the Island.

Aside.

Hon. H. deB. FORDE: Long staple. The Minister must investigate that, Sir. He must investigate and find out how it came in, why it came in and through whom it came in, ask for the documents, and how it was invoiced and why it was invoiced in the particular way.

Now, Sir, I want to talk about the trade mark. In 1985 former Prime Minister St. John discovered that our trade mark, the West Indies Sea Island Cotton, trade mark, was being taken off the register in the United Kingdom and that it was being purloined in the United States and elsewhere. The then Barbados Labour Party Government got in touch with the other Governments of the Caribbean because WISICA did not have the money. The Honourable Member asked what was happening. The trouble is WISICA was not being activated and properly used at the time. The Minister knows this, Sir. The case is reported, if the Honourable Member wants to find out. 12.20p.m.

So that we took the steps then, the Barbados Labour Party Government, as soon as it was brought to our attention to prevent the gentleman called Mr. Reichman of Threadex.....

Aside.

Hon. H. deB. FORDE: We initiated it. It is a fact. Tell him. He is in the Government but he does not know what is happening you know. We initiated the action, Sir. I wanted to tell him, Sir. We started the steps in order to ensure that that trademark remains with the West Indian Sea Island Cotton Association and the Government. Now the judgment was given last year.

Aside.

Hon. H. deB. FORDE: I have not raised the cost of it, Sir. I believe that a cost was made in our favour. Whether we have got back the full cost or not, I do not know.

Mr. SPEAKER: Wind up.

Hon. H. deB. FORDE: One minute, Sir.

Mr. SPEAKER: Wind up.

Hon. H. deB. FORDE: Wind up. The position is, Sir, that that trademark is special to the West Indies and it is my view, Sir, that it must always be defended and that we must be careful in making the assignment. Finally, I will tell the Government this, Sir. We have the protection of various international conventions including the Paris Convention. When I was Minister responsible for Foreign Affairs, I ensured that the Intellectual Properties legislation of Barbados was upgraded and I ensured that we were entering all of the conventions to secure our rights. I found that whereas the imperial right of England automatically applies

here, our trademarks for our entrepreneurs, manufacturers, or designers did not have the reciprocity of treatment within the other industrialized countries. It is vital, and this is one test, that we do everything not only at the level of defending the trademarks in the court but ensuring that it is not now used for the benefit of third parties. It is equally vital, Sir, that when we go to the continuation of the Uruguay round of talks for GATT that this Government has a strong position on intellectual properties and use the expertise available in this country to it in order to booster our manufacturers and our primary producers, in this case the cotton growers of Barbados.

I am indebted to you, Sir.

Applause.

Aside.

Aside.

Hon. B. M. TAITT: I would have cheered for you.

Mr. Speaker, Sir, when someone as knowledgeable in the field of law and business speaks as did the last Honourable Member and indeed to a lesser extent the Leader of the Opposition, one does not take what they say lightly. One recognizes that they are speaking from a position of experience and expertise. I try very hard when I am listening to either of the two Honourable gentlemen as they speak in this House to separate out that aspect of their speech which might be horned of their knowledge and expertise and that aspect of the speech which might be nothing more than the political posturing which they would consider it necessary to adopt in certain circumstances on certain issues.

It is well that they should have an interest in what happens to cotton in Barbados because the history of cotton in Barbados is known to all comers. - One just came in

Aside.

Hon. B. M. TAITT: No, no, he means the Press. He speaks for the Press, but I am letting him know that one came in. His particular man may have gone out, but one came in. It is well that they should know the history of cotton, but they must not speak as though the history of cotton has been written in a document and put in a vault and is only allowed to be pulled out from time to time by certain Honourable Members. The history of cotton in Barbados is known to children in elementary school because basically it has been written in such a fashion that children in elementary school know that the cotton crop was tried in Barbados before sugar and that it was tried.... what?

Aside.

Hon. B. M. TAITT: and tobacco. You see, Sir, I said that the children know it and the Honourable Member for the City proves it, Sir. He admittedly jumped in and said "tobacco". You see, Sir, that is what you learn from what my friend, the Honourable Member for St. John, calls the "little children books". So that we need to get some perspective. Now it is instructive that as the Honourable Member for Christ Church West sat down he was coming to the serious part of his presentation, because he was able to say that the Barbados Labour Party had initiated the action to save the trademark of WISICA in London and what he could not then add, because he was sitting down and that was a deliberate tactic I suspect, is that the same Mr. Reichman from Threadex that he used in the early part of his argument to attack the Honourable Minister is the same Mr. Reichman in Threadex that was trying to assist in the stealing of the trademark.

Hon. H. deB. FORDE: On a point of order, Sir. I never attacked the Honourable Minister because he met with Mr. Reichman. You see, Sir, the trouble with this Honourable Member is that he sees everything as an attack. The point I was making, Sir, is that the Government started to negotiate with other than the present persons with whom they have got into bed. Reichman is one of the shareholders of Threadex who had been misusing the trademark..... Threadex.

Hon. B. M. TAITT: Sir, the point I am making is that the Honourable Member, you will recall, when he was setting out the framework, the bulwark of his argument were the pitfalls that were allegedly pointed out by persons from the United States. Without more, Sir, it is reasonable to assume that those persons would have been persons who had the interest of this country at heart.

Hon. H. deB. FORDE: Sir, again on a point of elucidation. I cited Mr. Reichman but also talked with Mr. Kurleigh. I could have gone on and told the Minister of various other people as Dr. Feister, for instance, and Supima whom the Minister knows which is the Cotton Association of the United States. Those were the consultations that were held and they were held as early as 1986 and in 1987.

Hon. B. M. TAITT: Sir, he makes the point that I am making. He could have told us about those but he did not. He told us about Mr. Reichman. The point he made until the Honourable Member intervened to point out that Reichman and Threadex were not friends of the Government, then he turned as he does so well into the next lane. As he ends, he is making the point which is the point that needs to be made. West Indian Sea Island Cotton was in danger of being lost to the West Indies. It was in danger of being lost because a trusted servant of West Indian Sea Island Cotton, a Mr. Knight....

Aside.

Hon. B. M. TAITT: So the trademark is what distinguishes it from the rest. The trademark which is really the "show in action" if you will, Sir. That is the thing that provides value - that particular trademark. That is why it was worth the money. The Honourable Leader of the Opposition said we spent a lot of money to the vendor. We carried on what the Honourable Members started because we thought it was worth it

Aside.

Hon. B. M. TAITT: I could answer that without recourse. It could not possibly constitute part of the capitalization because it would have been a fee paid for action which had nothing whatsoever to do with the foreman of the company. It would be strange if you could manage to parlay that into equity. Of course, the Honourable Member has these special abilities and you never could tell. It may very well be that if he was the Minister of Finance he might have been able to do it I do not know.

Aside.

Hon. B. M. TAITT: That is not what you asked. You asked what did it cost to save the trademark. I do not know what it cost. The point is, Sir, that the Honourable Member for Christ Church West did not tell the House until he came to the end of his speech that, in fact, West Indies Sea Island Cotton was in danger of being eliminated from the world market because a trusted servant of WISICA, a Mr. Knight in London in conspiracy with some other people, sought to have the trademark removed from the register in London and in cooperation with an earlier axe by an attorney in Antigua which had caused the trademark to be removed from the register in Antigua. That would have meant that what was being produced in Japan and what would have been produced in the United States, which would have been a bastardization of sea island cotton, would have qualified to be identified as sea island cotton. 12.30p.m.

They made an argument that because Threadex had been able to use a technology that allowed them to spin Egyptian cotton to 120 counts, that that cotton so spun would have qualified to be called Sea Island cotton. They sought to make the point that Sea Island cotton was not related to where it was produced but to what was the final product

In the judgment to which the Honourable Member referred, it was determined finally that the West Indies would be able to retain the trade mark, and so Sea Island cotton as an entity, as a trade mark and therefore as a product would be available. It is in the context of the initiative that had been taken before this Government came

back to office that the Minister of Agriculture spearheaded the revival and the development of the cotton industry in Barbados and in the Caribbean.

I do not understand the two honourable gentlemen. I do not understand how on the one hand just a short few weeks - it seems like hours - ago, they were attacking the Government for taking no initiatives in agriculture, they were attacking the Government for having no interest in what they call agro business, they were attacking the Government for having no projects, and on the other hand what they trot out today now, Sir, is that cotton has failed in the past, why is the Government now going and resurrecting this old time product which has been a complete failure in the past? They are coming now and trying to give the people in Barbados the impression that the Government is decrepit and has gone and raked up something that is a complete, total, dead failure called cotton and resurrected it and is bringing it up to the people.

The fact is, Sir, that cotton like sugar has had its ups and downs in this country, and when cotton prices were high people used to grow cotton, and when they were low they did not grow any cotton. That is called market forces, Sir, but what the Minister of Agriculture has been able to do is to find a company in the international arena that is familiar with and has expertise in the marketing of cotton.

Now, Mr. Speaker, if you go back to the whole of the Indian subcontinent you will find a whole history related to what they have been able to do with fine silks, and if you have expertise in the marketing of the product you will find that the futures of which the Honourable Member talked, the whole key to the manufacture of cotton has to do with the marketing of cotton.

One of the failures which we have had in the Caribbean, and in Barbados in particular, is that in the primary products that we produced in this country we had no expertise whatsoever in marketing the product outside of Barbados, and as we had the Commonwealth Sugar Agreement where somebody in the United Kingdom had managed to organise a thing for the people of Barbados, and therefore the price was fixed and that was that, the marketing was putting it in a ship, so it was with cotton.

Aside.

Hon. B. M. TAITT: Mr. Speaker, he wishes me to ask you to protect me from him so that I would recognise him. He wishes to learn how to heckle. He still has not learnt after so many years, he is not effective when he heckles me, but he is still trying. You are right to ignore him, Sir.

Mr. Speaker, in so much as they could not market sugar, we went in 1975 and assisted them in the marketing of sugar. Now the Minister is seeking to create a framework within which.....

Aside.

Hon. B. M. TAITT: Do you have any doubt that the Government of Barbados took over the marketing of sugar in 1975 and got the best price that they ever got for sugar anywhere? The history is there. I do not wish to spend the time discussing it. The Honourable Member for Christ Church West is fully seized of the knowledge that we were responsible for marketing sugar in 1975 and it is from that day until now that sugar has been put on a different plane.

The Honourable Member for St. Philip North has gone out and done what a Minister ought to do in the circumstances when you have a dead agricultural sector. Cotton in this country was at the lowest ebb when we became the Government. The Minister of Finance of the day, the Honourable Member who is now the Leader of the Opposition, is one of the people who came and said constantly that among the things we must do is to put venture capital out into the marketplace so that people and things can start moving again.

We are being called upon to guarantee \$5 million and now you hear these two honourable gentlemen coming to discuss that \$5 million as though if we guarantee, not spend, Sir, \$5 million for the revival of the cotton industry

Aside.

Hon. B. M. TAITT: Five million, Sir, \$10 million, \$15 million, \$20 million, they are now behaving as if we spend \$10 million or \$20 million to revive the cotton industry, we are somehow going to bring Barbados to its knees. The fact is that they now find that when they examine the project it is a sound project and they can find no argument with the concept of the project, so they now go to the nitty gritty to discuss the people involved in the project.

The Honourable Member, the Leader of the Opposition, said that he met with some people to discuss a project. I would like to ask the Honourable Member if when he was Minister of Finance he examined the shareholding of every single company that invested in Barbados during that time. I would like to ask the Honourable Member for Christ Church West if when he was the Attorney General in the Barbados Labour Party Government they examined in great detail the shareholding of every single company that invested in Barbados. The Honourable Member has brought before the Cabinet of Barbados - he is not alone, this is not a matter where he has gone out by himself taking \$5 million of the taxpayers' money and frittering it away - he has come with a sound project which has the propensity for integration, because part of the project if it gets going allows both horizontal and vertical, because when the plant that would generate five megawatts of power for the disposal of solid waste, this project was discussed as a

potential joint project where we would in fact be supplying energy to run the mills that would be created arising out of this project 12.40 p.m.

Now, Sir, I am saying that to make the point that this is not an isolated project that was discussed by itself. I want to say that the Honourable Member, the Leader of the Opposition was party to the discussions at the ground floor of the creation of this project. He cannot now be coming in here and trying to pretend that he is totally ignorant of it. He was in Japan discussing with Suzuki, or whatever his name is, the price of cotton.

Dr. R. C. HAYNES: On a point of order, Sir, the Honourable Member, due to misinformation, has obviously uttered words that may cause some misleading of this Honourable House. I was not party to any of this arrangement. I was party to a concept of a vertical integration agro development in the area of cotton. One, not these individual characters - let me finish - and secondly, the financial source that I knew of has nothing to do with the kind of characters described here today.

Aside.

Hon. B. M. TAITT: Mr. Speaker, his mouth is usually very expressive. I take everything he says, Sir, whatever he calls it, a concept, a vertically integrated agro something cotton.

Laughter.

Hon. B. M. TAITT: That is the part I heard. Cotton. This is about Geisha. This is about peas. This must be something else, but not cotton. So I withdraw any imputation which suggests that the Honourable Member knew anything about this. He was talking about another cotton project somewhere else in another place. I would apologise to him, Sir, but he was Minister of Finance in my Cabinet and I know what I heard.

Aside.

Hon. B. M. TAITT: It is not my Cabinet you know. One will be in that Cabinet. This is my Cabinet here. He is the boss. He is the chief. But this is my Cabinet, his Cabinet, collective responsibility. Did you not say what you are going to do when you become Minister of Immigration?

Laughter.

Hon. B. M. TAITT: This is our Cabinet here. Anyhow, Sir, the Honourable Member is doing his duty as Leader of the Opposition and he must be seen and heard. But he, Sir, knew that we had to start reviving the cotton industry, and he also knew that the people who grow cotton in this country are some hard-headed businessmen who do

not put their left foot forward until they know where the right foot is going to land. He knows they are the same people who produce sugar. He is not like the Honourable Member for Christ Church West who may be taking a brief. He has represented the sugar producers for so many years that he has an almost knee jerk reaction to defend them when anything happens to them. But the Barbados Sugar Producers' Association have not been great cotton producers.

Asides.

Laughter.

Hon. B. M. TAITT: You know, Sir, in the Manifesto which the Honourable Member swears that he wrote, it said at page 10, production of beef, mutton and cotton will be especially encouraged. Did you write that part too? I have got to find out what you wrote before I say anything. Did you write that?

Laughter.

Hon. B. M. TAITT: Sir, the Manifesto said that that is what we would do. Alright. We come now to do it. Let me remind Your Honour that this is to guarantee a line of credit, Sir. Now that is a time worn methodology - that is what it says, read the Resolution - by the developed countries when they are going to make loans to agencies of government. They require almost as a *pro forma* that we, the Government, should guarantee. The only agency in international law that can guarantee that a government would pay anything is the Minister of Finance. We, as part of the rule of law, insist that it must come to the House of Assembly. But the loan is going to be made by a bank. It is not going to be made by Women In Development. It is not going to be made by the National Development Foundation. It is going to be made by the Barbados National Bank.

Now, is the Honourable Member, the Leader of the Opposition or the Member for Christ Church West suggesting that me Barbados National Bank is so puerile, so backward, so old-fashioned that they would not check to see the bona fides of the people who are going to be borrowing money? They will be borrowing money to buy equipment. The equipment will have a value.

Aside.

Hon. B. M. TAITT: I do not wish to. They raise questions about why are we guaranteeing to the Government of Canada \$5 million in a line of credit. The answer is a very simple answer, Sir.

Hon. H. deB. FORDE: On a point of order, Sir. The Honourable Member again is supposed to be a financial consultant, so I assume he has knowledge of these matters.

The equipment may be given by way of bill of sale or by way of debenture under a floating or fixed charge, depending on what are the fixed or other dates. But in these circumstances, Sir, the equipment depreciates and has less value. It is good banking practice to ask for a guarantee. If a guarantee is not necessary, why would we come the second way, Sir?

Hon. B. M. TAITT: He is perfectly right, Sir. They are always right in these matters because they use the technical language. The point we are making here is, it is a very simple matter, the Government of Canada cannot get a guarantee from CARICOM. They cannot get a guarantee from the National Bank. They cannot get a guarantee from CARSICOT. The Government of Canada can only get a guarantee from the Government of Barbados because the bank is in Barbados and the bank is the one borrowing the money.

Are you both recommending, are those two Honourable Members recommending that we do not guarantee it? Is that what you are recommending? Are you recommending that we do not seek to get the foreign exchange content for the purchase of equipment from Canada for spinning of cotton in Barbados, through the Canadian Government? Are you suggesting we should have a joint agreement between Montserrat, St. Kitts and Nevis and the others?

Aside.

Hon. B. M. TAITT: That is your problem. You keep saying things in the record and then they come back to haunt you. You will find that this Honourable Member has been consistent and will always be consistent because I speak from principle. I do not have to go back and check, unlike the Honourable Member who gets a little brief here and there, Sir, ...

Hon. B. M. TAITT: I beg your pardon, Sir.

Mr. SPEAKER: Carry on.

Hon. B. M. TAITT: and has to go back and check it every now and again. I speak from a position of principle. The Honourable Member now has to be tacking back and forth because what he said in 1986 is basically opposite to what he is trying to say in 1989. I do not have that problem. I am saying the same things. And you are consistently, mentally with us. So you have to go fighting yourself to say the opposite.

What we are saying to you is that the mechanism requires that the Barbados Government guarantees it. That is the first thing. Secondly, we are putting our weight behind, as a Government. This is not something that we are tentative about. We are putting our weight as a Government behind this attempt to reconstruct and resurrect the cotton

industry. We recognize that \$10 million is a lot of money. But we have accepted the recommendation of the Ministry of Agriculture and the Ministry of Finance because we accept that the people who work in those Ministries, when all the things are put before them, they have as much ability now as they had 10 years ago. And when they make the recommendations to us and we examine them, we can find no fundamental fault. We recognize that it may even fail! But that is what entrepreneurship is about. The possibility of failure is inherent in the need for success.

Aside.

Hon. B. M. TAITT: It always has been! Honourable Members on that side have been successful businessmen, most of them, and they know that you have to invest.

The Honourable Member talks about his fishing boats, Sir, the ones that are always on the beach. But the Honourable Member put out hard cash. 12.50p.m.

Mr. E. BOURNE: On a point of order, Sir, I want to let the Honourable Member for St. Michael West know that my boat will remain in the sea until it can go to Trinidad and Tobago.

Hon. B. M. TAITT: That is a sound business decision, Sir.

Laughter.

Hon. B. M. TAITT: You understand. The Honourable Member who has invested hard cash when he was getting the fishing boat - Do not tell me that I am wrong on this - put his own cash into the getting of the fishing boat.

Aside.

Hon. B. M. TAITT: When the Barbados Labour Party was in office, they guaranteed loans for almost every Minister in one form or another. Yes, we guaranteed the Barbados Development Bank. All the money that the Barbados Development Bank lends out, we guarantee it and the Barbados Development Bank lent money to - I am not going to call their names, Sir - Nepsha, Kiah, Sam Cow and the Duppy. We guaranteed it and I did not hear you come in here and say that we should not guarantee \$2.3 million for anybody to do "x" or "y".

Hon. H. deB. FORDE: When I was the Minister in the Barbados Labour Party Government, we never had a guarantee from any Government institution. He is making allegations that are totally unfounded and the Honourable Member must not make those sort of allegations.

Hon. B. M. TAITT: Of course not, Sir. The Honourable Member never had one nor his colleague sitting

next to him. I said almost everybody and I said that I would not call the names. You did not need any. The Honourable Member did not need any. I am saying that the Barbados Development Bank lent money to a number of individuals in the Barbados Labour Party Government and that money is guaranteed by the taxpayers once it goes to the Barbados Development Bank.

Hon. H. deB. FORDE: I really have to take objection because the Honourable Member was once on a public platform saying that I was borrowing money for the development of my mother's property which is absolutely untrue and, therefore, I must be very careful when this Honourable Member speaks. I have never had any loan from any Barbados Development Bank and I assume, Sir, that if any Member of this or any other Government has had to borrow money from any banking or other institution they have done so within the laws of Barbados.

Hon. B. M. TAITT: That is exactly the point I am making, Sir. But the money was guaranteed within the laws of Barbados by the Government of Barbados of the day and it is guaranteed by this Government to the same taxpayers that the two of you are now coming in here talking about. This \$10 million that you are talking about that the Development Bank is alleged by the Honourable Members on that side to be technically bankrupt, because the money lent to people other than that Honourable Member, Sir, from his Government - any member of his Government who borrowed money and whose money is part of the bad debt, the large bad debt, and I do not hear them coming out talking about who is going to guarantee it. We come to get 1500 acres of land that is producing grass, 57 varieties of grass, and we are putting 1500 acres into cotton at...

Aside,

Hon. B. M. TAITT: ... Spencers, Dodds, etcetera. I have no problems. You may be able to cite an acre here and there. The point is, Sir, that we come down here and what happens is a very simple matter, Mr. Speaker. They anticipated - the cotton growers were so certain that the project would not get off the ground that they tried to hold the Minister of Agriculture and the Government by the short hairs, but the Government was able to get a relationship with an outside investor and, as a result, the outside investor, Nitin Amersey, as I understand it comes from a family of cotton people going back in India almost to the last century. It is my understanding. I cannot go more than that, Sir. I do not know him. We did not grow up together.

Aside.

Hon. B. M. TAITT: Henry Forde said that it is a fact. Well, all right. So Nitin Amersey is not, therefore, a crook or criminal as far as I know, but he comes from a family with a history of cotton producing. It is my understanding

that he is an expert and it is my understanding that they had an agronomist and some other people come into the country who assessed the lands and came to the conclusion that the land can produce in rotation at the correct level in order for us to get the industry going again.

We have decided as a matter of faith to try to get the industry going again. I put it to the Honourable Member for Ghrist Church East that were he sitting over here he would applaud the initiative to get cotton going again.

Now as to the price whether it should be \$2.15, \$2.30, or \$2.40, it is the same kind of argument that we are getting on sugar whether the \$960 is enough, or whether it should be \$995 or \$1500. Those are economic decisions on which you have two opposite sides. We must not let that come between within and among the principles required for us to start the cotton industry going again.

Mr. Speaker, let me just say this. You cannot approbate and reprobate at the same time. Let them say to the Government that the Government must be careful. That is valid. Let them say to the Government that whenever Government money is being invested we have to be more than careful because we have special responsibility to take care of the people's money. Therefore, when they ask legitimate questions, it is the duty of the Minister to answer those questions, but they must also join. They cannot leave the rest of the population to believe that the Minister of Agriculture is doing something faulty or something wrong when he takes this kind of massive initiative. They must join in the part of the leadership in the country which requires all those persons with public trust to take certain positions even though they may be unpopular positions. Leadership does not require that you merely be up front with the crowd each time. There are many times when you will be alone, but you have to be in a position to guide.

I must say to you, Mr. Speaker, that this particular Parliament is going to be held to a greater account by the people in the next century than any other Parliament. It is this Parliament that is setting the agenda for the people of Barbados for the 21st century and they are going to judge this Parliament, both sides, harshly if when they examine the deliberations of this House they discover that while Rome was burning we were frittering away our time pulling down each other on issues that have been long settled. The fact that Bree St. John was prepared to send money from the Barbados Treasury for the trademark of Sea Island Cotton at a time when he had no idea how much money it would cost, at a time when all he was concerned with was to preserve the trademark, that he has to be applauded for that, Sir. The Government that followed could easily have said it is too much money, it is not worth it, and let us get some political mileage out of the fact that we lost the trademark. Instead, the Government of the day decided to continue the charge that had been put on the taxpayers to

rescue the trademark and the Government has done so. It now has a further obligation to show and demonstrate that cotton can be successful.

Mr. Speaker, if when sugar was being put on its route in the early days they had a Government with sufficient prescience....

Aside.

Hon. B. M. TAITT: You see that You see he is calling it like a scientist again. Well, we will discuss it. 1.00 p.m.

If they had enough prescience to have arranged for vertical integration, Barbados would not be in the difficulty it is in now as a primary producer. All we are able to do as primary producers is to pray that the rains would fall, pray that the market would move in a certain direction, pray that the price would go up. Whereas if we had had an industry where the final product could be produced in Barbados, we would now be producing a high quality granulated sugar that could be used and could in fact be tied into the tourist industr, We could have an integration, but it is because we are primary producers and because we have always been primary producers we find ourselves constantly in the position of all the developing countries in the world who are like the beggars at the gate.

The point is, Sir, that this Government is making a bold step. We may not even be successful. It is entirely possible that this will not be successful, but it is a bold step that is being taken by our leadership.

Aside.

Hon. B. M. TAITT: Because your head is hard and you do not understand. It is because of jealousy on the part of the Honourable Member, the Leader of the Opposition, that he is not able to go at one of his assemblies and say "when we become the Government we are going to have a cotton industry" just like the Honourable Member was going to create something last week. The point is, Sir, that this Government's attitude to agriculture as it relates to cotton can now be examined, and we hope that the Honourable Members over there, having shown us where the pitfalls may be, will join us, we know they will, in supporting this Resolution which is a tribute to the combined skills of the Minister of Finance and the Minister of Agriculture.

Thank you, Sir.

SUSPENSION OF SITTING

Hon. P. M. GREAVES: Mr. Speaker, I move that this sitting be now suspended until 2.30 p.m. today.

Hon. B. M. TAITT: I beg to second that.

The question was put and resolved in the affirmative without division, and Mr. SPEAKER suspended the sitting accordingly. 1.05 p.m.

ON RESUMPTION

Mr. SPEAKER: This sitting is resumed. The Honourable Member for St. George South.

Mr. R. P. BYER: Mr. Speaker, I wish to make a brief contribution to this debate since some of the matters I wanted to deal with have already been covered.

It has appeared to me that the power and authority of Parliament are becoming increasingly under some pressure and over the last couple of days, including from the occasion of the debate involving the no-confidence motion against the Minister of Agriculture, it did occur to me that as a Parliament....

Mr. SPEAKER left the Chair and Mr. DEPUTY SPEAKER took the Chair.

Mr. DEPUTY SPEAKER: The Honourable Member may proceed.

Mr. R. P. BYER: Yes, Si*. I was saying that it did occur to me that as a Parliament we cannot allow this body to be looked upon as a mere rubber stamp of Cabinet action. I know that gradually those Parliaments that practise the Westminster system of Government are evolving into a system where that system is becoming increasingly dominated by the Cabinet, and there might come a time when we might very well be part of a system of Cabinet Government, but that time has not come as yet.

The argument of the Minister of Health that this Parliament would be judged more harshly than any other Parliament, since we are setting the agenda for the 21st century, is in some large measure correct, but what I would want to say is that as a Parliament any historian perusing the proceedings of this Parliament must also see that Government action was brought under close scrutiny, that Cabinet decisions on some matters and measures were brought under close scrutiny.

I do not believe that anything is lost when the Opposition closely scrutinises Government action, because at the end of the day we are the people's representatives and we must be seen to be doing the people's work. Everything must be examined carefully before we give our support to anything that Government brings here. That is why it is important that measures of this nature involving large sums of money be looked at with the closest scrutiny. This is why

it is important to seek an answer to the Question, why should a minority shareholder in a venture give 100% guarantee to that venture?

As a person trained in some aspects of the law, it goes against my very training. I have never seen anything like it yet. I am told that on another occasion you had the situation involving International Seafoods. There might have been other 100% guarantees, but what I gathered from the argument between the Minister of Health and the Leader of the Opposition this morning was that there were some differences in those situations, but that argument has been fully canvassed already and I would like to make that distinction.

You have Government guaranteeing the loan of a public utility in a monopoly situation, where the rates are set by the Public Utilities Board, with the certain knowledge that that utility will be able to repay the loan. There is hardly any likelihood of failure to repay the loan. Then again the Government is guaranteeing a situation in the public utility example where that utility, even though it is operating in a monopoly situation, which makes all the difference as far as I am concerned, it has a long track record, you know something about it and you are able to say that the public utility will be able to repay its loan given its past performance. There are those two distinctions, as far as I am concerned. 2.35 p.m.

This to my mind is a different situation. You have a new company formed with no previous track record, but a good possibility that the project will succeed, given its nature. The good possibility is that you are going into a product, you are marketing a product which by its very nature will attract some attention and will attract a niche in the world market. But as the Minister of Trade said, the possibility of failure is a necessary ingredient of success. So there is always a possibility that the project would fail. I would hope not, because \$5 million is a lot of money.

This is why I say that despite the multiple shareholding, I am a bit concerned that Government is the only person guaranteeing this loan. It is not sufficient to say that all the assets are in Barbados. That is not enough - all the assets of the company which is CARSICOT - are located in Barbados. I believe that the other minority shareholders as well should be part and parcel of the guarantee package. My question is this: Why should they reap the benefits without sharing the burdens? That is my response to that. The other shareholders, when they are enjoying the benefits should also be exposed to the burdens of this \$5 million loan. I say that it is an unusual guarantee in that only one person - I think there are five - is given the guarantee which is the Barbados Government, a minority shareholder.

Dr. R. C. HAYNES: On a point of elucidation, Sir. Is the Honourable Member aware, as a Philippine, that a thousand acres of cotton in St. Philip are going to destroy all the other crops in St. Philip? That there is a graver risk to St. Philip than any other parish?

Mr. DEPUTY SPEAKER: No point.

Mr. D. A. C. SIMMONS: I am not aware, but I think anyone who has a little commonsense would know that if you have something like the white fly.....

Mr. DEPUTY SPEAKER: Are you suggesting that the Honourable Member is not applying commonsense?

Mr. D. A. C. SIMMONS: No, Sir. You might have been suggesting that, but I would never say that about the Honourable Leader of the Opposition.

As I said, I think that is the real fear that the private farmers have, and that Government should have too. I wish to hear the Minister specifically on the question of control of pests.

The third problem I have with the cotton project is in relation to soil erosion. Again, I do not think that the Minister will deny that there is a soil erosion problem in Barbados. The Chairman of one of the Boards under the Ministry of Agriculture - I think the ADC - has been consistently making the point in dramatic ways that we have been losing substantial amounts of our top soil every year. Persons who are very knowledgeable in the field of agriculture have told us in the Barbados Labour Party that cotton is not a crop which will assist in soil retention. We know the capability of cane, but I believe the Minister will have to concede that the planting of cotton will not contribute to control of the soil erosion problems which we currently have.

I do not know if the company CARSICOT is going to put in any soil erosion controls or systems. I do not know what system of cultivation they are going to use, in other words, to try and preserve this top soil, since you are taking vast areas that were formerly in cane and putting them into cotton.

The fourth point I wish to make, Sir, is in relation to the bankrupt estates and those estates which are in severe debt to the National Bank. Are they going to be featured in this cotton growing scheme? Does the Ministry intend, with the Ministry of Finance, to give any directions through the National Bank, for example, that some of these estates which have failed must or should get involved in cotton cultivation? Are they going to put in management teams as the Landell Mills Report suggested? We want to know what is going to be the relationship between the public sector effort and the private sector effort.

I want to say this, Sir. We have heard today, I think without challenge, that 300 acres formerly planted in cane are going to come out and be cultivated with cotton, so that sugar production will be further reduced to the extent that 300 acres will be brought out of sugar production. That has implications for Government's planning, because if you look at the Development Plan, I think - subject to correction, I made my note out of my head - the Development Plan calls for production in 1990 and 1991 of 90,000 tonnes of sugar in Barbados. Government will not achieve that target that had been set for it last year.

The Development Plan was brought in here last November or December when Government must have been aware of what it was doing in relation to the cotton project. It was still projecting 90,000 tonnes, well knowing that it was removing from cane 300 acres which could have contributed to that 90,000 tonnes. Again, bad planning and misleading statistics.

I wish to know too, Sir, what are the terms of the contract for the Manager of CARSICOT. I did not get a reply when I asked the question two weeks ago on the no-confidence motion. I am begging now, Sir, for a reply. If I am wrong, I would wish the Minister to tell me that I am wrong, but my information is that the former Permanent Secretary, who the Minister said could not get the livestock revolving fund to revolve, and the only way it would revolve was if you revolved him out of the Ministry, according to the newspaper

Hon. W. O. FRANKLIN: Mr. Deputy Speaker, on a point of order. This Minister never said that.

Mr. D. A. C. SIMMONS: That person has been revolved out of the Ministry, or put another way, has evolved out of the Ministry, but I understand that before he left he was actively negotiating a contract with CARSICOT under which he would become Manager upon terms that included his receipt of salary equivalent to what he was receiving when he was Permanent Secretary, and a contract to age 70. Not even a Chief Justice has that gall to say he wants to stay until 70. He cannot, but I heard he gave himself a contract to age 70. I want to know if that information is right, Sir. The Minister has it.

Aside.

Mr. D. A. C. SIMMONS: The Minister should have it. He must know. Do you mean they do not have a Manager who has a contract with CARSICOT? I had better vote no.

Hon. W. O. FRANKLIN: Mr. Deputy Speaker, ...

Mr. DEPUTY SPEAKER: Two Honourable Members are on their feet. On what do you rise?

Hon. W. O. FRANKLIN: On a point of elucidation. The terms of contracts were discussed with the Establishments Division of the Ministry and the personnel. This Minister did not get involved. The Government decided to release him to become Managing Director of CARSICOT. CARSICOT is a private company and all the terms were agreed to by the Establishments Division and the Personnel Division. That is the true position.

Asides.

Mr. D. A. C. SIMMONS: Let us get it very clear, Sir. The Honourable Minister of Housing is saying that we are telling him to interfere. We are not saying that, I have not asked anything about interfering. 3.05 p.m.

Mr. DEPUTY SPEAKER: We are not taking asides here.

Mr. D. A. C. SIMMONS: Alright, Sir.

Mr. DEPUTY SPEAKER: We have to take the remarks from the Honourable Member who rose on a point of elucidation.

Mr. D. A. C. SIMMONS: Yes, Sir. I am not asking that the Minister should interfere. But what I am saying is that if the Minister, as the Honourable Member for St. George South indicated, seemed to be on top of this whole cotton business, you must know what are the terms of employment of the General Manager who for 3 years has worked right next to you and is now going away. I am only saying that I want to know the terms of the contract. I am not asking him to interfere. I am not telling you to negotiate the contract.

Government does not have any money in CARSICOT? Government does not have any shareholding in CARSICOT? I thought we were dealing with a situation where Government was a shareholder of CARSICOT, and that we are coming here today to debate up to \$10 million for CARSICOT and the Government is asked to guarantee. And in the light of all of that, you are going to tell me that Government must have a hands-off policy and do not take an interest in anything? No, Sir.

Asides.

Mr. D. A. C. SIMMONS: Sir, this debate has been bogged down.....

Aside.

Mr. D. A. C. SIMMONS: Sir, those are the kinds of....

Aside.

Mr. D. A. C. SIMMONS: The Honourable Minister of Health has been treating this \$10 million as though it is 10 cents.

Aside.

Mr. DEPUTY SPEAKER: Can we have some order, please?

Mr. D. A. C. SIMMONS: Sir, I am also concerned about another aspect of this Resolution.

Hon. B. M. TAITT: Sir, on a point of order. The Honourable Member said that I am treating \$10 million as if it were 10 cents. I just wish to put in the record that I regard the \$10 million with all the seriousness that he does, Sir.

Mr. D. A. C. SIMMONS: I am glad that the , Honourable Member for St. George South made the point, Sir, that one of the critical functions of an Opposition is to give constructive scrutiny to legislation, be it bill or resolution. I think that the points made by the Opposition today, I did not hear all of them, Sir, because I was in court, but what I heard from half past eleven seemed to me to be matters worthy of the most profound consideration by the Government. I do not think that anybody in this House has been frivolous. We have been probing. I would hope that Government, just as they listen to us in regard to what has been done to resuscitate the BDB will listen to us as to what they should have addressed, as a Cabinet. Perhaps the absence of the Leader of the Opposition from the Cabinet removed therefrom a level and a quantity of brain power that has thereby weakened the Cabinet immeasurably and forever. But forever is only another year, 15 months and we will have then a different Cabinet.

Hon. B. M. TAITT: On a point of order, Sir. As a Member of the Cabinet, Sir, I wish to assure the Honourable Member that the removal of the Leader of the Opposition from the Cabinet has not in any way weakened the Cabinet's brain power. What it has done is to allow additional brain power to be focussed on the areas which heretofore had been left alone while the Honourable Member had been there.

Laughter.

Mr. D. A. C. SIMMONS: You know I enjoy this repartee, Sir. I have some concerns about another aspect of this Resolution. The Resolution is also about the Barbados National Bank and I think we must address the matter. Recently, we have heard and read of a morale problem at the Barbados National Bank which has to administer this loan. I believe the Chairman was moved to make a public comment about it. The matters had been drawn to his attention. But all is not sweetness and light in the Barbados National Bank. The fundamental problem with the

special encouragement to the development of the cotton industry. That is our Manifesto position and we are not departing from that position. We are sticking to it

Furthermore, Sir, the Development Plan 1988-93 indicates that the Government will be giving special attention to the development of the cotton industry in Barbados. I do not have to read out the section, Sir. It is in the document that has been circulated to all Honourable Members. 3.25 p.m.

Both by our Manifesto and by our Development Plan, and now by our actions, we are seeking to give meaning and to bring to realisation the promises and the policies that we have set out

Aside.

Rt Hon. L. E. SANDIFORD: Vision is vision and action is action, and all along the time that it was being said that nothing was being done for agriculture my Government was very carefully laying its plans and seeking to put in place people, resources and all the necessary ingredients in order to develop the agricultural sector. That is as far as cotton is concerned.

We have been involved in sugar, which is one of the major agricultural crops in the world. Cotton is another major agricultural crop, and just as we have participated in that activity of the growing and processing of sugar, we are seeking to establish, or to re-establish, a particular place for Barbados in this important agricultural subsector.

We have put together a very complex operation. I am not trying to deceive anyone. This particular operation we are talking about here is a very complex one. It involves various stages in the growing and processing of the product and it involves also a complex ownership pattern, a number of companies interlocking and otherwise, and it also involves a financing package.

Aside.

Rt. Hon. L. E. SANDIFORD: You see, Mr. Deputy Speaker, there is some misunderstanding, and it has been going on for a long time, that the political process and politics must involve some kind of exposure or something or another. Not concentrating on what the aims and objectives are, but we are always seeking to expose somebody, to uncover some kind of underhand dealing, and we cannot keep.....

Asides.

RL Hon. L. E. SANDIFORD: I never borrowed any document from Tom. I do not think I know how to use the copying machine, so that could not be me, but I know he

got very annoyed that I was giving some information and wanted to know if I want his brief and I told him I certainly would not want his brief at all.

Mr. Deputy Speaker, if I may get back to the point, I would wish that when we are discussing these major issues if, as the member for St. Thomas said, and I have no reason to doubt him, that nobody is really opposed to the particular objective, and I believe I heard him say that he will support the project, but that there are some questions to be asked.....

Mr. D. A. C. SIMMONS: On a point of order, Sir. I said that I support the concept of diversification into something else, even cotton, but there are a number of fears and questions which I have which may force me to abstain until I got answers, since the Minister of Agriculture is not going to answer, because his position has been usurped by the Prime Minister.

Asides.

Mr. D. A. C. SIMMONS: Oh, I withdraw all of that, Sir.

Rt. Hon. L. E. SANDIFORD: What is all of this? I have to say "mischief thou art afoot" Almost all of the questions that were asked, and this is what I said from the start, were answered by the Minister of Agriculture. My Minister of Agriculture is very knowledgeable of these areas, and anybody who heard him responding to the questions asked by the Minister of Finance would have no doubt at all

Asides.

Rt. Hon. L. E. SANDIFORD: I meant the Leader of the Opposition. Did I not say that? What did I say?

Aside.

RL Hon. L. E. SANDIFORD: Never again in the history of this country. I am only now trying to correct some of the things that were not quite right both in the Barbados National Bank, in the Barbados Development Bank and in the other institutions. That is all that is happening, but we are all right now on a personal level. You watch it. He is now talking to me. I told you he would have to talk to me when he got across there. We are all right on a personal level now.

Mr. Deputy Speaker, I am not really going down that line at all, but I have not really heard them get up and say, in spite of all of the words spoken by the Opposition members, that this is a good project, or it is desirable to develop cotton as part of the total agricultural programme

and that such a development is a step that should be taken in the interest of the development of agriculture in the country. What I did hear was that they may support the project if some of the questions were answered.

I understand that there are a few questions to be answered. The major question I have heard asked is about the guarantee. Let me put it this way. If we are talking about development, if we are talking about agricultural development, risks are involved. Make no bones about it. This is what business involves, risks, and particularly in agriculture risks are involved. Indeed, in order to talk about this, ____

Mr. P. J. M. MILLER: On a point of order. I agree with the Honourable Prime Minister that risks are involved in agricultural development, but the risks must be proportionately shared by the shareholders.

Rt. Hon. L. E. SANDIFORD: Risks are not merely related to mini projects or micro projects. I hear on various occasions talk about providing money for small businesses and that you will lose some of the money, that in fact the losing of that money is part of the developmental process. I have heard that said up to yesterday in this House and I believe the Leader of the Opposition will recognise that this was said in this Chamber yesterday, and he has been talking about venture capital to encourage entrepreneurs to go into projects with which risks are associated.

Now, we are into the area of cotton and we are trying to get a place in that market. Cotton is about the only product that the Japanese would buy willingly from Barbados without any kind of question at all, because it is a top quality product, it is a high priced product and they are interested in that kind of purchase. 3.35 p.m.

This tie is made from Sea Island Cotton. I am not talking about any mythical shirt you know. I heard about some mythical shirt, what was it made of?

Aside.

Laughter.

Rt. Hon. L. E. SANDIFORD: An unadulterated shirt. I have heard about adulterated milk. Now we have heard about an unadulterated shirt.

Aside.

Rt. Hon. L. E. SANDIFORD: This is cotton made from the product, Sea Island Cotton and of a very high quality. What I should like to see in this country....

Aside.

Mr. SPEAKER: I take it that you are still addressing the Chair.

Rt. Hon. L. E. SANDIFORD: Yes, Sir, you are not wearing any tie. I and all of us in this country would like to know that we are producing these high quality products.

Now what has happened is that the Minister of Agriculture is working on a particular project to put this complex operation into being. A number of entities have been brought together and a number of countries have been brought together in order to get not only a Barbadian project, but a Caribbean project working. We have involved long private companies and one principal private company which has decades, I believe more than a century of operation in the cotton industry.

Aside.

Rt. Hon. L. E. SANDIFORD: That is what I am advised. For many years. I am told that was over 100 years that that family has been involved in the cotton thing. I may be wrong.

Aside.

Rt. Hon. L. E. SANDIFORD: Pardon me?

Aside.

Rt. Hon. L. E. SANDIFORD: Yes. That is what I am talking about, the family. So we have this long experience • in the industry, a reputable company that operates in another country that is very friendly to Barbados and we have also secured a line of credit from a premier institution in Canada, the Export Promotion Corporation of Canada which is a governmental operation which operates under the aegis of the Canadian Government.

Sometimes all kinds of developments come here from the US counterpart and I do not hear any questions asked on that by the Leader of the Opposition. Their task is - no country is lending any substantial sums of money now unless it is tied in with the purchase of the goods, materials and services from that country.

So we have the company. We have the project. We have the vision. All that we are asking for now is the guarantee of this line of credit.

The Barbados National Bank proposes to make a loan in this particular regard. That is all we are asking. The line of credit is going to a Barbados institution 100% owned by the Barbados Government.

Aside.

Rt Hon. L. E. SANDBFORD: Yes. One hundred per cent to a Barbados owned institution, an agency of the Government of Barbados, the Barbados National Bank. That is where it is going. From there it is going to support operations in Barbados with a company registered in Barbados.

Asides.

Mr. DEPUTY SPEAKER: Let me just indicate that....

Rt Hon. L. E. SANDIFORD: Let me make it

Mr. DEPUTY SPEAKER: Just one moment.

Rt. Hon. L. E. SANDIFORD: clear. In order to develop, if it calls for a guarantee whether it is 33%, 30% or whatever it is, if it is going to generate economic activity in this country.....

Applause.

Rt. Hon. L. E. SANDIFORD:....., and employment in this country, this Government is going to support it.

You say you are going to oppose it. This is our aim, to generate economic activity and to make productive investments in this country. That is our policy and we make no apologies for it.

Aside.

Rt. Hon. L. E. SANDIFORD: That is all it is. We are guaranteeing it.

Aside.

Rt. Hon. L. E. SANDIFORD: That is the position. If that is the major problem that is worrying the Opposition, that is it.

I have said....

Mr. DEPUTY SPEAKER: I should like....

Rt. Hon. L. E. SANDIFORD: I have said.....

Mr. DEPUTY SPEAKER: - Just one moment, Mr. Prime Minister - to discourage Members from speaking across the Chamber. It is not really in keeping with the Rules of the House and I should like to discourage it, please. I am sorry about that. You may proceed.

Rt. Hon. L. E. SANDIFORD: Yes, Sir. It is all good hearted, Sir.

Mr. D. A. C. SIMMONS: On a point of order, Sir. I am worried about what the Prime Minister said. Is the

Prime Minister saying that irrespective of who it is that is putting up the money - I am asking the question - so long as it is going to be public investment that is going to be creating jobs, this Government will back it? Do you mean you will deal with Kashoggi again?

Asides.

Mr. D. A. C. SIMMONS: Oh. I just want clarification.

Rt. Hon. L. E. SANDIFORD: Mr. Deputy Speaker, I am saying that in this particular instance, and I will add, in any similar instance in which we are convinced that there will be productive investment that will lead to the creation of jobs and the generation of economic activity in this country for the benefit of the people in this country that this Government is going to support it.

This particular argument about the guarantee only came up because the foundation of the argument being laid by the Leader of the Opposition was on the basis that this was the most strange, peculiar and unique arrangement ever made in this country. When I turned to the Member for St. Michael West and asked him, did the Government guarantee loans to the Light and Power Company and the Telephone Company, he read my lips. He read my lips and immediately then said, I believe that there was a loan to the Light and Power Company or the Telephone Company, and then proceeded to try to establish that there was a difference between public utilities companies and this particular area. And there was a long discussion on that because he then found that his basis was weak, that it was not this unique, strange kind of guarantee that he was trying to establish.

Aside.

Rt. Hon. L. E. SANDIFORD: Doctor keep your medicine. Doctor keep your medicine.

Laughter.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, I think that is all there is to it. 3.45 p.m.

If the Members of the Opposition wish to discuss further, or to consult, or to talk further on this question of the guarantee, we will be willing to listen to their representations. In fact, I have listened to what they have been saying. I am saying that in this particular instance we are satisfied as far as is humanly possible that this is a worthwhile project to get into, that the objectives are desirable, and that the kinds of processes which can result from this investment that they are also desirable and laudable. We wish to see it succeed and I would implore Honourable Members not to take any steps which may appear to be inhibiting the growth and development of this country. Barbados needs growth. It needs investment. We

are interested in development, not any kind of development but developments of this kind. To try to give the impression that there is some complicity or some underhand activity going on - all that this Government is interested in is the promotion of economic activity. That is all that we are interested in. The Export Development Corporation of Canada is satisfied that the entities involved in this particular operation are worthy to be supported through this line of credit. I am asking this Parliament to give the guarantee for this particular purpose.

Now I have heard questions raised about the former Permanent Secretary in the Ministry of Agriculture of the terms and conditions. He is not yet at the age of retirement from the Civil Service. He is on secondment up to that particular time and, after he reaches his age of retirement, he makes his own arrangements or he may have already made those in the long term. Our main concern is that when he reaches the age of retirement he leaves the Civil Service.

Aside.

Rt. Hon. L. E. SANDDFORD: Yes, as all other public servants in the Civil Service do. What is all this seeking to twist words? I do not understand.

Sir, I think a lot of words have been spoken in this particular debate. In the end, what it illustrates once again is that the Minister of Agriculture has been working feverishly in order to promote aspects of the development of agriculture in this country. Whenever any of my Ministers come up with proposals that will lead for economic activity in this country, they will find support from the Ministry of Finance. That is what is happening in this case and, far from again trying to lay some kind of sneers for the Minister of Agriculture, we should be congratulating. In fact, that is what the Opposition should be doing - congratulating the Government on the promotion of its agricultural programme. That is what you should be doing. Far from being critical of it, you should be promoting the development of this agricultural programme and, in fact, you said that you had adopted the Manifesto of the Democratic Labour Party. You have to encourage the growth and development of the cotton industry and I really want to see if you are going to vote against your own Manifesto.

Aside.

Rt. Hon. L. E. SANDIFORD: Mr. Deputy Speaker, I think those are the main issues involved in this particular debate and I thank you for your consideration, Sir.

At this point Mr. SPEAKER resumed the Chair.

The question that this Resolution do now pass was put and resolved in the affirmative with a division as follows:

Ayes: Rt. Hon. L. E. SANDIFORD, Hon. P. M. GREAVES, Hon. B. M. TAITT, Hon. M. A. KING, Hon. E. E. GREAVES, Hon. W. O. FRANKLIN, Hon. H. A. BLACKMAN, Hon. W. W. HALL, Hon. Dr. D. G. BLACKMAN, Hon. C. V. WALKER, Mrs. M. BARKER-WELCH, Mr. L. L. BRATHWAITE, Mr. C. LeR. TROTMAN, Mr. R. L. MORRIS, Dr. E. A. SIMMONS, Mr. C. A. NEBLETT, Mr. D. J. H. THOMPSON - 17 Ayes.

Abstentions: Dr. R. C. HAYNES, Mr. E. BOURNE, Mr. P. J. M. MILLER, Mr. R. P. BYER, Hon. H. deB. FORDE, Mr. D. A. C. SIMMONS - 6 Abstentions.
3.55p.m.

MOTION THAT THE REPORT OF THE SELECT
COMMITTEE ON THE CONSTITUTION OF
BARBADOS (AMENDMENT) BILL,
1988 BE ADOPTED

Hon. M. A. KING: Mr. Speaker, I move that the Report of the Select Committee on the Constitution (Amendment) Bill, 1988, dated 6th June, 1989, be adopted.

Hon. B. M. TAITT: I beg to second that and reserve my right to speak.

The question was put and resolved in the affirmative without division.

Hon. P. M. GREAVES: Mr. Speaker, I beg to move that the Bill be read a third time.

Hon. B. M. TAITT: I beg to second that.

The question was put and resolved in the affirmative without division.

Hon. P. M. GREAVES: Mr. Speaker, I move that the Bill be passed and be cited as the Constitution of Barbados (Amendment) Bill, 1989.

Hon. B. M. TAITT: I beg to second that and reserve my right to speak.

The question was put and resolved in the affirmative without division. The House voted as follows:

Ayes: Rt. Hon. L. E. SANDIFORD, Hon. P. M. GREAVES, Hon. B. M. TAITT, Hon. M. A. KING, Hon. E. E. GREAVES, Hon. W. O. FRANKLIN, Hon. H. A. BLACKMAN, Hon. W. W. HALL, Hon. Dr. D. G. BLACKMAN, Hon. C. V. WALKER, Mrs. M. BARKER-WELCH, Mr. L. L. BRATHWAITE, Mr. C. LeR. TROTMAN, Mr. J. J. PAYNE, Mr. R. L. MORRIS, Dr. E. A. SIMMONS, Mr. C. A. NEBLETT, Mr. D. J. H.

THOMPSON, Dr. R. C. HAYNES, Mr. E. BOURNE, Mr. P. J. M. MILLER, Mr. R. P. BYER, Hon. H. deB_k FORDE and Mr. D. A. C. SIMMONS - 24

Mr. SPEAKER: This Bill has now been passed by acclamation.

ORDER NO. 8 - THE REPRESENTATION
OF THE PEOPLE (AMENDMENT)
ACT, 1989

Rt. Hon. L. E. SANDIFORD: With permission, Sir, the Attorney General will pilot this measure.

Hon. M. A. KING: Mr. Speaker, consequent on the passing of the Constitution (Amendment) Bill there are certain amendments which become necessary in relation to the Representation of the People Act, because there were certain provisions which have been taken from the Constitution which the Select Committee recommended should be included in the Representation of the People Act and an amendment to the Electoral Offences and Controversies Act which would regularise the position of the Electoral and Boundaries Commission and ensure that the regulating making power which was originally in the Minister responsible for elections be now vested clearly and unequivocally in the Electoral and Boundaries Commission.

You will see that in many of the amendments which appear in the Representation of the People Act there is the substitution of the word "Commission" meaning the Electoral and Boundaries Commission, or in some cases the Chief Registering Officer who had certain functions under the Representation of the People Act and in other cases for the Minister. The Electoral and Boundaries Commission is now the effective agency that will deal with the control and supervision of elections and making regulations for the actual holding of elections as required by section 68 of the Representation of the People Act.

These amendments deal with that aspect of the matter and also put fairly and squarely the power of regulating political broadcasts during election campaigns into the hands of the Electoral and Boundaries Commission.

Mr. Speaker, with those few comments on this Bill, which is the result of a unanimous recommendation of the Select Committee, I move that this Bill be now read a second time.

Hon. P. M. GREAVES: I beg to second that, Sir, and reserve my right to speak.

The question was put and resolved in the affirmative without division. 4.05 p.m.

Hon. M. A. KING: Mr. Chairman, I move - which I thought I had done - that the words which I read be inserted as clause 2 and that clauses 2 and 3 be renumbered clauses 3 and 4.

Hon. E. E. GREAVES: I beg to second that.

The question was put and resolved in the affirmative without division.

Hon. M. A. KING: Mr. Chairman, I move that clause 2 as amended stand part.

Hon. E. E. GREAVES: I beg to second that.

The question was put and resolved in the affirmative without division.

Clause 3 was called.

Hon. M. A. KING: I move, Mr. Chairman, that clause 3 as renumbered stand part.

Ken. E. E. GREAVES: I beg to second that.

The question was put and resolved in the affirmative without division.

Clause 4 was called.

Hon. M. A. KING: I move, Mr. Chairman, that clause 4 as renumbered stand part.

Hon. E. E. GREAVES: I beg to second that.

The question was put and resolved in the affirmative without division.

On the motion of Hon. M. A. KING, seconded by Hon. E. E. GREAVES, Mr. CHAIRMAN reported the passing of one Bill as amended in Committee, and Mr. SPEAKER resumed the Chair and reported accordingly.

On the motion of Ron, P.M. GREAVES, seconded by Hon. M. A. KING, Mr. SPEAKER left the Chair and the House went into Committee on this Bill, Mr. L. L. BRATHWAITE in the Chair.

COMMITTEE

Mr. CHAIRMAN: The House is in Committee. Clauses

1 to 6 inclusive were called and were passed. Clause 7 was called.

Hon. M. A. KING: I beg to move, Mr. Chairman, that Clause 7 stand part.

Hon. E. E. GREAVES: I beg to second that, Sir.

Hon. H. deB. FORDE: Mr. Chairman, in a way this section is related to Sections 13,17 and probably 18.

I throw out for the consideration of the Honourable Attorney-General whether Section 17 of the Act, to be consistent, should not have been amended. He may not wish to do it now, but if it has to be done in the Senate and sent back to say that, the Commission shall cause to be made for any additions to the Register and shall cause such removals therefrom.

It seems to me that we have made changes where now the obligations are on the Commission and the Commission's agents do various things. The only sections to which we are not making those changes are sections 17 (1), (2) and possibly 18 (3). It seems to me that if the obligation is on the Commission then the Chief Registering Officer becomes the Commission's agent for the purpose of carrying out the Act. Although he is the amanuensis, so to speak, it does seem to me that the legal obligation should have been on the Commission, if we are being consistent. I know that it is easy to say it is the Chief Registering Officer who is going to make those changes. But the function under Section 13 is being conferred on the Commission. And so are the functions under the remaining sections that are affected by Section 17, both under Sections 9 and 16. Those are the two remaining sections. For consistency and legal obligation, it seems to me that this should be so.

I think the matter will take a bit of studying by the Minister and I am not therefore asking that it be made now. But I think he should take it under advisement and probably in due course, he may want to deal with the matter.

Hon. M. A. KING: Mr. Chairman, I accept the suggestion made by the Honourable Member for Christ Church West that the matter should be looked at. I understand very well the point which he is making.

As I recall, I do not think the Committee did address that point specifically. So I would give an undertaking to look at the matter, Mr. Chairman, with a view to seeing necessary changes made.

In relation to Section 18 to which the Honourable Member referred, the changes have been included.

Aside.

Hon. M. A. KING: As it is. No, no.

The question that Clause 7 stand part was put and was resolved in the affirmative without division.

Clauses 8 to 21 inclusive were called and were passed.

Clause 22 was called.

Hon. M. A. KING: Mr. Chairman, I beg to move that Clause 22 stand part.

Hon. E. E. GREAVES: I beg to second that, Sir.

Hon. H. deB. FORDE: Mr. Chairman, Sir, I know that this relates only to political broadcasts at the time of elections, but I wish to say, Sir, that if the political parties in this country are responsible enough to be allowed broadcasting time, at the time of election, certainly the time has come when this House and this country should examine the necessity for the political parties outside of the time of election, as happened in advanced democracies, to have the facilities of the airwaves, either paid or unpaid.

And therefore, I would wish to give notice that I would be discussing this matter with the relevant authorities. It seems to me, Sir, that the recognition with the Constitution and in our legislative framework of the need for political broadcasts at the time of elections underscores the need for continuing political dialogue. 4.15p.m.

We will avoid part of the problems that have occurred everytime that political parties out of Government are called upon to respond or make any statements on political matters. I think, Sir, that it is a matter that could be discussed without a good deal of rancour at the level of the three political parties and we should be able to reach a mature position whereas we have agreed here in the Constitution and otherwise for election time when emotion is perhaps at its highest. I believe that the three political parties given the goodwill that must exist should be able to discuss the provision of broadcasting time whether paid or unpaid to all of the political parties outside of election. I should hope that the Minister's concern and particularly the Leader of the House and the leaders of the other two political parties will pay some regard to that. I want to say, Sir, only by way of responding to a comment yesterday, Sir, that since the political party which I have the honour to lead is the senior of all of the political parties in this country, we have no difficulty in giving leads once again in this respect and inviting maturity in the political system again in another field, Sir.

Clauses 22 and 23 were called and passed.

On the motion of Hon. M. A. KING, seconded by Hon. E. E. GREAVES, Mr. CHAIRMAN reported the passing of one Bill in Committee, and Mr. SPEAKER resumed the Chair and reported accordingly.

On separate motions of Hon. M. A. KING, seconded by Hon. E. E. GREAVES, the Bill was read a third time and passed.

ELECTIONS OFFENCES AND CONTROVERSIES
(AMENDMENT) BILL 1989

Order No. 9 was called - To move the second reading of a Bill to amend the Elections Offences and Controversies Act, Cap. 3.

Hon. M. A. KING: Mr. Chairman, this Bill to amend the Elections Offences and Controversies Act is again consequential on the passing of the Bill to amend the Constitution in the same terms as the Representation of the People Act in that the Bill will substitute the word "commission" in the Electoral and Boundaries Commission for the Chief Registering Officer where the Chief Registering Officer appears in Section 62 of the Act.

The Honourable Member for Christ Church West has rightly drawn to my attention that there is no definition of the word "commission" in the Elections Offences and Controversies Act. What I will suggest is that during the course of Committee we insert....

Aside.

Hon. M. A. KING: Well, there is either one or two ways of doing it by either using the whole name or putting it in as we did it in the Representation of the People Act. The question is which way do you prefer.

Aside.

Hon. M. A. KING: I move that the Bill be read a second time, Sir.

Hon. P. M. GREAVES: I second that, Sir, and reserve my right to speak.

The question that the Bill be read a second time was put and resolved in the affirmative without division.

On the motion of Hon. M. A. KING, seconded by Hon. B. M. TAITT, Mr. SPEAKER left the Chair and the House went into Committee on the Bill, Mr. L. L. BRATHWAITE in the Chair.

COMMITTEE

Mr. CHAIRMAN: The House is in Committee.

Clause 1 was called and passed. Clause 2 was called.

Hon. M. A. KING: Mr. Chairman, I move that in place of the existing Clause 2 that a new Clause 2 be substituted.

That, Mr. Chairman, is designed to take care of the definition of commission because we have not defined commission in the Elections Offences and Controversies Act. So that the amendment which I propose will read as follows:

"Section 2 of the Elections Offences and Controversies Act in this Act referred to as the principal Act is amended by inserting therein in its appropriate alphabetical order the following: Commission means the Electoral and Boundaries Commission established under Section 41 (a) of the Constitution."

I move that the existing Clause 2 be Clause 3. That is separate though.

Hon. E. E. GREAVES: I beg to second that.
4.25 p.m.

On the separate motions of Hon. M. A. KING, seconded by Hon. E. E. GREAVES, the Bill was read a third time and passed and cited as the Election Offences and Controversies (Amendment) Act, 1989.

Resolution to approve the sale of land at Buttals, St. George to Henry Baird Niblock of Chimborazo, St. Joseph.

Hon. H. A. BLACKMAN: Mr. Speaker, this Resolution, as stated, is seeking the approval of Parliament to sell the property at Buttals to Mr. Niblock of Chimborazo, St. Joseph.

This matter has been ongoing for a very long time. In fact, it started way back in 1984 and I have been trying since June 1986 to understand what has or had taken place and I am still a bit baffled as to what took place in this matter.

The history of the sale of this property goes back to 1984 when in a memo from the Prime Minister at that time, Mr. Adams, he said that he considered the property at Buttals should be put up for sale. The Government then appointed an agent, a Mr. D'Arcy Scott, to see after the sale of the property. On 6th November, 1984 the agent advised the Ministry of Housing that Mr. Niblock had offered the sum of \$200,000 for the property. There is nowhere in the file where I can discover whether Mr. Niblock had made that offer by telephone or in writing. There is no letter or anything in this file, so I do not know in what manner he made the offer. At that time the agent considered that the offer of \$200,000 was reasonable and he gave two reasons to substantiate why he felt the offer was reasonable. Just after that apparently the offer was increased to \$225,000 and about the same time, on 17th January, 1985, the Commissioner of Land Tax valued the property at \$220,000.

This matter of the sale of this property to Mr. Niblock was then put up as a Cabinet Paper for Cabinet's approval at that time and it was sent to the then Minister, Mr. L. B. Brathwaite, who said that something seemed wrong somewhere, he could not understand what was going on, and he refused to approve the Cabinet Paper. After he refused to approve the Cabinet Paper a letter was sent to Mr. Scott, the agent, requesting him to put up the property for sale by auction with a price not less than \$225,000. The auction took place at Mr. Scott's office. I do not know how many people were at the auction, I do not know how many people knew about the auction or anything like that, but the auction took place at Mr. Scott's office on 19th April, 1985.

On 23rd April, 1985 a statement of auction sale containing the deposit was sent to the Ministry of Housing and Lands with a receipt, No. 8818. It did not say to whom the receipt was issued, they gave no word as to who made the bid or how much was offered. On 2nd January, 1986 a letter from a firm of attorneys reminded the agent, by letter obviously, that the client for the firm of attorneys, a Mr. Brooks, had offered \$250,000 and that a memorandum of agreement was signed by both parties and a deposit of \$25,000 was paid, and that up to that time his client, Mr. Brooks, had not received the title deeds of the property, nor had he received any further words as to whether Parliament had approved of the sale or not. On 21st February, 1986 one of the officers in my Ministry wrote the agent, Mr. Scott, enquiring of the name to be included in the Resolution to be submitted to Parliament and on the subsequent conveyance. 4.35 p.m.

A letter from the agent to the Ministry of Housing stated, among other things, and I quote:

"The property was first purchased by Mr. Henry Forde who paid the deposit, then Mr. Forde transferred the property to Mr. Harry Niblock at the same price. So Mr. Harry Niblock is the new owner"

Mr. Speaker, I will go on. On the 3rd April, 1986 a letter sent by an officer of my Ministry to Mr. Niblock informed him that approval had been given to him to take possession of Buttals House and the land attached thereto and to effect any repairs or renovations pending completion of legal transfer of title from the Crown.

On the 8th of April, 1986, another letter came from this firm of Attorneys stating, among other things, and I quote:

"We are the Attorneys-at-Law for the Honourable H. B. Niblock. We attended at the public auction at the office of D. A. Scott, Auctioneer and bid for this property, signed the conditions for sale and paid the deposit of \$25 000 as agent for our client"

And it went on to state that up to now they had not got the Conveyance and things like that.

On the 4th of June, ... - now up to that time this Administration was not in office. This new Administration took office on the 29th of May and this is what took place since then. - ... 1986 an officer in the Ministry of Housing asked the agent, Mr. Scott to furnish the Ministry with a copy of the conditions of sale used at the auction. Because up until that time, the Ministry of Housing and Lands did not have any copy of the conditions of sale and did not know the conditions of sale. So an officer in the Ministry wrote the agent, asking the agent to furnish the Ministry with a copy of the conditions of sale.

On the 5th of June, the next day, Mr. Scott said that the Ministry was already in possession of the conditions of sale which was not true. The officer who had written Mr. Scott asking for the conditions of sale, on the 9th of June said, and it is in here in the file, that he attended the sale, 'but never obtained a copy of the conditions. So it goes on and on. On and on. Total confusion.

What has happened now, Mr. Speaker, is that this matter has been outstanding since 1984 and the owner, well you have to call him the owner now, Mr. Niblock has been threatening to sue the Government for the property which obviously he believes is his. Because of the total confusion existing in this file and also because the Government is not in possession of the original Conveyance which was dated the 12th August, 1929, that original Conveyance cannot be located, but there is no question that the property is vested in the Crown by virtue of the St. George's Parochial Medical Officer's Act, 1925/5 of the Local Government Act of the Local Government Taxation Transfer of Functions Act and other Acts like that, there is no doubt that the property is the property of the Government.

The owner, Mr. Niblock has advised that he is prepared to accept certified copies of the missing Conveyance, he is prepared to accept registration under the Land Registration Act, Cap. 229 and he is prepared to accept an appropriate indemnity from the Crown re incumbrances. Therefore the Ministry of Housing and Lands has been advised by the legal people in the Attorney-General's office that we can proceed with the sale. There are some things that I still do not understand about the original transaction. I will have more to say, Mr. Speaker.

With those words of explanation of the reason for bringing this matter to dispose of this property to Mr. Niblock, I beg to move that this Resolution do now pass.

Hon. C. V. WALKER: I beg to second that and reserve my right to speak, Mr. Speaker.

Hon. H. deB. FORDE: Mr. Speaker, Sir, I rise to speak only because the Minister adverted to my name. Therefore I take the opportunity, in circumstances such as these to speak, Sir. But first, let me declare an interest and the interest is that I work for Mr. H. B. Niblock and have always worked for Mr. H. B. Niblock, along with Mr. Jack Dear.

Now the Minister is incorrect on a few things. The first one he is not correct on is that there were conditions of sale. This property was advertised for sale, on several occasions....

Hon. H. A. BLACKMAN: Mr. Speaker, on a point of order. I never said there were not conditions of sale. I said the Ministry of Housing and Lands was never in possession of the conditions of sale.

Hon. H. deB. FORDE: Alright. The property was advertised for sale in every newspaper in Barbados and was open therefore to public auction. The conditions of sale were vetted by the Ministry of the Attorney-General I believe, according to the information that I have from Mr. Brooks, were actually vetted by Mr. Woodbine Davis. Therefore the conditions that are read at a public auction were the conditions vetted by the Ministry and read out.

What the Minister has not said is that after the sale there were certain bids at the sale attended by several Attorneys, including Yearwood and Boyce, including people from my office, including people from the then office of the Honourable Attorney-General who was there in a personal capacity bidding as well, and several other persons. I do not know whether the Honourable Attorney-General would know because the person was there in their personal capacity to see whether or not they wished to purchase the property.

I have a copy of the Agreement which was signed, the Minister has one in his file. It is a Memorandum of Agreement and this is what it said, Sir:

¹¹ At the sale by public auction made this day of all and singular the property auctioned and described in the within written particulars made to the within written conditions of sale, Mr. Bruce Brooks, agent at Rockley in the parish of Christ Church and island abovesaid was the highest bidder for the same and he was declared the purchaser thereof at a price of \$250 000 and the said Mr. Bruce Brooks paid to the Auctioneer the sum of \$25 000 as a deposit and in part payment and on account of the same purchase money and hereby agreed to complete the purchase, according to the said conditions and the said Auctioneer hereby acknowledges the receipt of such deposit and confirms the sale.

Dated this 19th day of April, 1985.
Purchaser: C. B. BROOKS, Agent.
Auctioneer: D 'Arcy Scott." 4.45 p.m.

Hon. H. A. BLACKMAN: Mr. Speaker, on a point of order. That document, if it is in the Ministry of Housing and Lands, we do not know where it is. The Attorney General and myself have been asking all over for this since 1986 and cannot find it anywhere in the Ministry of Housing.

Hon. H. deB. FORDE: Well, the Honourable Member must not blame the purchaser. If the Crown has not got its copy, that is a copy and I will make a copy available to him. I was absolutely sure having heard the Minister in another debate fulminating to ask the solicitors to send me all of the correspondence in connection with this matter, Sir. I was absolutely sure. If the Minister wishes a copy, I will be delighted to make a copy of it available to him. That is the copy of the memorandum because normally a copy is kept and a copy is given to the purchaser. That is a sale. If you have a sale by public auction, obviously this is the position.

Nov Sir, I am also clearly instructed by the solicitors that the cheque was a Yearwood and Boyce cheque tendered on behalf of Mr. Niblock in these circumstances. Now that is a fact. I also have a copy of the conditions of sale too, Sir. If the Honourable Member wants a copy of the conditions of sale that was given to the persons and signed by Mr. Scott, that is both of them there, Sir. In fact, I will make them documents of the House, Sir.

Aside.

Hon. H. deB. FORDE: I will make them documents of the House. The Honourable Minister has probably never gone to a public auction whether in a solicitor's office or at an auctioneer, but it is not strange to us who deal with the law to purchase in the name of agents. The Honourable Minister ought to know that sometimes a bidder sends two or three different people to put in bids at the time and he must know these things.

However, Sir, what has happened in this is that this house belong to the vestry. The title deeds have never been found. They have searched high and low for these. In fact, the Ministry of Housing itself after Mr. Brooks wrote on the matter and, when we intervened on behalf of Mr. Niblock, we ourselves suggested that the Ministry should go and search down at the archives, and that they should search among the records of the vestry. They contacted Mr. Alwyn Howell who was a former Commissioner of Local Government. They contacted Mr. Scott of St. Philip. His first name escapes me

Aside.

Hon. H. deB. FORDE: Mr. Pearson Scott who was extremely useful and helpful. They contacted Mr. Hugh Johnson who was a former treasurer of the vestry and it was said that the title deeds were up at St. George's Church in a vault. Now there had been a fire and this vault had never been opened. The vault was subsequently opened and the title deeds were not found. Now those were the circumstances surrounding that, Sir.

So that the position is absolutely clear. The Minister says that he has not seen them. He has now got the benefit of them, Sir. If he wishes the benefit of the other correspondence, he could get the benefit of the correspondence from Yearwood and Boyce because they are willing to make it available. What has happened is that the absence of the title deeds has meant that this matter has been held up for a very long time and, in the meantime as is happening in Barbados with public property, vandals have been vandalizing the property for sometime to the extent that I believe the Minister will confirm that the house has found itself with some of the windows taken off, pipes dug up, and the place overgrown. That is what has happened. I believe that Mr. Niblock was advised by Mr. Brooks and myself at one stage to put his own people there to keep a look. As a matter of fact, it was suggested by us to the Government that it might be useful to put him into possession without prejudice to his right to requisition further.

Now the matter dragged on and on and, as a result, I think eventually we advised Mr. Niblock that since it was the Crown and using the Crown Lands (Vesting and Disposal) Act, Cap. 225, it was in order once he got a certified copy of the deeds from the Registry to accept that title. Now I also understand, Sir, that it is possible that these documents might have been with the former solicitors to the vestry. I think a search was made at Carrington and Seaiy but none has been made elsewhere and I wish to make quite clear that Mr. Brooks and myself have acted for Mr. Niblock in this transaction. Now if at anytime I wanted to buy Buttals, Sir, it was opened to me to buy Buttals at a public auction at anytime once the matter had been put up by public auction. It is open to anyone. The Minister must know that. If it is advised to the public, anybody could buy the property. What is quite clear is that the price paid by Mr. Niblock, if any allegations are being made against him, seems to me to be a fair and proper price because it exceeded even the price either for Land Tax purposes at the time.....

Aside.

Hon. H. deB. FORDE: No, I know. There was a Land Tax price and then there was a price that the Land Tax Commissioner assessed over and above the Land Tax price. I am absolutely correct on that. I believe there were offers made for the property at another public auction prior to this which was less than the offer of \$200,000. So that you had

about two or three offers. That is my information from Mr. Niblock and I am, therefore, giving you the benefit of what I am instructed that at one stage there was an offer of \$190,000, which he so understands. I think he then offered \$200,000. The matter was put up by auction with a knocked down price which was spoken about by the auctioneer. Several persons turned up, bids went in, and eventually his was the highest bid. Those are the circumstances of this, Sir.

Mr. R. P. BYER: Mr. Speaker, when I saw this matter to be debated today, I addressed my mind to it and it appeared to me just on the basis of the simple Resolution that I could not support it given the nature of the property that I know and the price that was being offered. I have lived in St. George all my life except for periods of study abroad and I know the Buttals property very well having visited there like most children in St. George who had to attend Dr. Reader for some reason or other. I have a pretty 'good knowledge of the property. What I did not know was how extensive it is, that it is almost 11¹/₂ acres. It is nearly 12 acres of land at Buttals. That is prime agricultural land. Those of you who know St. George will tell you that it is part of the St. George Valley and it is a very substantial dwelling house and other out-buildings on the property as well. There is no way that that could cost \$250,000. I have never studied the principles of valuation in my life. Because of my practice as a lawyer, from time to time I have had occasion to read some very proper valuations prepared by the now Minister of Agriculture and from those valuations I have had to engage his services from time to time. I know the principles that he set out from time to time in those valuations. I have picked up what little knowledge I have of valuations from reading valuations prepared by well qualified valuers including the present Minister of Agriculture.

There are some properties in Barbados today that are just on 5,000 square feet of land and a dwelling house going at \$250,000. For this reason, this whole transaction must be scrutinized and examined. 4.55 p.m.

Now that the Minister of Housing and the member for Christ Church West have spoken, I am cast in further doubt. I am not any more enlightened about the transaction.

This is a relatively simple transaction, Mr. Speaker, and I do not know how so much confusion could have resulted. I myself have conducted public auctions when I worked in the Registration Office as Deputy Registrar and I have some knowledge about the conduct of these auctions. I know apart from the advertising I always had to take and make some note of those persons who made bids and what the bids were, because one had to provide a complete report should the transaction be called into question.

I heard the member for Christ Church West say that several people were present. The Minister of Housing does not have any record of that, he does not know who the people were who were present, he cannot provide this House with any account of the bids involved, and things like that. I am not told when the property was advertised for sale, in what issues of the newspapers, what dates. The Nation, the Advocate, the Official Gazette, what? I do not know that. I am a parliamentarian. Must I say yes to this? No, I cannot. At the end of this whole thing, whenever it is called, I am going to call for a Division because I want to record my profound dissatisfaction with this entire transaction. I do not know what went down and I must know. As a parliamentarian I have to know.

Some time ago we came in here and we put the Minister of Agriculture under intense scrutiny with a no-confidence vote. A lot of ill feeling and bad feeling has resulted because of that. If we put members of Parliament under such scrutiny, and we say that because of certain things that might have gone on there were conflicts of interest and that kind of thing, I am saying that if a citizen of this country is involved in what in my mind at this moment, despite the assurances of the Member for Christ Church West, is a questionable transaction because of all the questions that remain unanswered, I think that that transaction should also be questioned and the person who is purported to be the purchaser should also be questioned.

We as parliamentarians are quick to condemn each other, because we are part of an adversarial system, and it means for me to get there certain things must happen. We always go around and condemn each other, tear each other down and other people laugh at us. I want to be like Caesar's wife, above suspicion. I have said that when I leave This Place or it leaves me I want to be happy with my appearance in my mirror, and I intend to maintain that throughout my entire parliamentary career. Any time anything comes in here I am going to speak from my heart and my conscience. If I do not agree with it, I do not agree with it. Who does not like that it is a matter for them. I do not care which party I belong to, if it is a cause for dissatisfaction that is their business, or that is the business of the party I belong to, and I will continue to speak from that perspective.

There are a lot of things I cannot understand about this and I am not happy with the whole transaction. Now are you going to tell me that we as parliamentarians must rubber stamp this? I cannot, because many things remain unanswered. Several steps of the transaction cannot be explained. A lot of information is missing. I am not saying that the information is not somewhere, what I am saying is that the information cannot be provided by the Minister of Housing or by the Member for Christ Church West. Nothing has been explained to me. For example, I heard about a firm of attorneys at law. I do not know the firm of

attorneys at law. What were the conditions of sale? I do not know. The Minister of Housing is now saying he saw it for the first time today.

The agent is saying that for two reasons the price of \$250,000 ought to be accepted. The two reasons are not given to me. I do not know what they are. The conditions of sale were vetted apparently by Mr. Woodbine Davis, Q.C., but I want to know if the Attorney General cannot say anything about that. It does not appear so either. I would like to know how the public auction went.

I am very concerned about the transaction and until these answers are supplied to me I will say that I cannot support the Resolution. That is all I have to say, Sir.

Hon. C. V. WALKER: Mr. Speaker, my contribution is a matter of information. The Honourable Member for St. George South said he knew Buttals from the days of Reader, but I can say from the days of Dr. Massiah. What is interesting is that I find for the first time, because I have heard of this matter, now that the Honourable Member for Christ Church West has produced some documents he is also stating that there is one document missing, which is the Deed for this property. Let me say this up front. I find it strange that that particular Deed is missing when I know for a fact that the Deeds for the Rectory, the old almshouse, the Church, St. George Boys' School, St. George Girls' School and all the schools were found, and when the Vestry moved from Foster Lodge and it was at a house we used to call Miss Alleyne's house, right below Valley View, a Mr. Johnson was there, all the documents went up there and the documents for all these other properties pertaining to what was then the Church were found. This one is still missing.

How I even know a little more about this case, Mr. Speaker, they came and searched my constituency office stating that they thought the documents were in my office in a safe hidden somewhere in the wall. At one point I thought they were going to dig down the wall. At that point I said you should know the record of the Vestry system and the movement from Foster Lodge to the Church, and then they went checking with all the other people.

I would only say I wanted to make that comment because I find it strange, as I said, that this is the only document which cannot be found, and I may say that I serve on the St. George Church Council, so I know that the other documents were found. That is all I have to say, Mr. Speaker.

Dr. E. A. SIMMONS: Mr. Speaker, I just want to make a very short intervention and it has to do with the proceedings that have been taking place in this Honourable Chamber over the past couple of weeks. 5.05 p.m.

I was almost moved to tears when I think it was last week the Honourable Representative for St. Philip North who I went to school with was brought under extreme scrutiny. And indeed, another schoolmate of mine who happens to be a businessman was awarded a contract from Government.

Aside.

Dr. E. A. SIMMONS: A lot of criticism was levelled by the Members on the other side trying to suggest that these two Barbadians of humble parentage who I know very well and I know to be honest people, their characters were brought under question. And indeed, the newspapers made some very strange insinuations.

Mr. SPEAKER: Order, please.

Dr. E. A. SIMMONS: Politicians were on political platforms making some very strange suggestions about Members of this Party.

I find it therefore quite strange, even in today's debate, when people on a matter of principle question that when we are involved with the monies of the people of this country, we have to be very, very careful and we have to be sure that the transaction can stand up to scrutiny.

Now we are faced with a situation, where a property - I happen to be involved a little bit in construction as well and therefore happen to know something about the true value of property in Barbados - when I can hear that a piece of property in St. George in the St. George Valley that is about 10 acres of land with a massive building on it is sold, Government property, in an enclosed room for \$200 000, something tells me that there is something wrong in the state of Rome.

You see, when we who come from poor parentage in this country try to get involved in legitimate business and you change your car, people know of every nefarious deed that you have done. If, however, you happen to come from a certain section of society in this country, you have people who would aid and abet you to get things where people do not want to talk about.

And I am saying that I will not support the Government in paying \$130 000 in a deal like this because I do not believe that everything was done above the board. The contributions that I have heard from the Minister and the contribution that I have heard from the Honourable Member for Christ Church West do not satisfy me that everything that went on can stand up to the test of scrutiny. I do not think that \$130 000 of the taxpayers' money should be made to be paid to an individual who, first of all, paid \$200 000 for property that must be worth over \$2 million. And then we come into this Honourable Chamber and say that we are going to go and give him back \$130 000. It

means that he will be paying something like \$70 000 for a property that is worth \$2 million. So we the taxpayers are making him a present. That is what we are doing, making him a present of piece of the most fertile land.

We come in here talking about agriculture. If we are to invest the Government's money to promote agriculture then, on the other hand, we are turning around and giving away prime land and prime property to people who I do not know whether they need it or not, and in very, very strange circumstances.

So, Mr. Speaker, I want to register my lack of support. I will not support this Resolution.

Thank you.

Mr. L. L. BRATHWAITE: Mr. Speaker, I just rise to make a point, Sir, that I am not usually supportive of Government divesting itself of property, unless it can show 'very good and sound reasons why they are doing so.

I do not know much, Sir, either about real estate or much about the quality of agricultural land. What I do know is that if statements that were made in here today bear any relation to fact, and I have no reason to believe that they do not bear such relation, then I am making it abundantly clear that I cannot support the Government on this issue.

We hear a lot, Sir, about cutting up agricultural land to provide house spots. I take the point that if this property is sold that it be sold for residential purposes. That is the way I see it. If you are going to allow 10 acres, 11 acres have been mentioned in here to go to one person to accommodate their living style, Sir, then there is a number of small people who Government is finding some difficulty in acquiring land to provide housing facilities for them. If you need to cut it up for that purpose, then I would go with that, Sir.

I cannot support this on that basis because I do not think the Government is getting value for its property.

Thank you, Sir.

Mr. D. J. H. THOMPSON: Mr. Speaker, Sir, I have heard some of the contributions in this matter, I have listened carefully to all of them and I agree with some of the points raised by the Honourable Member for St. George South who obviously has a greater acquaintance with this matter than I do. If I were to really say what I wanted to say about this particular incident, I believe, Sir, that you would ask me to leave this House. Because I have sat in here and heard Honourable Members on that side cast some very serious aspersions on the character of Members over here. You cannot divorce in my view, the practice of your profession and your personal life from your political life. That is my view.

I have already said in here what I perceive to be a conflict in relation to Members of a Government, whether as backbenchers or as Members of the front bench acting in certain capacities. That is my view. It is not the conventional wisdom. It is not what is acceptable but that is my position. I do not work for any government corporations. I have never received a cheque, other than salary from Combermere School when I used to teach there years ago. And I would challenge any Member to get up and say that they have seen any Government corporation write a cheque to me for any legal work or retain me as an attorney-at-law to act on their behalf. Okay?

Aside.

Mr. D. J. H. THOMPSON: Well you know why you took that position. You came to that understanding late in life though. I am glad that you passed it on to me early in life.

Laughter.

Mr. D. J. H. THOMPSON: But I have not said anything. What are you getting up for?

Laughter.

Dr. R. C. HAYNES: Mr. Speaker, Sir, I just want to make it clear that I have never practised law at any time in my life.

Laughter.

Mr. D. J. H. THOMPSON: That is a wise answer. But that is my position because I do not wish to be beholden to any semi-public servants in this country who feel that because they write a cheque to me to defend a Government corporation that I have surrendered all of my rights to speak in this Chamber. That is just my view because I know how some people view us as politicians in here. I know how people would view the speeches of the Honourable Member for Christ Church West when he launches attacks on us over here. And to some extent, personal attacks out of in here because I know you would not allow him to cross the line in this Chamber. But he knows how I feel about it and the last time I raised it, he got very hot under the collar. But my position is clear.

I believe there are some shady dealings here that the Minister is under a duty to expose and the persons responsible must be brought before the public because they wanted to parade the name of the Honourable Member for St. Philip North across the headlines in this country. I saw in the newspaper the other day a big headline, "CONFLICT OF INTEREST". And who was the person who raised that? The Honourable Member for Christ Church West. I am saying again, for the record, that I believe that there is a

conflict where a Member of a government works as a legal representative for government corporations, either as a backbencher or otherwise. That is my opinion. 5.15p.m.

Furthermore, when somebody absences themselves from serving in the highest decision making body, the Cabinet, because it might be more lucrative to be out there practicing and gathering all the government work, and everytime something comes up they cannot speak because they are frightened that they will expose their own hand, that is the situation and it must stop. I believe there must be some means of us - well me - speaking out against it because that is how I feel about it.

Now in this particular scenario, I shall not be supporting the Government on this particular Resolution. I know that the Minister has a duty and a responsibility and there are certain things that he has to do, however he may feel about them. We are bound by the infelicities of the Barbados Labour Party both those in Government and those on the sidelines or on the back bench working on behalf of other people. The Honourable Member for Christ Church West will not be anywhere scrambling around bidding for nobody from St. John. He picks his position in these matters very carefully. He cannot come in here and look as though he is vexed because I am raising something. He was not scrambling around for

Hon. H. deB. FORDE: On a point of explanation, Sir. The Honourable Member is very careful so far that I do not have to take objection to anything he has said because there is nothing that I do in my profession that I cannot justify. It is not a breach of the rules of this House or of my profession, as indeed it is not a breach of the rules of the profession of a trade union or anybody else because they work for an organisation or for persons to come into the House and not speak on a matter. They must declare an interest to the extent that they have an interest, Sir, and I wish to get it absolutely clear. I reserve the right as a lawyer to work for a criminal, homosexual, murderer, or anybody, the best or the worst in this community, because I believe that is my professional right.

Mr. D. J. H. THOMPSON: Why do you not get up? Why does the Honourable Member not get up and deny for the second time for the record of this House that it was raised at a Bar Association meeting that he was still practicing effectively when he was the Attorney General of this country? He said it did not happen and I decided that I am going to read it into the record of this House. I will call the name of the person who raised it.

Hon. H. deB. FORDE: The Honourable Member can read what he likes into the record of the House. The Honourable Member knows very well that was a lot of foolishness as the Chief Justice of Barbados has told him and I have previously in this House said, as has happened

with the Honourable Member or any other Honourable Member, that when you are at the Bar and you go out you have a professional obligation. He is a neophyte in the law. That is why he does not understand it, Sir. You have a professional obligation to hand over the matters on which you are dealing over a period of time. I made sure that I checked with the Chief Justice, Sir William Douglas, on the matters which I dealt with. The correspondence is in my office. If the Honourable Member wants to see it, he can come over to Juris Chambers anytime and have access to it.

Mr. D. J. H. THOMPSON: Mr. Speaker, there is no Chief Justice who regulates my integrity. If he can regulate other people's integrity, that is their business. My integrity is not based on any decision of any Chief Justice and I do not have to go up to him and beg him to do anything. My position is that the legal profession needs to rise to new standards of integrity and decency. That is my view and I am saying that it cannot continue like this where when he is ready he can attack a land surveyor or valuer. He can stand up and attack somebody here as he likes, but as soon as somebody brings evidence that on several occasions there has been not only the perception of conflict but an actual conflict and where it has been raised at Bar Association meetings, we are not to raise it

Certain remarks made by the Honourable Member for Christ Church West were ordered to be expunged from the record by Mr. SPEAKER.

Mr. D. J. H. THOMPSON: Mr. Speaker, if I were the Attorney General of this country and piloted Resolutions or Bills in here, you could not find me six months after out there representing somebody to have the Bill struck down unless I was capable of some kind of intellectual gymnastics, that when I was a Member of Government the legislation was okay but when I get out there it is different.

Hon. H. deB. FORDE: Again, Sir, I am trying to put into the record of this House. That is why I say, Sir, you may rule it out of order, but it is deliberate. The Honourable Member has heard me in this House say, Sir, the following matters. I have said in this House, and the Attorney General is there for proof, that Professor J. L. Edwards who has written the book on the "Public Interest and Crown Officers" has confirmed as indeed the late Aubrey Fraser that it is in order and so has the current Chief Justice. It is in order for a Judge whilst he is a Judge to pass judgment on legislation that he may have drafted as a legal draughtsman. It is in order for a lawyer in his profession who is a Member of Parliament to argue about the validity or invalidity of any legislation whether or not it came before him whilst in this House or indeed whilst he was Attorney General. There is nothing in conflict of interest The Honourable Member I must say, Sir, is speaking out of genuine mistaken view or he is speaking out of total ignorance on these matters.

Certain remarks made by the Honourable Members for St. John and Christ Church West were ordered to be expunged from the record by Mr. SPEAKER.

Mr. D. J. H. THOMPSON: Sir, the point is that I have heard what has been said in this particular debate and it is a good thing, Sir, that it has come so close on the heels of another debate that we have been able to assess this. I hope the Press will be just as judicious and will remember the headline they brought last week relating to conflict of interest. I hope they will remember it tomorrow. It is fortunate that that debate has come up. Sir, this is nothing new. I have raised this matter as a matter of concern to me in this House before. It is nothing personal. The mere fact that one particular individual seems to have more currency in that particular area than others does not make it personal. All I am saying, Sir, is that based on what I heard here and based on my perception of this scenario that I would not be able to support this particular Resolution. 5.25 p.m.

I want to go on to say that this particular Resolution has perhaps opened the eyes of this House of Assembly to the manner in which people may take positions that they try to, because of the way they are speaking in here, appear moralistic while at the same time later down the road you catch them out, sneaking around as the little children would say. That is my perception of what has happened in this particular instance and I am only saying to you that I could not find myself agreeing with this particular Resolution no matter how it came, not in the circumstances and based on the particular matters that were raised by the Honourable Member for St. George South. I am wondering if he had spoken before the Honourable Member for Christ Church West if there is anything he would be able to say that could assist us in removing all of the doubts and the concerns that we have about this particular Resolution and about which most of the members of the back bench share.

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I believe that the Minister has made his position clear. We understand exactly what this scenario is all about, but the question of the national concern must come first, and that is the matter I am raising. That national concern must relate also to the integrity of us as members of Parliament. Those who tout the expression "integrity" have to be able to stand up very carefully to that test when it comes around, and in that regard they have to avoid any scenarios which may compromise their ability not only to represent their clients fearlessly but to represent those who are least well off in this country without fear and not just get in here and "pom-pom" and when they are finished in here to put on a mask and face the public or the law courts or their profession without that level of integrity. That is all I am saying, that you cannot be something in your profession and something else as an individual and yet something else as a politician. That is the basic point I am making and I am seeing too much of that doubt, too much of those grey areas appearing in relation to matters like this and matters which

involve members of the legal profession who are waiting for the manna to fall from heaven as soon as a Government changes or as soon as benefits are to be distributed in this country.

On that basis, Sir, I cannot support this Resolution, and based on the high integrity which this party believes in.....

Aside.

Mr. D. J. H. THOMPSON: This Democratic Labour Party that you were once an integritous member of, if there is such a word, when you had all the integrity and were over here.

Aside.

Mr. D. J. H. THOMPSON: Integer? Is that what it is? Are you sure? You did the classics, I was not so fortunate. Sometimes I allow him to correct me. When you had all the integrity you were with this party of integrity, and we are not going to allow people to cast those aspersions on us lightly or easily. Therefore we have to lead the way in ensuring that at the end of the day people feel confident about the people who represent them in here and do not brush them off and see them as self seekers, persons of no character and persons who will not represent the interest of the masses first.

That is the particular point I want to make regarding this Resolution. That is why as a matter of integrity we are entitled to oppose this particular Resolution, because it is not an indictment on us, it is an indictment on the infelicities of the Barbados Labour Party, and the Honourable Member for Christ Church West has to vote for this Resolution. If he does not, I will be able to say, Mr. Speaker, at the end of the day that he is wearing one face in here and another one outside, and I would not want to say that about him. He has no choice. If there is one member who must of necessity and for his own political survival vote for this particular Resolution, it is the Honourable Member for Christ Church West, because he would not want the public to believe that as a practising attorney he is one man, as a man living in a humble abode in St. John he is another and as a man representing people in this House of Assembly he is yet another. So I know where his vote will be cast in respect to this.

I am only serving warning on him that whenever it appears that the face is changing and the character and nature of his contributions in this House are different from those outside, we will read him out and we will expose it for the public. He will not be allowed to point his finger at us unjustifiably, because if he does so we are not practising any tit for tat, but we will simply bring the full weight of our views on integrity to bear on him as a member of Parliament.

In the circumstances, Sir, I cannot support this Resolution and when it comes to the vote I will be looking with interest to see how the Honourable Member for Christ Church West is going to cast his vote and what his position will be, and to some extent the Honourable Member for St. Thomas, although I do not want to draw him in, because he does not like me to draw him in easily, but I will look with interest to see how he votes.

Finally, in these matters one has to be very careful, because there are a lot of young people out there who would have a perception out of public issues on the outside. They might have a perception of the Honourable Member for Christ Church West as a member of the Mutual Board which might conflict, let us say, with his views on economic enfranchisement. They might have a perception of him in a scenario like this. There must be no doubt when you are in here, and if ever there is an occasion that you are to be read out.....

Aside.

Mr. *j. J. H. THOMPSON: I mean any member, that is why I said in this Chamber, that one must be read out. If it were me I would have to sit through it and accept it As I said to him, any time he wants to bring it he can bring it, anything he has to say.

Those are my real concerns in this particular matter, Sir. I will not be supporting the Resolution.

Hon. M. A. KING rose.

Dr. R. C. HAYNES rose.

Asides.

Mr. SPEAKER: Has the Honourable Member given way his right to speak? I recognise you as the speaker.

Dr. R. C. HAYNES: The Speaker has determined that I have the occupation of the House at the moment. What is very interesting, Sir, is to witness a major revolt of the back bench on the Government side.

Hon. B. M. TAITT: On a point of order, Sir. There is no revolt of the back bench, this is a conscience vote where the Government is trying to maintain its commitment to a decision made by a previous Government and persons have their consciences. We will not allow anybody, especially the Leader of the Opposition, to give the impression that these Honourable Members who have expressed their honest views are in revolt against the Government. The Government's position in this is a straight case of honouring the commitment made by a previous Government.

Mr. SPEAKER: I have taken the point of order.

Dr. R. C. HAYNES: Mr. Speaker, on a point of order.

Asides.

Laughter.

Dr. R. C. HAYNES: On a point of disorder, then. The point I am trying to make is this. Under our parliamentary system it is not in the place of the Honourable Member for St. Michael West, who is now seeking to usurp the authority of the Leader of the House, to determine what line a Government should take in relation to voting. That is the responsibility of the Leader of the House and the Chief Whip of the House. 5.35p.m.

Now we not only have a revolt on the back bench, we have confusion on the front bench.

Hon. P. M. GREAVES: On a point of order, Sir. Mr. Speaker, there is no usurpation of the authority of myself. What the Honourable Member for St. Michael West has said represents, in this particular instance, the position of the Government. So the question of any usurpation of authority does not exist. Point made, Sir.

Mr. SPEAKER: In as much as I have given some latitude in this debate, I am certain that Standing Order 28 (2) has not been suspended:

"A Member must confine his speech to the subject under discussion, and may not introduce matter irrelevant thereto."

Obviously I have given some room, but certainly, I have not forgotten this Rule. So I should like Members to bear that in mind.

Dr. R. C. HAYNES: Mr. Speaker, I have not had the opportunity even to get started as yet.

What I am saying is, Sir, that on a matter which is couched in the terms integrity, I find it very alarming that the backbench of the Government should have revolted one after the other. And in this particular instance, against the position being taken by the Minister of Housing. It is a revolt against a Resolution brought before this House by the Minister of Housing.

Mr. D. J. H. THOMPSON: Mr. Speaker, on a point of order. There is no attempt by me, I can speak for myself, to revolt against anything, Sir. I can speak for the Honourable Member for St. Michael South East and I am certain I can speak for the Honourable Member for St. Michael North East.

This is a matter that involves the expenditure of public funds, in relation to a private person, and therefore there is an element of conscience in it. The Government has a responsibility to live up to its commitment and not place the taxpayers in a more precarious position than they would have been in before. And on that basis, we are entitled to take a position. However we couch it, integrity or otherwise, we are entitled to take our position. The integrity at stake is not our integrity, it is the integrity of the Barbados Labour Party and certain Members of the Barbados Labour Party.

Dr. R. C. HAYNES: Mr. Speaker, if I can get started, I will try to start again.

The front bench, as I understand it, when a Minister introduces a Resolution in Parliament, he is responsible for that Resolution, and that Resolution has been approved by the Cabinet of Barbados, before coming to this House. The Minister has made it quite clear that he is seeking the approval of the House. He is seeking the approval of the votes of all of us inside here when he introduces that Resolution.

From what I have heard so far, several Members on the backbench of the Government have clearly indicated that, on grounds of integrity and conscience, they will not be supporting the Minister of Housing in this Resolution. That is quite clear. And it is only since the Honourable Member for St. Michael West came in this House and recognized that a vote against, a no would have created trouble, we now hear about abstaining. They made it quite clear before that they are revolting against it.

Hon. B. M. TAITT: On a point of order, Sir.

Mr. SPEAKER: The Honourable Member has risen on a point of order.

Hon. B. M. TAITT: On a point of order, Sir. I believe that the Honourable Member is being entirely unfair. He is really making me feel oppressed. As soon as I come into the Chamber, Sir, he is suggesting that I came into the Chamber and as a result, something happened.

Mr. SPEAKER: He cannot suggest it because I am the presiding officer.

Hon. B. M. TAITT: Thank you very much, Sir. He stated it, Sir.

Mr. SPEAKER: Therefore, he cannot state it.

Hon. B. M. TAITT: I am suggesting that I have done nothing since I came in, other than on a point of order, as the Honourable Member, as he is wont to do frequently was straying from the straight and narrow path. I got up on a point of order to bring him back. Because he started using

words like revolt. The last revolt we had, Sir, was when the Honourable Member left

Mr. SPEAKER: Well there is no revolt at this point. Neither do we have to bring anybody back to order because I have already mentioned Standing Order 28 (2). I am sure that we all understand where we are going.

Dr. R. C. HAYNES: I should be very happy, Sir, if I see the appropriate headline, "Backbench Revolt". I would be very happy with that.

Asides.

Dr. R. C. HAYNES: If I may continue, Sir.

Asides.

Dr. R.C. HAYNES: I...

Asides.

Mr. SPEAKER: Order, please. Order, please. The Honourable Member for St. Michael South Central.

Dr. R. C. HAYNES: I crave your protection.

Mr. SPEAKER: You do not have to crave that. I have done it already.

Dr. R. C. HAYNES: Thank you.

Mr. SPEAKER: Continue.

Dr. R. C. HAYNES: If I may continue, Sir. I wish to deal....

Asides.

Mr. SPEAKER: I need order.

Dr. R. C. HAYNES:.....with this question of conflict of interest.

Mr. SPEAKER: I can hardly hear the Honourable Member.

Dr. R. C. HAYNES: I wish to respond to the question of conflict of interest in relation to professionals pursuing their professions.

It has been my experience, over the past 20 years or so, that persons who are called to political office usually suddenly, overnight and they are practising a profession, they are faced with a dual obligation the following morning, that is, to their clients and to the requirements under the Cabinet Rules in relation to practise.

Asides.

Mr. SPEAKER: But I must say that I must hear the Honourable Member in silence.

Dr. R. C. HAYNES: And therefore, as far as I am aware, all Chairmen of the Cabinet have always indicated to professionals who find themselves in that situation that they should be given a reasonable time to wind down their practices.

I think we have to be careful because if we take that kind of position, particularly in relation to Members of the legal profession, I am quite sure there is hardly a lawyer who has become a Minister who can next day say I am finished with my practice, I am a Minister, without creating serious problems in relation to his professional relationships to his clients. It might be a little easier for a doctor to do so.

Aside.

Dr. R. C. HAYNES: It might be a little easier, if you have a joint practice and so on. I mean, I was faced with the situation.

Aside.

Dr. R. C. HAYNES: I had to see patients until I could make arrangements to get two other doctors in my office. I just could not abandon them overnight. But I saw them on a Sunday. I saw them once a week on a Sunday.

Aside.

Dr. R. C. HAYNES: No, no. There is no way....

Hon. B. M. TAITT: On a point of order, Sir.

Dr. R. C. HAYNES: There is no way....

Mr. SPEAKER: Two Honourable Members are on their feet. The Honourable Member has risen on a point of order.

Hon. B. M. TAITT: On a point of order, Sir. I am extremely happy that the Leader of the Opposition has agreed that he saw patients, after he became Minister of Finance. When I said that, the Honourable Member for the City accused me of the most heinous approaches.

Mr. SPEAKER: You cannot make a speech now.

Laughter.

Dr. R. C. HAYNES: But you still continued to look after Burger Bee, after you became a Minister. So what is the problem?

Aside.

Dr. R. C. HAYNES: That was not a problem? You still continued. You had to continue to look after your business.

Hon. B. M. TAUT: On a point of order, Sir.

Mr. SPEAKER: I have to rule at this point. After the last point of order, I did not hear the Honourable Member say anything that you should rise on a point of order on again. Therefore, I have difficulty now in understanding what the point of order is.

Hon. B. M. TAITT: With respect, Sir, he has suggested that after I became a Minister I was still looking after Burger Bee.

Mr. SPEAKER: Did he say that after he got up to speak?

Hon. B. M. TAITT: Burger Bee was dead, Sir.

Laughter.

5.45 p.m.

Now this is a matter that I think that we should try to get it clear and be very careful about this. I think that one has to be reasonable about these things. I do not know of any lawyer who joined a Cabinet and who terminated his practice the next day. That is the first point. I am not defending him. I am dealing with the question of integrity. Okay.

If I may deal with the second issue, Sir, and the second issue relates to whether or not a lawyer or a doctor

(Aside)

Dr. R.C. HAYNES: Just a minute.... should look after as a client or a patient an individual of dubious reputation or otherwise. Now my view all along is that so long as anyone needs health care and they consult me, whatever their status is, I have a responsibility once I undertake to look after them. Let us get this clear. So I think one has to be very careful not to deal with that kind of professional thing. If anyone is saying that the Honourable Member for Christ Church West has a direct conflict of interest in terms of the intrinsic financial arrangements for this particular Resolution, then that person can be taken seriously and that is the case that they will have to present. You cannot base a case on conflict of interest based on someone's professional involvement in a matter. I do not think it is right. In fact, I do not think that it makes sense otherwise all of us with professions can find ourselves in that situation. Whether you be a trade unionist, businessman, teacher, or lawyer, you can find yourself in that situation. I think it is important

to separate the intrinsic merit of the case. In other words, if it could be demonstrated that the Honourable Member for Christ Church West in his capacity as a Minister or in his capacity as a Member of Parliament has so used his influence that he could benefit in some way financially out of his transactions, that to me would be the kind of case which if presented to this House I would certainly have to take a position in relation to that matter. The only kind of case that I have heard so far is the question of the Honourable Member working in a legal capacity in a matter in which the financial arrangements of which you do not approve. This is what I have heard. That is the case that I have heard and, therefore, on that basis I do not think that kind of assault is justified.

Now in terms of the value of the property at 1984, I am not quite familiar. Is it agricultural land?

Aside.

Hon. E. E. GREAVES: Is the Honourable Member for St. Michael South Central, the Leader of the Opposition, trying to inform this House that he is not familiar with the value of land in St. George when he is a large property owner? He knows the value of property in St. George and all over the island.

Aside.

Dr. R. C. HAYNES: We have looked at this Resolution in our party and we could not even identify the piece of land according to the description. If you were to look at the Schedule, you will see that the Schedule reads like this:

"All that land situate at Buttals in the parish of St. George in this Island containing by admeasurement 4.058 hectares or thereabouts (inclusive of the area in road around the same which leads to the public road) abutting and bounding on lands now or late of Buttals Plantation on the public road which leads to Highway 4 in one direction and to Brighton in the other direction and on lands now or late of C.P. Browne."

I suspect that there is something wrong with the description there. We had grave difficulties in being absolutely sure which particular parcel of land we were dealing with from the description here. As a matter of fact, in our deliberations we thought that we would ask the Minister of Housing today to let us have a plan so that we could see exactly what we are referring to. Now since he started talking.....

Aside.

Mr. SPEAKER: It is difficult for the Honourable Member to speak under these circumstances. Yesterday, I said that it was not courteous to the Chair or the Member to

interrupt when I have allowed other Members to speak in silence. I said that I would start from the top, but I may have to start from the middle.

Aside.

Dr. R. C. HAYNES: So that our position is that we came in here and we discussed this matter Monday night. We were not quite sure of the particular parcel of land that was involved and, therefore, we could not even deal with an assessment.

Aside.

Dr. R. C. HAYNES: Thank you very much. Therefore, we could not even be sure of what kind of value that we can put on this thing here. What seems to me, Sir, to have taken place here is a complete mess up somewhere along the line. It would appear to me that the Ministry of Housing has been very much neglectful in terms of its records.

Aside.

Dr. R. C. HAYNES: It seems to me that there has been a problem with the records within the Ministry of Housing because I cannot understand how the Ministry of Housing cannot have information on the files and the information can be elsewhere outside of the files in relation to matters where they had commissioned the sale of land by public auction. So quite clearly somewhere along the line somebody was not carrying out their duties in the manner in which they should have done it.

So that we are faced on this side here with an extremely difficult situation. All of us are faced with a particularly difficult situation in that when the Minister presented his case earlier....

Aside.

Dr. R. C. HAYNES: Well, the Minister has just said that he has not presented any case yet. What is going on here?

Mr. SPEAKER: What is going on here is that I have asked Honourable Members not to respond to asides and I would come to the conclusion that, if Members continue to take up asides as part of the debate, I may very well ask the Honourable Member to discontinue his speech. It is very difficult to respond to asides and make a speech and expect myself to be able to control the debate. I am asking Honourable Members to just disregard asides and let me deal with the mischievous interruptions.

Dr. R. C. HAYNES: Anyhow Sir, in view of the information which has now been presented, namely a description of the property where we can properly identify

the location, I do not know what is the current state of the building. I do know that Dr. Reader would have left this building several years ago because he has been living in the valley of St George for sometime.

Aside.

Dr. R. C. HAYNES: Sorry - 4 1/2 years -and I do not know whether anyone has been living on the site during that period.

Mr. SPEAKER: I will start to identify Members who are making breach of my ruling and I am very much concerned that senior Members will not adhere to my ruling. Continue. 5.55 p.m.

Dr. R. C. HAYNES: There is a tremendous insufficiency before the House and all I have heard so far have been allegations by those who have revolted against the Government, against the Honourable Member for Christ Church West on grounds of professional integrity. I have not heard any allegations in relation to any intrinsic conflict of interest in relation to the purchase or sale of the land from which he would benefit financially, which would be the kind of matter that would certainly attract my attention in this Honourable House. Therefore, Sir, I will wait and see if there is any further information to be had, but so far there is a tremendous vacuum of information. The little information we have had so far has apparently been supplied by the Honourable Member for Christ Church West in terms of the conditions of sale, in terms of the agreement and in terms of one or two other documents. Otherwise, all we have heard from the Honourable Minister so far has been a recitation of events.

In addition, since I came back into this Honourable House I have been hearing the figure of \$130,000 being spent by Government. There is nothing in this Resolution to suggest that Government would be spending \$130,000 on anything, so as Leader of the Opposition all I can say is that I am completely at a loss in terms of the information presented by the Minister so far in respect of this Resolution. I do not know what the \$130,000 is all about, I do not know how this Resolution that seeks to sell a piece of land could be involving the Government in expenditure. I believe that when this Resolution was introduced this information should have been given to the House. This is completely new information to us and therefore I must say that I am completely at a loss in this entire matter.

That is our position.

Hon. M. A. KING: Mr. Speaker, Honourable Members have been seeking to draw me into this debate from the time it started. The Honourable Member for St. George South made the point that he does not know what information the Attorney General had in relation to certain

aspects of this matter - the putting together of the agreement, the conditions of sale and so forth. May I indicate, Mr. Speaker, very early that this is a matter which was dealt with on 19th April, 1985. I was not then Attorney General, so I am not.....

Mr. D. A. C. SIMMONS: On a point of order, Mr. Speaker. I was appointed Attorney General on 15th June, 1985.

Hon. M. A. KING: Mr. Speaker, I was making the point that I would not have been party to drawing up these documents, the conditions of sale and the memorandum of agreement. I would have known nothing about them because they were drawn up at a time when I was not holding this office.

When this matter came to be discussed and was referred to me, these were the questions I asked the Ministry of Housing for the conditions of sale in relation to this property and the agreement between the vendor and the purchaser, and nowhere could these documents be found in the Ministry of Housing. The Minister has indicated that officials of his Ministry wrote the auctioneer and asked for the documents and the only response, as I understood it, which was received was that the auctioneer said the documents were already in the Ministry of Housing. He has indicated that the Ministry of Housing did not have these documents available for them.

The Leader of the Opposition, as one would expect, Mr. Speaker, seeks to make capital of this issue. He talks in terms of a back bench revolt. We understand the politics of that language. He also speaks in terms of problems with the records of the Ministry of Housing. Where did those problems originate? The Minister told us that he searched and gave instructions for a search. Remember that this matter was dealt with prior to the 29th May, 1986 when we had responsibility for the Government of this country, so that whatever would have transpired prior to that - and it is clear from the enquiries of the Minister that the documents may very well have disappeared from the Ministry of Housing, if they were ever there prior to that time, we do not know what the position is - so that you cannot indict the present Minister for not being in a position to have access to the records. The clear evidence is that he sought and he tried wherever possible to make sure that he got all the records relating to this transaction and his major problem, and he started by saying that he cannot understand what is going on with this transaction. He has tried his best to understand it, but cannot quite understand it because of the absence of records in the Ministry of Housing. Therefore, he and this Government cannot be faulted because of the absence of records.

Even the original conveyance for the property cannot be found and I think the Honourable Member for Christ Church West has made the point that perhaps that document

itself may at one time have been with the solicitors' for the Vestries. These are matters of long history and are nothing to do with the Minister of Housing, so that the statement which the Honourable Leader of the Opposition made about obviously they are problems for the Ministry of Housing, seeking thereby to throw blame on the Minister of Housing, is not well founded and cannot be supported in that context. 6.05 p.m.

Now the question is, what is the position in relation to this Resolution which is now before the House? Members of the back bench have expressed their view that they are not inclined to support it. Dealing strictly with the legal position, Mr. Speaker, here was a transaction, here was a property which was set up for sale by public auction and which was sold by public auction. I am not sure who the bidders were. Yearwood and Boyce? At auctions, persons may bid on behalf of principals, persons are not even bound to disclose at the auction who their principal is. But the fact is that the property was bought on behalf of a purchaser and it appears that the Agreement was in fact drawn up between the purchaser and the Auctioneer.

So that what we have in terms of strict legal position is that there was a sale. And this is what the Government found itself committed to. The previous Government had concluded a sale of the property at Butts for \$250 000, to a purchaser.

Views have been expressed that that was a giveaway price, that the property was worth far more than that. I mean, I am not a valuer. I do not know what the property is worth. But the strong argument which seems to be being advanced is that this is an unreasonable disposition of public property for a price. I am saying that the perception is, I do not know what the valuations were or what the position was. But the perception is, by Members who have spoken fairly, that the property has been given away and that it is unwarranted disposal of public property at a price which is a giveaway.

Honourable Members have sought to cast blame on the Member for Christ Church West for his position in this whole thing. The Leader of the Opposition has made the point that the question of conflict of interest would arise if the Member for Christ Church West had used his position and his influence, as a Member of Parliament to benefit himself, and made the point that he saw no evidence of that from the statements which have been made.

Clearly, in that context if any Honourable Member of this House uses their position as a Member of, let us say, close to Government to get benefit on behalf of themselves or on behalf of, well benefit in terms of getting a property at a price much less than it is worth....-

Aside.

Hon. M. A. KING: No, no. I am not saying that. I am using supposition. Suppose that happens. I am saying that those are the situations where conflict of interest can arise. If a Member, let us say, a Member of the Democratic Labour Party used his influence with Government to buy a property at an unreasonably low price for one of his clients, that could be I think, a conflict of interest.

Aside.

Hon. M. A. KING: At an unreasonably low price.

Asides.

Hon. M. A. KING: No, no. But public auctions can have upset prices.

Asides.

Hon. M. A. KING: Public auctions. No, no. Let us face it.

Aside.

Hon. M. A. KING: Let me say a word. Public auctions can have knocked up prices/There can be a requirement that the property be not sold.

Aside.

Hon. M. A. KING: I am saying that the facts..... What the Minister of Housing is complaining about is that he has not had access to all the facts. So whether there was or was not an upset price was not something which was known to the Minister.

So that the problem, I think which has agitated the minds of some persons is that, and let us face it, there can be situations where an upset price can be agreed which is really a giveaway price.

Aside.

Hon. M. A. KING: Mr. Speaker, I am trying to put the legal position, as I understand it. I understand the concerns of Members that the property....

Mr. SPEAKER: Your own Member is not giving you a fair break, it seems.

Hon. M. A. KING: They are not giving me a break, Sir. But I do not have to quarrel with them, Sir.

So that the only point I am really making is that this Government found itself in a position where, against the background of the law, it found itself committed to bringing

this Resolution to Parliament. And it is on that basis that we bring the Resolution seeking the approval of this House for the disposition of the property, as is required by law.

Mr. J. J. PAYNE: Mr. Speaker, I just thought that before the vote is taken on this Resolution, I should sound my voice and express my concern about why we are proceeding in this particular matter.

I merely should like to take this opportunity to call for a review of the system adopted by Government, not only this Government, but any future Government in proceeding to sell land belonging to the Crown. I believe, Mr. Speaker, that any time lands belonging to the Crown are being sold to any member of the public, we must all feel satisfied that the whole transaction is one that has no doubts about it, one in which all parties concerned can feel that there are no shady areas involved.

Mr. Speaker, what we have heard so far in this debate leaves us in some doubt as to whether all the channels have been gone through to ensure that this particular property was well advertised, to ensure that the Government got a fair price for the property and to ensure that, at the end of the day, the questions which are being asked today are being answered.

I believe that we, as politicians, must recognize that the public will point a finger at us, solely for the reason that we are so close to these matters that it would be perceived that we are the first persons to know that the transaction is taking place. Whenever we have a situation of this kind, it is therefore necessary for us, as politicians, to ensure that the public gets all the information before hand.

I believe that the reason why this particular Resolution has generated the kind of debate is because sufficient steps were not taken at the time to ensure a proper method of public knowledge. Therefore, I think that we have to review the system of selling government property.

We have a lot of small government properties around the Island and I know that there are many people who, from time to time, express interest in buying these properties. There are many of these public baths around the island that have gone out of use that people want to buy. There are a lot of small lots of land belonging to the Crown scattered all over the Island that people want to buy. I can tell you, Mr. Speaker, that these persons go through extreme difficulty in getting an agreement from the Government in buying 5 000 and 6 000 square feet of land to put a house on. 6.15p.m.

I know that there are many persons who have told me that they have made application to the Ministry of Housing to buy small pieces of land just for a little house spot belonging to the Crown and they find extreme difficulty in getting an agreement and in getting somebody to pay them

attention. They cannot get a response. What I am saying is that when we have a situation where politicians who are close to the action, who know what is going, and who are in that environment where people can point a finger at them, it is necessary for them to ensure that there is a system developed which will ensure that people will not cry foul.

I am not sufficiently apprised of the facts of this particular situation. We do not have enough information. We are told that some of the documents are missing. We do not know what date the property was advertised. All of this is information which has not come before the House and it puts me in some difficulty, Mr. Speaker, as a Member of this Chamber in giving support to the Resolution which is now before the House. I would like to end my contribution again by asking that we review the system. We have to adopt a system which can ensure that at the end of the day people can feel satisfied that there is no underhand dealings in the sale of government property.

With that brief intervention, Mr. Speaker, I would like to indicate that I will be abstaining from a vote in this particular matter.

Mr. R. L. MORRIS: Mr. Speaker, let me say that I have some difficulty with this Resolution also. My difficulty arises from a number of considerations.

First of all, Sir, to me this represents a certain element of privatization which I do not find particularly pleasant. Sir, ownership by the state of land in the St. George Valley is to me a rather unusual situation. The St. George Valley is well known as prime agricultural land that is owned by a small group of people. This property found itself, Sir, in the hands of the Government almost inadvertently in that part would have been alienated years ago off Buttals Plantation and the property was used, as I understand it, as the Headquarters of the Chief Medical Officer for that area. This is figured in the records when I did some studies in history for some years going way back in the 1930's and 1940's, etcetera.

Government found itself owning land in the St. George Valley - a worse situation. That is an area that is owned only by the planters except for Dash Valley. That is quite right. When you talk about Buttals and you are talking about Brighton next door and so on, you are talking about the Piles, Leacocks, and the whole range of the planter class. The state finds itself owning nine acres of that land and a substantial property without works. I want to know what could have moved the Barbados Labour Party, quite frankly, to privatize that land. At that time Louis Tull, I understand, was the Attorney General and there were other persons who would have been privy to this transaction. The Member for Christ Church West, a Member of the Barbados Labour Party, was representing the purchasers, as I understand it....

Aside.

Mr. R. L. MORRIS: ... or he was the purchaser. That is his traditional role. There is no question about that The Honourable Member for Christ Church West represents the money interest in this country. There is nothing wrong with that I ^present the workers and I always say that, if I can do my work on behalf of workers as well as he can do it on behalf of those monied interests, I will die a happy man. He does his job well on behalf of those he represents as I understand. I have no problem with that. He has chosen his side. I have chosen mine. The only problem is that I get conflict of interest and he does not get any.

I want to know what could have motivated the Barbados Labour Party to privatize that property in the heart of the St. George Valley. I do not believe, quite frankly, that there would have been any dope problems in the country because we are looking for halfway houses all throughout Barbados. There could not have been that problem then in 1985. It seems to me that that could have been a good house for a halfway house. That could have been a good place for a halfway house, but you then have the difficulties about a halfway house in St. George. There are some people who believe that apparently in St. George you cannot have a halfway house especially in the area. It is a different kind of thinking. That is a property that should have not been alienated from Government. It should have never been privatized. That is where the issue lies really.

Aside.

Mr. R. L. MORRIS: Those 9 acres of land were like pure gold. That was a chance for either the Government of Barbados to hold on to the 9 acres of land or to give it out to some small men in St. George and for small men I include people like even the Member for St. Thomas.

Aside.

Mr. R. L. MORRIS: He is in Neil's. Neil's is a different area altogether. What I am saying is, quite frankly, that I believe that as far as the technique of the auction sale, Sir, it is known that that is a relatively esoteric area. As the Honourable Member for Christ Church West said, the Minister might not go around auctions so he would not know much about the methodologies involved in an auction sale. Most small men do not go around auctions and they certainly do not go around auctions that deal with properties in the St. George Valley and they do not go around auctions when the people who are bidding are Jack Dear and Henry Forde on behalf of Henry Baird Niblock, the shipping magnet. If you said that the small man could go out there and bid, who are you bidding against? How are you going to bid against them? If Niblock ended at \$90,000, that does not mean that that is where he had to end. He could have carried it up all the time and run out the competitors. There was no intention whatsoever that any small man would get

a piece of that St.. George land. Let us understand that very clearly. There was no intention that any small man would get a piece of that. That is the issue here that Government had property in the St George Valley and Government decided that they would get rid of it. It happened to have been gotten rid of to Henry Baird Niblock, a Barbadian. He has the right to buy anything he wants to in this country. My regret, quite frankly, is that that land having been in Government has not either remained there or that it was not alienated to a different type of person. I am not getting into the role that the Member for Christ Church West played in it. I do not have any evidence that he did anything that was illegal. I do not have any evidence that he did anything that was immoral. My understanding is that he is a lawyer representing a client. He is a Member of Parliament too. He was not a Minister of the Crown, as I understand, and he was representing the big interest that we know he represents. There is no problem about that. He represents small people too, but his clientele is not really small people clientele. It is known in Barbados that he represents big people and there is nothing wrong with that. It is a position that a man takes.

Mr. D. A. C. SIMMONS: On a point of order, Sir. I hope the Honourable Member who is speaking, Sir, will be charitable enough to say that he is proud of the fact that the carpenter's son from Water Street is now in a position to represent all the Bowrings and the big white people downtown. You should be proud of that and I am not saying it in a pejorative sense. Thank you, Sir.

Mr. R. L. MORRIS: Mr. Speaker, I have no problems with that. I make it very clear. Whom the Honourable Member for Christ Church West wants to represent ~ he is a professional and he has a reputation of being a good professional - there is nothing wrong with that. He has to make up his mind what he wants to do and, as you said, there is pride in that. I have no problem with that. Just like a good doctor, as the Honourable Leader of the Opposition, I believe among his clients would be extremely wealthy people in this country. He probably does not have the same kind of contacts as the Member for Christ Church West because one is a lawyer and the other one is a doctor. 6.25 p.m.

If a doctor has a rich clientele, what is different in that from a lawyer who has a rich clientele? The two of them are in the same boat. I do not see anything wrong with it, but I am saying that you take the position you want. It is not a matter of morality or ethics, it is a matter of which side you want to choose, and that can become political.

Mr. Miller is a small businessman. The Honourable Member for the City is a small businessman. There is nothing wrong with that either. I am proud of what the Millers have done, although Mr. Miller might feel although

the Honourable Member for the City might feel that when you talk about the private sector you are talking about him. I must disabuse his mind, because....

Mr. SPEAKER: That is when I would understand who you are referring to. We call them by their constituencies and not by their names. The Honourable Member for the City. I have no difficulty with the other names you mentioned, because that is permissible.

Mr. R. L. MORRIS: Thank you, Sir. There is nothing wrong with private sector policy, but I am saying privatisation in a case like this is one I am not happy with.

The Government had a position, as I understand it. The Government could have decided to honour what the previous administration did. I understand that is ethical, that if the previous administration made a certain commitment, Government can honour it. That is what Government had decided to do. My question really is, suppose Government decided that they were against this sale, for the reasons I explained, that it was privatisation of State land that could have been held for the State or could have been held in trust for smaller people to get at some time, and therefore on principle they did not want to alienate it from the State. My question is to Government, whether it could not have settled with Mr. Niblock for some money and keep the land. That would have been, quite frankly, my choice; discharge my obligations to the man, but keep the land if I did not agree in principle that it should go to him in the first place. That is my difficulty, because I do not want Mr. Niblock to get the land. Let me be very clear about that. I would like it to be in the State, I would like some small people to get it in St. George. I am very clear about that, but I understand Government's feeling that they have an obligation to complete the deal.

I felt they could have gone further and discussed the possibilities of not completing that deal. I know Mr. Niblock would sue through his good legal representation and we would probably be involving the State in paying out a lot more than it ended up paying out now, but that is an ethical consideration as far as I am concerned, it is a consideration of judgment. As I said, my view is that Mr. Niblock should not get the land and I would prefer to pay him some money, more than the \$250,000, and keep Buttals. That is my view and that is where my difficulty lies in terms of where my position is.

Government took a normative decision, it is a decision that has guided several Governments, that I am tied by what another Government did and I will fulfil those obligations. Therefore I am not faulting Government on that, but as I say I have a particular difficulty in this particular Resolution.

Thank you.

Mr. C. LeR. TROTMAN: Mr. Speaker, Sir, I have a neighbourly interest in this matter. As you may know, Sir, I own a very small house spot very near to this particular 11 acre lot we are talking about. Knowing that I had and still have this very small piece of land, and knowing that the land alone cost me \$40,000, I have a particular concern about what we are looking at at this stage. Being a very small land owner, and I do not apologise for having only that little house spot, I get concerned with house spot considerations for other persons, many of whom are not going to be able to purchase house spots as large as the one for which I am still paying the Bank.

I am coming back to that in a minute, Sir, but I have another concern, and that concern has to do with the report made by the Minister of Housing and Lands that when he examined the records in the files he noticed that the Minister of the day, himself having been a professional real estate person, in the person of Minister L. B. Brathwaite, wrote on the file that he had a concern, or words to that effect, that he had a difficulty with the arrangement for selling it and he could not support the Cabinet's position that was being adopted. I have a concern with that, Sir, because I would think that in his professional capacity before he became a Minister, a capacity which he could not just shrug off after he became a Minister, that he must have been sharing those views in 1983-84 that we are sharing now in 1989.

It would seem to me, Sir, that when we put those two things together, the one being the concerns of the Minister of the day bringing to bear his professional knowledge, his awareness of what constitutes the costing of land, that he could not understand how the decision could have been arrived at, and when we put that against those persons like ourselves who being neighbours in this area, and I would wish to join with my parliamentary representative in this case, the member for St. George South, to indicate that we know the area and we know that there is not just a single house on the area, we are aware that there are houses on the area, and we are aware of the level of repair of these houses, and therefore we have a concern how you can get approximately 11 acres of land, about three houses, and if you hear, as the member for Christ Church West is saying, that some windows have been knocked out...

Aside.

Mr. C. LeR. TROTMAN: We will not deny some windows have been knocked out, but we are saying that this is a stone building, and you yourself, Mr. Speaker, know that there are chattel houses about the place where when you go into them and you look up you can count the stars at night. If you go to buy one of those houses you cannot get it for less than \$50,000, and if we recognise that that is the

level at which real estate is going in this place today, how much more so a wall structure? I have a difficulty, I have a tremendous difficulty, Mr. Speaker.

We have put up small houses across Barbados and anybody will tell you that the minute you go to look at a stone structure you have, before you start, to be talking in the region of \$90 per square foot.

Aside.

Mr. C. LeR. TROTMAN: One hundred dollars, I am being advised by those who are able to continually put down housing. I cannot deal with that, Sir, but I can only tell you that some time before it was costing in the area of \$80 or \$90 per square foot. When therefore, Mr. Speaker, you will recognise that we are not talking about one property, we are talking about at least three properties, we must have a concern and we must be very concerned at anybody who takes a position to look at this property and to believe that the people of Barbados should receive just over \$200,000 for it.

I have even a more fundamental problem, voiced by my colleague for Christ Church East Central. Why was it desirable to sell this property in the first place? One would think that a property of this sort, being Government property in the country if you please, salubrious climate if you please, Sir - my parliamentary representative has always advised me that the climate is very good, and I agree with him, Sir - a very salubrious climate, a climate which would induce anyone who was thinking of uses to which such a property could be put to do any of several things either healthwise, welfare wise, to deal with children or merely to keep it for the people of Barbados.

The point which was being made by my colleague for Christ Church East Central earlier was why would you want to take away from the people of Barbados a real piece of the pie? Not the icing, Mr. Speaker, the real real cake, right in the centre of the sugar belt of the country? 6.35 p.m.

Why would you want to do this and to give it to somebody else who does not want it? Are we still supposed today to believe in the credo that the rich will get richer and the poor will get children? I really do not understand it, Sir.

Aside.
Laughter.

Mr. C. LeR. TROTMAN: Mr. Speaker, when I say the poor will get children, I mean the poor will get nothing but children. The rich will get children, in addition to the other way.

Our concern, Sir, has to be that an area like the St. George Valley or that little housing area where we live, just past Buttals, that areas like the ones where we live are areas where one would want to keep for oneself. We therefore need to recognize, Sir, the difficulty which anybody would have in wanting to look at this, in the way that the previous administration looked at it I would not deny, Mr. Speaker, that because there is a concern for the continuous conscience of a Government that the Minister of Housing and Lands and indeed the Cabinet would, in the words of the Attorney-General, need to look at the legalistic problems which might exist. But I am not too sure when you add up the concerns whether our legalistic problems should be matters of major concern for us. It seems to me that it is not too late for a review of the position which, until now, has been taken in this matter.

It is clear to me, Mr. Speaker, that far too many people in Barbados, knowing the concerns which there are for land, knowing the use to which this land could be put in the interest of the people of Barbados and recognizing the disservice which would be done to the people of the country by that earlier arrangement who would not want any position, other than the one that we are suggesting, that a review is very much a concern that we should have.

I wish at this stage, Sir, in closing to indicate that that would be the area that I would believe would be in the better interest of all concerned.

Mr. D. A. C. SIMMONS: Mr. Speaker, I did not want to speak in this debate because I do not know anything about this particular property.

Aside.

Mr. D. A. C. SIMMONS: The one who said "or anything" will know, Sir, that the word brany is also very close to brandy and sometimes, the brandy can inspire brany to talk foolishness and to heckle, Sir. But I am not speaking about anybody in here at all, Sir.

Hon. B. M. TAITT: On a point of order, Sir. He is able to do it without even the assistance of the brandy.

Laughter.

Mr. D. A. C. SIMMONS: I just want to say, Sir, it seems to me that the Government has come with a Resolution which has found disfavour with its back bench and the tenor of the Opposition speeches, as far as I can glean, is that now that there is a serious area of concern as to the true value of the property. The Opposition is also having reservations about the passage of this piece of legislation.

I should like only to suggest, Sir, a procedural manoeuvre, if you like, and that is that I think the Minister

should have got the sense of the House on this matter. I do not believe that anybody would be seriously disadvantaged if further consideration of this matter is postponed, with a view to Government's looking at the solution that was offered by the Honourable Member for Christ Church East Central. Rethink it. Offer to pay out the man, whoever it is. I think that is a way that this matter could be handled. Niblock I think it is.

Hon. B. M. TAITT: Mr. Speaker, Sir, this Resolution is probably the most difficult Resolution that this Government has brought to the House since the inception of the Government some time in 1986. The Cabinet considered this matter on more than one occasion. We have postponed discussion and rediscussed this and to the credit of the Minister of Housing, his position has always been that which has been articulated by all of the Honourable Members who have spoken today.

Aside.

Hon. B. M. TAITT: On this side and on the other side. The Minister of Housing...

Aside.

Hon. B. M. TAITT: ... with the possible exception of the Leader of the Opposition - ... has had a tremendous * personal difficulty with this Resolution because, from within his conscience, he was unable to support it. But the legal advice which was properly given - one makes no criticism of any of the advice that was given - based on the decisions that had been made prior to our becoming the government required that the Government of the day support and honour in keeping with the method and the system of government which we adhere to, a decision and commitment that had been made by the predecessors in office. *

In the final analysis, on the advice of the legal authorities the matter was brought to the House of Assembly to get the sense of the House. After all, Sir, this is the only agency, this is the only body, this is the final body which determines these issues and one felt and the Cabinet accepted that the House of Assembly should, within the terms of the law have its opportunity to pronounce on the sale of Buttals. All of the arguments against the disposal of this property at the prices quoted and ^m in the circumstances articulated were considered. And finally, on the advice, since this is a government which believes in the rule of law, of the legal authorities, the Solicitor-General and the Attorney-General in respect to the law which applies to the disposal of this property in all the circumstances, the Cabinet decided that it must do its duty, notwithstanding any views which it might have.

It is important, in the rule of law, that a decision made by a government be honoured by a succeeding government.

Our system of government requires that that principle be steadfastly and studiously adhered to. It is important for the rule of law which is the only basis on which a civilised society, especially in a small community can function. But equally important is that when the representatives of the people speak and when the collective voice, the wisdom of the people, for, Sir, as you, sworn to uphold the dignity of this House will know better than any Honourable Member that the voice of the people is the voice of God, when the collective wisdom as articulated by this Honourable House is such that it requires a drastic decision, then this Government has absolutely no difficulty in hearing the voice of God as articulated through the voice of the Representatives which in the end are the collective voices of the people. 6.45 p.m.

It is clear that there is a number of areas connected with the sale of this property which trouble the conscience. We will seek not to condemn those who went before who must have had information which is not immediately apparent to any of us when they made the decision. We have had tremendous difficulty understanding the decision in the first place to remove the property from the ambit of the public sector and put it into the hands of the private sector. It was not a situation which was going to redound to the development of any particular area of life in the community. It would have been to the sale of the property for use by an individual and we seek not to condemn. We say only - the Honourable Members on this front bench say only - that we have not understood the transaction.

We do not know that this transaction differs from any other sale that has the same odorous connotations. If the identify and articulate other similar sales, we feel the same way about them even if we made the decision.

Hon. H. deB. FORDE: The Honourable Member said that he does not know why a sale of this nature takes place. You will recall, Sir, that Sir Anthony Eden was sold the property in St. John, a most substantial property, for something like in those days 15,000 pounds at the time under the Democratic Labour Party. I was reading the debate up to recently on this. In addition, you will recall as well under the Barbados Labour Party, and the Minister would remember this, a house at Pine Hill was sold to Mr. Andrew Gaskin.....

Aside.

Hon. H. deB. FORDE: Well, I am going to put it in the records because you wanted to know. No, it was not questioned by the Democratic Labour Party. In fact, I remember the Honourable Member for St. Michael South Central who said then when he was shadow Minister of Finance on behalf of the Democratic Labour Party that the

price was a good one at that time. It was just about this same time. Those are the two incidents that I remember in the House.

Hon. B. M. TAITT: Sir, I have been studiously avoiding any reference to any aspect of this matter which might bring opprobrium on the heads of anyone because we are discussing the principle. Since the Honourable Member is jerking my memory back to a couple of matters. Suffice it to say, Sir, that this will not be the first indication of apparent chicanery in the disposal of public property. If the Honourable Member is able to articulate and cite instances of properties that have been disposed of on behalf of the Government in circumstances which are questionable, that is all the more reason why we should take this particular point. Mine is not to identify previous experiences. Suffice it to say that when those matters came to the House of Assembly, we did not have the cacophony of views that have been expressed against this particular sale. If the Honourable Member wishes me as a person to recall a tumber of exigencies which are not on all fours with what I consider to be in the best interest of the public, I could happily do so but this is not the moment.

The point we are making is that this particular sale which is before this particular House at this particular time is unacceptable to these particular Honourable Members. It is conspicuously unacceptable in that there has been a joint agreement on all sides. My having spoken to indicate that the front bench has had difficulties with it, the Members of the back bench having spoken for themselves, and most Honourable Members on the other side having spoken for themselves saying that they find it unacceptable, the consensus is that this particular sale ought not to be proceeded with. It means that the Government must find a way to honour its commitment under the Constitution to the person who had legitimately won a right to take possession of this property. It means that, therefore, this Parliament will have to be called upon subsequently to find another mechanism to deal with this issue. It means that this particular property shall not pass from within the bounds of the Government for public purposes on to private purposes and that we will have to find a mechanism.

This Government is not a hard-headed Government that cannot hear. This Government is one that will respond whenever necessary to the reasonable protestation and/or advice of those persons whose duty it is to give advice and to offer protestation. I have been mandated to say that we shall seek to have further consideration of this matter postponed while we take it back to the drawing boards and seek with the assistance of the Attorney General to find a way to satisfy the legal responsibilities to the person who won the auction while satisfying the legitimate indicators from the Honourable Members that this property ought to be used for public purposes.

Applause.

Hon. B. M. TAITT: Mr. Speaker, we are much indebted to Honourable Members on both sides who have spoken because we have wrestled with this matter and the guiding principle which brought it before this House was the principle of continuity of Government. At one point we considered the political implications. Yes, we recognized that there was an opportunity which could be grasped for some political kudos by identifying what were perhaps possible infelicities on the part of the predecessors. In the final analysis, we determined as can be evidenced by the tone and manner in which the matter was introduced by the Honourable Minister of Housing that no good and sufficient purpose would be served in winning that particular battle. It would be no more than a skirmish since the major protagonist is not with us in the flesh and it might perhaps lead to an unnecessary destruction of the already dead.

Sir, we are going to seek the permission of this House that further consideration of this matter be postponed. We will come back to this House with what we consider after proper advice to be an equitable disposal of the constitutional responsibility which we would have to all those who would benefit from the sale that had been engaged in legitimately, that is to say the sale at auction. In the fullness of time, Sir, we shall come back to this Honourable House.

In the meantime, on behalf of the front bench, I wish to thank the Honourable Members on the back bench and the Honourable Members on the Opposition benches, all Honourable Members, for their guidance and for their sustenance in this matter and I think that whereas from time to time we are able to attack one another on this occasion, we also are able to glory in the fact that by our collective wisdom you have helped the front bench to reach what we consider to be an equitable decision. Thank you, Mr. Speaker.

Applause.

6.55 p.m.

Hon. P. M. GREAVES: Mr. Speaker, there is no need for me to elaborate further on this particular matter. I think the members who have spoken have spoken very feelingly and as they have felt on this matter. They have a lot of difficulty. Not only the Minister has difficulty, it came to Cabinet on three or four occasions, which indicates the Cabinet also had difficulty, and in the same way the House today had difficulty.

We felt that as a Government we would have to uphold the legal position, because we believe we have to do that at all times, always observe the legal position, and therefore we had to bring it here in the form in which it has been brought.

I am very grateful to Honourable Members for the way they have expressed themselves and assisted the

Government. I do not think there is any alternative but to move, as I now do, that further consideration of this matter be postponed.

Hon. B. M. TAITT: I beg to second that.

The question was put and resolved in the affirmative without division.

Order Nd. 4 - Resolution to Approve the Borrowing of the sum of U.S.\$25 million from Samuel Montagu Company Limited for the purpose of Assisting in the Capital Development Programme and Refinancing the Foreign Debt.

Rt Hon. L. E. SANDIFORD: Mr. Speaker, this Resolution is seeking the authority to borrow the sum of U.S. \$25 million from Samuel Montagu Company Limited to assist in financing the Capital Development Programme.

The position, Sir, is that after the 1989-90 Estimates of Revenue and Expenditure the fiscal position was as follows: Current Expenditure \$985.1 million, Current Revenue \$905.2 million with a Current Account deficit of \$79.9 million, Capital Expenditure \$220.7 million for an overall deficit of \$300.6 million. When this was adjusted to take account of the amortisation payments which were projected at \$143.5 million, Government's overall deficit or net financing requirement was \$157.1 million. The net result of the expenditure and revenue raising measures in the 1989 Financial Statement and Budgetary Proposals are aimed at reducing that overall deficit to \$120.8 million.

The position is that the policy on which the borrowing programme of the Government is based has been set out in the Financial Statement and Budgetary Proposals which I laid before this House in 1988, and those principles clearly set out the guidelines which we will follow and I do not need to repeat them at this stage, but they are set out in all clarity. We will make judicious use of the capital markets for the purpose of identifying funds in order to help with the Capital Development Programme, and that is the main purpose why we borrow the money. I have set it out in that particular document and if members wish to refresh their memories on that particular matter, it is there.

I indicated then that as far as possible foreign borrowings will be used to roll over any payments which we may have to make externally and also to meet the Capital Development Programme. I think those are sound principles, because we have to keep our borrowings within reasonable limits, and those are the principles which we have identified.

During this particular year the Central Bank has been given approval to raise \$70 million in Debentures and Treasury Certificates and \$10 million in Savings Bonds on the domestic market. While this, along with revenue raising

measures of the 1989 budgetary proposals, the improved collection of revenue and the control of expenditure, might achieve a better balance in Government finances, by themselves they will not remove the need for other borrowings.

Government's foreign amortisation is estimated to be \$129.7 million in 1989-90 and a substantial part of this will relate to the repayment of the first Japanese Yen bond loan in February of 1990. That will become due at that particular time. That was the first bullet, I believe, that was negotiated and that will come up for repayment in February of 1990.

Capital projects, we expect to be at \$56.6 million, but that in itself will depend on the pace at which the Capital Works Programme is executed and the foreign funds drawn down, as well as upon the timeliness of the submission of requests for reimbursements in that particular regard. 7.05 p.m.

Now the Government has received offers from Samuel Montagu & Company Ltd. which is a respected merchant in the City of London. The offer is as follows: The amount is US\$25 million. The term is for 7 years. The repayment in 9 equal semi-annual instalments commencing after approximately 3 years, I think we will seek to negotiate that, either 3 or 4 year grace period. The drawn down will be effected in a maximum of 2 instalments within 9 months of signature and any balance undrawn after 9 months would be cancelled. The rate of interest is LABOR plus 1.125% per annum. There is a commitment commission of 0.25% per annum calculated on a daily undrawn balance of issue with effect from the commencement of the fourth month after the signature. And then the issue arrangement and placement commission would be US\$250 000 payable upon signature. There is an agency fee of US\$1 000 per bank per annum with a maximum of US\$10 000 per annum. Those are the major terms of the proposal. We are proposing to act upon that offer from Samuel Montagu. There were other offers as well. We think that this represents the better proposal and we have decided to act upon this proposal. The reason why we are introducing this Resolution is to seek the authorization of that particular measure.

Now the Special Loans Act gives permission to borrow money from other sources, another government, bank, corporation, company and so on of a sum not exceeding \$500 million on such terms as may be agreed. Any money so borrowed under the authority of the Act must be appropriated and applied for such purposes as Parliament may approve by Resolution and any such money and interest payable thereon is charged upon the general revenues and assets of Barbados.

The Government having deemed it necessary to borrow US\$25 million from that particular company for the purpose of assisting the capital development programme, we are therefore asking this Honourable Chamber to

approve the borrowing of that sum of money from the Samuel Montagu Company Limited for the purposes indicated, that is, for assistance with the capital development programme.

Mr. Speaker, if there are any questions on this particular matter, I would be willing to give the answers.

Thank you.

I beg to move that this motion do now pass.

Hon. P. M. GREAVES: I beg to second that, Mr. Speaker, and I reserve my right to speak.

Mr. D. A. C. SIMMONS: Mr. Speaker, since the Prime Minister has emphasized more than once during his introduction that this is to be used for the capital development programme, I want the Prime Minister to identify each and every project in the capital programme for which this loan will be applied. First point. I do that, Sir, because this exercise is becoming an annual one.

Last year, at the end of the Budget Debate when everybody was tired and about to go, the Government slipped in a Resolution to borrow, I think it was \$160 million from the Japanese, late at night.

Hon. E. E. GREAVES: Mr. Speaker, on a point of order. I think it is improper to suggest, using the words, "slipped in" suggest that some underhand move, some sleight of hand on the part of the Government.

I should like to suggest, Sir, that we do things here in a proper manner and I am sure that you would not permit any slipping in of serious matters into this Chamber.

Mr. SPEAKER: I am sure the Honourable Member would....

Mr. D. A. C. SIMMONS: The Government brought that Resolution, Sir, at the very last....

Mr. SPEAKER: That is about the most you can say.

Mr. D. A. C. SIMMONS:... late at night,... Mr.

SPEAKER: That is about all.

Mr. D. A. C. SIMMONS:... when we were about to slip off home for a rest.

Laughter.

Mr. SPEAKER: I am certain not everybody. You may have been willing to slip, but I did not think the other Members were willing.

Mr. D. A. C. SIMMONS: I will say after. You cannot call names in here, you have to have documents.

There are people in this country who are undermining the system. I want to get that in everybody's head. There are people in this country who are selfish and greedy, and they do not look like you and me, but who manipulate the monetary system of this country and who have no interest, because for the most part they are statutory Barbadians with a piece of paper signed by a Minister 20 years ago or whatever. There are elements in this country who have no sense of patriotism, who will see it sink so long as they have their money overseas. I say there are some who have millions in Japan in banks, foreign U.S. dollars, which have left here and are sitting in banks in Japan.

Aside.

Mr. D. A. C. SIMMONS: I am not saying this in the record, I will speak to the Prime Minister personally if necessary, because I am hurt and concerned about what these people will do to my country. I am only 49, you know, I have a fair time still to bat and I want to bat in a country that I have known....

Rt. Hon. L. E. SANDIFORD: On a point of order. Mr. Speaker, the Member for St. Thomas holds a very important position in this country and he is a very responsible person most of the time. I listened to him very carefully, but he is making some very serious charges here on the Floor of the House which relate to the violation of the laws of Barbados, including the laws relating to banking, currency and other matters. They affect the financial and economic system and I am saying if he has that information with all the certainty with which he is articulating these matters, that is information which should be passed into the domain of those who are responsible for enforcing the laws of Barbados and I do hope that he will take the necessary steps in that particular regard.

That is all I would say at this stage.

Mr. D. A. C. SIMMONS: I want to say I will not shrink from my public responsibilities. Do you understand that? That is clear, because what is happening in this country is sinister and insidious. I do not feel comfortable saying that our foreign reserves have been depleted to minus \$7.8 million at July 5. No, Sir. I have to say it, but I know the consequences of that for Barbados and I am just asking the Prime Minister, the Attorney General and those who are sensitive to these things to keep their eyes open and their ears to the ground. I am not making sport here tonight, Sir. A parallel market is developing and you can buy I... Collars at \$2.50 in our Wall Street, which is now Swan Street. They trade in all kinds of illegalities in there.

Aside.

Mr. D. A. C. SIMMONS: Nobody can misunderstand me in this matter, Sir. I am not talking about the vendors, not the apple boys and the grape fellows. They are not in this. I identified my source, or the group. I said they do not look like any of us in here. I do not include the Honourable Member for St. John in that, Sir, but the rest of us. I am not speaking of the small man and Barbadians; they are not in it. There is a subculture in foreign exchange transactions running hip and thigh with the Central Bank but outdoing the Central Bank. 7.35p.m.

I must suggest, Sir, that the real direction of this loan is really to general purposes, because of the fact that the loan is being raised at a time when the Central Bank reserves are falling so dramatically, as I have said, Sir. I am looking forward to hearing from the Prime Minister the special projects or the capital projects that this money is going to be applied towards, Sir.

In relation to the \$80 million which was borrowed from Japan, the point I was making is that last year the Government borrowed the \$80 million from Japan which is being held and has been held ever since then - look in the Central Bank statistics for June and you will see, Sir - by Government in a special deposit for that purpose.

Asides.

Mr. D. A. C. SIMMONS: So where this It is there.

Aside.

Mr. D. A. C. SIMMONS: No, no, no. That is not drawn down into foreign reserves. That is in a special deposit account.

Aside.

Mr. D. A. C. SIMMONS: I now understand. They intend to tap that, Sir. Now you see, Sir. You see how it will come out. That money was borrowed for specifically the same purposes as this money tonight.

Aside.

Mr. D. A. C. SIMMONS: Capital and debt repayment. Debt financing.

Aside.

Mr. D. A. C. SIMMONS: We have to pay a lot of debt. And you put yourselves - this Government has borrowed far more in 3 years than the Labour Party borrowed in an equivalent time, Sir. And they are fast approaching what we borrowed over a 10 year period.

Aside.

Mr. D. A. C. SIMMONS: I am glad the Honourable Minister of Health says it is true. That Government....

Hon. B. M. TAITT: On a point of order, Sir. The only thing I could possibly have said that the Honourable Member could hear would have been that we are paying back their debts. We said this from way back down the road that they have bunched the moratorium. Now we have to pay this year, next year and the year after, the debts incurred by the Barbados Labour Party. So that is what we have to pay. The facts are clear.

Aside.

Hon. B. M. TAITT: Well it would have to be your debts we are paying. We have only been in 3 years, except for the bullet that he had.

Mr. D. A. C. SIMMONS: So the Honourable Member forgets that from 1986 they have been borrowing money for themselves, nothing to do with our debt, and having to repay it

I want to say this, Sir. The people of this country must not be misled about what the Labour Party borrowed. I will use the words of the Prime Minister himself in the Budget of 1988, Sir, page 21. The Prime Minister said:

"Conventional ratios used by international institutions to judge the burden of debt when applied to Barbados indicate that its foreign debt burden is considerably lower than that of many of other countries. We can therefore safely say that by international standards our debt service and debt to GDP ratios are not in the danger zone.. Our international obligations are within manageable limit"

What he was doing there is ruling out the question of debt as an issue between the Parties.

Hon. B. M. TAITT: On a point of order, Sir. The Honourable Member is definitely misleading the House. First he said that the Democratic Labour Party borrowed more money in the last 3 years. Then he went on to demonstrate, by reading from the Prime Minister and Minister of Finance's speech, that what he was saying is that whatever debt we had was within manageable proportions.

The facts are, Sir, that from the beginning of Barbados up until 1976 we had borrowed \$258 million. But from 1976-1986 the Barbados Labour Party carried the debt to one point something billion dollars! So he must not get confused when he is talking about debt. The Labour Party showed this country what debt can be.

Mr. D. A. C. SIMMONS: And we showed this country what debt could be used for. I challenge this

Government to tell this House, Sir, what they have done with \$600 million, well this would bring it to very nearly \$600 million....

Hon. B. M. TAITT: If he would give way, Sir.

Mr. D. A. C. SIMMONS: No, no, no.

Hon. B. M. TAITT: We have paid their debt.

Mr. D. A. C. SIMMONS: When you have a chance to speak, you would speak. In 3 years! What have they got to show for it by way of capital projects. We can show. The country can see. They have had the nerve to open the ABC Highway. They have had the nerve to refuse to go to the Central Bank Opening at its Official Opening and then - now this is slipping in, Sir - they slip in there and sneak in there ever so often when there is a show of interest to them, Sir. They look at that.

They can look at the Fishing Harbour. But I do not want to get on to that.

The record of what we did with the borrowing, Sir, is there. What I am concerned about is why this Government has been making borrowings every year, sometimes twice a year and we really cannot see with the naked eye, the reality of these borrowings in a concrete way. And I do not mean concrete, necessarily, in the sense of bricks and mortar structure.

I would be grateful to hear from the Government how it intends to apply this \$50 million tonight. As I say, I have a suspicion and a gut feeling that it is to be applied to prop up the foreign reserves of Barbados which are in deficit tonight.

And if Government is going to do that, come to the House and say, we have a foreign reserve problem and we need to borrow to prop it. But Government has got itself in a severe problem. If they had been doing capital projects, they would have got the inflows of those project funds in US dollars to prop up the foreign reserves. But they have not been doing any capital projects, apart from the arch. So that there is a slow down in....

Hon. B. M. TAITT: On a point of order, Sir, the Honourable Member cannot go on to mislead the House, Sir.

Aside.

Hon. B. M. TAITT: No, no. On a point of order, Sir. A couple of weeks ago, they were complaining about something called Sherbourne. I mean, they cannot now come and say something about some arch. What about the schools? You cannot do that If you are talking about

Sherbourne, you cannot now come and say, the only thing. That is yesterday's cakes.

Mr. D. A. C. SIMMONS: The Honourable Minister is right, Sir. I forgot Sherbourne. Do not let us bring the schools in this. These primary schools which are going up are the result of negotiations by the Barbados Labour Party. We conceived to centralize them and plan them and identified the money under the World Bank Project No. 2.

Aside.

Mr. D. A. C. SIMMONS: No less a person than Mr. Cameron Tudor.

Aside.

Mr. D. A. C. SIMMONS: Sorry. He was Senator Tudor, at the time, in the Other Place. No less a person....

Aside.

Mr. D. A. C. SIMMONS: All that was on the drawing board.

Asides.

Mr. D. A. C. SIMMONS: The only difference with Queen's College is that they chose the site. They wanted it at Husbands.

Aside.

Mr. D. A. C. SIMMONS: We had got the money. We got that money and you all spent it already. Because of a reckless import policy, that money that came in, Sir, has gone.

Laughter.

7.45 p.m.

All kinds of things, Sir. The Government for the past 3 years have been borrowing money and using it for day to day financing, Sir.

Hon. C. V. WALKER: On a point of order, Sir. I am sure the Honourable Member for St. Thomas is fully aware that you cannot borrow money under an agreement with the international organizations and draw down that money before the project. Drawing down the money is an ongoing process as the schools are being constructed.

Mr. D. A. C. SIMMONS: Sir, I never said that was in derogation of that principle. I never said a word, Sir. I never said a word that was in derogation of anything that was said. What I want to say about Sherbourne, Sir, which is a capital project of the Prime Minister's conceptualization is that Government had better keep a close eye on what is

happening at Sherbourne. Twenty-four containers of steel came into this country for the Sherbourne Project. Twenty-one have been used and three are there almost like in cellophane and people are planning to carry them away.

Laughter.

Mr. D. A. C. SIMMONS: Look at how they are laughing.

Hon. B. M. TAITT: On a point of order, Sir. The Honourable Member practices a profession which allows him not to disclose any information he has. I do not think that he gets clients in advance. It is clear, Sir, that if he has knowledge that people are conspiring to steal three containers of steel, he ceases to be in his professional capacity and becomes a vital witness in this transaction. If he is giving us new information....

Laughter.

Mr. D. A. C. SIMMONS: I always thought he was going to say party to such criminals. Sir, that sounds like a joke. Oily yesterday I was asked to draw it to the Prime Minister's attention that there are these three containers of steel there and people have been heard to be talking about what they are going to do and how they are going to carry them away. Twenty-four came in and they used twenty-one and there are three there untouched. I am only giving the Government the benefit of my information.

I am not dealing with Sherbourne tonight, Sir. I am trying to stick to the Resolution, Sir, in so far as there is a foreign exchange problem. I also wish to draw to Government's attention that I am sure the general public at large will be saying to themselves "another \$50 million being borrowed" by a Government which prior to May 1986 professed that it would have no need to borrow. It would be such an excellent manager of our affairs that it would have no need to borrow. All we have witnessed is a breach of that promise in that every year this Government is borrowing, borrowing, and borrowing, Sir.

Aside.

Mr. D. A. C. SIMMONS: You did not learn it from the Labour Party. It is wicked to say that you learned it from the Labour Party or you did not know. If you did not know, it was your own negligence because all the information upon which one could formulate a policy is contained in the Central Bank's documents. Anybody who uses them intelligently, and they had people in their party who could use them intelligently, could find what was the state of the foreign reserves, state of the balance of trade, and so on. All the figures are there. You could construct and formulate a policy on the basis of informed opinion having had a substratum of fact presented to you through the Central Bank's document.

Aside.

Mr. D. A. C. SIMMONS: ... The people in the party. The one person in that party when they were in Opposition who could understand and interpret those documents had to leave and form his own party. I am talking about the present Leader of the Opposition.

Hon. B. M. TAITT: On a point of order, Sir. I recall distinctly that Honourable Member saying when the now Leader of the Opposition was over here that if there is one person in Barbados who does not understand what he reads about the Central Bank is the Honourable Member as he then was the Honourable Member for St. Michael South Central. I was waiting for him, Sir. He has said that on more than one occasion, Sir.

Mr. D. A. C. SIMMONS: That intervention reminds me of an intervention between Mr. Cameron Tudor and Mr. Tom Adams on one occasion, Sir, when they were discussing the date of a war and Mr. Tudor proffered that the battle was - let us say, Sir, for the sake of this argument - in 1789 straight out of the top of here and not related to anything in fact. You could not even find it in a big person's book, a book that big people would read according to the late Mr. Barrow. Mr. Adams got up and said, "Your Honour, I really must draw to the House's attention that the Honourable Member for St. Lucy is wrong on his dates. It was not 1789, it was 1753." The significant point about that, Sir, is that both of them were lying.

Laughter.

Mr. D. A. C. SIMMONS: Neither one knew who was telling the truth and could come back. In this one, Sir....

Hon. B. M. TAITT: On a point of order, Sir. The analogy which the Honourable Member draws is clearly that he is seeking to establish that these two Honourable Members are lying. Since I know that I am not lying, Sir, I accept that he does not know what he is saying. This is the first time I have ever heard him say that he is lying fully but I accept it, Sir.

Mr. D. A. C. SIMMONS: Sir, I was about to say before I was rudely interrupted, not that you allow rudeness but the difference is that I never made any assertion in this House about the now Leader of the Opposition's competence in understanding the Central Bank's documents or interpreting them. I may have asserted not in here, certainly outside, that he was misleading the public and in that regard I got confirmation yesterday from the very Minister of Health who said that when it comes to misleading - the present Leader of the Opposition - he has no peer whatever....

Aside.

Mr. D. A. C. SIMMONS: He stands by that. I got him, Sir. He stands by that.

I think, Sir, that it is time that the Government levels with the country and let us know when the borrowing is going to come to an end. All this borrowing, Sir, must come to an end. They promised us that they would not borrow. If I could get to the Budget Debate of 1986, the reply by the spokesman for Finance for the then Opposition was given in this House of Assembly cheers and prolonged cheers when he sat down, led by the present Prime Minister who used to sit there. All of that has come to pass. The deception, lies and propaganda will come out at some stage.

Hon. B. M. TAITT: Sir, on a point of order. I think it should be struck from the record, Sir. I am sure he does not mean to say that in this House that either the Leader of the Opposition then whilst he sat as Minister of Finance or anybody had anything to do with deception, lies, and propaganda.

Mr. D. A. C. SIMMONS: Sir, I withdraw the imputation against any of the Members presently in this House of Assembly. I do not withdraw the implication against the Democratic Labour Party that large entity. I do not withdraw the implication, Sir, because the public was led to believe that there would be a reduction in the tax burden. We have proven that there has been an increase. The Prime Minister himself has been forced by the sheer weight of statistics to admit this year in his Budget that the tax effort of his Government is now 31.1% of GDP as compared with 24.75% of the previous year.

Hon. B. M. TAITT: On a point of order, Sir. I do not like interrupting the Member as he is coming to the end of his speech.

Mr. D. A. C. SIMMONS: You love that Branford. 7.55 p.m.

Hon. B. M. TAITT: On a point of order, Sir. I do not like interrupting the Honourable Member as he is coming to the end of his speech, but I recall vividly that when the then Minister of Finance, who is now Leader of the Opposition, was going off to Japan on his first loan, when he came to the House when we were sitting up in the Other Place, the former Minister of Finance, the late Right Honourable Member for St. John, stood on the floor of the House and said he did not understand why the Minister was going off to Japan to borrow money. The Honourable Member should remember therefore that the present Leader of the Opposition could not have articulated what he is accusing him of articulating. The present Leader was a borrower. The Democratic Labour Party is trying to stop him from borrowing, but he was on his way to Japan, if you will recall, and the then Right Honourable Member from the Floor of the House got up, in the strangest method possible, because it was contrary to popular methodology, and said

that he was not in favour of the Minister of Finance going to Japan to borrow any money.

Mr. D. A. C. SIMMONS: Sir, I am grateful to the Honourable Minister for that....

Mr. SPEAKER: For that speech.

Mr. D. A. C. SIMMONS: That is very, very true. I remember it well, Sir. Sir?

Mr. SPEAKER: I said for that speech.

Mr. D. A. C. SIMMONS: Yes, Sir, but you allowed him. I think that was June 22, 1986, a very significant day. It was the day that the Governor of the Central Bank was stripped of his clothes by former Prime Minister Barrow on the debate concerning the Arawak Cement Plant. I remember it very well, Sir, but I was not taken in by what Mr. Barrow was saying, that was for me what you call in Trinidad a grand charge. He was pretending that they did not want the money, but they really wanted it. He had so much power as Prime Minister that if he had countermanded the then Minister of Finance going to Japan, that would have been it. He told each one of them not to go to the Opening of the Central Bank and each one of them put their tails between their legs and stayed home and watched the Opening on television.

Hon. B. M. TAITT: On a point of order, Sir. He may have to advise people already for these phrases of putting tails between their legs. The Honourable Members on this side had campaigned across the length and breadth of this country, including all four of the Honourable Members on that part of that side, Sir, that they were not going to the Central Bank, that we could have built 1200 houses, that it was a waste of money, we had campaigned. It was not necessary for anybody to instruct us not to go. I think the Honourable Member is doing himself a disservice when he suggests that, because I have heard him on another tack of that argument. Let us take the opprobrium for not having gone, but do not let him say we were instructed not to go. The four Honourable Members over there would be the first to tell him that they had no instructions in that matter.

Mr. R. P. BYER: On a point of order. I would also like to add that up until this day, apart from going to the Central Bank Foreign Exchange, I have never set foot in that building.

Mr. D. A. C. SIMMONS: Sir, I applaud the Honourable Member for St. George South. The way the former Prime Minister, Mr. Barrow, ruled his party and his Cabinet, I have no reason to withdraw. I did not say anything offensive. He ruled them with an iron fist.

Hon. B. M. TAITT: On a point of order, Sir. He is free to say of the late gentleman that he ruled with an iron fist.

He is free to say that, but he is not free to say that these Honourable Members with tails between their legs were instructed not to attend a function. I say that is an affront to the Honourable Members and I ask the Honourable Member to withdraw it. I was not so instructed, I ask him to withdraw it in relation to me. I did not go as a matter of conscience.

Mr. P. J. M. MILLER: For my part, my objection to the Central Bank building was on a point of principle. I still hold that position. Whether I go into the Central Bank building now as a building where business has to be transacted, I have no choice than to go in there. If the office I need to do business with is in there, I cannot stand up outside and ask somebody to throw it out the window for me.

Mr. D. A. C. SIMMONS: Sir, my friends on the other side are very touched, and in that regard if I have caused offence I withdraw any implications and allegations that may have offended them.

Talking about the Central Bank was leading me to another matter of which again I have evidence, but I want to be fair. There is something happening at the Central Bank that never happened as recently as last year. There are a number of attorneys in here and I think I can say that it is the experience of all of us that applications for permission on Form FC to send funds to clients overseas are being held up for what we think is an inordinately long time, two, three, weeks and weeks, six weeks. Prior to the new experience you could have applied and expect to receive a permission in three weeks.

I say I want to be fair. I am not going to make the allegation without putting the other side. I took it upon myself to call one of the officers in the Exchange Control Authority to draw to their attention that the lawyers were complaining, and I called names to the person, about these excessive delays in having applications processed. I had a client in England - not even a client, I am an Executor under a Will with the Deputy Prime Minister of a deceased person - this person is a beneficiary. We sold a property and we were trying to send her the equivalent of Bds. \$37,000 or \$39,000, which would be like 10,000 pounds or just above. In the meantime, while she has been waiting for weeks to receive this her husband has had a heart attack and there is nobody earning anything. She could have done with the money and she is in a terrible state.

I called to ask why that application was taking so long. All the documents, property transfer tax receipt and all that, had been sent. I was given no proper explanation for the excessive delay. I was told that sometimes they cannot read the signatures on the FC form, which should really be no excuse, because in the left hand side of the form there is Name of Applicant, and I would have thought that most people print or have typed in the name of the

applicant, and then when it says Signature of Applicant you sign. Name of Beneficiary on one side, Name of Applicant on the other. I must say, Sir, rightly or wrongly, the impression that the profession has had for the past few months, certainly since about March, is that Government is strapped for foreign exchange and is not granting permissions with the alacrity that it used to.

All of this ties in with the present problems in Government's foreign exchange. Last year the new Governor was moved to make a statement for the public benefit to the effect that he was putting in place certain mechanisms to have a more speedy dispensation of these applications, because there was a time last year when we were finding a similar problem, and he did say that certain things were being done to ensure that applications would be handled with rather more expedition than they were formerly. I fear that we have reverted to the position that affected us last year.

I think, Sir, that I have spoken enough on this Resolution and I really would like to hear from the Prime Minister if the figures I have given about the state of the foreign reserves are incorrect, untrue, false or if we do not have a problem. 8.05 p.m.

We want some straight talk. The Prime Minister has always been straightforward when he has had the facts, Sir, and without seeking to create any disequilibrium, I think we deserve to have the truth because we have certain information, there are other external indicia pointing to a state of affairs of a certain kind. I think it resides in the Prime Minister's breast to tell us we have some sensitive circumstances to deal with. We will understand him.

I am obliged to you, Sir.

Applause.

Hon. H. deB. FORDE: It seems as though no other Member of the Government Bench, other than the Prime Minister wishes to speak, Sir. Therefore we have to follow by two Opposition Members rather than the flow of debate.

But, Sir, I was concerned with this Resolution when the Notice from the Cabinet dated the 27th July, 1989 came to my attention. It was received by me on the 28th July, 1989 and the Leader of the House indicated that there were several, measures which he would wish the House to deal with on the Meeting which commenced yesterday. And Number 3 on the measures to be given notice of under Order 22.1 (b) of the Standing Orders of the House says this: .

"Resolution to approve the borrowing of the sum of US\$25 million from Samuel Montagu Company

Limited, for the purpose of assisting in the capital development programme and"

these words:

"maintaining an acceptable level of foreign reserves."

Now those words were scratched through and initialled:

"refinancing the foreign debt."

I read the words in because, in my view, words like those are not lightly written, unless part of the paper that went before the Minister and certainly reached Cabinet in which full disclosure is made, included those particular words. I was satisfied, from the Notice, that the Government was obviously concerned that the present level of foreign reserves in Barbados was less than was normal at this time of the year and was less than was acceptable to Barbados at this time or at any other time.

I can understand the reason why the Resolution was drawn through and a change made for "refinancing the foreign debt". It is not normal for a government too easily to disclose, because of the financial implications, these matters. The Shadow Minister of Finance on our side regrettably has to be out of the island at this time and the Leader of the Opposition indicated to me that he too had to leave early this afternoon and that is why neither of the two principal spokesmen on the Opposition side is here to speak on the matter. But you can be well assured, Sir, that the Honourable Member for St. Thomas has spoken very well and very accurately.

Mr. SPEAKER: Now, could the Honourable Member just hold a minute.

Mr. SPEAKER left the Chair and Mr. DEPUTY SPEAKER took the Chair.

Mr. DEPUTY SPEAKER: The Honourable Member may continue.

Hon. H. deB. FORDE: Yes, Mr. Deputy Speaker, Sir, the Honourable Member for St. Thomas has spoken well in this matter and I intend to speak with a certain amount of reserve. I do so because in the last resort, despite the political rivalry that exists in this country, I am conscious of the fact that we still have to be careful about the signals which are sent. And although, perhaps, I should come in with the same political venom that I sometimes see had been waged against the Barbados Labour Party, I do not intend to do so now. But I am concerned that the level of reserves are not what one would expect

Now, Sir, foreign reserves for Barbados normally peak in June. When I look at the recent issue of the Central

earnings from foreign exchange gets skewed - and it was not skewed when we left Government, we have the Prime Minister's word on that - we would be in great danger of setting long term trends in the economy that can be equally more disastrous.

The other alternative would be to go for compensatory financing of some sort or other.

I reckon, Sir, that there has not been much movement on the Capital Goods Account and it seems, to me that the problem is the problem of consumer and intermediate goods. I am not going to even begin to suggest what are the appropriate measures one should take in circumstances such as these.

Mr. Deputy Speaker, a lot of play is made about tremendous borrowing by the Barbados Labour Party Government and I must now answer the political point that is frequently made by one or two Honourable Members on the other side.

When we left Government - and I am using the June 1986 statistics of the Central Bank - the Government debt was \$1,155 million. We had taken over the debt in 1976 at \$241 million and there was an increase of \$914 million over the ten years, or an average of \$91 million. However, let me say that what we have had between June 1986 and March 1989 - and I have not got a more recent statistic - is that the debt had moved from \$1.15 billion to \$1.579 billion, an increase of \$424 million, in less than three years, or an annual increase of over \$150 million. That is the analysis.

Every time I hear the Democratic Labour Party talk about how we borrowed, and borrowed and borrowed, and that they do not borrow, and I analyse not emotion now, because a lot in this country now has come to impressions rather than hard analysis, what I am saying is that when I analyse it the Democratic Labour Party is borrowing at a higher rate. We borrowed at an average annual rate of \$91 million, they are borrowing at a rate of \$150 million annually, more than we have borrowed.

I want too to look at the debt profile, because we hear a lot about the debt profile and I have the debt profile. If I analyse some of the things for which we borrowed, you will see, Sir, that they were almost always developmental. I cannot go through them all now, but if I start, for instance, with CIDA, our CIDA loans were made for dairy, sugar cane, airport, water, petroleum, traffic equipment. Our CDB loans were made for the development of the petroleum industry, Springhall, Speightstown, one was basic human needs, the Urban Development Project that has helped so much with agriculture, Heywoods, in the industrial estates and the industrial sector which also contributed to the airport rehabilitation scheme. Loans from the Inter-American Development Bank have been for a road, for the export industry, for education. Our loans from the CDB

have been for the Community College, the Port, the Samuel Jackman Prescod Polytechnic, Students' Loan Revolving Fund, for the sewerage scheme in the Bridgetown area, for port and fishing. Our loans from OPEC have been used mostly for basic human needs, from my memory of it, and we have borrowed commercially from Lloyds Bank, Natwest, Barclays I believe, and I see that those were designated loans for helping with the "Capital Works Programme.

Usually we had problems from the Inter-American Development Bank by their trying to put Barbados under graduation.

Mr. DEPUTY SPEAKER: The Honourable Member has two more minutes.

Hon. H. deB. FORDE: I want to characterise that those loans can be seen, and obviously one has to look at the loans to see how they are used and for what purpose they were being used. I call that responsible borrowing, Sir, and I have always contended that future generations cannot expect to get the whole patrimony and legacy without carrying some of the obligations of the present generation. I believe that the Barbados Labour Party has used the national debt in a correct manner by and large, and when you look at the debt profile I am satisfied, as one of the people in public life today having to make decisions, that the debt we left the Government was a serviceable debt within the export earning capabilities of Barbados at that time. 8.35 p.m.

I am not persuaded, Sir, by the rhetoric. I do not feel I have anything to defend from the Labour Party's position in here.

What I want to know is whether the Government has been properly managing and looking at its foreign reserves position and what is the proper explanation for the sudden drop in the country's foreign reserves?

And in the last seconds you will allow me, I leave this to the Prime Minister, the Prime Minister must consider carefully the statement that I made in the Budgetary presentation that the shift to indirect taxation in itself can also in the long run have a ricocheting effect back on your balance of payments because it can manifest itself in consumer spending and intermediate goods spending. And when you really think that you have a real boom, what you have is a sudden burst, and at the end of the day, you have an economic balloon which can be easily punctured.

I must warn the Government, Sir, the position is quite bad in our foreign reserves. I hope that we would show the necessary economic leadership that is required at this time and that the Government would bring in the measures, such measures as are required without detriment to economic

development or to those at the lower end of the ladder to ensure that this country remains on the right course.

I am much indebted to you, Sir.

Mr. DEPUTY SPEAKER: The Right Honourable Prime Minister.

Rt. Hon. L. E. SANDIFORD: Mr. Deputy Speaker, if I may respond to the points raised during this Debate. I am normally frank in these matters and I speak, according to the information that is available and that is disclosable.

Let me first of all say that this particular loan that we are discussing is not directly related, certainly in its conception, with any perceived problems in the area of the foreign reserves. The loan, as has been indicated, is in respect of the capital works programme, the development programme, and it is not in respect of any specific project. It is spread over the whole capital works programme and the development programme, as the documentation indicates. It is also for the refinancing of elements of the foreign debt. That is what the purpose of the loan relates to.

I will admit, and the statistics are there, they are public statistics, that there has been some pressure on the foreign reserves. I do not wish to go into any details, further details upon that. There has been some pressure on the foreign reserves. And, Sir, I think the Leader of the Minority Opposition has identified at least one factor which would be part of an explanation for the pressure on the foreign exchange. If we receive a certain amount from the proceeds of the sale of sugar and there is a decline in the output of sugar, unless there is some substantial increase in the price of the sugar to offset the decline in production, then there will be a fall in the receipts from sugar. The amounts we may argue about but there is a fact that this would feed into the particular problem.

What I would wish to say is that I am studying that particular matter very carefully and very closely. I am studying that matter of the pressure on the foreign reserves very carefully and very closely and when I have been able to come to a conclusion in respect of the component causation, then I would take the necessary steps in that particular regard.

I have listened to the Member for St. Thomas carefully, as I said earlier and I will seek to examine the points *hat he is putting forward to see if there are any contributing factors in his particular revelations.

I can only say that we have the Laws on the Statute Books and we expect that all concerned will comply with those Laws. I will certainly be looking at that particular area and speaking with the competent authorities in respect of that.

I do not think we need to go into any long Debate at this particular time on that matter. I have taken note. I have said that there is a problem. Problems occur in various aspects of the economy. But in terms of our public finances, I think the Member for St. Thomas acknowledged this, that those are in a....

Aside.

RL Hon. L. E. SANDIFORD: Who?

Aside.

Rt. Hon. L. E. SANDIFORD: reasonable state at this time. As we seek to generate economic activity, as we seek to give concessions to the productive sector, this will lead to the importation of intermediate goods to help in that development. There are going to be imports. In this case, there may be imports in relation to capital goods. I do not think, at this stage, from the information available to me, that there are any undue expenditures, as far as consumption expenditures are concerned. And so, we have to watch this and to watch the trade off between these different components.

Aside.

Rt. Hon. L. E. SANDIFORD: Yes. But the increase in that particular area is only about 3% or thereabouts. It is not very significant to say that the pressure is consumption fuel. 8.45 p.m.

That information is not clear from the statistics available. That is why I am saying that we are examining that particular situation and I have it under review.

As far as the debt is concerned, that is the stock and trade of political debate and discussion. If you lost the debate on the national debt and you were not able to project a convincing explanation of the increase in the national debt at that time, you paid for it at the polls and rightly so. We will certainly ensure that we spell out the reasons for our borrowings and largely, as I indicated, I am sorry.....

Mr. D. A. C. SIMMONS: I just wish the Prime Minister to know that the Barbados Labour Party will ensure that, in the matter of the debt, the DLP pays the proper price.

Aside.

Rt. Hon. L. E. SANDIFORD: It has become necessary because the Leader of the minority Opposition has referred to this question in some detail of the national debt. I said it was not necessary for me to spell it out. For purposes of the record, let me quote, Sir, from the Financial Statement and Budgetary Proposals, April 28, 1988 at page 22. They say or claim that these things have not been set out. I set out quite

clearly what would be the basis on which I would be conducting and managing the public finances and they are set out there, Sir. I will resist the temptation. I do not think that I will read it. The Members are appealing that they want to go and we have another matter to deal with.

Let me say that I do not think that we have been alarmists in our statements. Just for purposes of the record, let me state that I do not have any information here to confirm any statistics given by the Member for St. Thomas. He was excluding a lot of things. While - it may be appropriate or you might consider it tactical from a particular point of view to exclude the clearing facility, we have to take into account however that we do have the proceeds of a Yen bond issue. We have that. We are not doing anything by chance and do not take me for granted. We have those set aside and we also have some U.S.\$30 million in sinking funds.

Aside.

Rt. Hon. L. E. SANDIFORD: I would not like any impression to be given that we cannot pay for our imports or anything like that. There is a problem and we are examining that pressure. We will seek to bring that problem under control. I think those were the main matters raised during this particular item, Sir, and I thank two Honourable Members for their contribution.

Hon. P. M. GREAVES: I beg to second that.

The question that this Resolution do now pass was put and resolved in the affirmative without division.

CIVIL ESTABLISHMENT (GENERAL) (AMENDMENT) (NO.2) ORDER, 1989

Order No. 20 was called - To move the passing of a Resolution to approve the Civil Establishment (General) (Amendment) (No.2) Order, 1989.

Rt. Hon. L. E. SANDIFORD: Mr. Deputy Speaker, we are seeking to reduce the number of temporary posts that exist in the Public Service. A number of posts have been provided on a temporary basis and time has indicated that those posts are required on a permanent basis. We are seeking to reduce also the number of persons who might be in such temporary posts. This Civil Establishment (General) (Amendment) (No. 2) Order for 1989 is being introduced consequent upon those objectives.

This Civil Establishment (General) (Amendment) (No. 2) Order seeks to establish some 46 temporary posts which were in existence for a number of years. The opportunity was also being taken to make a number of other adjustments in the various Ministries and Departments. This is necessary because of changes in ministerial responsibility, redesignations, restructuring of Departments,

abolition of posts, and regrading. I do not propose to go into much detail on this matter. It is part of the process of dealing with these matters. From time to time we come with the Order and I can only say that, if there is any information which Members may wish in respect of the Order, I will be happy to provide the answers now or at a later date.

I therefore beg, Mr. Deputy Speaker, to move that this Resolution do now pass.

Hon. P. M. GREAVES: Mr. Deputy Speaker, I second the motion and reserve my right to speak, Sir.

Mr. DEPUTY SPEAKER: The Honourable Member for St. Thomas.

Mr. D. A. C. SIMMONS: I think we all agree that we have had two pretty hard days and we are not going to filibuster or prolong the debate. This Resolution could go on for another day, Sir. Every Government Department included would be involved. I wish just to draw one thing to the Prime Minister's attention. The Government parades and proclaims itself as being a caring Government. I have come across some distressing cases and one in particular where a female officer in Government started in December 1978 and allegedly became permanent. I said allegedly because the documentation is not very clear. She became permanent on May 1, 1979. Her name appears in "this" which I have always been led to believe is a record of the permanent appointees.

Mr. DEPUTY SPEAKER: You just said appeared in "this". Could you state what document?

Mr. D. A. C. SIMMONS: It is called the Staff List, formerly the Civil List. The latest one that I have is 1987.1 have it marked in red ink. I have her name underlined in red ink, page 112. 8.55 p.m.

This person has, after almost ten years working in the Public Service, been terminated on five days' notice without any compensation beyond the payment of the salary for July last.

Aside.

Mr. D. A. C. SIMMONS: From the Prime Minister's constituency. In 1987 she was in the Prime Minister's Office under Central Purchasing. Barbados service began on 9th May, 1979. I think she has had one or two problems with sinusitis or allergies and a recommendation was made to the Governor General. I really do not think that somebody who has worked for nine or ten years should have been summarily dismissed like that.

Aside.

Mr. D. A. C. SIMMONS: I say those are the facts, added to which there seemed to be a physical problem she had with an allergy or sinusitis, which many of us have. Today while the leader of the party and myself were having lunch in a restaurant in Spry Street there was a man there who was complaining of a very similar matter after 14 years.

Aside.

Mr. D. A. C. SIMMONS: No, we have been in it and we are not blaming the politicians. I am not unreasonable to attribute everything to wicked, uncaring politicians. What I am saying is that you preside over systems and I would hope that as a matter of policy Government is able to get it through to various Departments that one should bring an attitude of humaneness.

Let me give you an example. In this same Budget Speech 1988 the Prime Minister made a statement which I think the discerning would applaud. He said that they hoped to improve the efficiency of collections in the tax department and so on and people owing arrears, but they were not going to hound down people and they would approach the problem of collection of arrears with humaneness. I say that the discerning who heard or read would appreciate the sincerity in that and the policy that he was obviously sending a message to the building across here as to how to deal with people. They owe arrears, but you know that a man has ongoing commitments, so you are not going to come for the head and belly. What I am submitting is that in this area perhaps the hand of gentleness, understanding, caring and humaneness should operate.

I will write about it. It has come to me recently.

The question that the Resolution do now pass was put and resolved in the affirmative without division.

QUESTION TIME

Hon. P. M. GREAVES: I move that Question Time be now taken, Sir.

Mr. DEPUTY SPEAKER: It is now Question Time. Question No. 94.

Mr. D. A. C. SIMMONS: Mr. Deputy Speaker, Question No. 94 reads as follows:

To ask the Minister of Housing and Lands

- (1) Is the Minister aware that the Hilton Hotel is in a state of disrepair and that the same leaks very badly to the discomfort and inconvenience of guests, most recently between October 4 and October 14, 1988?

- (2) If the Minister is so aware, will the Minister state what are Government's plans, if any, for remedial work?

Hon. H. A. BLACKMAN: Mr. Speaker, the Reply to Parliamentary Question No. 94 asked by the Honourable Member is as follows:

"Sections of the roof of the Hilton Hotel needed repairs and remedial work was carried out by the Barbados Tourism Investment Corporation which has responsibility for the hotel."

Mr. DEPUTY SPEAKER: Any supplementaries? That is the end of Question Time.

STATEMENTS BY MINISTERS

Mr. DEPUTY SPEAKER: We now revert to Statements by Ministers.

STATEMENT ON SUBDIVISION OF PLANTATION LAND DURING JUNE 1986 - AUGUST 1989

Hon. H. A. BLACKMAN: Recently, Mr. Speaker, the question of the subdivision of plantation lands has been in the news. An effort was made to link the name of a particular firm with these subdivisions. Indeed it was being spread abroad that once this particular firm had applied for a subdivision, it was bound to be approved.

2. Further, Mr. Speaker, it was stated in this Honourable House on Tuesday, 18th July, that an application having been refused by the Chief Town Planner and by me as Minister of Housing and Lands, was approved by the Minister of Agriculture. The speaker, the Leader of the Barbados Labour Party who was a previous Minister for town planning, knows very well that that situation cannot arise since the files are sent to the Ministry of Agriculture first. If the Minister or Ministry of Agriculture approves or refuses an application, that is done before the Minister or the Ministry responsible for town planning who has the final say.

3. Since June 1986 there have been 60 applications for the subdivision of plantation lands dealt with by the Ministry of Housing and Lands. The main agents on these applications were Richard Gill, Franklin & Franklin, Michael Hutchinson and Godson Associates. The breakdown is as follows:

Richard Gill Franklin & Franklin	15 applications	15 approved
	10 applications	7 approved
		3 refused
Michael Hutchinson	4 applications	4 approved
Godson Associates	3 applications	2 approved

4. It is instructive to note that of the seven applications made by Franklin & Franklin which were approved, four of them were agricultural subdivisions which were non-contentious, meaning approved by the Chief Agricultural Officer and the Chief Town Planner. 9.05 p.m.

I have already explained in this Honourable House that the other application was approved by me because of the large number of requests by residents of St. John for land in workable acreage.

From the above it is seen that:

^M1) The allegation that a firm with which the present Minister of Agriculture was formerly associated has an advantage is totally false. In fact, the opposite is true.

2) The allegation by the Leader of the Barbados Labour Party that the Minister of Agriculture approved or approves applications after the Minister responsible for Town Planning is false and cannot occur because of the way the system works which is well known to the Honourable Member, since he previously held the portfolio for Town Planning matters."

Thank you, Mr. Deputy Speaker.

Applause.

Hon. H. deB. FORDE: Mr. Deputy Speaker, Sir, on a point of privilege. The Minister has just stated that I said that the Minister of Agriculture approved it, after he had approved it and dealt with the matter. That was not my statement, Sir. He must not misrepresent my statements.

Hon. B. M. TAITT: Mr. Speaker, on the point of privilege, Sir. One Ezra Alleyne....

Mr. DEPUTY SPEAKER: Now just one moment. We are seeking to avoid....

Asides.

Hon. B. M. TAITT: I am speaking on the point of privilege. I think the Honourable Member was correct. In a point of privilege he can get up and say he did not say something. That is all he did. I was speaking on that point of privilege, Sir. I crave your indulgence to assist this Honourable House and Your Honour.

One Ezra Alleyne writing in the *Nation* newspaper in a column that is widely, according to the same Mr. Alleyne, read...

Mr. DEPUTY SPEAKER: I take it that you are following your notes.

Hon. B. M. TAITT: I beg your pardon?

Mr. DEPUTY SPEAKER: You are following your notes.

Aside.

Hon. B. M. TAITT: He said in a column written on Monday, July 24, "OF PUBLIC INTEREST" in The NATION in the Editorial Page "You must act, Mr. Prime Minister", and I quote:

"Mr. Forde alleged that in all of the successful applications for sub-division of plantations in the prime agricultural belt, a firm of land surveyors with which Mr. Franklin had been associated before he became a Minister had been the surveyor and at times the agent of the applicant."

Later on he went on to say:

"Mr. Forde's allegations went even further. He referred to one application in which he alleged that the officials of the Ministry and the Minister of Lands had refused permission to subdivide but that the Minister of Agriculture had written "I approve" on the file."

He went on to say, Sir

"These allegations, if true, leave one with an uncomfortable feeling."

And he went on further. Bear with me, Sir:

"It seems to me"

he went on:

"that on the basis of the content of Mr. Forde's speech, there can be no closing of the ranks behind Mr. Franklin on the issue of the permissions."

In that article, Sir, he indicated that Mr. Forde - Here is what he said, Sir. And I am quoting again:

"A detailed statement should then be made to Parliament, at which time, if the allegations are true, the Prime Minister should announce whatever action he thinks fit to deal with the matter.

If the allegations prove unfounded, then of course, Mr. Forde would stand condemned before the bar of public opinion."

Sir, in those circumstances, I think the Honourable Member was right, on a point of privilege. But it draws to our attention how important it is that persons of a certain level of quality in the community, when they are writing, should make sure that what they write is accurate and if what they write is not accurate, the harm that can be done to the body politic is fundamental, as has been the case in this instance. Because the person writing this article said that Mr. Forde is not a person who speaks unless he has his facts. It says, and I quote:

"His reputation for speaking from a "factual" basis is well known, the "Diplomatic Dope" incident being a case in point

Mr. Forde's speech, as reported in last Thursday's NATION, raises matters which are serious enough to warrant the close consideration of the Prime Minister, and the "air needs to be cleared" on the allegation that the Minister of Agriculture found himself in a position in which there was a possible conflict of interest."

This matter is not a light one. It is one that has been taken by the press and a serious person.

Hon. H. deB. FORDE: Mr. Deputy Speaker, the Honourable Member spoke on a point of privilege and I am speaking on that point of privilege, Sir.

Let me make quite clear to this House again what I said, so that the position is absolutely clear. When I spoke of a particular incident, the particular incident has nothing to do with the parish of St John. The Minister will recall that when I spoke of Shaw Hill, Shaw Hill has nothing to do with the parish of St John.

Aside.

Hon. H. deB. FORDE: It is up by Hill View. As a matter of fact, I wish to place on the Record that Franklin & Franklin, and this is the first time I called the name of the firm, was not a firm involved in that matter.

So that I do not want to be misrepresented on anything which I say. Therefore, Sir, I wish to clarify for the purpose of the Record the reason why I use the example is to show that sometimes -1 also prefaced my remarks by saying that the decision on Town Planning, as was pointed out by the Minister of Housing and Lands is finally the decision of the Minister of Town Planning. That too is in the Record.

The other point I did say however is that there are instances where the Ministry of Agriculture will approve whereas the Minister who has the final position has not approved.

Mr. DEPUTY SPEAKER: Point taken.

Hon. H. deB. FORDE: That is what I made quite clear at the time.

Mr. DEPUTY SPEAKER: Point taken.

Hon. W. O. FRANKLIN: Mr. Deputy Speaker, on a point of privilege. On the matter dealing with Shaw Hill, I think I owe this House to tell you. On the matter of Shaw Hill, there is a gentleman who is 68 years old who had owned a parcel of land and had gone into retirement. He could not live on his pension and the land was not cultivated for three years. The gentleman applied for permission to sub-divide the land into two for his two sons so that the land could have been cultivated because the land was lying idle.

On his first application the gentleman was refused and my Ministry on that application said that we did not agree with the sub-division. Subsequent to that, he reapplied. He wrote myself and the Minister of Housing saying that he is a sick man and he cannot work the land and the land is lying fallow, that it is good agricultural land and would we please reconsider if he could divide it into two for his two sons who would continue to work the land, as agricultural land.

I did not even write on the file. I wrote a personal letter to the Minister of Housing and I said, under these circumstances it would look like as a matter of a lack of any sympathy for this, the land is fallow and I do not see why we should not, on this occasion, in the interest of the man's wellbeing, in the interest of continuation of the land in agriculture. Would you please have a look again at the decision on the review. On that review, the Minister of Housing granted that

When it was brought to the House, I could not even remember it

Aside.

Hon. W. O. FRANKLIN: The application was made by

Aside.

Hon. W. O. FRANKLIN:... Michael Hutchinson.

Aside.

Hon. W. O. FRANKLIN: I had nothing to do with that.

Aside.

Hon. W. O. FRANKLIN: I had nothing to do with the matter.

Mr. SPEAKER: Point taken.
9.15p.m.

ADJOURNMENT

Hon. P. M. GREAVES: Mr. Deputy Speaker, we have been sitting here now for two days and we have been in this House on this very day from 10 o'clock this, morning. I think that we must have some sympathy for the Hansard Reporters. Let me say how very much I appreciate their cooperation in helping us reach this stage. I had to have some words with them earlier. I asked them to continue to cooperate with us and they willingly agreed to do so. I want, Sir, to state the appreciation of the Government and the Opposition to the Hansard Reporters for their devotion to duty.

Applause.

Hon. P. M. GREAVES: As I have indicated on some previous occasion, I think we have been sitting now without a formal recess. We have had the odd Tuesday or so off. I think, as usually is the case, the time now has come for Parliament to be recessed. I am moving that this House stands adjourned until October 24, 1989, the week following the end of the Commonwealth Parliamentary

Association Meeting here in Barbados. Sir, as we all know during the recess, the Commonwealth Parliamentary Association will meet here in Barbados very early in October until October 15th. I do not think, Sir, that we should be meeting while they are here. Therefore, I am moving that the House should adjourn until that time. Let me thank Honourable Members for their assistance they have given the Government during the year; I, therefore, formally move the House stands adjourned as indicated.

Hon. B. M. TAITT: I beg to second that and reserve my right to speak.

Aside.

Hon. P. M. GREAVES: Twelve o'clock noon yes, Sir.

Mr. DEPUTY SPEAKER: I should just briefly like to endorse the remarks made by the Leader of the House on behalf of myself and His Honour The Speaker for the excellent work done by the staff of Parliament during the last year and also to Members of this Honourable Chamber.

The question that this House do now stand adjourned until October 24, 1989 at 12 o'clock noon was put and resolved in the affirmative without division, and Mr. DEPUTY SPEAKER adjourned the House accordingly.
9.24 p.m.

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