

THE

House of Assembly Debates

(OFFICIAL REPORT)

FIRST SESSION 1986-91

HOUSE OF ASSEMBLY

Tuesday, 6th June, 1989.

Pursuant to the adjournment, the House of Assembly met at 12.15 p.m. o'clock on Tuesday, 6th June, 1989.

PRESENT

His Honour L. A. WEEKES, J.P., (Speaker)
His Honour J. J. PAYNE, (Deputy Speaker)
Rt Hon. L. E. SANDIFORD, B.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. N. K. SIMMONS, (Minister of Employment, Labour Relations and Community Development)
Hon. H. A. BLACKMAN, B.Sc. (Econ.), (Minister of Housing and Lands)
Mr. D. A. C. SIMMONS, Q.C., LL.M.
Mr. O. S. ARTHUR, M.Sc. (Econ.)
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 Sport)

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: Minutes of the meeting of Tuesday, 23rd May, 1989.

Hon. B. M. TAITT: Mr. Speaker, I beg to move that the Minutes of the Meeting of Tuesday, 23rd May, 1989, be taken as read and confirmed.

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

PAPERS LAID

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, I am commanded to lay the following:

The National Insurance and Social Security (Benefit) (Amendment) Regulations, 1989.

The National Insurance and Social Security (Non-Contributory Old Age Pensions)(Amendment) Regulations, 1989.

The 6th Actuarial Review of the National Insurance Scheme.

The Ministers and Parliamentary Secretaries (Remuneration and Allowances)(No. 2) Order, 1989.

The Public Officers Loan and Travelling Allowances Regulations, 1989.

Hon. M. A. KING: Mr. Speaker, I am commanded to lay the Report of the Probation Department for the year 1987.

Hon. B. M. TAITT: Mr. Speaker, I am commanded, on behalf of the Minister of Trade, Industry and Commerce, to lay the Annual Report and Financial Statement of the Barbados Industrial Development Corporation for the year 1987-88.

Hon. H. A. BLACKMAN: Mr. Speaker, I am commanded to lay the Fifteenth Annual Report of the National Housing Corporation for the year 1987-88.

Hon. W. W. HALL: Mr. Speaker, I am commanded to lay the Twenty-ninth Annual Report and Financial Statement of the Board of Tourism for the year 1987-88.

GOVERNMENT NOTICES

Hon. B. M. TAITT: Mr. Speaker, I beg to give notice of a Resolution to approve the compulsory acquisition of land at Hoyte's Village, St. James for the provision of recreational facilities and housing development.

I also beg to give notice of a Bill to amend the Police Act.

NOTICES OF QUESTIONS

QUESTION RE SPECIAL PROJECTS

Mr. D. A. C. SIMMONS: Mr. Speaker, I beg to give notice of the following question:

To ask the Rt. Hon. Prime Minister:

Will the Minister please state (a) what are the existing special projects for which the Minister of State in the Prime Minister's Office will have responsibility for after May 15, 1989?

(b) What are the special projects identified for the future responsibility of the said Minister?

REPORT OF SELECT COMMITTEES

Mr. L. L. BRATHWAITE: Mr. Speaker, I have the honour to report that the Select Committee appointed to consider and report on the Constitution of Barbados (Amendment) Bill, 1988, sat and the Bill was passed in Committee, and I will seek to lay the report later in the sitting.

FIRST READING OF BILLS

Hon. B. M. TAITT: Mr. Speaker, I beg to move that a Bill to amend the Police Act be read a first time.

Hon. M. A. KING: I beg to second that.

The question was put and resolved in the affirmative without division.

GOVERNMENT BUSINESS

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

SUSPENSION OF STANDING ORDERS

Hon. B. M. TAITT: Mr. Speaker, I beg to move that Standing Order Nos: 6, 16, 18, 20, 42(5), 43 and 44 be suspended for the remainder of today's sitting.

Hon. M. A. KING: I beg to second that.

The question was put and resolved in the affirmative without division.

RESOLUTION TO BORROW \$9.6 MILLION FROM THE EUROPEAN INVESTMENT BANK

Order No. 1 was called - To move the passing of a Resolution to approve the borrowing of the sum of four million European Currency Units (approx. Barbados \$9 600 000) from the European Investment Bank for the purpose of on-lending to the Barbados Development Bank.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, this particular Resolution seeks to get the approval of this Honourable Chamber for the borrowing of \$4 million European Currency units from the European Investment Bank for the purpose of on-lending to the Barbados Development Bank.

This particular Resolution is under the authorisation of the Special Loans Act, Cap. 105, which permits the Government from time to time to borrow from any other Government, bank, corporation, company or institution an aggregate or a sum not exceeding \$500 million on such terms as may be agreed upon between the Government and the lender of such sums. The Act provides that any money

borrowed under the provisions of that Act should be appropriated and applied for such purposes as Parliament may by Resolution approve, and such money and interest payable become a charge upon the general revenues and assets of Barbados. 12.30 p.m.

The particular funds that we are seeking for onlending to the Barbados Development Bank is the 3rd in a series of loans from the European Investment Bank to support the operations of the Barbados Development Bank.

The first loan as well as the second loan was for the sum of 2.5 million ECUs and 4 million ECUs respectively and these were made directly to the Barbados Development Bank.

This loan of 4 million ECUs is divided into two elements - one is 3 million ECUs, which is approximately \$7.2 million and which will be on-lent to the Barbados Development Bank for the purpose of financing projects in industrial, agro-industrial, tourism and fisheries sectors and the second component, or segment, also in respect of the areas which I have just identified, is for a sum of 1 million ECUs or approximately Bds. \$2.4 million which is to be on-lent to the Barbados Development Bank to be used exclusively for financing the acquisition of shares in small and medium sized projects in those areas as I indicated in respect of the first component or segment of the loan,

The 3 million ECU component of the loan will carry an interest rate of a nominal subsidized annual rate of 5.05% and is repayable in 15 years and there will be a grace period of 4 years.

The 1 million ECU component of the loan will carry an interest rate of 2% and is repayable over 25 years including a grace period of 4 years. The repayment obligation will be influenced by the viability of the projects in which the Barbados Development Bank may participate.

The Government will enter into an agreement with the Barbados Development Bank for the onlending of the resources of the loan and it is the intention of the Government to use the repayments of the interest and principal made by the Barbados Development Bank for the future capitalisation of that institution.

The Barbados Development Bank was established in 1969 and the functions are set out in the legislation for the establishment of the Bank and it can perform a wide variety of functions within the framework of the legislative provisions.

The share capital at that time was some \$10 million. In 1980, March 31, the paid up capital was some \$9.1 million and in the following year the authorized capital was increased from \$10 million to \$30 million. At the end of

March this year the paid up capital out of that \$30 million was \$27.6 million or approximately 92% of the authorized level. The contributors to the Bank are the Government of \$20.6 million and the Central Bank of Barbados with some \$7 million.

During the period 1985-1989, the Bank recorded some losses and this has resulted in an erosion of the equity to a deficit of about \$3 million. It is important that the Bank's equity be restored so that the financial integrity of the Bank may be maintained and steps are being taken in this process of recapitalisation to restore that particular equity situation.

The proceeds of the current IDB loan which is No. 178/OC, that loan is being transferred to the Bank as equity as it is gradually drawn down to finance projects and there will also be a similar transfer of the proceeds of this third European Investment Bank facility.

There are other steps which I propose to take in respect of the restoration of the status of the Bank and I believe that later today the Board of Directors of the Bank will be meeting. They are scheduled to meet to examine the strategic plan for the institution and out of that recommendations on the future actions of the Bank will be made, or are expected to be made, particularly, in those areas which I highlighted in my 1989 Financial Statement and Budgetary Proposals in relation to the capitalisation plan, the portfolio restructuring, improvements in the systems and controls needed to ensure financial soundness and also improvements in other areas of the Bank's operations.

Just some information Mr. Speaker. Since the Bank began its operations, it has disbursed, that is up to the end of 1987/88 some \$48.7 million in credit to the productive sectors of the Barbados economy and these may be broken down as follows - some \$57 million to tourism, that is, 38.4% of the amounts, secondly, \$57.9 million to industry, or approximately, 39%, and some \$26.5 million to small business including manufacturing at 17.8%. 12.40 p.m.

The Bank also operates a micro business window and provides funds to the National Development Foundation and to Women In Development for onlending to micro businesses.

I think, Sir, that we are all agreed that the Barbados Development Bank is an important financial institution in this country. It relates to the development of this country and the development of our people. It relates also to the need for a vibrant business sector. It relates to the productive sectors of the economy. And it relates to our overall economic and social development.

Steps to ensure the viability of the Bank are therefore steps which are necessary for the further progress of this

country and within that context, I am happy to commend this Resolution to this Honourable Chamber and beg to move that this Resolution do now pass.

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

Dr. R. C. HAYNES: Mr. Speaker, I rise to make a few comments on this Resolution which has come at a time when the Barbados Development Bank is in very desperate need of funding, if the financial integrity of the Bank is to be restored and if it is to be put in a position to carry out the kind of contribution to development in Barbados which the National Democratic Party perceives should be a central role.

There can be no question that the financial integrity of the Barbados Development Bank has been severely undermined. I am not here today to allocate blame one way or another over what has happened. But quite clearly it has been a consequence of failures in the Barbados economy over a prolonged period. It has also been a consequence of structural management problems within the Bank itself over the years. And indeed, overall, it would seem to me that what we really need to do is to look very carefully, not only at the equity position of the Bank, but in terms of determining what its future viability would be to look at the financial status of the projects where substantial sums have been lent over the years.

The question, Sir, always arises as to the extent to which the financial integrity of a development banking institution can be compromised to support ailing sectors of the economy, and whether it is not always a wise precaution to make sure that equity stability is generated up front rather than after the event.

There could be no question and I believe that some truth and integrity in this matter is very important. One of the factors which would have reflected in the significant decline in its equity in recent years has been the need, to make provision for losses which were sustained as a result of loans made in the early years of the 1980's. As I said, it is a matter of policy if one wishes to use the development institution as an instrument to prime economic development in a recessionary period, provided one is aware of the fact that at some point in time, unless there is rapid recovery of economic health in the projects where such loans are made, then inevitably there would be a need for equity replacement.

The question of the substantial loan loss provisions that were made in the last two to three years was absolutely necessary in my view, in order to come to a realistic assessment of the true status of the Bank. A detailed study was done of the performance of the various portfolios of the Bank by an international institution, an institution which would be contributing to a restoration of the equity of the

Bank. And arising out of that, it was clear that only a small percentage of the Bank's portfolio in the past three years has actually been performing in the sense that it was meeting its interest payments and at the same time making some contribution to the reduction of capital.

I believe that some 60% of the loans of the Bank were in fact in a non performing state. Quite clearly, unless one is going to maintain inordinately high interest rates which ** in the long run are counter productive, or unless one can attract capital at a sufficiently low rate in order to generate a large enough spread between money borrowed and money lent, then 40% of a portfolio in a development bank cannot maintain financial stability in the institution.

The bottom line is, that the taxpayers of Barbados will have to meet those losses either on an immediate or a deferred basis. What we are doing here really is partially meeting those losses on a deferred basis by Government assuming the responsibility for the loan, that is the taxpayers of Barbados assuming the responsibility for the loan and the money being lent to the Barbados Development Bank. And it is important to recognize, in all these financial institutions where the Government of Barbados guarantee the assets and the liabilities of those institutions when losses are incurred, then the taxpayers have to foot the bill. So that it is not only a matter of restoring the equity of the Bank. It is equally important, Sir, * at this stage to determine what is the role of the Barbados Development Bank and whether it is acceptable as a matter of policy that the taxpayers of the country should from time to time place additional equity behind the Bank, apart from the various guarantees of funds not only domestically from various sources, from the public in terms of special bonds or from international institutions, in terms of loans of this nature.

My own view, Sir, is that it is morally and ethically acceptable provided that the lending conforms to appropriate developmental functions and provided that one can see the contributions being made to the economy in other areas such as reduction in the levels of unemployment, an increase in the number of persons participating in the economic activity of Barbados, and generally the improvement of the welfare of the country. 12.50 p.m,

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In other words, it is just one mechanism through which public funds would be used for the overall objective of enhancing the productive capacity of Barbados resulting in significant improvements to the citizenry of the country.

This business of dealing with the question of losses and the question of the integrity of the whole process has to be seen against the ultimate objective in a development bank. That is why I said at the very beginning that I am not here to question whether or not those losses were wisely ** sustained or not. What I am more concerned about is to

ensure that a firm policy position is taken in terms of restructuring the management process in the Barbados Development Bank, firm guidelines in relation to lending, and also to make sure that the widest spread of Barbadians participate in the advantages offered by the Barbados Development Bank.

I do not propose, Sir, to deal with the current problems relating to non-performance in the hotel sector in any detail, except to say that it would seem to me that a firm decision has to be taken as to what role public institution and public policy will be playing in alleviating the problems of the small hoteliers in Barbados. It is abundantly clear that even with improved performance of summer tourism the small hoteliers still cannot carry the burden of debt which they have to bear not only in relation to the Development Bank but in many instances in relation to additional borrowings from commercial banks. I believe that some policy has to be taken either in the direction of some element of interest forgiveness, or a restructuring of the debt portfolio, or a selection of various projects where under a wider umbrella some prospect for future viability would be more of a reality. It is very important that this be done in the final analysis for those small hotels and more of the small people who participate in the tourist exercise in Barbados, and it would be better for the country as a whole.

In this context, Sir, I wish to point out that there are certain fundamental issues that have to be addressed in Barbados not only in relation to the small businessman, but equally important in relation to the micro-businessman, the so-called micro-entrepreneur, to make sure that they be brought well into the stream of economic life in Barbados. When this is looked at in more detail, it is quite evident that certain basic elements must be satisfied and the question arises as to whether the Barbados Development Bank is not the appropriate institution to deal with these matters.

In 1987, I made a sum of money available, a \$1/4 million, to open what I call a micro-business window in the Barbados Development Bank. The purpose behind that was to ensure and start the process whereby the small man, and whereby the youth who are leaving our schools who might have ideas which can result in self-employment and the employment of others and add to the additional wealth and which will require small amounts of money, would have access to some money to get started.

I believe that this process needs to be enhanced and I would hope that the Bank will be making a special effort to make a contribution towards the development of the very small businessman or the micro-businessman in Barbados. I believe that this will make a major contribution in solving the many social problems with which we are presented today, whilst at the same time substantially reducing the unemployment levels in Barbados over time.

The Bank, Sir, not only has to be sensitive to the needs of these micro-entrepreneurs, whatever you call them, and I shall identify them later as I go on, but also has to be sensitive to the availability of equity capital for our businesses. Quite clearly, where you are dealing in a society that is starved of funds, a society which has grafted onto its poor beginnings a few years ago in our educational system which is putting out people with general educational levels, and some of them are acquiring skills at the same time where they have the capacity on their efforts, to participate in the economic life of Barbados but they do not have access to equity, it is absolutely necessary that this matter be addressed and that it be regarded with some priority.

This raises the question as to whether or not one should not regard as a priority placing some funds with the Development Bank which might well be raised by venture capital in this area. The rewards will be great. You will lose some of the money. If you recover 50% in your investment, it would be worthwhile over time. In terms of job 'generation, dollar for dollar, this has been proved again and again as one of the most rewarding areas of economic activity when it is translated into jobs.

We in the National Democratic Party would regard this as a major dimension which we will wish to introduce into the process of development banking, that is, making available elements of venture capital particularly for the small man, the small micro-entrepreneur.

Attention, Sir, also needs to be placed as to the level of interest rates charged on loans by the Development Bank. Earlier, Sir, I adverted to the situation which developed where only 40% of your portfolio was performing and, of course, this puts upward pressure on the institution to keep its interest rates at a higher level than should be necessary in order to maintain some element of respectability particularly in relation to attracting further loans from international institutions and also maintaining some confidence within the local banking community, and in relation to the public who from time to time subscribe to bonds raised for the purpose of equity participation guaranteed by Government nevertheless in the Barbados Development Bank. 1.00p.m.

I believe that even in times when you are incurring losses it is important not to pitch those interest rates at a level which would compromise the viability of those institutions to whom you have already loaned money and who are already in trouble, and make it difficult for new potential participants in the exercise to borrow money from your institution. Sometimes you have to sacrifice income in order to ensure that the Bank in fact is performing its duties to the public as required under the Act.

Another point I wish to make, Sir, is that in relation to the very small businessman I think the Bank has to look

towards non-traditional criteria for lending. A guy who has an idea, who has the ability, who has the knowledge, who has the skills to carry out a project requiring \$10 000 but has no collateral cannot get a loan. Nevertheless, he might be a better client in the long run than a guy who does not have the ability, does not have the skills, does not have the ideas, but may have access to a piece of property or something which he can put up as collateral. The Bank will readily take the property as collateral and lend the money, but down the road they are going to be faced with the problems of foreclosures, the problems of Iqsses and the problems of yet another collapsed enterprise. On the other hand, the person who because of his equipment in the widest sense can make a success of the venture that he wishes to get involved in cannot get access to money.

I believe that those criteria need to be looked at very seriously. I wish to be clear that this is not something that can be done overnight, can be done on an extensive scale affecting the total level of lendings across the board in the Barbados Development Bank, but it is something that can be done like tomorrow for the small businessman in Barbados, particularly the micro entrepreneur who is looking for \$5 000 or \$10 000 to put together some small project in order to feed himself and his family and in a very short time employ another one or two persons.

Unless these things are carefully looked at, and that is why I addressed the question of a special window in the Bank where that kind of activity can be identified, and also, Sir, because one recognizes that you need a different type of person within the Bank itself in order to handle that kind of activity. That in the kind of activity for someone who is sensitive and understanding of the business process, who can make reasonably balanced judgments in terms of assessing individuals and projects and who can act with speed and expedition. That needs to be looked at very carefully to see who are the persons assigned to that particular institution within the Barbados Development Bank.

What is this all about, Sir? It is about a recognition of what we have been saying all along, that it is to the private sector of Barbados that we will have to be looking for job generation in this country on the scale that is necessary to eliminate unemployment in Barbados. What we are saying here, Sir, is that we are borrowing money, the Government is committing itself to a debt to lend to a public institution in order to on-lend to private individuals, corporate and otherwise, so that they may participate in the development process. There are those, some out of ignorance and some wickedly, Mr. Speaker, who seek to define the private sector of Barbados as representing only a small number of large companies which in fact represent only a tiny sector of the overall private sector of Barbados. When we talk of the private sector in the National Democratic Party, we are talking about those many thousands of entrepreneurs out there making a living on their own, paying taxes into the

Treasury and not depending on the public purse for a cheque every month. These are the people we are talking about, and these are the people that I am urging today on the floor of this House that this Resolution should be addressing, what this money should be addressing and that we should be trying to divert resources to help these people participate in the overall development of the country. They cannot continue to be excluded because of lack of equity, capital or unfavourable debt/equity ratios, or because of ** high interest rates, or because the system is so structured that they cannot enter into the economic process. They cannot even look in, and I am saying to you, Mr. Speaker, that there are thousands of people in this country, given an opportunity, who can find jobs for themselves and contribute to the national wealth. This is the direction I want to see the Development Bank moving in in the years ahead.

I believe it is moral to do that, I believe it is right and I believe it is fully justified. That is why I said I wanted to move away in this debate from the question of apportioning of loses, because anyone with any commonsense would recognise that you make a loan today in a development bank and you recognize it as a loss five and ten years from now. You do not make loans in a development bank today and recognise the losses in the same year and that kind of thing. It is recognized down the road.

We have the opportunity, Sir, in this Parliament now to make a clear decision as to what we are borrowing this money for and who should have priority in terms of access to borrowing through the intermediary institution, the Barbados Development Bank, which is what it is in respect of this particular loan. 1.10p.m.

There are areas, Sir, such as private transportation crying out for additional assistance for the small entrepreneur. There are areas such as fisheries. I don't want to deal with the fisheries disaster today, Sir. It would not be appropriate. It would be well within the rules, but nevertheless, Sir, I do not think that I would wish to deal with that today. But at least 4 per cent of this population would have been born with a natural inclination to pursue a livelihood in the area of agriculture and fisheries, and generate jobs for another significant percentage. That is a historical fact. There are roughly 4 per cent who would be ** the leaders in these two areas. I believe that we have to look at the needs of those fishermen. And it is not only at the level of the Bank. There are some people who do not even realize what goes on. I can quote an instance that is so ridiculous where the whole system operates in such a way as almost to make it impossible for progressive young people to get access to opportunities created by Parliament and frustrated elsewhere through all sorts of administrative red tape and so on which in the long run do not protect the Bank from the kind of losses which it has sustained over the ** years. But there will come a time when one will be able to

do a case history in relation to what has been happening in respect of fisheries.

The same thing applies in agriculture. It is true, Sir, that the agricultural division of the Barbados National Bank, successor in title to the Agricultural Credit Bank and the Sugar Industry Agricultural Bank, constitutes the main source of lending to agriculture today. I have always had a view on that relationship with the Barbados National Bank nevertheless; but what I am saying is that there is a developmental role in agriculture today. There is not only a role to rescue agriculture in Barbados, and those equally or more in need of rescue would be the thousands of small card holders who have gone out of business, who cannot survive in the present environment, but if we are to seriously look at the twin problems of agricultural production involvement of the broad masses of people in ownership and agricultural production at the same time, then quite clearly there is an important developmental role to play, and that developmental role cannot be played within the four walls of a commercially oriented bank, because, Sir, the same problems arise even in a more acute form.

The worst basis that you can design for lending in agriculture is the traditional basis for lending. Here again the questions of track record, skills, inclination, all these things have to be assessed, and that is why you see that the agricultural portfolio of a commercial bank in Barbados which was predicated on the kind of approach which I have been mentioning and has been in existence for several years has done more to bring a number of small businessmen into agriculture than the main source of financing from the public financial institutions in Barbados, because they recognize the importance of staffing that division with persons who knew first about agriculture, secondly about the people in agriculture, and then thirdly about banking. They defined and qualified the resources they would make available to that sector of the activity, and today it has been a viable unit from the very beginning, it has continued, and I know of large numbers of small people who have had access to credit from that source and who have done reasonably well. Food processing is another area where I feel that our small people can be involved. Restaurants, areas of small distribution, I want to deal with that a bit. You know, Sir, once you take that venture into assisting small businessmen, the micro-entrepreneurs, whether involved in a formal or informal economy of Barbados, - I did not say illegal - then there is something that you have to recognise and accept, and it is that small businesses do not exist on their own. They exist in an overall private sector environment, and anytime you have contraction, significantly reduced profitability at the top of the private sector, the first people who get hurt are the small people in the private sector. If you look carefully in Barbados, you will see that the pull for the small businesses has always been the more successful ones in this country. Forget the traditions of credit, the whole informal banking system that

operated within the confines of the private sector of Barbados outside of the traditional banking system.

I will tell you something too. One only has to look back if you wish to reinforce the point which I am trying to make, and see that many a successful shopkeeper in Barbados, if he had gone to the Development Bank, would in no way have had access to help, but would go to a wholesaler who would have had experience of the man, would have made a judgment and who would have used the umbrella of his management to monitor his performance and thousands of those emerged in Barbados in the past. That is the kind of thing that happens; and also the whole thing was linked to credit and trust, what Barbadians call trust; in a sense "trust" is a more meaningful word than the more accurate word "credit". That function now has largely been taken over by a public institution.

I believe, Sir, that one aspect of fiscal policy in this country should be directed towards strengthening that relationship between the more successful and the less successful aspects of the private sector; and also between the larger and the smaller. I do not say that, Sir, because I am using my imagination widely today. I say it because I know that in other countries it has been an instrument of policy to have parallel with development banking appropriate fiscal opportunities to allow that kind of development to take place within the private sector. But I will say no more because that kind of thing may find expression elsewhere in due course of time. 1.20p.m.

Indeed, Sir, if you were to look at, I think it is the Bank of England's position, in relation to that kind of activity it is probably regarded as more successful and more effective in the use of capital than through the traditional public sector institutions that run into all the kind of administrative humbug and problems that you have eventually been calling upon the citizens of Barbados or upon any country from time to time to cough up more and more money.

Mr. Speaker, this experience that we are having here today with the Barbados Development Bank to all intents and purposes bankrupt, and with the need to replace its capital, is not a new experience in Third World countries.

There are some Third World countries when things get so bad what they do is they simply take down a sign one day and the next day you see another sign up, another institution. One is buried, the losses taken over by the taxpayers and a new institution opened, Sir, and the experience has been here in the Caribbean as well where you just bury one. Somebody comes down one morning, changes one sign, put another sign up, comes to Parliament and changes the name slightly, a new institution starts and

all the money that has been lost is absorbed and handed on to the public debt of the country.

I believe that going hand in hand with public sector efforts through the Development Bank should be other fiscal policies to ensure the other elements and participation by the wider private sector in the development process, particularly relating to the small businessman.

Artisans, Sir - if you watch a tiler in Barbados today, using the same techniques that have been used for cutting tiles down through the ages, and you watch that same tiler in the United States, you will see that the tiler in the United States that his productivity can be enhanced, probably, by 500% by simply buying the appropriate bit of equipment but the tiler here will tell you that he cannot get the money to buy the equipment. In the meantime, building projects will be held up because they cannot get a tiler, not only in the area of tilers but also other artisans.

As you know, people who have a sound record of participation in the economic life of the country all they need is maybe \$5 000, \$10 000 to make their business more worthwhile and to bring on stream other young men for training in that process, and they are denied access under our criteria for lending.

Now, Sir, I want to make one or two points again relating to what is being increasingly recognized and here, again, this relates to the very small business man, the so-called informal sector of the economy.

That term, Sir, seems to be taking on a lot of wide definitions but I think the core, let us leave out the illegality, any illegal operations, let us leave out operations that are not triggered to avoid a regulatory framework, and let us recognise those operations which arise out of the *de facto* and existing economic circumstances of a country and can properly be defined as the informal sector without reference to the other things, not that other things do not constitute part of that.

What I am saying is that there needs to be an institution in this country and we have to get our heads so adjusted as to recognize the role which such persons are playing in the economy of Barbados, particularly, among many of our youth, particularly among many of our women playing a very important role.

Last week, Sir, I was addressing the Hotel Association and I tried to make the point again in relation to what I am saying of recognition of elements of an informal sector, that we have reached the point where the beaches must be considered a socio and economic zone.

If you start off, Sir, with that kind of thinking, you recognize now that you have large businesses relating to the beaches, you have medium sized businesses, you have

small businesses and you have micro-businesses, all of which within an appropriate regulatory framework can be embellished with equal amounts of legitimacy and make a major contribution to employment and even enhance your very tourist product.

If you approach it with the right kind of thinking, if you see it from the beginning as competition, -if you see it as being unworthy of the assistance of financial institutions in Barbados, one would just simply be asking for trouble down the road. In fact, you have the trouble here already.

It is the framework with which you think and this is why our development institutions must be sensitized to these things and move in up front to create the kind of physical and business environment to allow social and economic activities to co-exist in each of our economic zones.

The same kind of problems arise elsewhere within the distributive sector. Again, I think that it is because of a failure to recognize the rights of co-existence and recognize also that that small business area, even if it merges on the informal, I/ making a major contribution to the country.

You know, Sir, when the Development Bank was first conceived by the way, if you look very carefully at the charter, look very carefully at what was said. That bank was originally conceived largely to address different kinds of problems that I am addressing today. There has been 'some drift. There is nothing worn with the drift.

If you want to get into \$5 million, \$10 million, \$50 million loans, that is okay provided you are going to get into that kind of capitalisation and appropriate levels of borrowers but you have to begin to refocus what was the fundamental purpose of the Development Bank in Barbados. If you do that, Sir, and take some cognizance of the National Democratic Party's position on this matter, I believe that one would start on the right footing as you seek to begin the process of refinancing. All the management re-arrangements in the Development Bank will not help until that basic thing is addressed. It only takes a couple of \$2 million or \$3 million loans to go sour and when they go sour you are talking about \$6 million to \$9 million not performing and that immediately impacts on 200 or 300 small businesses that cannot get access to loans because the money is not available. 1.30p.m.

And when the money becomes available like now, the first demand on this money, like tomorrow morning is going to be to lend to salvage what is already going bad, what is already putting a strain on the reputations of those who lend the money and that is the way it will go. So at the policy level, that is the kind of firm decision-making that has to be taken.

Mr. Speaker, there are a whole range of other areas that one can tackle in dealing with the matter of the development bank. One, for example, Sir, could deal with the whole hotel industry, with what needs to be done in relation to that. But it would not be fair to Parliament or to other Members who might wish to speak at prime time.

Laughter.

Dr. R. C. HAYNES: One could deal, Sir, with the whole transport area. One could deal with a whole lot of other areas but as I said, Sir, as one who never even stretches the Rules, far less would ever attempt to break them, I will confine myself to dealing with the financial aspects and only focus and make a very determined plea for the Government to pay some attention to the small businessman in Barbados within the context of the private sector activity which they are supporting by this loan. This is private sector activity. And that is what is being done. There is nothing wrong with it.

Mr. Speaker, I believe that at this point in time I should wind up and I am sure many opportunities will arise later to expand on those areas which I have neglected to deal with, not because I do not wish to deal with them, but out of a wider sense and propriety and responsibility to other Members of Parliament.

Thank you very much.

Mr. O.S. ARTHUR: Mr. Speaker, Sir, the Resolution before the House invites discussion on a number of issues. To begin with, Sir, we are as the Prime Minister has indicated, examining a matter, the purpose of which in part is to restore some financial integrity to the Barbados Development Bank. We can also, Sir, call into question the issue as to whether what we are doing here will put sufficient cash in the Barbados Development Bank for it to be in a position to service the requirements on the Bank and to play the financial role that the Bank is entrusted by statute to play in this society.

In relation to this particular Resolution, and in relation, Sir, to the two issues that the Resolutions invites I really must say on behalf of the Barbados Labour Party that this is merely a holding action on the part of Government. It really, Sir, is the case of far too little, too late. And you may ask, Sir, why do I say this?

When the Government now puts \$9.6 million into the Barbados Development Bank, all that it would succeed in doing is, to some extent, meeting some of the past commitments of the Bank. Because if you were to read the last Annual Report of the Barbados Development Bank, you would recognize, Sir, that whereas the Bank approved in its last Financial Year in excess of \$15 million in loans, it was only in a position because of its shortage of cash to disburse about \$8 million.

So that even as we are approving these funds, Sir, there are already prior claims against which these funds are to be disbursed. And in that sense, we cannot anticipate that through the action in which we are today indulged that any new substantial activity will be created by the Barbados Development Bank over and beyond the activity implied by the loans which have already been approved in the previous year. So it is a case, Sir, of too little, too late that the funds we are here seeking to approve only allow the Bank to meet its past obligations and its past commitments. But we must not look to the funds we are here approving to allow the Bank to enlarge its portfolio and add to the developmental effort of the society. And in that capacity, Sir, I am saying it is too little, too late, precisely because the Bank was technically insolvent from as far back, Sir, as 1988, March. And it is a very sad thing that the Bank could have been technically insolvent from as far back as March 1988 and we are only coming to the House in June, 1989 to correct a problem which we all agree, as serious people, is a problem that we should never allow to persist. So too little, Sir, too late. A mere holding action.

And the larger question that the Minister of Finance would do well to deal with in this House is the question, what is the volume of resources that we must now put at the disposal of the Barbados Development Bank in order for that Bank to meet the needs of all of the people on whose behalf we plead in Debates such as these, surely, Sir, it cannot be this \$9.6 million. If we are going to deal with the small businesses and the micro businesses, the persons in agriculture, manufacturing, tourism, then certainly, Sir, we have to be looking to refinance and recapitalize the Bank to an extent that far exceeds the figure that we are here debating today. And hence, a mere holding action. And in a very peculiar sense, Sir, we have to address a related issue. Because we are telling the people of Barbados that we are having difficulty finding money to put into a development bank which is the major source of long-term capital for the true small businesses of this society, at a time when there is excess liquidity in the banking system of Barbados, meaning simply, at a time when our savers in this society are taking money and putting in the commercial banks of Barbados without that financial system having the capacity to discharge, to dispense and to lend out the savings of the society that are being put in it. And hence, Sir, what we have in the society is the tragedy where the long-term lending institution is short of cash and we are through this action, Sir, not doing enough to resolve its problem. And the financial banking institutions are awash in cash and we seem not to have the nerve nor the ingenuity to bring the two parts of the system together and make sure that the savings of the Barbadian people go in larger proportion, Mr. Speaker, to deal with the long-term developmental needs of the newly emerging classes in this society.

And in a sense, Mr. Speaker, we have to deal with the role of the Barbados Development Bank with reference to the role of the overall financial sector in this society.

Because it must be a contradiction that we can be speaking in terms of excess liquidity in the banking system of Barbados at a time when people who want to invest funds in small businesses cannot have access to funding in this society. And it is a problem, Sir, that we have to face head on and to begin to address and to resolve.

Aside.

Mr. O.S. ARTHUR: Mr. Speaker, there are a number of other related matters that this Resolution throws up. The question of the Inter- American Development Bank. The Inter-American Development Bank has been one of the institutions, Sir, which have over time been putting funds into the BDB for on-lending. And it is my understanding, Sir, that as part of the conditions of the most recent IADB loan, an entire restructuring of the portfolio of the Bank must be undertaken. It is also my understanding as well, Mr. Speaker, that a very high price Consultant was engaged to prepare a detailed programme for the restructuring of the portfolio of the Barbados Development Bank.

I am informed that only half of the existing IADB loan has been drawn down and can be drawn down because the Bank is completely dissatisfied with the work of the Consultant who was engaged. I have not asked of the Speaker, permission to call any person's name, but I am advised, Sir, that the Bank is completely dissatisfied with the work of the Consultant who was called upon at a very high price to undertake a programme for the restructuring of the portfolio of the Barbados Development Bank. I would like to hear the Prime Minister, Sir, speak to this particular issue. 1.40p.m.

We havp neard in recent times of a number of new initiatives tJiat were supposed to have been taken at the BDB to put the BDB on a sounder financial footing.

I am not satisfied, Sir, that the argument can any longer be put that the problems of the Barbados Development Bank had to do with the recession of 1986. In point of fact, Sir, the provision by the Barbados Development Bank for loan loss has declined substantially between 1987 and 1988 from a high of \$8.7 million, Sir, to \$2.3 million. It is a mere excuse to now begin to continue to cite the recession of 1983 to 1985 as a basis for the problems of the Development Bank of this country. There is a fundamental problem, Sir, existing in relation to management policy and the direction of the Bank and it is reflected, Sir, as far as I am concerned in the inability of the Bank to act on the work of the consultant who was engaged at a very high cost to this country to undertake a detailed restructuring of the portfolio. I, therefore, would like to hear the Minister of Finance speak to the issue as to what has happened with all of the so-called new initiatives that were supposed to have been taken at the level of the restructuring of the Bank and its new management directions over the

course of the last 3 years. What have become of those, Sir? I want to know. I want to know, Sir, given that the tourist industry is now in a better position to pay, why is it that we have continued dismal outlook in relation to the present and the future of the Development Bank? These, Sir, are- the critical issues that this debate, Sir, must focus on. I have not asked the Speaker's permission to cite Mr. Headley's name.

(Asides)

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Mr. O. S. ARTHUR: I want also, Mr. Speaker, Sir, in the course of this debate to ask the Government what is the scope of our existing relationship with the European Investment Bank. I am asking this question very deliberately, Sir. We are reaching a stage in Barbados where we are told that we will soon be graduated from access to concessional source financing, that we will soon be graduated from World Bank in particular. The point of *" issue, Sir, is that a country like ourselves, therefore, must utilize to the fullest all sources of long term low-interest rate financing that are available to us. It is especially so this year, Sir, given the situation which exists where the Government of Barbados is seeking to implement in dollar terms thv largest ever Capital Development Programme in this country's history. Significantly however, Sir, the Government of Barbados has ceased to tap financing from the European Investment Bank for the purposes of carrying on Capital Development Programmes in this country.

This Minister of Finance goes to Washington and he keeps a lot of noise about what a bad thing it would be for Barbados not to continue to have access to concessional financing. You have a situation in this country where there is long term concessional financing available to Government through the auspices of the European Investment Bank, but the Government either has neither the projects nor the will to make use of this financing, Sir. I ^ have a special interest in the matter, Sir, because the Speightstown Fishing Project was a project that was supposed to be financed in part by a soft loan and in part by a grant from the European Investment Bank. It was a project which met the European Investment Bank's criteria of credit worthiness. The Government has decided not to proceed with the project and hence the funds that would have otherwise been spent on Speightstown are now available for Government to carry on other investment activities in this country. ^

If you were, Sir, to check the Estimates of Expenditure, you will see that for the last 2 years this Government has not been able to identify a project to make use of soft funds being provided on a long term basis. Therefore, I am compelled to ask, Sir. Apart from the Government's recourse to the European Investment Bank as a source of financing for the Barbados Development Bank, what are the additional other projects for which funds provided by this kind of mechanism and what are the other ** projects, Sir, that Government has in mind to take up the

slack that has been created by its wrong decision not to proceed with the Speightstown Fishing Complex and others of its character? How much, Mr. Speaker, concessional financing is available to Government under the auspices of Lome and what are the projects to which these funds, Sir, are going to be committed? This, Sir, is a serious issue that arises given the character of Government's relationship now with the Bank as a source of funding for the Barbados Development Bank.

I promised earlier in the debate, Sir, that the whole question of the adequate financing of the Barbados Development Bank is a matter that we have to deal with. There is in this country, Sir, a very serious struggle for capital. Historically and even today, the banking system continues to be the institution to which the largest proportion of our savers are directed and the struggle for capital, Sir, manifests itself in the sense that those persons most in need of long term capital in particular find the banks to be an inhospitable place to go to have their investment needs met

Indeed, part of the existing difficulties of the Barbados Development Bank relates to the fact that the Barbados Development Bank itself was called upon to refinance in the mid- 1980's part of the existing debt that ailing institutions held with commercial banks in this country, an enlargement on the developmental role at the bank itself which was called upon to perform in this country. Enterprises, particularly in the hotel industry, found themselves in a position not to be able to service their commercial debt with the commercial banks and they had to make recourse to the BDB in the mid-1980's to put in place refinancing schemes to ease part of their strain.

It seems to me therefore, Sir, that we must begin to see the financing system of Barbados as a whole and that we must deliberately create instruments that can allow a larger portion of this country's savings to go as a matter of deliberate course directly into the Barbados Development Bank without our having to be faced with this kind of trauma of people going to the bank and having loans approved but not being able to create the jobs that the society needs, largely because the Bank is not in a position, Sir, to finance because of a shortage of cash, when another part of our financial system is awash in liquidity.

Why has it taken the Government, for example, so long to issue development bonds to recapitalize the Barbados Development Bank? Why must we believe that the only way by which we can recapitalize our Bank is by borrowing from abroad? Why are we not looking to our own savings, Sir, to meet the needs of these institutions? I am saying, Sir, that in some respects we also have to work out co-financing arrangements between the BDB and the commercial banking systems. Where projects are approved by the BDB are deemed to be viable by the BDB but the BDB does not have all of the financing to be able

immediately to execute the projects, then some co-financing arrangement ought to be entered into as a matter of policy with the other parts of the financing system to prevent the ridiculous situation that has to a larger extent existed in this country where people have worthwhile projects approved by the BDB, but they cannot execute because of a shortage of financing by that institution. 1.50p.m.

In the weeks to come, Sir, we are going to be having, I understand, the opportunity to discuss a new Financial Institutions Bill and a lot of the other additional points I wanted to raise about the role of the financial institutions seen as a whole will then be addressed in greater detail, but I really do feel that it behoves the Government to specify in a much more forthcoming and exact manner than we heard from the Minister of Finance exactly what are the overall requirements of the BDB that will enable it to meet rather than frustrate the needs of the potential investors of this society. I have not heard the Prime Minister begin to address that issue. This \$9.6 million is a help, Sir, but let us understand that it relates more to the meeting of past commitments.

We have also to deal with the present needs and the future ambitions of new classes of economic enterprises in this society, and we have a responsibility to ask therefore what will allow us to be able to tell them that this Parliament is serious about meeting their needs, and also, Sir, what kind of new arrangements will we bring to bear to make sure that a larger proportion of this country's savings is used in a more productive fashion than presently is the case rather than held in bank vaults as so called excess liquid funds.

I am obliged to you, Sir.

Mr. R. L. MORRIS: Mr. Speaker, I am happy to see that so far the debate has taken a particular line which seems to indicate a consensus of the importance of the Development Bank, especially in so far as it caters to the development of entrepreneurial spirit in Barbados and, hopefully, in the future to helping our young people to find themselves in the business environment.

My friend, the Member for St. Peter, in his address flayed the commercial banking system, and he has been doing this for some time, as one of the rigidities in the system that militates against changing and improving the situation in terms of bringing more people into the economic system.

The Leader of the Opposition, it seems to me, is espousing an old time, trickled down philosophy where he is saying that we need to understand that big business - B.S. & T., CIEL and all the rest of them - has to be kept big so that by trickling down the maxi and the small business and the micro business will develop, which will then lock

us all into a particular development philosophy where we will understand that that rigidity is one that is something of the past, present and will be of the future.

I will take a point of departure from both speakers, in the sense that I understand what they are saying, but I do not necessarily agree.

Dr. R. C. HAYNES: Mr. Speaker, on a point of elucidation. What I said was that in the context of Barbados it is a reality that the larger businesses provide the pull for the smaller businesses by often giving the stimulus for either the purchase or the production of the smaller businesses in this country.

Mr. R. L. MORRIS: Mr. Speaker, I fully understood the Leader of the Opposition and I paraphrased him. What he is saying is that in the context of Barbados then, the status quo is, and it seems to mean that that is projected as the future status quo, that big businesses must be allowed to grow, because if they do not exist then the smaller businesses will not exist. That is what he is saying basically. I am not questioning whether that is true or not, quite frankly, I am questioning whether it is a particular philosophical paradigm from which we can move forward.

My basic thesis is that even though we understand the economic parameters and the fiscal parameters that go into the whole process of development, we have to understand that there are crucial developmental characteristics that one has to look at. If you are going to be changing the system basically, if you are saying that what you want is to get more small people involved - if you are saying this, you are not necessarily saying this, I am not putting words in any particular person's mouth - but if you want to see change over time, then you have to be reconstructing paradigms and looking at new directions in which you will place your developmental philosophy.

I want to do a number of things, because I agree completely with the fact that we have to look at developmental agencies, and I see the Development Bank is one of these agencies, on which we will base the future economic development of Barbados. Quite frankly I am not one of those who make a very sharp line between public sector policy and private sector policy and create them as rigid differences, because I believe that there has to be an integration in these policies.

If we look at the Barbadian situation, it seems to me that we do have a lot of infrastructure to look at development and to create a future for our people in this country and for the young people in this country. It has been there for a very long time, I think. If you look at the training possibilities which are very important in terms of developing entrepreneurial skills, our educational system, including the Polytechnic and the Community College, if you look at the skills training programme, and a number of

these things are in existence, what might not be there, I think, is the cohesion and the vision that they should be related directly to employment. That linkage I think is not always clear, that the infrastructure in terms of going towards entrepreneurial development by coming through the technical and technological route of preparing people to do things, I think that is there. We have not yet got around to teaching people, however, managerial skills and skills to be entrepreneurs, and I think this has to be linked into the technical and the technological development that we are doing.

It is true we are teaching some business studies, some accounts and economics, et cetera, but somehow I get the impression that in our school system people are given the option of choosing to go into technical and technological as against going into, say, accounts, economics and business, when in fact if you are going to be preparing for a stream of entrepreneurs and people who are going to take the opportunity that the development banking system will offer, you need people who have some of both. If you are going into the technical and technological, at least put in a module that will make somebody understand how to run a business and so on. I think that is going to be vitally important. What I am saying is that the infrastructure is there.

Then in terms of the banking institutions and similar institutions, standards institutions, we have certain organisations in place, the National Bank, the Development Bank, we have the Barbados National Standards Institution, we have BIMAP, we have IDC, we have EPC, the structures are there again. There is no objective observer looking at Barbados that can say we do not have certain structures that can lead to development of an entrepreneurial class and a business group.

Then at another level the National Investment Council was established by the Democratic Labour Party, and I am aware that that National Investment Council is looking at matters like the venture capital corporation that was mooted by the Democratic Labour Party, and it is looking also at the tax proposals that the Honourable Member for St. Peter mentioned in the Press, I think it was, relating to the Phillips Report. These are things that are being looked at, and I believe when they come out of the system at some time they will be implemented.

Aside.

Mr. R. L. MORRIS: The Democratic Labour Party. It was initiated by the Barbados Labour Party and it was restructured by the Democratic Labour Party and it is now being looked at by the Democratic Labour Party, and these are all things that will be looked at in time.

You look at that structure, then you look outside of that structure and you see, for instance, the Junior Achievers programme, which I think is a useful

programme, coming from the Chamber of Commerce. You have People of Tomorrow, a small programme, but it has a good intention, that is being spearheaded by a few persons in Barbados. You have the Women in Development programme, you have the National Development Foundation programme, and I think I understand that Rotary is getting into the act. They had a meeting at Sam Lord's trying to get some young people together and so on. 2.00 p.m.

What I believe we sadly lack is a coordination and a presentation to the young people of this country that that infrastructure has to be utilised by them. We have consciously I think now and in the future to mobilise the infrastructure we have and the resources and get now to attitudes. It is vitally important to me that we get the young people to recognise that they have a role to play in making these things happen.

Now we talk about Government doing this and doing that, and I am saying that those structures are there. I am going to talk now not about Government. I accept Government's role; I believe in the role of Government in the economy. I am a democratic socialist, so I have no problems with that at all, and I will take positions on the private sector. I am not going to soft pedal on the private sector and call on Government to do everything. What I am saying is that what we lack most in Barbados is a private sector willingness to help to develop entrepreneurial skills.

I want to step aside, Mr. Speaker, and look at some models of what is happening in this direction in other countries. I want to look, for instance, at Great Britain to see how they are tackling the system of building up entrepreneurial skills in young people. This of course was motivated by the problem of high unemployment in Britain, and the fact that Britain which is very much a private sector country, especially under the present regime, recognised that they have to take certain initiatives in this direction. I want to look at some seven programmes that have been established in Britain, and I want to expose them because I would like the young people to hear what is happening in other countries. I would like to let our private sector hear what is happening, and our Government. Let us look and see as examples from countries outside what are the possibilities of looking at this whole question of trying to encourage our entrepreneurial skills in our young people.

Britain introduced a scheme which they called the Enterprise Allowance Scheme and it is to provide financial assistance of forty pounds a week up to 52 weeks to the unemployed people eighteen years and over to start their own business. The Government will pay a young business person forty pounds per week up to 52 weeks. The difference between an unemployment benefit scheme and this scheme is that you have to start up a business. Once you have started something they will pay that money to you, so that you will get some start-up money for the

business that you are starting up, but a young person had to go out and start something and then Government would put that money into it.

They started a Youth Business Initiative, and this was designed for people up to 25 years of age. They provided training bursaries of up to one thousand pounds. If you are under 25 you were given a training bursary of one thousand pounds so that you can go to training institutions - our case of course would be BIMAP - to prepare yourself as an entrepreneur.

A Youth Enterprise Scheme was launched by the National Association of Youth Clubs. Now this is where you are saying not only Government, but the youth groups in Britain got together and they got their funds which were being turned now into helping young people to develop as entrepreneurs and they make grants and loans up to two thousand pounds and this is largely for starting up businesses for the sixteens to twenty-fives. Then look at Shell. Shell started a programme called Live Wire, again for the 16 to 24 year olds, providing funds again for new businesses. The Industrial Society in Britain started Headstart, and I can itemise all of them; but the point I am making is that in a country like ours where there is a very well developed private sector, to me it is really backward to be looking at Government to be doing everything in terms of developing entrepreneurial skills. It is the point that is being made, I think, by the Honourable Member for St. Peter where he is saying that Government should not be there looking for all the funds to put in the Development Bank, that the private sector should see that they have an interest in this also. And the same way Shell can start its own programme in Britain, and the Youth Council, in other words, it is the responsibility of the total community, not Government alone.

This question of developing entrepreneurship, I believe in that fervently, and I want to see these institutions like Shipping and Trading and CIEL and others developing, articulating and managing programmes for our young people in this country. I do not believe that in a country like Barbados where free enterprise is seen almost as gospel that we can always be saying that Government must do everything. I am calling on the private sector to shoulder their responsibility in this country by developing such schemes. I would not say they cooperate fully in things like the skills training schemes and the work experience scheme and the apprenticeship programme. Why do we have to make excuses for the private sector in this country all the time? I am not talking about any micro section or any small business section; I am not talking in any paternalistic terms about those small sardines and frays and so on whom we want to start off now; I am talking about the big sharks, the whales, the groupers. I don't want to make any excuse for them.

Mr. Speaker, I think I may have to stop and come back.

SUSPENSION OF SITTING

Hon. B. M. TAITT: Mr. Speaker, it is a pity we have to interrupt the Honourable Member, but I think we have reached that point where we should suspend.

I wish to draw to Your Honour's attention that for the reason of the renovation of Parliament, it will be necessary for us to move away from the premises for lunch, and in the circumstances I wish to move that this House be now suspended until 3.30 p.m. today.

Hon. M. A. KING: I beg to second that.

The question was put and resolved in the affirmative without division, and Mr. SPEAKER suspended the sitting accordingly. 2.10p.m.

RESUMPTION OF SITTING

Mr. SPEAKER: This sitting is resumed. The Honourable Member for Christ Church East Central.

Mr. R. L. MORRIS: Thank you, Mr. Speaker. At the point when we adjourned for lunch I was addressing the issue of the role of the local private sector in contributing to the whole idea of entrepreneurial development.

I was making the point that in Britain the burden was not placed on Government alone but that private businesses, the well-known private businesses like Shell and so on generated their own schemes in order to provide entrepreneurial skill and finances for the young people in Britain and that NGO's, non-governmental organisations like the youth councils and so on also were able to attract funds to help the young people in this area.

Looking at the local scene it is my view that we have to challenge the private sector to become involved in this whole question of entrepreneurial development and this can be based simply in the common sense position that the best person to teach about entrepreneurial development would be entrepreneurs, people who have been successful in this area.

While I am speaking I would like to congratulate the University of the West Indies for moving ahead in this direction and it seems that they are now having a programme where they are bringing in resident business people. They have chosen some locals who have done well. It is the beginning of the kind of thing that we want to see some more of because I want to switch now to look at a case study of Canada and the way how they approached the question of trying to train young entrepreneurs.

In Canada, they have established two areas in addition to similar kinds that I have mentioned in relation to Britain. They have established what they call community enterprise centres and business resource centres which provide information, counselling services and inexpensive work space for young entrepreneurs and, again, I think that it is a model that we can look at.

A young man from my constituency asked me if a person wants to go into a business where is the data bank of information that he can access? Who can he go to and get at a one stop position the information for him to go forward? It is very difficult. You have to be asking several different persons before you get the kind of information that they want.

We could be academic and say if you went to the BDB there should be people there to tell you but, as I said, that would be academic really because you would be going to a civil servant, not a person who has ever been in business or anything like that, or who knows the ropes. You are going to a civil servant who is doing a developmental banking job and he would, therefore, give you the extent of his experience and knowledge and this is not to decry the people that we have in these institutions.

It is just to say that we have certain constraints in moving forward because of the kind of training and the exposition and experience of the people that we have to use in these particular posts just to discuss the constraints that they themselves operate under at this particular point in time.

In Canada, the management of these areas, these counselling services and so on, these community enterprise centres and these business resource centres is left basically to the universities but you are talking about a country that has developed universities over years and the universities have a function in this direction.

Even when we started BIMAP I believe the intention behind BIMAP is not what we get out of BIMAP now. BIMAP now has hardened into, basically, a teaching institution but I believe that BIMAP's intention was to be of this nature to develop enterprise resource centres to help young people.

I want to touch on another point that is, to me, contingent on the whole question of developing entrepreneurial skills. Now, the question of the role of multi-national corporations to me is vitally important. I find it very difficult to reconcile a philosophy that says I want to encourage young people in Barbados to go into business and, at the same time, will encourage multi-nationals to come here in almost any field at all.

Now, people talk about morality. They talk about integrity and they talk about intellectual backwardness and

these sorts of things and I stand to be guided by anybody. I stand to learn from anybody about morality, integrity and intellect but to me, quite frankly, you cannot be pushing the role of the multi-national, if you know what it means, and its implications, in all areas of our economic life, and then, at the same time, talk about making places for Barbadians in areas where they can grow.

I want people to think about these things when they speak because you cannot be talking about a system into which is built continuing dependence and, at the same time, talking about opening doors for the people of this country. You have to get your philosophy clear in your head because philosophy provides a practice for action. You cannot get action, or you should not plan a course of action unless you have a philosophy that informs it.

When you talk about opening micro-business windows and so on, and giving young people opportunities to go into restaurants and fast food businesses but, at the same time, at the top you are closing off the doors because you introduce certain elements that once they are in there provide tremendous constraints in the future for development for our people, something is wrong in that kind of thinking and I do not know if the problem is in morality, if it is in intellect, or philosophy or whatever but I know something is fundamentally wrong in that kind of thinking.

I am not questioning anybody's sincerity because sometimes people say things without even understanding the implication of what they are saying but I have serious problems, quite frankly, in reconciling those positions.

Aside.

Mr. R. L. MORRIS: You will have difficulty in understanding what I am saying too but I am saying that all the writings that have been done in this world about multi-national corporations and their relation - I hear you pushing the question of small businesses all the time and micro-businesses. I believe you believe in those things but what the Honourable Member for the City would not believe in, I am sure, is creating business slums for the people of this country and I want to explain what I mean by that.

If you are going to develop a path for business, you must look 100 years down the road and tell me where are they going to be. If you are going to develop these micro jobs and so on that are going to be there forever and, quite frankly, the kind of philosophy that I am hearing articulated from some positions would lead to that - you are talking about the informal sector, you have to be very careful about developing the informal sector. I am not against it at all and these micro-businesses because, otherwise, what you would do is to create a situation where these jobs become low-paying over time.

It has happened in a lot of countries that where you get into this whole nexus of the micro-business, you just develop a lot of small low-paying jobs that do not contribute much to the economy. They do not pay taxes, they do not contribute to the National Insurance Scheme and so on. You create a whole group of scroungers in the society and then you point at these and say we have small business, or micro-business.

All I am saying is that we have to be careful that that is not the philosophy that we want to espouse or that is not the policy that we adopt because at the moment while we are creating these micro-businesses, we are also creating at the top the constraints that will block off the future growth of these people.

In other words, even at the time when you are planning to open up at the bottom, you have to be very careful about how you deal with the top because if that super structure of businesses continues to expand and they do not leave any room for upward mobility from micro, through small, through into fairly size, and up to the top, you are going to be creating problems right away down the line.

In the initial stages I said that you have to see development as a many sided thing. You can provide economic factors. You can provide the fiscal factors. You have to look at the behaviouristic matters, the matters that relate to attitude, behaviour and so on and that is the area we have to come to.

Let me look at Jamaica as another example, and this is a small developing country near to us. Jamaica has developed within their concept what they call the human employment and resource training which tries to link all of these various things, what they call the solidarity scheme. This is equivalent, I guess, to our micro and our small business sector.

The way how they go is to ask Jamaican businessmen and companies to sponsor small business people. They go around and ask the businesses that are already doing well and individuals like development specialists, economists and so on, to sponsor one or two persons. In other words, they are trying to use the community then, not just depend on Government skills alone, use the community to build up entrepreneurial skills in this solidarity programme.

They are geared to a number of areas, agriculture, handicraft and vending. In agriculture there are areas like goat-rearing. I guess in our case black belly sheep would be a good example and I am happy to see as I drive through Barbados a lot of fencing being done now and 10 black belly sheep within the fence. Even within my constituency I see a bit of that and I think it is a sensible way to go. You do not have to start with a huge number. It is not only in the

north this thing is happening. In Montrose we have black belly sheep being raised in a fencing area.

As I said they have goat rearing, vegetable gardening, calf fattening, fish farming and beekeeping. They have identified these as some of the areas, in handicraft, leather work, straw, ceramic work, pottery, carving, garment-making, tailoring, dress-making, machine embroidery, inventing, fruits, sno-cone, fish, sale of honey. 3.45 p.m.

You know the Jamaicans like jerk pork and jerk chicken, so they are encouraging people to get into that and vending. It is like expanding the Baxters Road experience all through Oistin and different places. And wherever you go now you are seeing people with small machines selling pop corn and all sorts of things. There is room for these things, selling water coconuts, trinkets and so on. They have identified these areas,....

Aside.

Mr. R. L. MORRIS: ...any area that has growth possibilities.

Laughter.

Mr. R. L. MORRIS: They are encouraging people, as I said in the community, to sponsor one of these chaps. And your responsibility is assisting the young person in opening a bank account; advise on the purchase of equipment and supplies; supervise with the help of the solidarity field office to put in place a simple accounting system; monitor the project from time to time and advise when necessary to help to ensure that the loan instalments are paid on time. Let us be clear what we are talking about. We are talking about not just saying that Government should do, but all of those persons out there, the Member for the City, the Member for St. Peter, people who have skills in business and so on adopting a young person and helping them through.

I think, Sir, that we need to look at a lot of these schemes as they can help. But the most important thing in Barbados is a matter of attitude. We have to believe basically that a lot of those people out there have to get into the sunlight and not just wait for the rays of sunshine to fall on them in any trickle down fashion, because you wait for a very long time before that happens.

Thank you, Sir.

Applause.

Mr. D. A. C. SIMMONS: Mr. Speaker, Sir, we have to bring the debate back to basics, Sir.

Aside.

Mr. D. A. C. SIMMONS: Back to basics.

Aside.

Mr. D. A. C. SIMMONS: Not the programme, but the actual terms of the Resolution because I do not think that the Government has served us well today in precisely spelling out the reason why this loan is required and what precipitated the slump in the finances of the Barbados Development Bank to the extent that in March 1988 the Bank was bankrupt. The Prime Minister has told us in all fairness that the Bank is bankrupt and that they are raising a loan. But I think that the House deserves an indepth examination of the *causa causans* for the present plight of the Development Bank, Sir.

The Development Bank is a statutory board like any other and sitting on top of the Development Bank is a Minister who is required to establish guidelines of policy in a broad sense for the Bank. One would expect that there would be little political or ministerial interference in the day to day operations of the Bank. But it is a remarkable fact of history that prior to 1976 this same Bank was in severe financial straits and that a lot of the opprobrium that was heaped on the Bank was well justified because it had to do with the style of the then management and the quality of persons to whom the loans were made. We have to a lesser extent, under the Democratic Labour Party 1986-89 a similar situation except in regard to the borrowers. I do not think it would be fair to characterize them in the same way as one characterized the borrowers pre 1976 for the reason that there has been little available to lend. The Bank has had little money.

But I have said in here before, Sir, and I think that Members on both sides will share my view that the problem of Third World Developing countries, in the 1980s and the 1990s and the year 2000 the principal problem is going to be a problem of management. We require systems to train up our people in such a way that effectively they can manage the various organisations or mechanisms within the society that call for management. Some countries have suffered terribly because their own domestic policies have caused some of the potential managers to leave the country and seek fortunes or existences in other countries. In Barbados, I do not think we are so unfortunate. I think we have here a cadre of person who are well able given the right atmosphere within which to work to be trained up as a manager and to assume responsibility and get these organizations parastatals and all of them functioning well.

Since 1986, there have been problems in the management of the Development Bank. Let us face it, Sir. An attempt was made to victimize the former General Manager, Mr. Leslie. They ended up paying him out a lot of money. A man who had been there for many, many years and knew the guts of the organization, at the level of the Board.

The Prime Minister revoked the appointment of I think he was the last Chairman, I can call his name too, without giving the country any reason for the revocation coming at the time that it did come. I am not saying that in every case there is an obligation to give a reason because in these situations, you are appointed sometimes for three years and at the end of the time, the Minister must be free to keep the wheels turning and spread the cake, as he likes to say, among other people.

But there is a strong perception among the people that he was fired and Senator McClean was fired from the National Bank because they dared to be critical of the policies of the Prime Minister in particular and the Democratic Labour Party more generally. That kind of conduct is bound to create instability among the staff of the Barbados Development Bank. That kind of conduct, unexplained, is bound to send the wrong signals to foreign lenders.

Aside.

Mr. D. A. C. SIMMONS: I am lifting it. Because you all want to talk about a lot of pie in the sky nonsense instead of dealing with the real issues about the BDB.

Asides.

Mr. D. A. C. SIMMONS: We have not been told....

Aside.

Mr. D. A. C. SIMMONS: They do not like to hear the specifics, but I am dealing in them.

Aside.

Mr. D. A. C. SIMMONS: Somebody said on television Thursday night, a classic. What? I said somebody said on television, "Vision is vision and action is action. I am an action man."

Laughter.

Asides.

Mr. D. A. C. SIMMONS: They are perishing....

Laughter.

Mr. D. A. C. SIMMONS: ... through the lack of vision on that side.

Asides.

Mr. D. A. C. SIMMONS: But I am making a serious point, Mr. Speaker, that in looking at the problems of the

Barbados Development Bank, one cannot look at them in any ivory tower. 3.55 p.m.

You have got to look at them in a realistic way as to what has happened to that Bank over the last 2 years under the Democratic Labour Party and particularly since September 1987 when the only Finance Minister this country has resumed responsibility for the Bank. He has a responsibility - the Minister of Finance and the Prime Minister - to tell us whether the problems of the Bank were in any way related to the management of the Bank. I have dealt with a few specifics. Let me tell you some more.

The Central Bank of Barbados conducted an investigation into the Barbados Development Bank since the present Prime Minister has been Minister of Finance. A report was written and a report was sent to the Ministry of Finance. It has never been disclosed. It was kept hidden and shelved for very many months, Sir.

Asides.

Mr. D. A. C. SIMMONS: It was hidden on a shelf for many months, Sir.

Laughter.

Mr. D. A. C. SIMMONS: Now I believe, Sir, that the observations and the recommendations in the Central Bank's Inspection Report of the BDB was worthy of the most profound study by the Government. I do not believe that Government ought to have disclosed before it had digested the report the contents of the report. That is now more than a year ago and we have not heard from the Minister of Finance what was found wrong and what he intended to do to put it right, or what were the recommendations of the Central Bank. To that extent, Sir, it seems to me that there has been a gap in the management of the BDB, both at the BDB level and at the level of the Ministry. We must always bear in mind that the Prime Minister told us, I think it was in the Budget last year, that he intended to assign responsibility for several of the parastatals, if not all, to the Parliament^{^^}Secretary who is now responsible for the Civil Service. ThiSS^{^a} reflection on the quality of management of that Parliamentary Secretary that he should allow the BDB to collapse o:H become bankrupt when he was assigned special responsibility in the Budget of 1988 precisely to look at the problems of the parastatals and to try and get them functioning in a proper way, Sir. He will not be enough that the people of St. Andrew will deal with him now. The problem is more immediate and the solution must be more immediate.

Asides.

Mr. D. A. C. SIMMONS: I christen him thus. So I wish to start by apportioning blame for the present problems in the Barbados Development Bank at the level of the Minister of Finance, at the level of the Bank itself, and at the level of the Parliamentary Secretary who had responsibility for it, Sir.

Now there are other problems and we have to be fair. We cannot say that the problems of the BDB are entirely managerial. The problems of the BDB also have to do with the loan portfolio admittedly. The Prime Minister was careful again not to condescend upon any details as to the quality of the loan portfolio. We know, Sir, that there are a number of hotel properties which are in hock to the BDB.

Asides.

Mr. D. A. C. SIMMONS: Could you ask the Minister of Health, Sir, who is leading the House today to set an example by keeping quiet when he is sitting, Sir?

Hon. B. M. TAITT: I apologize.

Mr. D. A. C. SIMMONS: Tell it to Mr. Speaker, not to me. Apologize to the Speaker.

Sir, in respect of -1 was going to say something. I am going to control myself. Many of the hotel properties are financially indebted to the BDB in substantial sums. The point made by the Honourable Leader of the Opposition I think is very valid. That is to say, they are finding it difficult to service the loans of the BDB and they have had of necessity to go and make borrowings and loans from the commercial banking sector. They are running 2 sets of loans. It is true that the hotels may be full, but the room rates which the hoteliers are getting do not suffice to allow them to liquidate their indebtedness or even make a dent upon principal as quickly as they should. It has a good effect, as I said in here previously, that one is able to keep the staff in year around employment. Until the hoteliers get an increase in the level of room rate, which I understand has to be a gradual thing, I do not believe that they can make any significant contribution to the repayment of principal. But it is not only the hotel sector, Sir. The one perhaps which is most outstanding now in terms of neglect is the fishing industry.

The Barbados Development Bank has been the primary institution for lending money to fishermen for the building of boats, particularly up to the 40 feet span, Sir. With the problems which we have had in the fishing industry which are related to the Ministry of Agriculture, I am not dealing with them today, Sir. He can rest easily. He has got enough problems to worry about otherwise. In relation to the fishing industry, the fishermen are being threatened by the Bank because of their inability to service those loans, Sir. Sooner or later the Bank is going to be put in a position where it has to make a difficult judgment.

Should it allow the loans to continue unserviced or should it go and repossess the boats? Some are being threatened with repossession even now, Sir.

Asides.

Mr. D. A. C. SIMMONS: What will the Labour Party do? Yes, you see we are the Government. So you want to hear what the Labour Party would do.

Mr. SPEAKER: I do not want to hear. Mr.

D. A. C. SIMMONS: Thank you, Sir.

Laughter.

Mr. D. A. C. SIMMONS: You will hear in due course because we have to come down by you at sometime. The Labour Party will do as it did in 1985....

Asides

Hon. B. M. TAITT: In 1986.

Mr. D. A. C. SIMMONS: No, I am checking. When we came here with a Resolution of a similar nature to put additional capital in the Development Bank, we went on the commercial market because of the excessive liquidity that was in the banking system. But you see with the fishermen, I am not going to answer him in any detail today. I will tell him this, Sir. We would not negotiate an agreement for the Americans to fish in Guyana on behalf of the Barbados Government and bring the fish into Barbados as they have negotiated in the most recent agreement with the Guyanese. That is the depth of the agreement. I did not want to say it today. All this thing about sending 10 boats to Guyana is a joke. The real truth is that.... 4.05 p.m.

Asides.

Mr. SPEAKER: Order, please. Order! Order, please.

Hon. W. O. FRANKLIN: On a point of order, Mr. Speaker. The BMC and this Government have not finalised anything about anybody fishing for Barbados at the moment.

Mr. D. A. C. SIMMONS: Oh, they have not finalised? Well let me tell this Honourable House of Assembly what they are planning. The Americans have for years had a fishing agreement with the Guyanas. Everybody knows that Floyd Patterson's boats used to operate in those waters under that type of agreement. This Democratic Labour Party is proposing that the Americans will be allowed to fish on our behalf in the Guyanese waters and bring the fish into Barbados.

Mr. SPEAKER: And all of that is in the arrangement with the Barbados Development Bank.

Mr. D. A. C. SIMMONS: I recognise your warning to come back on course, Sir. You have not looked at the Addendum for a long time, Mr. Speaker, it says: "... to provide finance for small and medium sized projects in the industrial, agro-industrial, tourism and fisheries sectors." So I am speaking to the Addendum.

Mr. SPEAKER: America is a sovereign country. The Barbados Development Bank is not in any agreement with the Americans.

Mr. D. A. C. SIMMONS: That is how I started, Sir, but I am not pursuing it.

Mr. SPEAKER: That is exactly what I am trying to say.

Mr. D. A. C. SIMMONS: I started with the fishing boats, Sir. I had to say which fishing boats fish or cannot fish.

In the budget debate I took the opportunity to mention to Government that the Barbados Development Bank needed recapitalisation, and I ventured to suggest a means on budget as to how the Government could possibly have raised the money locally to recapitalise the Development Bank. I am not going to dwell on it, because the Honourable Member for St. Peter has made a similar point. What we are concerned to submit to the House is that we should have been told earlier today that these ECU's which we are voting on would not really cover and extinguish the liabilities of the Development Bank, so that in effect there will be no money still for on-lending to Barbadians.

We would have preferred if Government had come with this plan to borrow from overseas - nothing wrong with that - to have tapped the local commercial banking sector and to have deferred the establishment of a project like that one at Sherbourne in Two Mile Hill where they are spending \$25 million and they cannot get it completed for the CPA Conference on 4th October.

If the Labour Party had done something like that, do you know what would have been said over there? "It is a crass and criminal waste of money." They could have used even \$10 million of the same funds they are using up at Sherbourne to put into the Development Bank, along with these ECU's, then you would extinguish your previous liability and you would have had some to on-lend.

It is very simple. That is all we are saying.

Aside.

Mr. D. A. C. SIMMONS: Even when we built the Central Bank and we needed to recapitalise the BDB in 1985, we took the money locally.

Aside.

Mr. D. A. C. SIMMONS: The Central Bank was at \$54 million at the time, I believe.

Sir, I think that is what the House wanted today, an examination from the Prime Minister of why the Bank got into a bankruptcy situation a year ago, an analysis of the reasons. What have they done about it in the interim? Why is it necessary to borrow this money? Will this money cover all the losses and still have some to go over for on-lending? Why did the Government reject the alternatives of looking within Barbados by the flotation, for example, of national development bonds to get the capital to put into the BDB?

Anyhow, Sir, the Opposition has a function to perform. We do not want to be destructive. We will criticise, but we will also make suggestions which we hope the Government from time to time will take into account.

The problems of the BDB under this Government are only reflective and suggestive of the problems which are springing up, mushrooming in other Statutory Corporations, like CBC today, like the NCC where you have got rid of two Chairmen in less than three years under one Minister and where the Manager, who was not a Laborite at all, but served under the Labour Party for ten years, has been pummelled, bullied and sent home. But they are now turning against themselves, they are eating up themselves.

Mr. SPEAKER: The Honourable Member knows I will give him room to make his point, but not to expand.

Mr. D. A. C. SIMMONS: Yes, Sir. I am not straying too far, I am saying that in the budgetary proposals of 1988 BDB, CBC, NCC, all parastatal Statutory Corporations which the Honourable Member for St. Andrew had special responsibility for...

Asides.

Mr. SPEAKER: I will be forced to give the Honourable Member extra time if you continue to disrupt the member like that. I will just ask for order once again.

Mr. D. A. C. SIMMONS: They are friendly, Sir, both sides.

Mr. SPEAKER: I will give you a little extra time for that.

Mr. D. A. C. SIMMONS: Thank you, Sir. I am enjoying the little friendly banter between them. They are not enemies at all. They may be adversaries, not enemies.

Asides.

Mr. D. A. C. SIMMONS: At the top only, Sir. Mr. Speaker, I do not think we can divorce what has happened at the BDB from what has happened at CBC or the NCC. It has to do with the style of management of these Statutory Corporations, Sir. 4.15p.m.

I know about them. My record is there, the best. You never had any problem. I never fired one person from CBC. I fired one from the NHC for slamming a door in the Deputy Manager, Mr. Haynes' face, one day. At the Sports Council, none, and I was happy to swap with other people to let them see what was happening, let them see how it was done. If I had a problem with a Minister, I resigned, but I never took it out on the staff. But this Government, when there are problems in the management, take it out on the staff. I did not give you the list for those from CBC.

Asides.

Mr. D. A. C. SIMMONS: Mr. Speaker, there is something called constructive dismissal which the Honourable Member for St. John knows very well; that you create at a person's work place an atmosphere of such unease that he is obliged to leave. It is like when in the old days we had desertion and constructive desertion in the divorce law, that even though you remained in the house and your wife left, you were a constructive deserter because you forced her out, and that has been happening in several of the statutory boards.

The Honourable Leader of the Opposition will have even a more vivid and empathetic experience with the concept of constructive dismissal as to why he left and had to set up his own party. They made it so difficult for him all behind his back, back-biting him and moving Resolutions to expel him and all that...

Mr. SPEAKER: And all of this you agree is part of the Development Bank.

Mr. D. A. C. SIMMONS: Yes, Sir. It is relevant to the BDB because you are not following the point I am making, with respect. It is relevant to the BDB in so far as I am questioning the style of management, or whether in fact there is a settled and determined policy to run para-statal organisations in a particular way that when one examines three or four of them you can see the same pattern of conduct running through, a golden thread of behaviour running through them. Not the NHC. The Minister of Housing I exempt. I have nothing on the NHC yet, but he knows if I get anything I will tell him. I am talking about those that I have mentioned, where you had two Chairmen at NCC who got fired within three years.

Mr. SPEAKER ordered that certain words spoken by the Honourable Member for St. Thomas be struck from the record.

Mr. SPEAKER: I will give the Honourable Member just a second to wind up.

Mr. D. A. C. SIMMONS: Well in the ten seconds allowed to me, Sir, I would just ask that in his reply the Prime Minister take time to deal with the matters which have been raised and the questions which have been asked on this side. We have not heard anything about the EDF, the European Development Fund. We know that the project at Speightstown for the fishing harbour was closed under the Government. Thursday night the Prime Minister said that a fisheries project in that area is going to be one of the responsibilities for Senator Lewis in the Other Place. He said it. I have a note.

Hon. B. M. TAITT: On a point of order, you cannot call the name, he knows that. Withdraw the name.

Mr. SPEAKER: The Honourable Member has exhausted his time.

Mr. D. J. H. THOMPSON: Mr. Speaker, if there is one thing that is certain, it is that whenever any Honourable Member of this House speaks after the Honourable Member ~» for St. Thomas, he will be able to lift the debate somewhat. Sir, today by accident he let go a month's supply of rumours and I am certain that we will not hear him...

Mr. SPEAKER: Are you saying that in reference to Honourable Member that he has made rumours to me in this House?

Mr. D. J. H. THOMPSON: No, Sir, I said he let go. I did not say he necessarily spoke them, but they were let go. ** A rumour is something that you do not necessarily have to... Sir, there are rumours by implication too.

Sir, we are speaking about the Barbados Development Bank and its role in the development of Barbados, and I think the debate has been a very good one. I have enjoyed all of the presentations. If, Sir, I were to look at this topic in terms of what the Barbados Development Bank has to offer, Sir, I think the best way we can assess it is by how the persons who are in need of the Barbados Development Bank as an institution to assist them in realising their goals view it.

Sir, only a week ago I was listening to the radio and they were bringing a report on the collapse of the workers' Bank in Trinidad. When I was in Trinidad I had to pay a very special interest in the workers' Bank because at that time that was the Bank that had an automatic teller and my funds were kept there. But, Sir, one of the persons who was interviewed by the press on the street in responding to the

workers' Bank problem, said that as far as he is concerned the Workers' Bank is the best Bank in the world, Dr. Eric Williams gave it to the poor people in Trinidad and that he has found it to be a useful institution.

Now, Sir, he may not have articulated it well. The persons who are versed in economics or versed in banking may not have felt that that might have been a comment that might be worth assessing, but it said something about his view as an investor and he was a person who had money deposited on the bank or at least he said so. But he felt confident about the role of the workers' Bank in terms of assisting, and I believe, Sir, that if we assess the role of the Barbados Development Bank by the persons who have had to use it, perhaps we might be somewhat disappointed by their response to the contribution of the Barbados Development Bank. 4.25 p.m.

Today, Sir, we heard about the problems of the bank, the deficit in equity and the need to restore short-term measures and the question of recapitalisation so, obviously, Sir, the particular Resolution that stands before the House must only be seen in relation to its short-term effect.

The loan is not to be used to restructure the Barbados Development Bank. It is, obviously, a short-term measure and the Government has indicated that it is carrying out a survey with respect to the restructuring of the Barbados Development Bank. Whatever efforts the Government makes from here would have to be with a view to restructuring it and, also, getting further an additional sum to carry out the reforms that are necessary to put the Barbados Development Bank back in its central role as a development bank and not as just another banking institution in Barbados and that is the critical point.

I do not think that a person who is going to the Barbados Development Bank should view it as if they are going to any of the other banks in Barbados. It is not to say that people should go in with their two hands swinging and come out with a half of a million dollars. Obviously, they have to conform to some kind of security requirements and so on. But the point is that if they do not view the Barbados Development Bank not only as a system for lending them finance but, also, to provide them with technical and other kinds of assistance to see them through times of trouble as a small business or as a large business, or whatever, then the Bank would not be living up to the concept that is ascribed to development banks so it is not just another commercial bank.

A development bank must have a political agenda in that it must be seen as an institution that is in concert with the desire of a Government to pursue certain political objectives so that if the Government says it wishes to pursue a particular thrust, whether it be in agriculture, or

fishing or tourism, well, then the development bank must form an integral part of that.

It is not just another institution within the economy over which one must not exercise political control so that we have a situation where the development bank is essentially run, at least at the board level, by political agencies and that is quite reasonable. That is, in my view, one of the best ways that a Government would be able to carry its mandate forward and use the Barbados Development Bank as an institution to assist those persons who are desirous of establishing businesses or getting involved in the economic development of Barbados.

Now, Sir, there is also the question of the Bank's technical department, or the various technical divisions of the various divisions of the Bank which I think, Sir, must be enhanced. We have had a lot of discussion on this and which I agree to that the technical division should just not be there to carry out evaluations.

In other words, a technical division should not just be an institution to go to a building and establish its value, or to go and establish the value of a boat, or a piece of machinery or equipment but a technical division, certainly, must have a more useful role in terms of ongoing assistance to persons who are borrowers from the bank, the persons who are involved in developing businesses, the persons who have come to the Development Bank for development assistance.

The technical division, just like the division that is responsible for receivables, or whatever, should not just be seen as a burden to the administration of the bank but should be seen as an integral part of resuscitating businesses and helping; so a receiver appointed by the Barbados Development Bank should not be viewed like a receiver appointed by a commercial bank who goes in, basically, to close down the business and pay out the creditors.

A receiver appointed by the Barbados Development Bank should, at the end of the day, be able to turn around that business and hand it back to its owners or its shareholders as a viable enterprise.

Now, Sir, too often in this country where receivers or other kinds of legal mechanisms are used when a person becomes virtually bankrupt or insolvent, they see it as their role to wrap up the business and who gets pay, gets paid and who does not get pay that is their business.

I believe a Development Bank should not have that kind of attitude with respect to the business that it is doing with respect to the persons who are borrowing from it. Its role should be, firstly, a developmental role and the persons, therefore, who are in its employ, should see their role as being developmental and, therefore, they should see

it as their prime responsibility to ensure that projects that they have funded are seen as beneficial in the community and I am saying that, Sir, because, again, a development bank has a critical role in terms of path breaking and innovations.

The development bank should be the first bank to assist somebody in going into some new venture. Well, when it was the iceboat, it was the iceboat industry. At one time it was the mobile canteen. At another time it might have been furniture, or minibuses.

Well, if the development bank has assisted the first five people, that should be used as a means for the Government to accept the viability of these projects and then use some kind of moral suasion or other suasions to encourage the other banking institutions to take over where the development bank has established that these things are viable.

It is no longer necessary, in my view, for the development bank to extend all of its resources in the same kind of products, in the same kind of businesses, the same kinds of business ethics. They are path breakers. They establish that these are viable projects and then the commercial banks should come in from there.

This is the role of a development bank but, Sir, I feel that the Barbados Development Bank as it is presently constituted does not view it that way so that once they have established that a minibus is a good way to make money, that the minibus owner can pay them back the money and so on, they will lend the money to the minibus men instead of saying let us establish a few and let somebody else take over and let us look at some other areas in this new path.

That, Sir, is my view about the socio and political role of a development bank as an institution within the economy, that it sets the mandate of a political party that is elected to office in motion by providing the finance and the technical assistance to establish, as in the case of the Democratic Labour Party, small businesses which we are interested in establishing, to make the ideals of entrepreneurs a reality.

The only medium you can do it is through the institutions within the economy and that is the role of a development bank so that we have been able to assist in the contribution of the Development Bank in respect of these projects, the canteen, the minibuses, the fishing boats but after these few successes, the wider banking sector has not played a role, in my view, and they have not seen it as their responsibility to pick up from where the development institutions leave off. Therefore, the Barbados Development Bank has not always been able to move on to other kinds of innovative investments in the way that I think it should be able to. The Barbados Development Bank, therefore, has not been a leader in terms of the question of development.

Now, Sir, I have been talking recently about tourist development on the East Coast. I read a letter in the paper by a gentleman who felt that I was talking about building hotels on the East Coast. Sir, there is nothing that would be further from my mind.

I am talking about the development of the East Coast from the point of view of small businesses, perhaps, hiking, nature trails, the old train line, small restaurants, handicraft centres, those kinds of things because there is nothing between Bathsheba and Sam Lord's Castle.

Now, the point is, Sir, that these are the kinds of things the Bank, in my view, should be looking at and trying to assist people with establishing these kinds of industries and this, again, is something that has been sadly lacking.

A development bank must also, as a result of its role in development, broaden its contact with the other lending institutions, for example, the National Development Foundation and something which my colleague, the Honourable Member for Christ Church East Central has mentioned, Women in Development, Junior Achievers, People of Tomorrow.

The Development Bank, in my view, has a critical role to play at that level as well but if it is seen as this lofty institution and not the people's institution; if it is not seen as an institution that helps the businessman, that helps entrepreneurs, that helps the average working-class Barbadian who may wish to go into some areas of business to make himself self sufficient, well, it is not playing its development role as effectively as it should.

It can do this, in my view, by paying greater attention to the Co-operative Movement in Barbados and, perhaps, trying to direct the attention of the Cooperative Movement from lending for consumer items like motorcars, maybe washing machines and those kinds of things, or small loans which are essentially used up buying consumer durables, to lending money for small businesses for projects that will encourage productivity, for projects small in size that will contribute to the economy. The Barbados Development Bank should have a role in terms of persuading these institutions in going into these other sectors which, perhaps, the commercial banking sector does not find as attractive. 4.35 p.m.

The Government of Barbados, Sir, established a Task Force on Employment and in this Task Force, it set out a number of proposals including the Enterprise Development Scheme. I believe that some of these matters are matters that the Barbados Development Bank should be looking at, as a means of contributing to the creation of employment in Barbados. If the Barbados Development Bank therefore is seen in that development context, people will develop the kind of confidence in it that I think would make it an

institution in our national economic life that can make a tremendous contribution.

So I believe, Sir, that this measure, although it is seen as a short-term measure will go a long way for the time being and that when the restructuring exercise at the Barbados Development Bank takes place, we would be able to come back to this Chamber with more solid proposals to focus the Barbados Development Bank as an institution in development that can make a tremendous contribution.

So that the criticism that we have had about this particular loan being too little too late is an invalid one from the point of view that it cannot be seen as being the be all and the end all to the Barbados Development Bank. It is a short-term measure and other things will shortly follow. But before you provide the other money or find ways of attracting the other money, you have to carry out the restructuring programme first. This, Sir, to me is important.

So that, Sir, finally the Barbados Development Bank should be seen as a full development bank or development agency answering the needs of tomorrow's entrepreneur, tomorrow's idealist, tomorrow's technician who wants to contribute to helping others being involved in economic development, tomorrow's co-operative movement, tomorrow's farmer, today's Junior Achievement participants, today's participants in People of Tomorrow. They should all be looking at the Barbados Development Bank of tomorrow as the institution that can provide the greatest assistance to them. Today's 4-Her in a small club somewhere in rural Barbados, perhaps St. John. Those members should be looking at...

Aside.

Mr. D. J. H. THOMPSON: ... the Barbados Development Bank - or St. Joseph,....

Aside.

Mr. D. J. H. THOMPSON:...or the City should be looking at the Barbados Development Bank as the institution that in 10 years' time will provide them with the take-off, that will give them their start-up capital and assist them in contributing to the economic development of Barbados.

I believe, Sir, that with the proposals that we have had from the Democratic Labour Party and the comments that you would have heard in here and I would have heard that the Democratic Labour Party the only political Party that is capable of moulding the Barbados Development Bank and other lending institutions into the kinds of institutions that can respond to the needs of an expanding economy that we understand the Development Bank as a tool in carrying out the mandate in assisting the average man in becoming a participant in the economy and that the Barbados

Development Bank is the institution that will achieve these ends at the end of the day.

With those few words, Sir, I should like to say that I fully support the Resolution.

Mr. P. J. M. MILLER: Mr. Speaker, it is still heartening to see that the Backbench still continues to try to enlighten the Frontbench over there. I am still very pleased about that, if nothing else.

Well, Sir, most of the debate has focussed on who was to blame and who was not to blame and what the money is to be for and what it is not to be for. I believe that Honourable Members have had their say on those matters and I really have no intention of getting into that kind of debate. But I do feel the need to say a few words, make a very short intervention to this debate because there has been a lot of talk about small business people, micro business people, mini business people, miniature business people, whatever term they want to call them. People have been tossing around talk about philosophy and the lack of and need for it. We have gone through all of that. It is something that we have gone through and a lot of us have grown tired of hearing it quite frankly. One tends to want to focus more on how the Barbados Development Bank will be used as a tool to assist Government and assist, by extension, the people of Barbados - because you are talking about a Government of the people - in bringing about the kind of programmes, the kind of policies that they would want to lead us to believe that they are interested in bringing about for Barbadians, particularly in the whole area of small business, small entrepreneurial development.

Now if we are to understand and to believe that it is Government's policy, as we have heard on many occasions talk of the economy being export led, if we are to believe that this is so and that Government is serious about export manufacturing, then one would hope, well certainly we have not heard it today, but one would hope, and I was hoping that the Honourable Member for St. John was going to enlighten us some more, because he did say at the beginning of his intervention that he would try to raise the level of the debate and I was really hopeful that he would enlighten us...

Aside.

Mr. P. J. M. MILLER: ...as to what he may have known, being one of those few people on the Backbench as I said, still able to try to enlighten the Frontbench somewhat, I was hopeful that he, unlike me, when I was there, would have known something about what was going on, and not just continue to talk about the East Coast every time he speaks. He is telling me about the East Coast but I am not quite clear yet as to what he wants done for the East Coast. I do not know if he is clear himself but we will tell

him in due course what he should want done for the East Coast, in terms of development.

Aside.

Laughter.

Mr. P. J. M. MILLER: But if I can be allowed to be serious, Sir, we will talk about the development of the chicken industry at another time but we are not discussing the development of the chicken industry at this[^] point. That is not what I am discussing. I am talking about other small business people, other than chicken processors. So if the Honourable Minister would bear with me, we would get to that another time.

Aside.

Mr. P. J. M. MILLER: If I can now get back to being serious, in terms of our export-led growth that we keep hearing about - these nice clichés, these terms that are knocked around - one would hope that when we talk about the Development Bank, we talk about the kind of developmental role that it can play in terms of assisting these export industries. We hear always, and we are very good at doing this in Barbados, we are always good at talking about somebody else's model that it is working and that we should look at it and we should try to copy it. But then you wait and you listen and you hear no one saying how we can modify it and make it work here; no one is saying that there is a model like that that we are going to use here.

To be specific, Sir, I talk about the whole question of looking at bringing together a number of organizations. I heard the Honourable Member talk about a one stop shop for information. Let us say that you have someone who is already in manufacturing who wants to get into export manufacturing or who wants to go into it in the first place. Let us say, you have a young person, a new entrepreneur, if they are fortunate enough to have gotten all the other things that the other banks ask for and they got the funding, they want to get into export, we do not have an organization or a council or a body of organizations. We have a number of organizations who deal with a lot of aspects and a lot of facets of export manufacturing. 4.45 p.m.

You do not have a council or a group who would be able to deal with this. I know that the Investments Council was supposed to deal with that. I also heard the Honourable Prime Minister allude to some other body that will address something like that. What I am saying, Sir, is that I am not hearing anything specific. I am not hearing that there is a body that one can say to anyone tomorrow to go to this body. These are the people who will give you the kind of information and the kinds of assistance that you need to get into in this area of endeavour.

You have an Export Promotion Corporation and I grow tired of saying in here and elsewhere that it does not function properly. Everybody knows that. Anybody who wants to can see this except maybe the Honourable Minister of Trade. He does not seem capable of understanding that it is not working. It does not work. It does not function. What kind of export promotion have we had over the last few years that that body has been in operation?

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You have an Industrial Development Corporation and you have the BDB. What is so difficult about getting not necessarily the Chairman and so on together in these bodies, but getting the functionaries together to work with these people to spend the same BDB money in a meaningful way. Rather than keep looking back to see who was responsible for the money that is gone, let us see if we can now determine how we are going to properly spend the money that is to come. I am saying what is so difficult about getting these bodies together to deal with that. It is not good enough for Honourable Members to make *sotto voce* comments that I have something to do with BDB as being a client or owing them money. I do not even know what that means. I do not know what that has to do with anything > here anyhow. They should also remember that the business that I work for makes contributions to this country by bringing in foreign exchange and saving foreign exchange expenditure. It has created employment for 22 years. They should also remember those things and do not ** think that for one minute I will feel threatened about any money that I owe to the Development Bank. It is part of the business.

Asides

Mr. P. J. M. MILLER: But you see, you say about one. Those things sound like things from the past, things that I used to hear about that other Prime Ministers used to be accused of. It smells of victimization and I will say it. «* Those Honourable Members who want to make those kinds of *sotto voce* comments should remember what I am saying and be careful. That is all I am saying. I am not going any further. I am not accusing the Honourable Prime Minister of anything. He was not even in here when it was said.

Mr. Speaker, I listened carefully to another Honourable Member in his contribution. He started off by saying - this is the Honourable Member for Christ Church East Central - that if we are not careful about this constant talk about assistance for micro-business people and setting up micro-business people with finance that we are going to create what he called "business slums". Well, I am still waiting to hear what a business slum is. I did not hear what a business slum is. I did not hear the Member for Christ Church East Central. I still do not know what is a business slum because he did not go on to tell us what was the business slum that he was talking about that we would create by assisting these micro-business people or creating ^ this group of micro-business people.

He also went on to talk about programmes in places like Jamaica where established businesses have gotten involved in a programme to assist fledgling business people, small entrepreneurs in getting set up and giving them some guidelines, and assisting them in some real ways too to get on their feet. But you see we can always go on to cite examples of things that happen in other countries. If we want to put something down, we will always cite the worse things about a system in a particular country and highlight the best things in another country. It depends from which side of the fence you are looking. What he did not go on to say is that certain incentives are provided to these business places to take in the small entrepreneurs or the small business person and assist them. There are some incentives provided by Government. There were incentives provided, tax credits, and the like. Fiscal incentives were provided for these people to get involved in that sort of thing. He cannot say on the one hand that we must not be looking for Government to do everything. No right thinking person expects to keep hearing that Government has got to do everything. You know we get carried away with this "Government has got to do everything" talk all of the time. Sometimes I think we get confused. When people say that Government has got to do that, they mean a political party has got to do everything. We do not mean that at all. What we are saying is that it has to be Government-led, though. We have to create the environment and the atmosphere to foster that kind of behaviour within the private sector. Let us get it clear. I have said it before and I will say it again. Stop trying to divide the private sector. Let us not fool ourselves with that and let us not keep talking about people trying to include these small business people.

I have listened to people saying that we included these small business people and put them in a position where they are being taken advantaged of, or trying to give the impression that we are taking advantage of the larger merchants. Let us face it. It is a system that works in almost all of the free world that I know about. If we are talking about another political system or another system, well then let us make that clear. If we are talking about the system that we operate in, we know that there was never a problem with the small shopkeeper. I came along and found them flourishing. There were micro-business people. You know a lot of them own supermarkets and minimarkets now - the same people. Yet I am told that we are going to create a business slum and that micro-business people will be relegated to that position for all times. Nonsense. This is not true. When we talk about a development bank only playing the role of helping people to get on their feet and then leave them - in other words, if we provide four people with minibus loans, you do not need to provide them with anymore because the commercial bank is going to come in and pick up that, because we are going to demonstrate to them that that is how it works. That is not true. It does not work that way.

Asides

Mr. P. J. M. MILLER: Well, then you have to let the Barbados National Bank be the role model. Well, show us where your policy is for the Barbados National Bank. Show us where the Barbados National Bank understands the developmental role that they must play. Show us where that is evident - not true. They are the only bank that we alone have any serious control over. That is the only bank we own. If we are going to set an example for the other banks and if we are going to ask the other commercial banks to do what the Honourable Member for St. John speaks of, then we have to set the example. As far as tilting at windmills is concerned, I am always around windmills successfully too.

There was talk about the situation in England where, again, the same type of programme as in Jamaica where a large company would adopt a smaller company either to be a supplier of materials for them or to distribute that company's products. Again, there were serious incentives provided for that kind of activity. The private sector seems to be clearly defined now by the Members on that side. They seem to think that the private sector is one little group of people somewhere out there. I remember once saying that when you are attacking the private sector, you are attacking me too and a Member over there said to me, we do not mean people like you. I do not know who is the private sector anymore. 4.55 p.m.

As far as I am concerned, the private sector, as correctly defined by the Honourable Leader of the Opposition, is those people who are not working in the public sector. The rest of us are in the private sector.

(Aside)

Mr. P. J. M. MILLER: The Honourable Member for St. John said he will further define it.

(Aside)

Mr. P. J. M. MILLER: I hope one day he will further define and refine and do whatever "fining" he wants to do, but I am not going down that road and you are not going to confine me to those kinds of narrow parameters. The Honourable Member would have to be in the private sector.

Sir, the whole point is that we cannot view the role the Development Bank must play in any sphere of human endeavour in Barbados where the Bank relates to in a vacuum. We cannot do that. It has to be seen up against an overall policy, if such a policy exists, whether it be for agriculture, for tourism, for fishing or for manufacturing. It has to be seen in line and parallel to whatever the policy is for developing these particular sectors. It is only then that the Barbados Development Bank, or any other development bank we decide to come up with, will be able to play any meaningful role and the role for which they were designed, the developmental role. Unless the Government can come

to grips with what their policies are for these various sectors, and where the priorities are, you will continue to have these kinds of problems with the Development Bank. You will continue to have the kinds of problems that were identified today, and it does not serve any of us well to keep poking fingers and deciding whose fault it is, if it is the private sector which is doing nothing about it, or if the Government is supposed to do all. One grows very tired of hearing that nonsense.

As far as I am concerned, Sir, if wQ. can get from Government some specifics in terms of what their policies are for these particular sectors, and the agencies for these sectors are allowed to function properly, I think half of our problem will be solved in terms of how the Development Bank should function.

In closing, Sir, I would only like to endorse the Honourable Leader of the Opposition's call for a venture or risk capital fund. I think the time is long past. My good friend, the Honourable Member for Christ Church East Central likes to use other people's models. He can find several models around the world for that kind of funding, and he can also find that the losses are minimal. I believe that if we are serious about the development of small business people, if the Government is serious about them, that is the direction they will have to start looking in.

Thank you, Sir.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, for most of the time I have listened to the comments made in this particular debate and I must say that I have not heard any points of view put forward which would be in opposition to the particular Resolution that is before the House. What I have heard are certain comments and observations about the operations of the Bank, some suggestions as to the directions in which the Bank may go, and then there were some words as to why action had not been taken before and some byways as to who was responsible for the predicament in which the Bank finds itself.

I have tried to the best of my ability to keep the debate out of any blame casting or out of any areas that would suggest that any particular individual or individuals or group might have been responsible for this particular situation, because I believe we must come to a point at which in the national interest it is necessary to take steps in order to put our national institutions in a better position to carry out the mandate which has been entrusted to them by the legislation under which they operate.

Now, what would it profit us to identify 1987, 1986, 1985, 1984, 1983, 1982, or 1981 for that matter, as a date at which certain decisions were taken that have by a process of continuing and unfolding events have led us into this particular position?

One thing, Mr. Speaker, this country will learn is that my shoulders are very broad and wherever they wish to cast blame, if they wish to put it on my shoulders, they can make the statement. If I am responsible I will say I am responsible. If I am not responsible I will say that quite openly.

During this particular debate, in the introduction of the measure, I made it quite clear that the Board of Directors of the Barbados Development Bank were scheduled to meet this afternoon to seek to finalise, or to work out, some recommendations relating to the four areas which I identified during my Financial Statement and Budgetary Proposals earlier this year, in the area of capitalisation, and I think I identified three other areas. I said it quite clearly, but there are those who hear and those who do not wish to hear and they come and make all kinds of statements as though this is what they had been prepared to say, and in spite of everything else they go and churn it out, because this is what they had been wound up to say.

(Aside)

R Hon. L. E. SANDIFORD: Not you, I am not talking about you. Not the member for St. Michael South Central, I am not speaking about him. 5.05 p.m.

The Barbados Development Bank is a statutory body and I am not a Minister who operates on the basis of giving those kinds of directives or the kinds of day to day interference in those matters of which they wish to accuse me and to set me in a particular mould. I believe they cannot yet understand and believe that there are Ministers who do not operate in that way, and I do not operate in that way. If I see professional standards being eroded, I will draw it to the attention of those who are responsible; but there is a Board which has to manage, and I said quite clearly that that Board is giving consideration to matters which would lead to the restructuring, recapitalisation and whatever else of the Barbados Development Bank. So it is really pointless to come with any long litany of things that we should have been discussing here today when in fact the process is already in train and when that is completed, I will be coming to the House and making the statement and you can discuss whatever the component should be then, but I will come against a background that the Board has examined the matters, have made the proposals, we have looked at them and then I have taken a decision on them.

I said quite clearly that that will be coming in due course later this year. If you want to send for the record, you can send for the record, but that is the particular position. So all the talk today really when we are all agreed that the Bank needs an injection of funds and we have a kind of a global loan here available to the Bank as part of the process is unnecessary, and then we go on to make the kinds of statements that the Bank must be for the private

sector and it must be for the small man. We had a definition of the private sector when in fact we have said in this particular measure, when I introduced it, that the loan was in two segments, including one which would go into the small business area.

The Honourable Member for Christ Church East Central made a very passionate call for the involvement of everyone into the business of being able to contribute towards the development of this country. He called upon those who may be able out of their experience and the accumulation of their resources, I believe he included the Honourable Member for the City in this, to help in bringing on other people including the young people.

Mr. Speaker, I heard talk also about the Central Bank carrying out an inspection. I have not been able really to research this matter and to find out the time when this was carried out. I believe it is a fact that.... was it done during your time? I do not know about hiding anything on a shelf.

Dr. R. C. HAYNES: On a point of elucidation, Mr. Speaker, as part of the process of examining the accounts of the Barbados Development Bank, the Central Bank of Barbados was requested by me in my capacity as Minister of Finance to carry out an inspection of the accounts of the Bank and the Central Bank Report simply related to a normal inspection by the inspectorate of the Bank, and I believe there was some personal comments by the then Governor of the Bank in the transmission of his report. It was a standard Central Bank inspection requested by me. That is the only report I know about. There were three copies transmitted to me and as far as I am aware, reports of the inspectorate of the Central Bank include the names of all persons in Barbados who have accounts at the institution and therefore it is not something that is made public. This goes on every day of the year with the Central Bank inspectorate examining the position of all the banks in Barbados.

Rt. Hon. L. E. SANDIFORD: I don't understand, Mr. Speaker. This is why I say we draw these trails and make these innuendos and so on. Why didn't you get up and tell him so when he made the point?

Dr. R. C. HAYNES: My parliamentary manners do not induce me to interrupt other Honourable Members when they are speaking.

Rt. Hon. L. E. SANDIFORD: I think if there is one thing we do in here is exercise a relative measure of courtesy during debate to one another. I gave way to you as you rose in accordance with the Standing Orders and with the permission of the Speaker. I am certain the Honourable Member for St. Thomas would have given way. I would implore the Honourable Member for St. Thomas not to make any statement which leads one to come to the

conclusion that I have something on the shelf catching dust. Say where the report was.

Anyhow, Mr. Speaker, I think, as I said, I have listened to this debate; the position is clear that as an Assembly we are on the right track and about to take the right decision in respect of the Barbados Development Bank to restore its equity position or to assist in restoring its equity position and as soon as practicable I will be coming with other measures in respect of that institution.

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

THE MINISTERS AND PARLIAMENTARY SECRETARIES (REMUNERATION AND ALLOWANCES) (NO.2) ORDER, 1989.

Order No. 2 was called - To move the passing of a Resolution to approve the Ministers and Parliamentary Secretaries (Remuneration and Allowances) (No. 2) Order, 1989.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, earlier today I laid the Public Officers Loans and Travelling Allowances Regulations 1989. That is subject to negative Resolution, and I also laid the measure that is now before the House, that is the Order, the Ministers and Parliamentary Secretaries (Remuneration and Allowances) (No.2) Order, 1989, and this particular Resolution is to approve that Order. 5.15p.m.

The Resolution relates to the allowances which would be payable for travelling allowances paid to Ministers and Parliamentary Secretaries with effect from July 1, 1988.

This is a non-contentious matter, Mr. Speaker, and I beg to move that this Resolution do now pass.

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

Dr. R. C. HAYNES: Mr. Speaker, the Honourable Prime Minister has indicated that this is a non-contentious matter but one, of course, subject to debate, and hence the slight difference in the handling of the Public Officers Loan and Travelling Allowances Regulations, 1989, and the current handling of the Ministers and Parliamentary Secretaries Travelling Allowances.

Unfortunately, Sir, the House has not had the benefit of seeing the Public Officers Loan and Travelling Allowances Regulations as yet. They were laid today but we have not seen them.

Aside.

Dr. R. C. HAYNES: They were laid but not circulated as far as I know. I have not seen them.

The first point I would wish to raise, Sir, is whether or not the numbers that would be appearing there are the numbers agreed between the Government and the Unions. Secondly, whether the commencement date would be the commencement date as agreed between the Government and the Unions.

Aside.

Dr. R. C. HAYNES: You referred to it in your speech. I am asking a couple of questions. The reason, Sir, why I ask a question like that is because, and, perhaps, the Minister of Agriculture could probably help me a bit with this one, I notice that on April 4 of this year, exactly four days after the commencement of the financial year, that a document was sent out to most departments under the Ministry of Agriculture advising them that the Travel Vote for this financial year has been reduced as compared with last year and informing them that consequential on that their individual monthly allowances would be reduced.

Aside.

Dr. R. C. HAYNES: Now, that is why, Sir, I have raised the question as to (1) the commencement date, whether it was the date agreed with the Unions; and (2) whether the quantum was agreed with the Unions; and (3) why the Ministry of Agriculture, that has a large number of officers who receive travelling allowances should, on the fourth day of a financial year after this Parliament had debated long and hard for five days and approved certain Estimates, have been informed by circular letter that the majority of those persons enjoying travel allowances as part of their remuneration would be told that the vote was reduced as compared to the previous year and that their individual monthly allocations had -1 want to be accurate, I am not quoting from anything, Sir - have had to be reduced.

I do not know whether the Minister of Agriculture would be able to help us because it would appear that the Minister of Finance is not aware of any such circular going out and that can happen, Sir. I am not accusing anyone of any incompetence or anything like that in this matter but it does come as a big surprise to me that at that time, right at the beginning of the financial year, that public servants should be submitted to a reduction in their income by a circular entitled "Travelling Allocation for 1989/90" sent to all travelling officers from within the Ministry of Agriculture.

The second point I would like to know is whether or not all other Ministries have sent out such circulars or whether this was a kind of punishment...

Aside.

Dr. R. C. HAYNES: I am not reading from any circular so I have nothing to make a document of the House. I am not reading from anything.

Aside.

Dr. R. C. HAYNES: Well, the Honourable Member has said that he did not send out that circular. The question is whether other Ministries have sent out similar circulars containing the same information and making the same request in respect of a reduction in the remuneration of public servants four days after the end of the financial year and four days into the commencement of a financial year.

The Honourable Member for St. Michael West has indicated to me that to the best of his knowledge he does not know what is going on in his Ministry.

Now, there are one or two other points I would have wished to raise but I have raised these points before in relation to the Ministers travelling allowances and I think it is something that really needs to be looked at.

My w[^]nderstanding is that one arrives at a travelling allowance of a Minister in the following way. All these things have certain relationships to each other. An assumption is made on some basis in relation to other areas in the Public Service as to what would be an appropriate travel allowance for a parliamentarian. After that, you look and see what additional responsibilities in the area of travelling a Minister would have and hence a Minister's travel allowance is higher than that of a parliamentarian. 5.25 p.m.

The assumption being that the Minister has his constituency's responsibilities, he retains those and he has additional responsibilities as a Minister. And hence, you arrive at a figure. It has therefore always bothered me and I am prepared to raise it again why it is that a Minister of Government who has no constituency to look after gets the same travelling allowance as a Minister who has a constituency to look after. There seems to me to be an anomaly there. And that the travelling allowance of the Minister who has no constituency should be what another Minister gets minus what the average parliamentarian gets. I think that....

Aside.

Dr. R. C. HAYNES: Yes. Minus.....

Aside.

Dr. R. C. HAYNES. No, no.

Aside.

Dr. R. C. HAYNES: No, we are not voting on this. Minus what a parliamentarian gets. Because he has no constituency to look after and therefore he should not be getting the same allowance. It is a matter that I think that needs to be looked into. I hope that some consideration will be given to that representation. It is not the first time I have raised this matter on the Floor of the House. It seems to me to be a significant anomaly and I think it is something that should be addressed.

They are the two contributions I have to make in this matter. Thank you very much, Mr. Speaker.

Mr. D. A. C. SIMMONS: Mr. Speaker, I have a little difficulty because we are dealing with the Resolution to do with Ministers and Parliamentary Secretaries Remuneration and Allowances. Being a parliamentarian is one of these jobs that I must tell you I do not know all of the terms, conditions and benefits which apply. I have never bothered to really examine and study for example the law about pensions and when you qualify and all that, Sir. Nor indeed am I familiar with the allowances. As a Minister, I knew because it was shown on the Cabinet document that you got notifying that your money had been paid into the bank, you see the various allowances and deductions and whatever shown. But in respect of the years 1987 and 1988 for which I filed my TD Form with my Income Tax Return, the only information given, as an ordinary Member of Parliament is the gross salary, the PA YE deducted, the contributions to the Provident Fund and like for last year, the surcharge. The column headed Allowances is blank. So that I am not aware whether we get any travelling allowances. I do not think the Constituency Secretary is paid, separate and distinct.

But I should like some illumination as to whether ordinary MPs and Backbenchers do in fact receive any travelling allowance. If we do not.....

Aside.

Mr. D. A. C. SIMMONS: I get one check every month, whatever it is. There is no breakdown until the end of the year when you get your TD Form. And if.....

Aside.

Mr. D. A. C. SIMMONS: Alright, Sir. The Honourable Acting Leader of the House has tried to clarify it for me to the extent that there are certain allowances which are as it were characterized as duty allowances and they are all added in.

I think though, it would help if perhaps the executive officers of Parliament....

Aside.

Mr. D. A. C. SIMMONS: It is not taxable. Alright.

Aside.

Mr. D. A. C. SIMMONS: Right. Okay. That clarifies that aspect of it.

What I understand Government to be doing now, Sir, is to be tying these allowances to the allowances at commensurate levels in the Public Service. It is a continuation and the relativities are applied. I just wanted some clarification.

Hon. B. M. TAITT: Mr. Speaker, Sir, I believe that the House should be given some information.

As the Prime Minister and Minister of Finance indicated when he introduced the Bill, the appropriate Order for the Public Officers is by negative Resolution and therefore is not normally debated. But in fact, in answer to the Leader of the Opposition, these allowances for the Public Officers were agreed to after several negotiating Sessions and written offers. The Union and the Ministry reached agreement on the revised rates of travelling allowances and vehicular loans.

The key to all this is not only the increased travelling allowances but the increase in the amounts which officers can borrow for the purchase of their motor cars. This is really the most crucial part. The rates are important too. But for example the present first loan was \$14 000. That has now been moved to \$20 000. I am sorry the Honourable Member did not see that actual Order. I cannot explain why you have not seen the actual Order.

But the first car loans have moved from \$14 000 to \$20 000. The second or subsequent loans from \$11 500 to \$16 000 and a refurbishing loan has been moved from \$3 000 to \$5 000. Motor cycles move from the present ceiling of \$2 500 to \$3 000. Otcycles remain at \$1 000, and bicycles moved from \$400 to \$500. And the allowances for motor cars, the first 320 kilometres move from \$1.10 per kilometre to \$1.30 per kilometre. Each additional kilometre has moved from 45 cents to 52 cents per kilometre and for every passenger from 5 cents per kilometre to 6 cents per kilometre. Motorcycles, the relevant figures are from 42 cents to 45 cents and from 17 cents to 18 cents. And then there are some officers who get a commuted allowance. They have gone from \$240 per month to \$285 per month, that is, officers of the Fourth Schedule. Officers of the Fifth Schedule move from \$500 to \$575 per month. Officers of the Sixth Schedule from \$300 to \$355 per month. There is something called an Upkeep Allowance which is given to people who have motorcycles or scooters and bicycles. For motorcycles it moved from \$110 to \$120 per month and for bicycles from \$22 to \$24 per month.

I believe that that answers the queries which the Leader raised. He made a point which he has made before

and which I believe the only answer to that is the question of equity, whether Ministers who have constituencies should get the same travelling allowance as Ministers who do not. I believe that it is a question of equity. The question is not one of agreeing and disagreeing. It is difficult to have the system of Government which we have which speaks of equals in the Cabinet and then having one Minister being treated differently from another Minister.

Asides.

Laughter.

Hon. B. M. TAITT: I am not able to discuss... I am sure that not a single other Honourable Member in this House wishes to violate the principle of equals with the Prime Minister being first among equals. It is a principle which has come down from time immemorial and which I believe finds its manifestation in these kinds of anomalies that will come up from time to time.

I mean, in Cabinets I have known, you could not pay Ministers according to qualifications. Soon we will start hearing that there are senior Ministers and junior Ministers.

Aside.

Laughter.

5.35

Hon. B. M. TAITT: I think that the former Minister of Finance had an opportunity when he sat in Cabinet to deal with these matters in a more specific way. I do not think that I wish to become involved in a discussion which seeks to question the ministerial system in a fundamental way. I think if the House wishes to debate whether the ministerial system is suitable for Barbados that we at sometime can discuss that.

Dr. R. C. HAYNES: Mr. Speaker, I believe that the Minister should answer a direct question that is put to him. The direct question is whether he thinks that the Minister of State for Special Projects should be receiving the same travelling allowance as he himself.

Mr. SPEAKER: That is not a point of order.

Hon. B. M. TAITT: I do not think that that is a question that would do Parliament in this 350th Anniversary Year any justice if it were dealt with seriously. Since it was not asked seriously, I will not respond.

I do not think there is anything else, Sir. I beg to move that this Resolution do now pass.

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

Order No. 3 was called.

RESOLUTION TO APPROVE THE REVISION OF THE TRAVELLING ALLOWANCES OF THE PRIME MINISTER'S PERSONAL STAFF

Hon. B. M. TAITT: Mr. Speaker, Sir, this falls within the same category except that this time it is for the Prime Minister's Personal Aide and the other related staff - the Personal Assistant to the Prime Minister, Press Secretary, and the Press Officer. It has the same principles as the ones we have done before.

I beg to move that this Resolution do now pass.

Hon. H. deB. FORDE: Mr. Speaker, Sir, I will be grateful if the Minister will inform me what increase in the staff of the Prime Minister's Office there has been. I notice that in addition to the regular Press Officer whom is regularly in his place in this House there is an additional member of staff who was in charge of the Press at the time of the visit of Her Majesty The Queen. I wish to know if there has been an increase and, if so, from what vote is that increase arising met. It seems to me that we might have been having these increases being done from special votes that are unaccounted for under Cabinet Office. I believe that the House is entitled to details of this, particularly in circumstances where, when I was the Official Leader of the Opposition representations have been made for providing the Official Leader of the Opposition with adequate staffing, and I have never had the courtesy of a reply. I will go further to say, that now that we have the Constitutional position where there are 2 Opposition Parties in the House, I have also addressed that matter to the Leader of the House. It seems that the state must decide that it cannot be one-sided in the way that it allocates to persons who have duties to perform the amount of staff that presently exists.

I have had the benefit myself of researching the precedents in all parts of the Commonwealth and it is unusual for us to find where there are more than one Opposition Party for adequate provision not to be made. Even with one Opposition Party, it seems to me that the provision made is inadequate. I have spoken about this matter not only in relation to the Official Government and Oppositions, but I have spoken about it also in relation to the provision of adequate staff for Members on each side of the House to carry out their duties. I think that we are still in antediluvian times if we continue to live under the impression that it is satisfactory for Members of the House to come in here every Tuesday or on such Tuesdays as we are called together without being given adequate provision to do research as well as to prepare themselves for debate, and as well as to service their constituents. It is in that light that I raise this matter.

I have no objection myself to the increases once they are the same as has been agreed on for persons in a similar

category. I believe that I have the assurance of the Minister that the date from which they have been backdated accords with the same date - I have not got his assurance yet, but I am asking for his assurance - that has been given to the civil servants and other statutory employees and that there is no distinction between them and the staff either attached to the Prime Minister's Office or for that in relation to Ministers.

I am concerned that the issues that have been addressed in official correspondence are not being responded to. They go unanswered. I do not think that that is proper for a democracy such as Barbados. I believe that when letters are written on these matters we at least expect the courtesy of a reply to those letters. I believe that the Government should take adequate steps to bring before Parliament the Bill which has been circulated for a long time dealing with providing adequate facilities for Members of Parliament and for the MP's whether they be on the back bench, front bench, or on the side of the Opposition cannot keep drifting on to this and talking about it in every Estimates debate but seeing no action being taken on the matter. We have done step by step in a rather spasmodic manner without any consistency and any overall proper study. It has got to the point in my view, Sir, that it is undermining the proper functioning of Members of Parliament.

Mr. D. A. C. SIMMONS: Mr. Speaker, I wish to support the Leader of the Barbados Labour Party in relation to his call for facilities for both sides of the Opposition and upgraded facilities from those which we have become accustomed. I have no quarrel with the Prime Minister having a Press Officer and a Personal Secretary and so on, Sir, although there was a person who was very prominent for the last 2 1/2 years who I believe was also assisting first out of the Ministry of Education and subsequently in the Ministry of Finance. The Prime Minister himself on Thursday night did tell the country what a tough job it is to be Prime Minister and how he is weighed down by the problems and issues of great complexity and he needs the assistance. But I would like to address one matter as a Parliamentarian now. If he has 2 Press Officers and a Personal Assistant, is it not enough for them to be contributing to the Douglas Leopold Phillips column? They have to ensure that we as Parliamentarians at least get the Hansard. For the year 1989, I have not received one single copy of Hansard. This is June. Well, everybody is agreeing. This is June and we have not seen the debates for the year January to June up to now. That is not good enough, Sir. It just is, not good enough.

We were told when the Minister responsible for the Public Service, who has now been demoted to something amorphous and nebulous, that he had special responsibility for overseeing the Printery and overseeing the efficiency of the Printery. Let me concede that for the last 2 years or whatever we were getting the Hansard on a pretty regular and timely basis. But for 1989 something has happened and

there has been no explanation to the House or indeed the public who subscribe to Hansard as to the reason for this sudden succession. He must assign one of the Press Officers, Sir, to get after the people in the Printing Department and try and let us get some of the Hansards because they are important for reference purposes. 5.45p.m.

Do we not have enough staff in Parliament, Sir? All right, I have made the point. I do not know where the reason for the problem is and if the Minister knows I will be grateful for the assistance.

Hon. B. M. TAITT: Mr. Speaker, I think I will deal with the last point first, because the Honourable Member tied it in to the Prime Minister's staff and I think it is entirely and completely divorced from the Prime Minister's staff. The Prime Minister's staff is not in any way responsible for, or connected to, the production of Hansard or the production of anything to do with Parliament. Failure to receive the debates has to be laid at the feet of Parliament, because the Debates Committee is responsible for this.

The actual details as to why we have not been getting Hansard, there has been some delay in recent times, is that there was a person employed as Editor for the Hansard and that person was employed within the Printery but is on the staff of Parliament. That person left fairly abruptly and suddenly and the position has not been filled.

Dr. R. C. HAYNES: On a point of order. Mr. Speaker, it has only been in the last few years that there has been such a post of Editor. All the years we have edited our things ourselves and Hansard has come out, so there is really no good reason for any hold up because there is no Editor. We used to edit our speeches ourselves.

Hon. B. M. TAITT: The Honourable Member is perfectly right, and what I am going on to say to him is that we are seeking to revert to the position we used to have where the Hansard can be done in the way it used to be done and delivered on time. The question of an Editor is an anomaly that was infused into the system, and I do not really wish to go into great detail about it, because there is no reason for me to speak about someone who has left us.

Mr. Speaker, the fact is that the question of equal relevance, and perhaps more weight, is the point raised by both the Honourable Member for Christ Church West and the Honourable Member for St. Thomas about the Bill for the management of Parliament. That Bill has in fact been referred to the Attorney General's Office and we are awaiting its return for its introduction into Parliament, which we understand is imminent. "Imminent" in terms of A.G's Chambers, Sir, is relative. What is imminent from the A.G's Chambers might be relative, Sir, but I can only

tell you my understanding is that that Bill will shortly be before the House. I hope that satisfies that aspect of the question raised.

On the general question raised by the Honourable Member for Christ Church West about the facilities for members of Parliament, the Prime Minister and Minister of Finance gave the assurance before that that matter is being addressed. The whole question of the accommodation of Members of Parliament is being addressed and indeed is waiting for the particular Bill to come down to Parliament. I hope the Leader of the Labour Party will accept that the matter is having attention.

On the question of his not receiving replies to letters, I am unable in my present capacity to speak to that. I will draw it to the attention of the Leader of the House when next I see him and I am sure that he will address the matter.

I think I have answered all the questions that were raised, and in those circumstances I think we can depart from this place.

Aside.

Hon. B. M. TAITT: I am replying. I will give way on a point of order.

Asides.

Hon. B. M. TAITT: Sir, it appears as though an Honourable Member wanted to speak. I asked if there was anybody else and nobody got up. I would not try to do you out of a speech.

On the question of the additional staff member, the Honourable Leader of the second Opposition asked a question. The person to whom I think he is referring is not on the staff of the Prime Minister in the context of this Resolution. He is a Public Officer in a temporary post that has been in existence for at least three years. He is in that post and I think it is well known that the Prime Minister can allocate a Public Officer to perform a particular function.

I think that part of the problem in Barbados has to do with our failure to give certain people proper perceptions of what is required to produce efficiently at the standard and quality which they are entitled to, and we cannot be seen to be discussing questions of whether there ought to be an additional Press Officer in the Prime Minister's Office in a disparaging way. You might argue that there are too many for the work if you wish, but the fact is that each Prime Minister has a right, I think, to determine how to organise his office, and if there is need for four Press Secretaries I do not think anyone should deny a Prime Minister an additional one or two or three Press Secretaries.

We are compared constantly with what happens in a number of other countries, where in fact they have proper facilities and proper resources for doing all the magnificent things.

Asides.

Hon. B. M. TAITT: Mr. Speaker, if and when the other Honourable Members get the opportunity to organise their offices I am sure they will organise them as they see fit, but it seems to me that to attempt to come through the back door with a debate on a particular issue is unworthy of this House. Suffice it to say that the staff in the Prime Minister's Office to which this applies has not been increased. There are Public Officers that work in the Prime Minister's Office, there have been Public Officers, and there is a Special Projects Officer working in the Prime Minister's Office in a post that has been in existence for the last three years.

When the Honourable Member was in office he had a post is the hospital to collect bills. You will recall that they had a special post in the Ministry of Health that was a Debt Collector. Do you remember he spoke about it in great detail and the salary for the post was three times in excess of any debts that were ever collected? But that is not a matter that I would wish to discuss in any great detail now, I just draw it as an example of the kinds of temporary posts that have been created from time to time in good faith. Mr. Speaker, I think I am going to stop at this point.

The question that the Resolution do now pass was put and resolved is the affirmative without division. 5.55 p.m.

REPORT OF SELECT COMMITTEES

Mr. L. L. BRATHWAITE: Mr. Speaker, I beg to lay the report of the Select Committee on the Constitution of Barbados (Amendment) Bill, 1988, which was passed with amendments.

THE ADJOURNMENT

Hon. B. M. TAITT: Mr. Speaker, that brings us to the end of Government Business. Sir, I beg to move that this House do now adjourn until Tuesday, 13th June, 1989 at 12 o'clock noon.

Hon. M. A. KING: I beg to second that.

Hon. H. deB. FORDE: Mr. Speaker, before you put the question, would the Leader of the House be kind enough to inform certainly this side of the House what proposals, if any, the Government has in relation to the life of this House in respect of the celebration of the 350th anniversary of Parliament. I have had to be getting information from as far afield as London on the

arrangements for some special celebration on the 26th or otherwise, and it seems to me that the House is entitled to information on what is proposed and what special ceremonies there are and what other ways in which the House will be involved in events, and past Members of the House and of our Parliament will also be involved in those events.

We cannot wait until the last moment as we seem to do in everything here, Sir, to send out invitations to people. Some of us cannot respond to those at short notice. I understand, I do not know if it is correct or not, that there may be a prorogation of Parliament and the new opening of Parliament somewhere in June. I believe that June 26 is the mentioned date or some other date. So I wish that the Members of the House be given adequate information.

Hon. B. M. TAITT: Mr. Speaker, as Your Honour is fully aware, there is a special Committee that is looking after the arrangements and plans for the celebration of the 350th anniversary including the arrangements for the rest of this month. The Honourable Leader of the Opposition has a representative on the Committee and on the occasion when the leadership was changed, in order for us to maintain continuity it was determined that the person representing the last Leader of the Opposition should continue as a Member of that Committee even though she was not a Member of either of the Houses of Parliament.

The reason for that was that we intended that until final arrangements were made that the representatives of these committees could return to their respective parties and report on progress that was being made. I give the House the assurance, and as Your Honour is a Member of that Committee, and there are certain reports which will have to come from the Chair, that by the next sitting of Parliament we will be able to give a definitive statement, but there are some things which have to be cleared before we can announce that they are arrangements.

Asides.

Hon. B. M. TAITT: Yes, we are going to have something on the 26th.

Asides.

Hon. B. M. TAITT: What's the inconvenience? Do you have to buy a suit? We are going to have a sitting of Parliament on the 26th; what could be the inconvenience?

Honourable Members cannot seek to make capital out of that. It has been announced and reported to this House that it was planned on the 26th of June to have a public holiday. It was also indicated that there would be a special ceremony. The Leader of the House reported to this House as far as I am aware. I feel it is unfair, Mr. Speaker, if their representatives don't go to the meetings, for any

Honourable Member to come to a sitting of this* House when there are Members of a Committee, if the Committee has been making arrangements, to give the impression to the public that you have heard for the first time that there will be something on the 26th. I will not be taken with that. You have a Member on the Committee; so you cannot give the impression that you are going to be inconvenienced by the 26th.

Dr. R. C. HAYNES: On a point of order, I recognise the kind of mock indignation of the Honourable Member. Quite obviously, Mr. Speaker, members of a Committee cannot give a definitive decision to their parties unless the decision has been taken by the Committee; so it is quite unreasonable to try to pass on what is the responsibility of Parliament to other persons who may be outside of Parliament in one particular instance. What I am saying is that in this Parliament we should have been informed long ago as to what the timetable is and it has to come from this Parliament, not from anywhere else. We cannot read it in the *Advocate*; we cannot read it in the *Nation*.

Hon. B. M. TAITT: I hear the Honourable Member and I wish to apologise to the House for the length of time it has taken for them to be apprised officially from the floor of the House of the details. I give this House the assurance that by the next sitting of the House if not before we will give them the full details of what is planned.

Asides.

Hon. B. M. TAITT: The point to be made, however, Sir, because I do not think that this House should be misled, is that the Leader of the Opposition is a Member of the Committee and he has chosen to nominate someone to sit for him as did his predecessor in office. Do you deny that?

Dr. R. C. HAYNES: I will speak subject to my recollection. My recollection is that I was invited to nominate someone to sit on the Committee. This is somewhat different from saying that I was invited to serve, but had the right to nominate someone.

Hon. B. M. TAITT: The Honourable Member knows that the people who write these letters have been writing them from time immemorial and are not subject to the kind of little errors which he is insinuating; but I will take his word on the matter. So when he receives a letter inviting him to nominate someone on behalf of the Opposition, he takes that to mean that he can't nominate himself. I accept that interpretation. It does not mean you then, it means anybody except you. If that is how the Leader of the Opposition read it, I did not write the letter, Sir.

Asides.

Hon. B. M. TAITT: I apologised for that already, but he is now saying he is not a Member of the Committee.

The National Democratic Party, Sir, is a party of high integrity, and it is represented at the level of the highest integrity on the Committee.

Mr. E. BOURNE: On a point of order, I want the Honourable Member to know that the representative of the NDP on the Committee cannot be called an hour or two before the meeting is supposed to be convened and expect him to attend.

Hon. B. M. TAITT: He is not a member of the Committee, so he does not know the procedure. Your Honour is a member of the Committee and can instruct him that we have agreed in advance that that is one of the methodologies we would use if necessary precisely because it is a working Committee; it is not a Committee hiding behind any kind of procedure. When we are discussing matters that require urgent attention like Board Meetings that can be summoned, we telephone members who diligently will follow their responsibility and come with two hours' notice. If it is good enough for Mr. Speaker, clearly it is good enough for the rest of us.

Sir, I take the point that is being made that by now they should have been informed of the details.

Asides.

Hon. B. M. TAITT: We have sent you a calendar of events. 6.05 p.m.

Aside.

Hon. B. M. TAITT: No, No. We have sent you a calendar of events.

Aside.

Mr. SPEAKER: Has the Honourable Member concluded?

The question that the sitting be adjourned until Tuesday, June 13, 1989 at 12 o'clock noon was put and resolved in the affirmative without division and Mr. SPEAKER adjourned the House accordingly. 6.07 p.m.

CONTENTS

MINUTES

Hon. B. M. TAITT 3863

Confirmation of the Minutes of the Meeting
Tuesday, 23rd May 1989

PAPERS

Rt Hon. L. E. SANDIFORD 3863, 3864

The National Insurance and Social Security
(Benefit) (Amendment) Regulations, 1989.

The National Insurance and Social Security
(Non-Contributory Old Age Pensions)
(Amendment) Regulations, 1989.

The 6th Actuarial Review of the National
Insurance Scheme.

The Ministers and Parliamentary Secretaries
(Remuneration and Allowances) (No. 2) Order,
1989.

The Public Officers Loan and Travelling
Allowances Regulations, 1989.

Hon. M. A. KING 3864

Report of the Probation Department for the year
1987.

Hon. B. M. TAITT 3864

The Annual Report and Financial Statement of
the Barbados Industrial Development
Corporation for the year 1987-88.

Hon. H. A. BLACKMAN 3864

The Fifteenth Annual Report of the National
Housing Corporation.

Hon. W. W. HALL 3864

The Twenty-ninth Annual Report and Financial
Statement of the Board of Tourism for the year
1987-88.

GOVERNMENT NOTICES

Hon. B. M. TAITT 3864

Resolution to approve the Compulsory
Acquisition of lands at Hoytes Village, St.

James for the provision of recreational facilities •
and housing development.

Bill to amend the Police Act.

NOTICES OF QUESTIONS

Mr. D. A. C. SIMMONS 3864

of the Rt. Hon. L. E. Sandiford, Prime Minister .
What are the special projects for which the
Minister of State in the Prime Minister's Office will
have responsibility for after May 15, 1989 and the
special projects identified for the future.

REPORT OF SELECT COMMITTEES

Mr. L. L. BRATHWAITE 3864, 3894

Report of the Specially Select Committee on the
Constitution of Barbados (Amendment) Bill
1988.

FIRST READING OF BILLS

Hon. B. M. TAITT 3864

Bill to amend the Police Act.

SUSPENSION OF STANDING ORDERS

Hon. B. M. TAITT 3864

GOVERNMENT BUSINESS

RESOLUTION TO APPROVE THE BORROWING
OF FOUR MILLION EUROPEAN CURRENCY
UNITS (APPROX. BDS \$9,600,000)
FROM THE EUROPEAN INVESTMENT
BANK FOR THE PURPOSE OF ON-
LENDING TO THE BARBADOS
DEVELOPMENT BANK 3864

Mr. O. S. Arthur, 3871; Dr. R. C. Haynes, 3866;
Mr. R. L. Morris, 3873; Mr. P. J. M. Miller,
3885; Rt. Hon. L. E. Sandiford, 3864, 3888; Mr.
D. A. C. Simmons, 3878; Mr. D. J. H.
Thompson, 3882.

RESOLUTION TO APPROVE THE MINISTERS
AND PARLIAMENTARY SECRETARIES
(REMUNERATION AND ALLOWANCES)
(NO. 2) ORDER, 1989 3889

Dr. R. C. Haynes, 3889; Rt. Hon. L. E.
Sandiford, 3889; Mr. D. A. C. Simmons, 3891;
Hon. B.M.Taitt, 3891.

RESOLUTION TO APPROVE THE REVISION OF THE TRAVELLING ALLOWANCES OF THE PRIME MINISTER'S PERSONAL STAFF. RESOLUTION NO. 18/1989..... ,.....	3892
Hon. H. deB. Forde, 3892; Dr. R. C. Haynes, 3893; Mr. D. A. C. Simmons, 3893; Hon. B. M. Taitt, 3893.	
SUSPENSION, ...	3876
ADJOURNMENT, ...	3894
Mr. E. Bourne, 3896; Hon. H. deB. Forde, 3894; Dr. R. C. Haynes, 3895; Hon. B. M. Taitt, 3894,3895,3896.	

SPEAKERS IN THIS ISSUE

ARTHUR, O.S. (St. Peter) BOURNE, E. (Christ Church East) BRATHWAITE, L. L. (St. Michael North East) FORDE, Hon. H. deB. (Christ Church West) HAYNES, Dr. R. C. (St. Michael South Central) MILLER, P. J. M. (City of Bridgetown) MORRIS, R. L. (Christ Church East Central) SANDIFORD, Rt. Hon. L. E. (St. Michael South) SIMMONS, D. A. C. (St. Thomas) TAITT, Hon. B. M. (St. Michael West) THOMPSON, D. J. H. (St. John) WEEKES, His Hon. L. A. (St. Michael North West)