
THE

House of Assembly Debates

(OFFICIAL REPORT)

FIRST SESSION 1991 – 96

HOUSE OF ASSEMBLY

Tuesday, December 15, 1992

Pursuant to the adjournment, the House of Assembly met at 12.20 p.m. o'clock on Tuesday, December 15, 1992.

PRESENT

His Honour L. A. WEEKES, G.C.M., J.P., (Speaker)
His Honour T. C. ESTWICK, B.Sc., LL.B., (Deputy Speaker)

Rt. Hon. L. E. SANDIFORD, B.A., M.A., (Econ.), J.P., (Prime Minister, Minister of Finance and Economic Affairs and Minister for the Civil Service)

Mr. H. deB. FORDE, Q.C., M.A., LL.B., (Leader of the Opposition)

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

Hon. W. O. FRANKLIN, A.I.C., M.I.A.S., J.P., (Minister of Trade, Industry and Commerce)

Hon. N. K. SIMMONS, (Minister of Justice and Public Safety)

Mr. H. A. BLACKMAN, B.Sc. (Econ.)

Mr. O. S. ARTHUR, M.Sc. (Econ.)

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

Hon. C. V. WALKER, J.P., (Minister of Education)

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

Hon. E. E. GREAVES, G.C.M., B.A., Ed.M., (Minister of Housing, Lands, Community Development and Culture)

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

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

Hon. D. J. H. THOMPSON, LL.B. (Hons.) (Minister of State, Ministry of Finance and Economic Affairs)

Hon. H. B. St. JOHN, Q.C., LL.B.

Mr. L.R. TULL, Q.C., M.A.

Miss B. A. MILLER

Mr. DeL. O. BRADSHAW

Mr. J. O. TUDOR

Hon. D. W. BOWEN (Minister of Agriculture, Food and Fisheries)

Mr. G. W. PAYNE

Prayers were led by Rev. Father Ivan Harewood.

Mr. SPEAKER: The House is in session. The Minutes of the Meeting of Friday, 11th December, 1992.

MINUTES

Hon. M. A. KING: Mr. Speaker, the Minutes of the last Meeting of the House have been circulated. There is, on the face of the record, an error in the first line where it indicates that the last meeting was on Tuesday the 11th December, 1992. It was, in fact, Friday the 11th. Subject to an amendment of the Minutes to indicate Friday in place of Tuesday, I move that the Minutes be taken as read and, unless there are any other objections to the record as it appears, I move that they also be confirmed.

Hon. E. E. GREAVES: I beg to second that, Sir.

Mr. SPEAKER: If there are no other corrections let these Minutes stand confirmed with the **amendment**.

PAPERS

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, I am commanded to lay: The Guarantees granted under the Exempt Insurance Act, Cap. 308A to the following:

- (a) River View Insurance Company Limited, and
- (b) Frontier Insurance Limited.

ORAL REPLIES TO QUESTIONS

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, I beg to give notice that the Reply to Parliamentary Question No. 44 asked by the Honourable Member for St. Peter is now ready.

ORDERS OF THE DAY

Hon. M. A. KING: Mr. speaker, I move that the following Standing Orders be suspended: Standing Orders Nos. 6, 16, 18, 20, 42(5), 43 and 44 for the remainder of today's sitting.

Hon. E. E. GREAVES: I beg to second that, Sir.

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

Mr. SPEAKER: Government Business is the Order of the Day.

STABILISATION TAX (REPEAL) BILL, 1992

Order No. 6 was called - To move the Second Reading of a Bill to repeal the Stabilisation Tax Act, 1992.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, Honourable Members will recall that during my Financial Statement and Budgetary Proposals relating to the reform of the direct taxation system in Barbados, a Statement which was made on July 7, 1992, earlier this year, I indicated then that with effect from January 1, 1993 the individual **Stabilisation** Tax would be eliminated. Sir, in accordance with that particular statement and in accordance with not only the desire but the reality of keeping the promises made, this particular measure is now before us. It is a measure that is in accordance with the proposals made in the context of a Financial Statement and Budgetary Proposals and, therefore, I am happy to move the Second Reading of this Bill.

It will be recalled that we have put in place or are putting in place, an intensified set of macro economic proposals which relies on both fiscal and monetary measures. As a country, and as we pursue the different policies seeking to ameliorate the situation in the country, we have to recognize that there are trade-offs and that sometimes, in order to deal with certain issues and to correct certain problems or imbalances and to modify any **shocks** external or internal which may occur, that sometimes in addition to the intended results there may be some concerns in other areas.

At this time our economy continues to face a regime of no growth as well as high unemployment. These are

some of the **unwanted** results that have come in the wake of our internal economic and financial situation and the external environment. I believe, Sir, that as we remove this particular measure from the Statute Book and operate under the context of different revenue raising measures that, during the coming year, we may proceed **from** the level of **seeking** to lay the foundations for economic growth towards a new 'plateau of actually achieving that growth. That is what certainly we will be looking forward to, Sir. With those few words I **beg** to move that this Bill **be** now read a second time.

12.30 p.m.

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

Mr. O. S. ARTHUR: Mr. Speaker, Sir, the Opposition will not be opposing this legislation which obviously as the legislation says is intended to repeal the Stabilization Tax, Sir. Our position, Sir, when this **tax** was initially imposed, was that it was a **draconian** piece of legislation which should not have been imposed in the first place and as we lay it to rest, Sir, we only must note that it had to take the International Monetary Fund to cause the Government of Barbados to act in this instance in the best interest of the people of Barbados. We do not regret seeing the **stabilization** tax go, Mr. Speaker, and we are supporting its repeal on the grounds that it should not have been imposed in the first place.

I say that, Sir, to make a larger point. There is a temptation from time to time for various forms of income tax to be imposed under the guise of some other label. There are some countries which have abolished income tax and imposed direct charges on the **citizenry** in the form of other names. We in Barbados are in the process now of closing a chapter on the imposition of income tax under other guises. I think, Sir, that we must put behind us, once and for all, this business of raising income **tax** in the **form** either of levies, surcharges or by what other means. If we are going to raise income taxes, Sir, let it be done by way of an amendment of the Income Tax Act itself. I believe it is the tidiest form of fiscal administration for direct charges on the citizens to be raised by way of changes to income tax, Sir. But we have had a most unfortunate experience where direct income **charges** were made on our citizens in a way that was regressive.

The stabilization tax was a regressive **form** of taxation and we opposed it because it was regressive. The surcharge was in many respects regressive. They were always regressive if I must say so, Sir. They became even more regressive because the ability of persons to **treat** their levies as a deduction against income tax was removed in 1988, I think. So that the point I want to make, Mr. Speaker, Sir, is that we have the opportunity to charge one income tax in Barbados and **keep** charging one income **tax** rather

than charge a variety of things which really are income taxes, simply called by other names. I feel that the purposes of good taxation would be best served if in the future, Sir, you want to raise direct charges on income, that you do it through income **tax** rather than bringing these bits and pieces of legislation which are hard to administer and are regressive.

In many instances, Sir, we ended up with a situation in this country, where you were having a tax on a **tax**, because **people** were not allowed to **claim** their stabilisation tax against the ordinary income **tax** and therefore people found themselves where they were paying out the stabilisation tax but were still having to pay taxes on their income as if a tax had not already been paid. That was what made taxes like these so totally iniquitous. I am hopeful, Sir, that we would never again find ourselves in a position where we have these various pieces of nuisance taxes which are difficult and costly to administer and only infuriate the public and offend every good precept of taxation.

Mr. Speaker, Sir, the Minister of Finance was not good enough to draw reference to some of the other aspects of the administration of this stabilisation tax. As I understand it, Sir, and I speak subject to correction, stabilisation taxes were imposed in parts. This stabilisation **tax** formed part of a general regime of stabilisation taxes. Part of the reason for the imposition, as I understand it, Sir, and I speak subject to correction, was that these taxes were in part to meet the costs for those workers who were laid off from the public service.

Mr. Speaker, Sir, as I understand it, the persons who were laid off from the public service as far back as September last year have not yet received their severance, although, as I understand it, the Government has not only collected the **tax** but it is now in the process of repealing the tax itself. It seems to me, Sir, to be obviously unfair for the Government to have severed persons, imposed a tax on the public to raise funds to meet the severance, collect the funds, repeal the legislation that provided the basis upon which **revenue** could be collected, and not pay the people the severance.

I really, believe, Mr. Speaker, Sir, that the Government has a responsibility, having levied this taxation to pay the people who were severed. It is outrageous, Mr. Speaker. We have to put it in these terms, that it is absolutely outrageous that persons could have been severed from the public service as far back as September last year and a whole year has elapsed and they have not been paid severance and in the interval taxation has been imposed to raise funds for that purpose. It is something that has to be dealt with, I think, as a matter of urgent public priority.

I really would be glad if the Minister of Finance and the **Prime Minister** in his concluding remarks would say

that all persons who have been severed since last year, Sir, will receive their severance payments by at least Christmas. The least that Government can do is to give that assurance, because the money has already been collected. I would hate to think that the Government came to this House and imposed taxation for the purpose of raising funds to meet severance but has used that taxation for another purpose because **that**, Sir, would be a very **important** breach. The public was led to believe that the Government would not **short-change** persons who were severed from the public service and that the reason for the imposition of **stabilisation** taxes in the first place was to make sure that funds would be available for persons who were severed to have moneys commensurate with their service in the Civil Service of Barbados.

If the Government has the funds, Sir, there is no reason why the people should not be paid. It would be left to the Government to explain to us how they could have imposed the tax and the funds are no longer there. Therefore, Sir, I really have to call on the Minister of Finance to speak in a forthcoming way regarding the plans that Government has to put into effect to make sure that persons severed from the public service will be fully compensated for the services they have rendered.

The Prime Minister was also good enough, Mr. Speaker, to confirm, contrary to everything that the Central Bank has been telling us, that the economy, to use his words, "faced a regime of no growth and high unemployment".

Now, Mr. Speaker, Sir, this is absolutely at variance with everything the Central Bank of Barbados has been telling us in recent times about the performance of the economy. We were being told that the economy was growing and there was the prospect of an economic recovery in the short term. The Prime Minister has been good enough to confirm that there has been no growth. I want, Sir, to go further. The Prime Minister of Barbados went on record about a year ago in promising the people of this country a sharp recovery after **18** months, Sir.

Now, Mr. Speaker, there are persons, propagandists, on behalf of the Democratic Labour Party, who now want to put the case that those of us who want to hold the Prime Minister to his word **are** unreasonable people because we should not expect the economy to have rebounded as fast as we would seem to want the economy to rebound, but I want to remind this House, Sir, it was the Minister of Finance, himself, who told the people of Barbados that give him **18** months and within that **18** month period, Sir, of struggle and hardship, he would put the economy right and there would be recovery. Now, Sir, the people of Barbados have not forgotten.

12.40 p.m.

I am satisfied that the people of this country were prepared to endure the sacrifices in part because they were led to believe by the Minister of Finance that the sacrifices would only be temporary. If the Government now knows that we are not going into a period of temporary hardship, but enduring hardship, I think it has a responsibility to correct a lot of the propaganda that has been put abroad by the Central Bank.

Mr. Speaker, I think the Central Bank has played a very ridiculous role in this economic crisis we are facing by being ~~the~~ spin doctors on behalf of Government and leading the people of Barbados to believe that the problems facing this country were far less intractable than they have turned out to be. The people of Barbados ~~very~~ often believe the Central Bank and the Government rather than Opposition spokespersons, and if the Government really, in point of fact, knows there is not going to be a recovery after 18 months, the people of Barbados need to be told in a forthcoming way by their representatives.

The Minister of Finance has not raised any other issues that are worthy of comment. I really wish him luck with the economy in the New Year. I must tell him that I was very much disappointed in his response to the Member for St. Philip South. The release which came out was a terrible misrepresentation. Not only should he respond in here, Mr. Speaker, but to cite having access to project loans, when the whole question being discussed was access to investment structural adjustment loans, and to confuse the two things in the minds of the public is bad.

As you know, Sir, Barbados will have access to two types of loans from the IADB. An example is loans for projects – if you can put up a project that is bankable, like an education project or a road project, you can get project funding from the IADB for that. We have been getting that type of financing from the 1970's. You can also get investment or structural adjustment loans, subject to your satisfying the institution that you are pursuing certain economic policies. For the Government to respond to the challenge that it cannot get investment or structural adjustment loans by referring to the project loans it is getting I think is mischievous. Whoever is advising the Government to do that ought to be reprimanded. It is misleading the public, and the Government has to stop misleading the public, because the Barbadian public has been tolerant. They have been prepared to put up with difficulties and sacrifices because they have been assured that these things are going to be temporary, and the Government is going to find that it is going to be meeting a rebellious people if it does not very soon start to level with them. So I must tell the Minister of Finance how very disappointed I was in his response to the Member for St. Philip South, when in point of fact he was comparing apples with pears when he should be comparing pears with pears.

I say I wish him well in the New Year with the economy, Sir. He will need all of the goodwill of the entire country. As I said, the Opposition will be supporting the repeal of this legislation on the grounds that it should never have been imposed in the first place.

I am obliged to you, Sir.

Hon. H. B. St. JOHN: Mr. Speaker, I only intervene in this debate to mention two matters. Like the Honourable Member for St. Peter, I say it is a matter of great regret that this institution, namely Parliament, is being treated in a contemptuous way such as how the Prime Minister treated this institution last week.

The Honourable Member for St. Philip South made statements in this House. The Honourable Prime Minister was here, he was in a position to reply to those statements in here. Instead of that, through an agency which has now so discredited itself that its credibility has been seriously damaged, the Honourable Prime Minister responds to that. Only in Antigua, in the Caribbean, would that be done. It is a very serious thing and I appeal to the Honourable Prime Minister not to bring parliamentary institutions in Barbados down to the level of Antigua. This is a country with a history of 350 odd years of parliamentary rule. Do in Parliament what should be done. Do not let us ever have a repeat of such a disgraceful act, because that is what it is. Our Parliament has been dragged to the level of Antigua.

I want to reiterate, Sir, the seriousness of the situation which has developed with Government and its employees, and the failure of Government to pay severance pay. The Honourable Member for St. Peter has made a very, very important point. This House voted money to be collected for the specific purpose of providing the wherewithal to pay severance. All of us in this House have condemned periodically, both here and elsewhere, the attitude of people who collect money under the law for the purpose of social security or an allied purpose from employees and from others and use the money for a different purpose. The Government's record as an employer has reached the lowest level in this country..

There have been manifest inconsistencies in this. People who are in the higher echelons of Government, who have their friends in the Democratic Labour Party, are able to get extraordinary distributions of severance or allied money, but other people who are severed and are entitled, morally and legally, to the severance have not been able to get theirs. One only has to look at the Smith case to see how much money was paid out, contrary to all the severance payment laws in Barbados. Look at the situation with Caricargo and see how much money was paid out w the higher echelons of the management. Look at the

situation with Caribbean Airways. See how some people had to fight to get their money. Look at the situation now with other statutory employees, the people down at IDC, who were severed and cannot get their money to this day.

Aside.

Hon. H. B. St. JOHN: Some of them have been severed for more than six months. You say it is not true, but the point is that even if they were severed less than six months ago they should be paid their money. The Government has been collecting the money.

Certain remarks made by Hon. H.B. St. JOHN were ordered by Mr. SPEAKER to be expunged from the record at this stage.

Hon. H. B. St. JOHN: Government should take the lead in being the prime model of an employer. There is no question about that, there cannot be any doubt about that. 12.50 p.m.

The perception today is very clear that the Government has approached the question of severance pay for both the employees of the Public Service and for employees of statutory boards with a degree of indifference which is reminiscent of the type of employer that the Honourable Members in this House, particularly the Honourable Member for St. Lucy, the Honourable Member for Christ Church East Central and others have strongly condemned, and quite rightly so.

I have heard the Honourable Member in here on many occasions condemn the attitude with respect to severance. It is a very serious thing. Government is passing laws with respect... We know that this Government created a record within living memory by reducing the pay of civil servants. We are going to look forward now to what is going to happen next year because under the terms of the law that is supposed to be restored. The law expires and the people are supposed to get their money next year.

We know that Government is fighting now with its back to the wall and is in the position where in all probability it will have to renege on that. We know that that is the factual situation. We have been calling upon the Government to be free and frank with the country. We have been calling upon the Government to stop playing politics because the people in Barbados are not fools. They recognise that it is only now on rare occasions that they can hear anything which has a pretention to be true from the Government.

Asides.

Hon. H. B. St. JOHN: The Honourable Member for St. James South should not interrupt because he has just

publicly demonstrated that those words are particularly applicable to the Honourable Member.

The position is that I just want it to be clearly understood that we on this side while we are willing to give support to these matters must let it be clearly understood that we must condemn this attitude of the Government in relation to its employees.'

There are a number of other cases that are coming. Only a week or two ago a Bill was passed in here relating to the merger of IDC and EPC. We pointed out then that the provisions of the Bill would give rise to a lot of problems. The employees there will soon demonstrate. There is no question about that. There are radical changes in conditions of service and no offer of severance pay – you have abolished the institution. You leave them. That will end up somewhere else.

We on this side have an obligation to ensure that the Honourable Minister of Finance lets this House know today when they propose to pay the Civil Servants who have been severed their money which has been collected. We would like to know how much money was collected, how much money is calculated as due and owing to the Public Service employees in respect of compensation and we would like to know when it is proposed to pay the people this money.

Mr. R. L. MORRIS: Mr. Speaker, it seems to me that to get to the root of the discussion we are having we have to relate to the time when this particular piece of legislation was introduced in this Honourable Chamber. In the presentation of the Honourable Minister of Finance when this particular Bill was introduced and in the response by the Honourable Member for St. Peter, the reason for the Bill had nothing at all to do with severance for employees. In fact, the **Stabilisation Tax Bill** was almost like the surcharge in another form. It had to do with the question of dealing with the deficit and the problems in terms of the balance of payments.

To recall that debate, there was an extended address by the Honourable Minister of Finance and a very erudite speech – in fact one of the best I have heard – from the Honourable Member for St. Peter who at the time analysed the problem facing Barbados. He made it very clear that there were not superficial problems we were facing but they were problems of a structural nature, extremely complex and deep. He gave us a very good analysis of why we were there at that time. He looked particularly at the problems between 1985 and the time at which we were speaking.

I am therefore surprised, Sir, at the tone and the tenor and the direction of this particular debate because this debate has nothing whatsoever to do with any Act that

was intended, to collect money to pay severance to employees. That is a matter of concern for all of us but I am saying that that has nothing to do with the Stabilisation Tax Bill. I think the Stabilisation Tax Bill relates to the question of the overall performance of the economy and that is the level the debate should be at.

Mr. Speaker, when this...

Mr. SPEAKER: I can glean from the Honourable Member that he is being interrupted to a point where he is not able to concentrate on what he is saying. Sometimes I cannot hear too well as well. I would suggest that Honourable Members give the Honourable Member an opportunity to make his point.

Mr. R. L. MORRIS: Mr. Speaker, I know the memory of the Honourable Member for St. Peter is very good and therefore I am assuming that in fact he knew that this Bill had nothing at all to do with the topic he chose to speak on. It seems that the Honourable Member for Christ Church South walked in the same direction because...

Miss B. A. MILLER: On a point of order, Sir. We cannot have the Honourable Member reflecting on the Chair. That is a reflection on the Chair. He cannot be passing judgment on two fine speeches which were delivered in here.

I know you **are** glad for the **interruption** because you have nothing to say.

Mr. R. L. MORRIS: Mr. Speaker, the Honourable Member for the City by defining the speeches as fine have done more damage to them than my comments on them.

Mr. SPEAKER: In any case it was not a point of order.

Mr. R. L. MORRIS: The issue of the repeal of this particular piece of legislation has been totally misinterpreted by the Honourable Members who spoke and therefore they cast a false reflection on what is happening here. They sought to use the opportunity to discuss an issue that really does not relate to this particular piece of legislation. The question really is that this piece of legislation was introduced at a time when we were going towards the problem of a fiscal deficit and problems in terms of our balance of payments. If Government is satisfied that it can be taken off at this time, is Government saying to us that it is pleased at this point of time that those problems that have been identified in 1991 are under control? I think that is the particular issue we are looking at.

We have had a history in recent times of introducing short-term legislation like the surcharge and, now the Stabilisation Tax has limited that legislation because we

had sought to deal with particular problems and then found that we had to remove the legislation to introduce a different type of legislation to deal with the same problem.

Basically, my question is whether we are satisfied that the economy in terms of those particular problems is under control sufficiently. My understanding when the Rt. Honourable Prime Minister and Minister of Finance addressed it sometime ago is that what he sought to do in 18 months was not to solve the economic problems – in fact he made it very clear that we have deep-seated and deep-rooted problems that cannot be solved easily – but I thought he was dealing specifically with a number of problems. It is entirely possible that in dealing with those problems that perhaps other problems will be thrown out in an economy such as ours.

I believe that this House can serve itself better by debating the state of the economy at this point in time as we move to the end of fiscal year 1991-92. Clearly, we will be getting opportunity to do that at the time of the Estimates and the Financial Statement and Budgetary Proposals but I believe this is a signal first of all that the Prime Minister is saying that the tool has been used and it has done what it was supposed to do. I am sure we will get clarification on that.

From our position, Sir, on the Back Bench and in the Trade Union movement we recognise that the Stabilisation Tax would have had a particular effect on the capacity of some companies to maintain themselves over the period when it was applied. It was a pay-roll **tax** and it had to be applied whether or not there was profit being made.
1.00 p.m.

We recognise, especially as negotiators in the Barbados Workers' Union, that it had a certain effect, especially on manufacturing concerns. We are hoping that employers who will find a certain relief upon the removal of this taxation, will be in a better position now to look after the interest of the workers in a better way than they have done before.

I think one of the responses of those persons who were burdened by the taxation was to try to reduce payroll costs because in reducing payroll costs first of all they would have had to pay less taxes. Secondly, this was their means of trying to maintain their levels of profitability by this kind of adjustment. I would hope that this measure might mean that those companies who were not pushed into a loss position over the period might readjust, look at themselves again and in their budgeting for the coming financial year, look again to see whether, in fact, they can start back rehiring some people who have been laid off if, perhaps any funds that come back to them will be used for further investment to expand the productive capacity of their companies.

It seems to me this is going to be a relief, too, for some companies that would have considered this to be a burden. In fact, it would have eroded the profitability of some companies. I believe this relief would have some repercussions for us out there and that employers, I am sure, will respond positively to this. We can hope that some people would start to employ more workers and that some of them would use whatever funds are available to try to improve their actual economic operations.

I thank you, Sir.

Mr. H. deB. FORDE: Mr. Speaker, both Honourable Members on this side have dealt with some of the wide issues. I wish, however, to respond very briefly to comments made by the Honourable Member for Christ Church East Central. He is obviously mistaken about the purpose of this Act or what it seeks to do. He speaks as though this Act which is being repealed applied to employers.

The Stabilisation Tax Act, 1991, No. 9, which is being repealed, was an Act that imposed a tax on every individual in Barbados, not a company, whether he earned \$15 000 or less in an income year. The tax was payable at one half of one per cent of his gross income from all sources at the time. It was a non-refundable tax. If you paid income tax, you then paid a tax on the income **tax**. It was one of the most objectionable pieces of legislation that has ever been passed in this House. The Act was amended on September 23, 1991 and the amendment commenced on October 1, 1991 in which the rate of tax was moved to ...

Mr. R. L. MORRIS: If the Honourable Member may give way, Sir, just to clarify that my point was that this Act had nothing to do with collecting funds to pay severance to workers. My point was that it was almost like the same surcharge. In fact, it was a general tax. I just mentioned in specific that it related also to companies but I **never** made the point the Honourable Member was making.

Mr. H. deB. FORDE: Sir, the employment levy was raised to **pay** severance. One has to say that. But I am saying that the Stabilisation Tax Act was raised within the same context to help the Government survive. The objectionable nature of it was that it was placing the **tax** on everybody. At the time in my speech I had made the point that if all a poor old lady earned during the year was \$600 from the little savings she had, she still had to pay. I said it was foolishness. It was objectionable and it should not be a form of taxation. I will not withdraw one word of what I said.

Mr. SPEAKER: The Honourable Member must be very careful not to reflect on a vote that has been taken. A vote has been taken on the Bill already.

Mr. H. deB. FORDE: No. I am not commenting on the Bill. I am commenting on the repealing Bill that it is now removing the foolishness that was done. That is the point, Sir.

I do not know, Sir, how often we have to tell the Government it is wrong for them to understand that they are wrong. The Government has **continually** done and taken steps such as these, that have really had harsh effects on the people as a people. Frankly, it undermined the income of people and, as I have repeatedly said, has brought people below the poverty line so that people are worse off as a result of this form of taxation. I do not know what stabilisation has occurred but I know it destabilised the bellies and pockets of a large number of Barbadians. It really led to unemployment in a large measure in this country.

The Prime Minister has admitted again that unemployment is high. I think he should go a step further and say it is exceptionally high and unacceptably high. There is the highest number of unemployed people and that has consequences. This is not a statistic. We are dealing with a man and a woman who at this time of Christmas find themselves without the wherewithal to feed their families day to day properly. That is what has happened here in Barbados. The prospect for the future outlook is bleak.

I believe the Government has to be candid. I said so in the message I delivered at the 26th Anniversary of Independence. The Government has to be even more candid and let the country know that the prospect for 1993 is extremely bleak in Barbados. The up-beat statements being given from Central Bank sources are confusing people. You must stop **this** confusion. Barbadians have to recognise that we are in the woods, and are still in the woods, and that it is a long time before we can move forward. Really, this is the worst time I have seen in my 21 years in Parliament the economy of this country reaching this level. Even in the period 1971 to 1973 the economy did not get as bad as we have brought it between the period 1990 and 1992.

I think Barbadians have to wake up and understand that the economy – as Clinton who is the President elect is now saying in the United States – is a very personal thing affecting their lives. They must understand that when politicians speak about it it is because it is so important to them. It has resulted in increased crime, that the Minister of Justice cannot even deal with the problem. It has resulted in people out of work and committing crime which I have to get up in here and criticise and deal with in a serious way. The Minister of Justice must know that. It has resulted in the position that the Government is saying it does not have enough money to give the additional policemen that are necessary to help deal with the spiralling crime in the country.

I want to say, Sir, that the funds which were collected through the Employment Levy were to pay the severance and that Honourable Members who spoke obviously had that very much in mind because I am concerned myself. I have asked the Minister and he will recall that in a debate earlier this year I asked for the figures on how much money was collected and when it would be paid out. I am still getting complaints that people have not received their severance. The Government has to recognise that it is not a lot of money. Some people are only getting a month. It is not such a lot of money that they were being treated differently to other persons. But even in statutory boards now where the Severance Payment Act applies, you are getting the position that they are not getting paid. I am having to put cases in court to deal with some of these matters. It really is very unfortunate when the Government, as the primary employer, finds itself in this position that it cannot be a model employer.

1.10 p.m.

Although we welcome this Act, we welcome it because we said we should not have had to get to that stage at all in putting it on. I am glad to see that some of the very draconian and rigid type of provisions that were placed in the 1991 No.9, as amended by 1991 No.17 are now going to go off the Statute Book.

The Prime Minister said he hopes that, as we operate under other measures we may proceed from the level of laying the foundation for economic growth towards a new plateau of economic growth. He did not expand on what those measures were. I will assume, for the purpose of this debate only, that there are existing measures. I am not going to anticipate him. But I must let him know that we will look, with great scrutiny, on any new measures that come before this House that would delay, once again, the refloating of the economy, the jump starting of the economy and the creation of employment opportunities and which will undermine, still further, the quality of life of the country.

We cannot condone the type of policy that would see us in the situation where I witnessed, on CBC, the Child Care Board having to put out an advertisement saying they do not have any funds and can the people please help. I am not against helping charity at any level. But it seems to me that something is grossly wrong in a country where the principal body with responsibility for looking after the children has to tell you it does not have any funds. They have no funds.

Asides.

Mr. H. deB. FORDE: I may say, Sir, that up to last Sunday I was helping 700 people in my constituency. The other Members on the other side said I could help.

Asides.

Mr. H. deB. FORDE: At my personal level I help as much as I can.

Mr. SPEAKER: Order, please.

Mr. H. deB. FORDE: But the position is, Sir...

Asides.

Mr. H. deB. FORDE: – Do not mind the newspapers. One said 600. We counted them. There were over 700 people – that I think we have to emphasize very strongly that people are suffering. Do not mind what measures we call it; a lot of people are suffering in this country and any measures that come next year must be measures that are going to remove suffering further and create a position where the economy is going to be jump started and we will see additional employment in this country and we will see an increase in people's incomes.

I would even like to see the Workers' Union get to the stage where they do not have to do part-time, week off, week on. I would even like to see them get to that stage because I like unionism so much that I do not want to see even the officers of the union suffering as they are suffering under this measure. The Honourable Member who has just sat down must realize that the problem has been very, very bleak, Sir.

Unemployment has come not only because of public sector and quasi public sector lay-off. Instead of stabilisation we have had, in the private sector and in manufacturing as well, unemployment increasing. We estimate that, in the manufacturing sector alone, some 5 000 people lost their jobs. In the manufacturing sector alone between 1989 and today that is the sort of loss that we are talking about. Up to last week, in a quasi Government body the Transport Board, we saw another 24 people being sent home. In fact that Board has been so reduced now that by March it would have less than 700 people working there. We meet these people face to face and understand how they are hurting. We cannot be happy about the measures and the effect the measures have had. Sir, had the economy really stabilised one could at least breathe freely but there has not been any stabilisation in the economy to speak of it with any certainty at all. The Prime Minister might be the first to admit that he has got the position of a very difficult fiscal deficit, reserves that really are not resounding or even going at any rate from any new investment or new capital coming into the country, unemployment that keeps creeping onwards and sectors that, outside of the offshore sector, have not shown any resilience and any performance whatsoever, and that, therefore, the prospects for 1993 look to me, at this stage, as no growth in any of the major sectors of the economy.

If that continues we will see continuing unemployment occurring in Barbados.

I want to say again that the sector that I believe we have to push and push rapidly, in particular, is the tourism sector. I am going to repeat in here, anyone who seeks therefore to harass visitors to the country and use crime to destroy the industry can get no support whatsoever from this Opposition, under any circumstances whatsoever. We have said that repeatedly. I repeated it in my own constituency on Sunday and I am repeating it again, in the national interest. This is not a matter that one can fool around with. I can beat the Government and we can beat the Government without having lawless people do foolish things. That is not in the interest of Barbados. There is a place where partisan politics stops and the national interest begins. Not that I am suggesting they have anything to do with us, Sir. But I am using the opportunity to make the position of the Labour Party, for the nth time, abundantly clear on this issue.

Therefore, Sir, I end by saying that I am glad that these levies and surcharges which have been affecting the growth of the economy and employment are being removed and, as the Honourable Member for St. Peter said – I know he was referring to the Employment Levy – I would like to see the funds that have been collected under the Employment Levy to pay Severance disbursed to the people who can really do with the funds at this time. I would very much like to see that happen.

Hon. D. J. H. THOMPSON: Mr. Speaker, I hardly thought that I would ever have to rise in this House, particularly in relation to an economic matter, to point out how correct the Honourable Member for Christ Church West was and how misleading and erroneous the impressions and the contribution which came from the Honourable Member for St. Peter and which was added to, vociferously and with much steam and heat by the Honourable Member for Christ Church South.

The opposition – lest anybody gets sidetracked in this particular debate – is that in July of this year the Government agreed to remove the Stabilisation Tax in respect of individuals by January 1, 1993, along with other levies which are presently imposed on individual workers in Barbados.

1.20 p.m.

This particular Bill is a Bill to remove an imposition on the public of Barbados and a burden that they have been carrying for some time. A burden which has been related, almost exclusively, to seeking to solve some of the macro economic problems which arose consequent upon the structural adjustment programme that Government entered into in October 1991.

As part of the process of reform of direct taxation the Government agreed to a phased removal of some taxes and levies. The individual stabilisation tax together with some levies will be removed on January 1, 1993 and this is a Bill to give effect to that pronouncement.

The Companies Stabilisation Tax will be removed sometime during the course of next year. I do not recall the date now but if Members refer to the Budgetary Statement of July 7, 1992 you will see when the Companies Stabilisation Tax ...

Aside.

Hon. D. J. H. THOMPSON: Oh, it is moved already? I don't remember but I know it was in different phases. You are not going to sidetrack me. You have already misled the House and I am going to go on to make the point, Mr. Speaker, that this stabilisation tax has absolutely nothing to do with any build up of money for the payment of public workers. There was a subsequent piece of legislation which was an amendment to the Employment Levy Act 1991, No. 14, which made it clear that the employment levy would be increased by 0.5 per cent and that those funds would be placed in a public employees fund which shall be administered by the Accountant General and used exclusively for the payment of benefits to redundant public employees.

Now I want to make the point very clear. All of a sudden the questions are changing – how much is collected? Allegations were made in here very vociferously by the Honourable Member for Christ Church South and the impression was being given that the Government had paid not one single cent to any severed public worker in this country and if anybody is of that view ... The impression was given ...

Asides.

Mr. SPEAKER: Order, please.

Hon. H. B. St. JOHN: On a point of order, Sir. My point of order is very clear. I did not give any impressions, Sir. I asked a very specific question that made a very specific statement that a number of employees have not got their severance pay and I asked the question in the end: How much was collected, how many people had been paid? Your Honour will remember that, Sir.

Hon. D. J. H. THOMPSON: Mr. Speaker, as far as I am concerned, that is merely to explain for the same people that I wish to explain to that what the Honourable Member was asking and the way in which he was asking it was an attempt to give an impression to those who do not know better that the Government has collected

millions of dollars from employees in this country and has not paid them one red cent in severance. I am saying that is the impression that was sought to be left in this debate and it is grossly erroneous. It is **untrue** and anybody who believes anybody else giving that impression would be equally as wicked in perpetrating an untruth.

Asides.

Hon. D. J. H. THOMPSON: But since the Honourable Member says he is not leaving that impression I want the point to be ...

Mr. SPEAKER: Just one moment. I am sure the Honourable Member did not intend to say that the Honourable Member was wicked.

Hon. D. J. H. THOMPSON: Not at all, Sir.

Mr. SPEAKER: And therefore you would prefer either to rephrase it or for me to take that ...

Hon. D. J. H. THOMPSON: I was referring to anybody who may get that impression from him. They would be wicked in getting that impression from the Honourable Member for Christ Church South. Anybody who got that impression from him would be wicked. Anybody who left here with the impression that the Government has not paid any money to severed public workers, based on what the Honourable Member for Christ Church South said, would be wicked and would be misrepresenting the facts as they are. Let me make the point very clear...

Mr. O. S. ARTHUR: Mr. Speaker, Sir, on a point of order. Earlier, Sir, I might have cast the impression that the stabilisation **tax** was used for the purpose of paying levy. It is an honest mistake, Mr. Speaker, it was not part of a deliberate attempt to mislead the House. The fact is, Sir, that the Government has issued so many pieces of taxes that even the Member for St. John who works in the Ministry of Finance is confused himself because he just told the House, Sir, the Companies Stabilisation Tax is to be repealed in **1993**.

Mr. SPEAKER: All right I think it is more a question of elucidation by the Honourable Member, than a point of order.

Hon. D. J. H. THOMPSON: Now, since he has clarified any impression, any confusion in the mind of anybody, I have no doubt that the Honourable Member for St. Peter made an error. It is, according to him, a perfectly legitimate error. He has not been able to work out in his own mind the large number of financial instruments that

are being used to **raise** taxes and that is not my fault. I think that if he spent more time seeking to analyse those issues he would be clear when he came to the House and would make points that members of the public can rely on, particularly members of the press, because I am very **worried**, Sir, about impressions being given.

This is a Bill to remove an **imposition** and no impression should be given by anybody that it is any attempt by Government to sequester public funds for purposes other than for which they were raised or that there is any attempt by Government to avoid payment to persons who have been promised payment.

Now, the public employees fund was therefore established and arising out of that fund, payments have been made to those persons who were severed from the public service in the following manner, Mr. Speaker:

The first instalment of severance payments to public officers was made, commencing July **1992** and between July **1992** and November **1992**, **1 224** persons were paid the first instalment which amounted to **\$1.232** million. The exact figure is **\$1, 232 414.40**. A further instalment was to be made at some time subsequently but the Government took the position that the payment should be made before the end of the year so that public employees could at **least** have access to some resources at this time of the year. Therefore the second instalment commenced on December **7, 1992** and as of today's date, December **15, 1 046** public officers who were severed have been paid and that amounts to **\$2 282 684.19**. So we are talking about a total pay out by Government which amounts to about \$3.5 million since July **1992**. I cannot tell you the exact number of people because since it is made in **installments** you cannot add the persons together to arrive at an aggregate figure. There may be overlapping, correct? But I want to make the point that the purpose for which Government raised the money is being met and I was amazed when I heard the Honourable Member for Christ Church South speaking because I know, from my own movement in my constituency this weekend, that there are public officers who were severed who have been paid their severance payments. I then had to check for my own sanity to ensure that those persons were telling me the truth when they said that they received their severance payments. I am now to say that I am to believe them, that they are absolutely correct, that Government has been making payments under the legislation to those public officers who were severed. Therefore the speech by the Honourable Member for Christ Church West, and I hope the history books record it in that way, should be seen as a correction, not of anybody on this side, least of all the Honourable Member for Christ Church East Central. It should be viewed as a correction on behalf of the Honourable Member for Christ Church South who

obviously was not aware of the facts, or excluded them from his mind when he was speaking; and the Honourable Member for St. Peter who admits that the House was misled.

1.30 p.m.

I want to make that position very clear and help the House to understand that this particular measure is an attempt to remove an imposition and that Barbadians should, after the first week in January, begin to see the impact of the direct tax reform, in that their disposable income should increase by virtue of the removal of some of the levies and the removal of the stabilisation **tax**, which the Government had promised in July and which, contrary to impressions that were given, the Government has sought to honour by way of this legislation and other legislation which has come before the House.

With those few words of correction, Sir, I seek to give my support to this particular amending Bill.

Miss B. A. MILLER: Mr. Speaker, I would like to add words to this. I would like to start by saying that the most shocking thing about the stabilisation **tax** is that it turns out now that it stabilised nothing. We sat in here last week and heard the Honourable Member who just sat down set out —because he could not avoid it, he could not escape it — a litany as to the disaster status of the economy of this **country**. We heard about declines in revenue. Everything was in decline except unemployment figures. We heard all of that.

Aside.

Miss B. A. MILLER: Yes, we heard that from the Honourable Member for St. John in here last week.

Hon. D. J. H. THOMPSON: Mr. Speaker, the Honourable Member must not begin a speech by misrepresenting things. There was one decline to which I referred and **that** was a decline in respect of revenue. I did not have any other discussion about **sectoral** performance in Barbados or the decline in any sector, so she must not attribute any broad statements to me in that regard.

Miss B. A. MILLER: We heard about the decline in productivity, we heard about sectors which did not rise **to** the expectations of the Government, and rather than rise they declined. We heard all of that. I was in here too, I was not somewhere else. I know what I heard and the people of Barbados, as has been said in here already, are not fools, because they read the report of it in the Press the next day, one of the few occasions on which the Press actually got all figures correct. It is laid out there for people to see.

Workers of all stripes, every worker in **Barbados** was touched by this tax. **People** who the Barbados Labour Party had long taken off the tax rolls in this country found themselves, by the stabilisation tax, returned to the **tax** rolls for the first time in many years, at a time when other things were in decline. So this was, in fact as the Honourable Member for St. John has pointed out, a gross imposition on the people of Barbados.

The Government is not doing the people of Barbados any great favour by repealing this. As the Honourable Member for St. Peter said, it should not have been imposed in the first place. The collection of stabilisation tax would have suffered great reduction, particularly in this year of 1992, because as unemployment rose, as people were laid off, people were put on short time, people were sent home, the quantum of stabilisation **tax** collected would have been reduced. So all of this talk about what a great favour and what a great thing the Government is doing for the people by repealing this Act does not sit well in the mouth of the Government, and it is not going to impress the people of Barbados.

The people in Barbados are well seized 'of points which were made by the Honourable Member for St. Philip South in here last Friday. Not that they discovered it for the first time when they heard the Honourable Member for St. Philip South saying it, but it is interesting that it comes from his mouth, Sir, that the Government is preoccupied with meeting IMF targets. We do not hear about targets set out in the Government's Manifesto of 1991, we do not hear about DLP targets, Barbados is now centred and preoccupied with meeting IMF targets, and the price that Barbadians are paying is a high price.

People are not fooled any longer that the Government cares about them in this country. Let me give you an example of that, Sir, not that the Honourable Member for St. John is trying to pretend, because that would be so transparent it would not be funny. He is not even going to the length of trying to pretend that by repealing the stabilisation tax it shows that the Government cares about the people of Barbados, because the Government's uncaring and relentless harassment of the people of Barbados with taxation of one kind or another is now an established fact of life. Not only here in Barbados, this is talked about outside of Barbados as well. But let me give you one glaring, current example.

On all of the previous occasions to the present one, when the Barbados Telephone Company has applied to the Public Utilities Board for an increase in rates, the Government, which used to be a shareholder, objected on behalf of itself and the people of Barbados, because the Government is possibly the largest single consumer. On this last occasion Bartel's application for an increase in telephone rates has not met with any objection from the

Government. Does this Government want people to believe that it cares about the people in Barbados? The Government has ceased to be a shareholder, but the Government does not see it fit, under the guise – and I use the word deliberately – of representing the interest of the people of this country, and particularly old age pensioners, Sir, and people who are at the down end in terms of income.

There are people going to sleep at night **terrified** that they are going to wake up the following morning and find one or other or all of their utilities cut off. Old age pensioners, who cannot meet increased water rates, who cannot meet rising electricity costs, who do not know how to contemplate an increase in telephone costs, and sometimes one or two old age pensioners live in a house and their only link with the outside world is the telephone, and on this occasion and at this time this uncaring Government, particularly at this time, does not feel it is necessary for them to object to any increase in telephone rates.

Mention has already been made of the increase in crime. Crime has been steadily on the increase over the past couple of years, but particularly in recent weeks and months we have seen this increase, and it has to do with the burden that people carry. It has to do with unemployment, Sir, and I would venture to suggest that repealing the stabilisation tax is not going to work any great magic in that department.

Mr. SPEAKER: **Thank** you.

Miss B. A. MILLER: I know you want me to come back to the stabilisation tax.

Mr. SPEAKER: That is right. Thank you.

Miss B. A. MILLER: Yes, Sir, and I am back there. I never left it. I came at it from round the left flank and round the right flank, Sir, but the fact is that the repeal of this is not going to work any great magic in Barbados tomorrow morning or the morning whenever it comes into effect. There are people who are still going to get the Telephone Company turning off their telephone service because they cannot afford to pay for it, there are people who are still going to have Barbados Water Authority take off the water service because they cannot afford to pay for it. The National Housing Corporation is still going to be putting people at the side of the road because they cannot afford to pay rent, and all of those people whom the Government has shoved into unemployment, all of those people who have not yet collected their severance... The Honourable Minister of State was very careful not to tell us about those who still remain to be paid severance. I see he has run out of the House, he is not now in his seat, Sir.
1.40 p.m.

Mr. SPEAKER: Now, there are two things wrong with that. I have to take the little niceties of Parliament as well. I am not happy with references to "he" and "she".

Miss B. A. MILLER: Yes, Sir. The Honourable Member for St. John is not now in his seat but I know that he can hear me wherever he is in this **Chamber**, even if he is in the small chamber. He has been careful not to say to us anything about **those** who remain unpaid in terms of quantum of money outstanding in severance payment or quantum in terms of numbers of people who remain to be paid severance. So repealing the Stabilisation Tax Act is not going to mean anything to those people in January or whenever it is going to happen. It is not going to stop the pain, the hunger nor the anguish that they cannot maintain their households in a way to which households have become accustomed in this country. This is not fair to people.

As the Honourable Member for St. Peter has pointed out, up to last Friday, this is not what was promised. The IMF did not run on any platform with the DLP in 1991.

Mr. Speaker, in this month last year – some memories are short. The late Sir Grantley Adams pointed it out on more than one occasion – we were in this House debating the 4th Budget for the year. Close to Christmas day we were in here remonstrating with the Government and making the **point** over and over again that if the Government continued to put disincentives in the path of those sectors from which they were anticipating **growth** which would show up in the economy in positive terms in 1992 it just could not work.

You cannot take away from people and expect them to produce at the same level as when they had some kind of material to work with in hand. Government has put nothing but stumbling-blocks, disincentives, incompetence and ineptitude in the path of those who would want to see growth in all of the major sectors of this country. Every single one of them is in decline.

In the third quarter of this year we were hearing that the only sector that was showing any kind of positive growth was non-sugar agriculture. Now at the end of the **year** we do not have the fourth-quarter figures and we do not know what the overall will look like, but as the Honourable Leader of the Opposition said, the outlook is exceedingly bleak. It is intellectually dishonest that Government should manipulate figures and manipulate press releases which have to speak to the state of the economy in such a way as to confuse decent, right-thinking Barbadians who have expectations encouraged by this said Government.

I am reminded that as we are hearing today the stabilisation tax is to be removed that the \$15 000

allowance is to be dropped to \$13 000. As the Honourable Member for St. John said – I see he is now back in his seat – there are so many bits and pieces which add up to the dead weight that Barbadians have to carry, all Barbadians whether they be employed or not, that we cannot even remember. The Honourable Minister of State in the Ministry of Finance himself admitted in here just now that he cannot remember all the bits and pieces of taxation of one kind or another with which Barbadians are burdened. A lot of them cannot now remember...

Hon. D. J. H. THOMPSON: On a point of order. I am not even going to let the Honourable Member mislead this House on trivial matters. I said I do not remember the date on which the Companies Stabilisation Tax was removed. It was the Honourable Member for St. Peter who said that there are people who are confused about the large number of taxes. I am aware of all of the taxes that are imposed.

Miss B. A. MILLER: Mr. Speaker, I was sitting here and I heard the Honourable Member for St. John admit that he did not know it had been removed when the Honourable Member for St. Peter drew it to his attention that it had already been removed. I heard that with my two ears just now.

Asides.

Miss B. A. MILLER: Mr. Speaker, what I am saying is that the repeal of this Act – I am repeating it now that the Honourable Member has come back to his seat – is not going to work any great magic for all of those who are now unemployed, especially those who still remain to be paid their **severance**. It is not going to work any magic even for some of those who are employed because what is taken away with one hand is going to be reimposed with the other hand. So some people may even find themselves next month worst off post the repeal of this tax than they do today.

I want to add my voice to the call for the Government to come clean with the people of Barbados. It is not fair. We have no reputation abroad. We can hear that the Barbadian delegations go up to the United States, to Washington and to New York, with a huge entourage, with secret service people flying around the place, endless money being wasted and, in the corners of power, people are groaning when they hear that the Barbados Minister of Finance is coming. Why? Because he would not be advised. I hear all this talk. He denies that he is not on good terms...

Mr. SPEAKER: We are straying.

Miss B. A. MILLER: Yes. The Stabilisation Tax. This is one that the IMF clearly does not oppose. This is one of

those burdens that the IMF obviously does not oppose its repeal, but it is what the IMF is insisting on that will come in place of this that Barbadians have to worry about and have to care about.

There are people, Sir, in this country who today do not know **where** to turn and what to **do**. There is no job they can get. I represent a constituency, the City of Bridgetown, that is exclusively working class, I am proud to say. There are many households in the City of **Bridgetown** where there is no income earner today. I know all of the stories that are to be heard at Welfare. I have written letters. I have myself **called** at the level of Permanent Secretary, where necessary. I can tell you every store in Swan Street where the cheapest is to be got, where the best bargain is to be got in terms of any commodity that is a blatant necessity in a household of today. It is heartbreaking to see the people who come to you and there is nothing coming **from** the Welfare. Young women with children, fathers – much maligned people sometimes – are coming to me now with children, old age pensioners who, alone, at 80+ in a house cannot sleep at night, worrying about what money can or cannot buy tomorrow. This is not what people were promised in 1991. A lot of thinking people are not holding their breath but they are waiting to hear what is going to happen at the end of the magical 18 month period.

The Rt. Honourable Prime Minister is extremely shrewd and ruthless and clever. I say this in praise of him. We used to hear that Tom **Adams** was ruthless. We used to hear that Enol Barrow was ruthless, but the Honourable Prime Minister – we have to invent a whole new class for him because in all of this Stabilisation Tax being repealed... 1.50 p.m.

Mr. SPEAKER: Which, sometimes, you are not speaking on.

Miss B. A. MILLER: Yes. In all of this, Sir, the front bench is still flying about. When you do not see them in here they are flying about at your expense, my expense and the expense of those of my constituents, who still have employment and who therefore still find themselves paying **tax**.

We were told in 1986 that this country was the most heavily taxed country in the world. The people of Barbados were told how wicked and criminal the Barbados Labour Party was especially in terms of taxation. They never thought that today, Christmas 1992, we would find taxation levels higher in Barbados than ever in the history of taxation. Just as we find unemployment levels in Barbados, December 1992 is the highest in the history of the keeping of unemployment statistics in Barbados. Nobody ever thought this would have been the case.

The truth is that in all the Government is saying, it is picking at this and that and operating on an ad hoc basis. They think they can repeal a little foolish thing here and put something heavy on you over there, and that people would be fooled by it. But people who have to count the cost every day and stretch every dollar can tell the difference. They can tell a .5¢ and a .10¢ difference. I do it too, Mr. Speaker.

Certain remarks made by Miss B. A. MILLER were ordered by Mr. SPEAKER to be expunged from the records.

Miss B. A. MILLER: The point has been made, Sir. The people in Barbados want to know when this burden of taxation is going to be lifted from them. The people of Barbados want to know when they will be able to return to a quality of life they came to know before 1991, and even some people before 1986. The people of Barbados want to know when the repeal, not only of the Stabilisation Tax, but of other burdensome taxes is going to come to pass.

Mr. H. A. BLACKMAN. Mr. Speaker, I will be very brief today. I am very happy to see this Act repealed. But I have to look at this measure in conjunction with what I have seen in the document "The Reform of the Direct Taxation" by the World Bank. When we debated the reform of the direct taxation in here in August, in that document by the World Bank it was stated that these several levies and impositions would be removed if revenue levels were maintained. You would recall that. It also stated that if the levies and the other impositions were removed, the shortfall would have to be made up some other place.

Mr. Speaker, today, we are debating an issue to remove the Stabilisation Tax. Over the past week we removed the Transport Levy. I think some time yesterday I heard on the radio as put out by the National Insurance Scheme that the Transport Levy would come to an end at the end of this month and that the Health Levy would be cut by half, or .5%. Very shortly, at the end of March to be exact, the Government is due to restore the 8% pay cut to civil servants. Some time during this year we will have to conform to the new Common External Tariff tax levels. Very shortly we will have to remove stamp duties from the imports to manufacturers. When I take all of these things together, Mr. Speaker, against a background that I have just enunciated where the IMF document was explicit and it said that taxes were to be removed if revenue levels were maintained, and if taxes were removed the shortfall would have to be recouped somewhere, and you also realise the state of Government's finances at the moment, I am becoming very, very scared.

Mr. Speaker, it is okay to come to the House of Assembly and say you are removing this or that imposition

but deep down inside you know you have to make back up for what you have removed, because that is what the IMF says you have to do. In fact, a variation on that theme occurred in the Budget of March 31 where the Honourable Prime Minister was explicit in saying that if in any Ministry any expenditure is incurred one way, there has to be savings made some other place in that Ministry. I believe we have to look at this business very, very seriously. I am concerned about the state of this economy at the moment.

Last week Friday, I was moved to ask a few questions in here and I was moved to make certain statements.

Mr. SPEAKER: All is in connection with this Stabilisation Bill?

Mr. H. A. BLACKMAN: Yes. All is in connection with this Stabilisation Bill because stabilisation tax is only part of the taxation system.

Mr. SPEAKER: Yes, but the Honourable Member would agree that we are only dealing with one part and that is the stabilisation section of it. I will permit Honourable Members some room but the substantive motion before us is the repeal of the Stabilisation Tax Act.
2.00 p.m.

It does not allow a Member – which I drew to the attention of the Honourable Member for the City – an occasion to have a wide-ranging debate on other irrelevant matters. I am staying very close to this Bill.

Mr. H. A. BLACKMAN: Mr. Speaker, I have no intentions of making any wide-ranging speech on anything. I started my submission here by saying I was going to be very, very brief.

I sat in my seat and I heard reference being made to certain statements made on Friday by the Honourable Member for St. Philip South. I am the Honourable Member for St. Philip South. Therefore, if a statement is made, I should be perfectly in place to respond to that statement.

Mr. Speaker, I am going to be very brief. I do not want to stay long because the time is fast approaching for lunch. I made a statement and I asked some questions on Friday. The Right Honourable Prime Minister and Minister of Finance was in his place. He never said a word.

Mr. SPEAKER: The Honourable Member knows the Rules of the House. There are 2 ways to deal with that matter. When a question is raised in a general debate,

it is not incumbent on any Member to respond. If the Honourable Member wants to make it a question, the Rules of the House provide how that question could be asked. The Honourable Prime Minister has not yet spoken in this debate and if the Honourable Member is replying to a statement made by the others, that reply may be well in order. But I will not permit any further extension on that topic.

Mr. H. A. BLACKMAN: Mr. Speaker, with all due respect to you, Sir, and to the Chair, I sat in my position here and I heard the Honourable Member for Christ Church South speak, I would not say at length, on the matter that took place on Friday. The Member for St. Philip South was mentioned.

Mr. SPEAKER: I want to draw to the attention of the Honourable Member – we have to get it right – if you draw the Right Honourable Prime Minister, who has not yet spoken, into the debate then it is a problem. If you are replying to something that an Honourable Member said, fair enough.

Mr. H. A. BLACKMAN: Mr. Speaker, I have been in this Honourable Chamber for 13 years and I claim all the freedoms, all due respect and everything else that is due to any Honourable Member in this House.

I sat and I heard two Honourable Members refer to what took place on Friday and they were not interrupted nor stopped, Mr. Speaker. The Member for St. Philip South was mentioned in each submission. I happen to be the Member for St. Philip South and I **am** claiming, through you, Mr. Speaker, permission to respond.

Mr. SPEAKER: That is fair and very clear. You respond to what the Honourable Member for Christ Church South has said.

Mr. H. A. BLACKMAN: Yes. The Honourable Member for Christ Church South said, as far as I could recall, that on Friday a speech was made by the Member for St. Philip South and that the Right Honourable Prime Minister was in his place and did not respond but responded on Sunday, through a press release.

Mr. Speaker, the Honourable Member for Christ Church South went on to say that the only other country in the Caribbean that that would happen in was Antigua.

I should like to say this briefly. I read and I heard the response by the Right Honourable Prime Minister. I felt sad. I felt sad, very, very sad. Because, once again, the response does not tell the whole truth of the matter.

Mr. SPEAKER: The Honourable Member, again what happens in a newspaper does not necessarily relate to what happens in the House. I do not know what was said in the newspaper. I know what the Honourable Member for Christ Church South said. Therefore, I am asking the Honourable Member to confine his speech to that response.

Mr. H. A. BLACKMAN: Mr. Speaker, this was a GIS release. It was a Government Information Service release.

I want to say this, Mr. Speaker, and I **am** going to say it and I will sit down because it will come up at another time. I believe the people of Barbados have to be told the truth at all times. Matters that the people of Barbados should know the truth about should not be circumvented. They should not be embellished. The people of Barbados should hear nothing but the truth. I will rest my case at that point.

Thank you, Mr. Speaker.

Hon. M. A. KING: Mr. Speaker, it is now seven minutes past two and I am going to move the suspension of this sitting until 3.15 p.m.

Hon. W. O. FRANKLIN: I beg to second that, Sir.

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

RESUMPTION

Mr. SPEAKER: This sitting is resumed.

Mr. DeL. O. BRADSHAW: Mr. Speaker, I do not think that anyone should object to this measure which seeks to give some relief to persons who, during the past two years, have had to suffer some loss of income, but I think we need to look at replacing or finding some ways and means whereby some income could be generated as well. I have always contended that a dollar saved is a dollar earned and when we look at a measure such as this we must not only welcome the fact that Government has decided to remove this burden from the workers of this country but also look at other areas where persons are complaining because they are burdened by the lack of income.

Since this measure was one of a couple of measures that was introduced to assist the Government in meeting its obligation and helping the country generally, I feel that we should, and I would hope that the Minister of Finance would so indicate what sort of measures he proposes to introduce to create and generate much needed employment. I say this because, if the work force which now stands at over 120 000 is in work in the majority, and I mean by that if over 104 000 or 105 000 are in work, then there would

be a broader base from which any sort of revenue raised by Government by way of taxes or so could be raised. I think this would go a long way in spreading the national cake, or the burden, equally and fairly on the taxpayers.

I must ask one or two questions and one of them would be, how many Government workers, and when I say Government workers, I do not refer to those workers who are directly employed by Government, say at the Ministry of Transport and Works who have been in receipt of their severance as against those workers who are employed at a statutory corporation, at the National Conservation Commission or even Transport Board.

I ask this question because it has been drawn to my attention that some of these workers, and I am not referring to those who are at the Ministry of Transport and Works as I know also a fund was set up to pay them, but there is a misconception and a misunderstanding, Mr. Speaker, as to really who are entitled to this money. I think that is the problem. I think there is a feeling abroad that all workers who were laid off, whether at statutory corporations or whether it was partly subsidised by Government are regarded as Government workers and that those persons are supposed to be drawing money from this fund.

Listening to the debate earlier I got the distinct impression, and I was not quite satisfied that it was made clear enough, that there are two categories of displaced or severed workers involved here. I would like to state that while it is good to have the repeal of the stabilisation tax and at the same time the Government paying these severed workers severance payments, I must raise the question for the other category and on their behalf.

It is reported that since the stabilisation tax has been deductible and payable by the employers such as some of these corporations, ADC, Transport Board, from where workers have been sent home their employees are not the recipients of any severance payments according to the figures read out by the Minister of State in the Ministry of Finance. I would suggest, in order to bring further relief and the type of relief that all workers in Barbados would wish, rather than let them go through the painful process of waiting for the tribunal at National Insurance, to look at individual cases. That is going to be a very long, painful exercise and I am going to ask the Government to look seriously at it even if they have to come to this Honourable Chamber and ask for a supplemental vote to make funds readily available so that further relief could come by March 31, at the same time as the stabilisation tax ...

Aside.

Mr. DeL. O. BRADSHAW: Yes, I have no difficulty with that. I am asking the Government ...

Mr. SPEAKER: I am also having difficulty as well. What I believe is happening is this. If a reference is made to any comment it ought not to be the subject of the total debate. I would allow that kind of latitude but not to lose the whole purpose of the Bill before us which is the repeal by the Stabilisation Tax Bill, so that we would not get involved in other areas which are not totally or in some ways even remotely relevant.

Mr. DeL. O. BRADSHAW: I take your point, Mr. Speaker, but I take it that when the Stabilisation Tax Bill was placed before this Chamber an explanation was given that it was to stabilise the economy and if you are going to stabilise the economy, first of all you have to stabilise the workers. They have to feel that all is well. I am thinking in terms of stabilising the economy and the country and I am saying, that if you are talking about relief - and this stabilisation should bring relief - I am thinking about a measure that could bring further relief.

Sir, what I am suggesting is that these things are not known and I think sometimes they be known to the Government because people have been calling and saying they have not been getting the sort of relief the Government is talking about. All I am saying is, if you are talking about relief and it is a package of which I speak, then you could think in terms of getting the money by March 31 so that people can have it, and you will have a sum of money voted and the people will also know that they would not have to pay the stabilisation tax any more. It would be abolished and the people would get some money in their pockets. We would like to feel that the Government would not have to come back with another form of tax because the stabilisation tax was an income tax by another name. I am hoping that we would not have to see a tax which would replace this. I think we can look at this as an exercise in removing the tax. I am asking if the Government will consider not introducing another measure which could be interpreted as having the same effect as a stabilisation tax.

I am also thinking that of those persons who have paid the stabilisation tax - there were a number of them - I am sure the Government would wish to indicate what was the actual amount that Government received as against what they projected when the measure was brought. That would be very important because it would say something and those who would want to follow the economy and trends of Government's finances would be able to realise that sometimes income is projected but not realised.
3.30 p.m.

We would want to look at the factors which made it impossible or difficult for the Government to realise this. This is the case with the stabilisation tax, because the Minister of Finance when he introduced it would have

projected a figure for the year and that is why it would have run until 31st March.

We want to know, since fewer people were employed, what sort of impact it would have had on Government realising the projected goal. I think this would give us a sort of barometer by which to measure the performance and what is going on in the **country**, because, say what you like, we have to look at the figure as given by the Minister of State. He said 1 224 persons were paid one installment and then 1 046. When I look at those figures they **are** very misleading to me.

Aside.

Mr. DeL. O. BRADSHAW: I am responding, Mr. Speaker, to what the Minister of State said, because I think it is still relevant. I **am** talking about the part payment. I would like an explanation. I think I **am** entitled to have an explanation, because if you are giving me the figures of 1 224 and 1 046, which make 2 270 persons, then there could be a matter of overlapping. That does not tell me how many persons were paid in full. If we are discussing this and it has some relevance to the debate, then I would want to understand this. These are matters which we all have to face up to. If we do not ask the questions now, we will have the press taking it up. Questions would be asked of the Government on the call-in programmes and then **people** are going to be annoyed because questions are being asked. All I am **asking** for is clarification, if there is overlapping. You might have covered 2 270 people who have not all been fully paid. What comes out of those figures is that not all of the severed workers have been **paid** and I would want to hear this coming from the Minister of Finance.

Mr. SPEAKER: If you made the **point** in respect of what the Minister said, then there was no need to carry the debate wider than that. I think the point you raised has been made and it is at that point I do not like the debate to **carry** over to a point where the principal Bill before the House is totally lost.

Mr. DeL. O. BRADSHAW: Mr. Speaker, I am taking your point, but I **am** trying to be relevant by tying the two things. Thus the stabilisation tax is a tax which these people would have paid. These people were laid off and were severed, which means that the stabilisation tax would be less. I **am** not quite sure whether you still have to pay stabilisation **tax** when you are severed, because it is an income **tax**. These are the technical things and nobody must confuse me with this. I do not care what anybody tells me, I think I am right in this regard, because in some places severance payment is taxable. All incomes earned are subject to stabilisation **tax**. I have not seen where the law makes any exceptions, I would like someone to get up and inform me.

When these people were working, they were paying stabilisation tax. They have now been paid out and I want to know if stabilisation tax has been deducted from that severance payment. Is not that a valid question? It is. I do not know why sometimes people think you cannot think like them. This is very relevant and I would like the Minister of Finance who, I am sure, **understands** this, to know it is a question worthy of an answer, because you will find that certain deductions when you are paid are taken into consideration and I want this question to be answered. It is very, very important.

I think there are cases where, even agricultural workers, people at ADC, worked for **26** years and got no money at all. Where else can I raise this? Some worked at Graeme Hall for 18 years and have gone home without a single cent. I can give the Minister the names of such persons who have been told, after having been turned around by an officer from the **Ministry** of Agriculture, that they have to go to the Severance Payments Tribunal. Then you talk about relief to people. Is this not relief? People are out there worried about this and they are asking. I want to raise questions in here so that we can remove the tension that exists in our society, and I am not being mischievous.

I want to draw to the attention of this honourable Chamber matters which affect people. I want to see relief of this stabilisation tax, which means more money in your pocket. That is how I understand it. That is why I began by saying a dollar saved is a dollar gained. You do not pay stabilisation tax, so you have more money to play with. If this is the objective of Government, that if you provide them with more money by paying them up front the money due to them as quickly as possible, this is a relief. I hope, therefore, the Government will take that.

Do not forget the point I made about the Graeme Hall workers. Sometimes we do not understand that there is always tension, people are asking questions and the Government is not aware. These things just drag on and cause a lot of embarrassment to people. Christmas is drawing near and this might be good news to people. I am hoping, in the spirit of bringing good news at this festive season, that further relief to a wider cross section of Barbadian workers could be achieved.

I have raised one or two points and I hope that the Minister in winding up will be able to clarify them or shed some light on them. Mr. Speaker, adding to the contributions made on this side, the Opposition is not opposing this measure, but I think, **like** a responsible Opposition, we have a duty to raise certain concerns and to highlight certain things that are of relevance to this measure and the purpose of this particular measure.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, I would like to make a few observations in replying to this

debate. As **usual**, I will not be extensive, but I will **try** to confine my remarks within the **ambit** of the comments and the strictures that have been made by certain members.
3.40 p.m.

It is a debate that is at once a very simple one to reply to and at the same time a very difficult one. I suppose that is the nature of political discourse, especially in a country where we are always seeking, not common ground, but those issues that tend to divide and also seeking to pull down and tear down one another. I **said** this would be a simple debate to reply to because, as I said in my introduction, it is one which seeks to fulfil a promise made in a Financial Statement and Budgetary Proposals earlier this year that the stabilisation tax would be removed. That is what was said and that is the purpose of this Bill that is before us.

I do not know that we can come any cleaner or clearer or can tell the truth with greater probity than we are doing in this particular measure. It is a promise made and a promise fulfilled. Yet, like some wound-up machine we hear from certain Opposition speakers, "Tell the **truth!** Come clean!" and such similar phrases that proceed out of empty minds.

Sir, I do not trouble anyone, but as soon as I respond they tend to get very upset. At that level it is very simple and I think that is a very good thing. I would **really like** to know if the Opposition were opposing this particular measure what further they could say. The Opposition members, for the most part, as far as my memory serves me, each one of them, said that they are not opposing the measure or that they are supporting the measure and yet, in giving their support to this measure, they have found time to attack the institution of Prime Minister and cast personal aspersions on the holder of the Office of Prime Minister.

I can understand the Member for St. Thomas. If he has something to say, he will get up and say it. I am not including him in this because he was not in here and I am not bringing him into the debate either. If I see some puzzlement or some frown or knitted brow appearing he must be under the impression that I am referring to him, but that is not so.

I would have thought at this time of the **year**, at least, that we could find some kind of graciousness towards each other and not have to go to the extent of being critical to the point of almost being insulting and offensive.

One member actually said that the member was complimenting me by saying that I am ruthless. That is what the member for the City said, paying a compliment to me. This is one of the strangest of debates that I have sat and listened to. Sir, let me refute that charge categorically. I have never considered myself ruthless and I do not think

that any other **Honourable** Member in this Chamber can say that I have been ruthless to him or to her, not even the Member for St. Philip South. The Member for St. Philip South knows that in fact I have been very kind to him. I said that this is the Christmas season so I will leave it at that. If the member has gone out on a limb and does not know how to **walk** back in from that limb, that is his particular problem.

It has reached a stage when, as the father of **this** Parliament, I am now told – or some would like to tell me – where I should **speak**, when I should speak, how I should reply and matters of that sort. Let me make one point absolutely clear, Sir. I believe you have put the matter in perspective. If a parliamentary question is asked in this House and a reply to that question is being given that reply must be made in the House of Assembly. That is my interpretation of the rules and of the spirit of the rules, that is, specific reference is made to parliamentary questions, the manner in which they are asked and the kinds of replies that can be given. Neither the rules nor their spirit imply that a reply to the parliamentary question can only be given in the House. The information can be given outside of the House. But it is my judgment that it has to be given in the House, even if the information is given also outside of the House. I want to make that position absolutely clear.

If a member of the House asks a parliamentary question in the House, the reply is given in the House. If a member gets up and makes a speech and in it raises all kinds or any kinds of questions, there is no requirement on the part of any member, Opposition, Government, Back Bench, whatever to give a reply in the House. There is no particular requirement in that regard.

When the Member for Christ Church South can get up and say that I have brought contempt to this House and brought it down to the level of Antigua... First of all, Sir, I do not know what is the level that Antigua operates at.
3.50 p.m.

I will admit that, but when used within the context of debasing standards, procedures and processes in this Chamber, I would assume it is nothing complimentary, but, Sir, all of my life I have had the highest respect for this Chamber. I have fought to get into this Chamber and I have fought to retain a seat in this Chamber.

Aside.

Rt. Hon. L. E. SANDIFORD: Sir, I think the Honourable Member for Christ Church South should really withdraw the words he spoke. They were insulting. To accuse any member of trying to pull down...

Mr. SPEAKER: I would just want to make this point. The Chair does not always have to respond to comments

in the House. Sometimes it is necessary for the Speaker not to respond to those comments but provision is always made that, if the Speaker did not intervene at that particular time, then the Honourable Member has every right to draw it to the attention of the Chair so that the matter can be dealt with. To make the comment long after that has been done suggests to me that the Honourable Member, probably on second thought, recognised that he should have made the complaint.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, I am not like some other members who jump up very quickly and readily. I listen very carefully. I try to analyse and come to a determination on these matters. I do not know there is anything that says that a member in replying cannot advert to the criticisms that have been made of that member.

Mr. SPEAKER: What I am trying to say to the Honourable Member was not the criticism. The important thing is that, at the time when the comment was made, it would have been appropriate for that matter to be drawn to the attention of the Chair. I am not just talking about the criticism. I am talking about the point of order which you referred to as bordering on insulting and offensive. I think that would have been the right of the Honourable Member to put it to the Chair for attention. But the comment and criticism after has nothing to do with that point.

Rt. Hon. L. E. SANDIFORD: Yes, Sir. I want to refute that particular comment as well. I am refuting it. I have never tried or even succeeded in trying to bring down the reputation of this House and to say that it is brought down, to make such an accusation, I believe one should point out which particular Standing Order has been breached. I would challenge anyone to say which Standing Order I have breached by giving information to the public. Let the member for Christ Church South say which Standing Order has been breached.

Aside.

Rt. Hon. L. E. SANDIFORD: I will not pursue that matter. Let me say once and for all that I reserve the right to refute criticisms and accusations levelled against me and my Government in any place or forum I deem appropriate at the time, whether in the House of Assembly or outside of the House of Assembly. That is the end of that matter as far as I am concerned.

Sir, I will not deal with the Honourable Member for the City on this particular occasion. I leave her to her guardian angels. That is all I will say to her at this particular time.

Sir, a lot of suggestions and imputations came out during this particular debate. The Honourable Member for

St. John has responded to some of those issues relating to the payment of severance.

The Honourable Member for St. Peter got up and very properly indicated, referring to some words which he used and which were misleading or might have been misleading, that he had no intention of misleading anyone. That was very proper and an approach which all of us in this Chamber could do well to follow. I think your standing has gone up not only from the occasion last year when you broke ranks with them and told them that the Government was on a sound approach to try to correct the macro-economic problems...

Mr. O. S. ARTHUR: Mr. Speaker, on a point of order. The Honourable Member is misleading the House. I have never made such a statement to this House. I challenge the Minister, if he wants that to stand in the records of this House, to show where I said that. I ask that those remarks be withdrawn. They do not reflect anything I have ever said in this House.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, as I said it is the spirit of the season and I withdraw the remarks. Even if he asks me to withdraw what I will say now I will be happy to withdraw it because I seem to recall, when this stabilisation measure was introduced into the House and I indicated that part of the shock we were dealing with was due to the international situation, the Honourable Member for St. Peter said on that occasion he hoped I would not blame the international situation for the matter because the best opinion was that, in early 1991, subject to correction, the international recession had bottomed out at that time. Those were the words as I recall them.
4.00 p.m.

I will show the Member privately. I will get on with it. Let me, in conclusion, state that this particular measure, as I said, is part of a total macro-economic framework which we set out in the 1992 Financial Statement and Budgetary Proposals. We will be pursuing those, hopefully, early in the new year when we come to deal with other issues within the economic and financial firmament. I will definitely have something further to tell this Honourable Chamber in connection with these matters.

For the time being this is the promise that was made. It is a promise that we are keeping and I am happy that this measure receives the approbation of both sides of this Honourable Chamber.

Thank you, Sir.

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

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

COMMITTEE

Mr. CHAIRMAN: The House is in Committee.

Clauses 1 to 3 inclusive were called and passed.

On the motion of Rt. Hon. L. E. SANDIFORD, seconded by Hon. M. A. KING, Mr. CHAIRMAN reported to Mr. SPEAKER the passing of the Bill in Committee without amendment.

On the motion of Rt. Hon. L. E. SANDIFORD, seconded by Hon. M. A. KING, the Bill was read a third time and passed.

Mr. SPEAKER: Order No. 2.

ORDER NO. 2 – TO MOVE THE PASSING OF A RESOLUTION TO APPROVE THE COMPULSORY ACQUISITION OF LAND AT SPEIGHTSTOWN, ST. PETER TO FACILITATE THE IMPLEMENTATION OF THE SPEIGHTSTOWN DEVELOPMENT PLAN

Hon. E. E. GREAVES: Mr. Speaker, this Resolution, as the Addendum points out, seeks to compulsorily acquire 6 parcels of land which are described in the Schedule for the purpose of facilitating the implementation of the Speightstown Development Plan. Let me say, at the outset, that the Speightstown Development Plan was a Plan which was commissioned by the Government. The Plan was prepared by Robertson Ward Associates Ltd., Richard Gill Associates Ltd., Halcrow Caribbean Ltd., ADEB Consultants Ltd., Ferdinand, Hart and Leonard and Richard Coghlan. It sets out in detail the kind of development which was envisaged for that area up to 1990 with possible growth up to the year 2000 so as to ensure the satisfactory overall development of Speightstown.

One of the important goals of the Plan is to retain the unique charm of Speightstown, by preserving what is of value historically and architecturally. The rationale for the Plan is enunciated in the document called the Speightstown Development Plan Final Report. Some of the points which can be highlighted are the development, demolition and alteration of buildings. Some of this action has taken place, of course, to the detriment of the environment. The problem of road traffic congestion, pollution and damage to amenity have increased over the years. At the time of the Report, it was felt that the aforementioned problems would be further accentuated on the commencement of the Heywoods Hotel, that the opening of the Heywoods Hotel

would bring increased vehicular traffic. Of course, the development of Heywoods and the surrounding areas into residential areas would stimulate the growth in Speightstown of other services such as shopping, restaurants and banks, and the plan envisaged that the new development must be carefully planned and designed so as to enhance the town. Over the past decade Government has undertaken considerable development in the Speightstown area. Projects such as the Speightstown Bypass Road, the Heywoods Holiday Resort, the bus terminal and the new Roland Edwards School. In addition you have the playing field which is to the north of the bus stand and of course the National Housing Corporation, in collaboration with Ideal Homes, developed the Golden Mile Complex.
4.10 p.m.

I should also indicate that right now Ideal Homes is in the process of further developing that parcel of land between Golden Mile and the Heywoods Development. I see that a complete new road system is in the process of being put in there to accommodate, as we understand, about 200 houses. The fact of the matter is that there is considerable development taking place in that particular area. Also, I should say that the character of the area is changing and I know that there are even some additional lands which are to the north of Heywoods for which there is the possibility of development.

Aside.

Hon. E. E. GREAVES: No, the immediate north of Heywoods. I am not going as far as Six Mens. To the immediate north of Heywoods I think there is over 16 acres of land. As a matter of fact I think there are 2 areas there, right at the end between the old Manning Wilkinson and Challenor building and Six Mens and it is obvious that there will be further development taking place there. So that the plan seeks to incorporate this and one of the things we are seeking to do here is when we looked at the area of these 6 parcels of land we thought it best, since the Bypass road went through the person's land and divided it to such an extent that they could not make any meaningful use of the land that it was in the best interest of the overall development of that general area of Speightstown and preserving the general character, that the Government should acquire these 6 areas of land which we are seeking to acquire here today.

The lands, I think, are the property of Oriel Gill. The plans are here for Honourable Members if they so desire. We are anticipating that what we would do would be to develop the grass areas and ensure that they are used for further promoting the aesthetic character of the particular area.

I should also make mention of the fact that in Speightstown itself there is a proposal to shift the

Post Office from its present cramped conditions in the old building over to the old health centre building. The Ministry of Transportation and Works has been asked to renovate a part of the building to accommodate the Post Office because it is really in very cramped surroundings there. The proposal will be put into effect very soon.

I think Honourable Members ought to be aware that the Lions Club North has been using part of that building and will still use part of the building because they do quite a good job, service wise, in the community of the North.

Honourable Members must also be aware of the fact that the National Trust have had some study of Speightstown and have come up with a number of plans in respect of the restoration of that area but these are long-term plans. These are plans which call for a considerable amount of financial commitment on the part of the Government. I think that basically the Government is in agreement with some of the proposals but it is a question of when the finances will be available to implement the proposals which they have. For example, one of the things which they are suggesting is that we should rebuild the jetty in Speightstown for the purpose of accommodating cruise ships and bringing some additional life to that particular area.

I know there is a proposal also to turn the road from the south of Heywoods into Speightstown as a pedestrian walkway with shopping malls and that kind proposal. All of these are things which hopefully when things are a little brighter we would be in a position to implement.

Talking about, that, I would like to take this opportunity to make this point. I gather there has been some concern about a fence which Heywoods Hotel had started to erect on the boundary and which has caused some concern to a number of people because of the way in which they started to erect it. They will be told in no uncertain terms by the Town Planning Department that whereas there is no objection to the erection of a fence on their property one of the things which we would not want to see done is the enclosing within the fence of that walkway which is on the outside of the fence. Indeed I took a walk there this morning and discovered that they had started to put the poles which would put the walkway inside of the property. I am saying very clearly they will not be permitted to do that. They can put up a sweet lime fence. We have no problems with that but certainly the understanding when the road was diverted was that pedestrians would be allowed to walk freely from the northern part of Heywoods right across to Speightstown using that particular walkway. If it has not been, it will be indicated very clearly to Heywoods Hotel and to the Barbados Tourism Investment Corporation which is responsible for that, that this is the position which they will

have to comply with. We have no problem with erecting a fence but the fence cannot include the pedestrian walkway which has been used for so long.

I think it is useful that we understand very clearly where we are going with this. I think that one would recognise that this administration is continuing with the plans which have been enunciated in the Speightstown Development Plan. A number of the plans have already been incorporated and those have already been implemented. Those which I have mentioned which we have not been able to do at this point will be done when there are better times ahead because I think one could generally accept that there is tremendous potential in Speightstown for development and I am satisfied that as you look at development in Barbados there is a lot of development which is going to be taking place in the Northern part of this island and the development of Speightstown will be keyed to all of this.

So that in moving this Resolution to acquire the 6 pieces of land for the purposes described, that is, to facilitate the further implementation of the Speightstown Development Plan, I thought it would be useful to make the few points which I have made.

With those words of introduction, Mr. Speaker, I beg to move that this Resolution do now pass and the map is here for Honourable Members to peruse. I thank you.
4.20 p.m.

Mr. O. S. ARTHUR: Mr. Speaker, I believe that this Resolution underscores that we have a wonderful opportunity, through this Parliament, to bring about some political reform which would genuinely allow Members of Parliament to have as much say in what happens in their constituencies as public servants and members of the public in general. I really believe that the time has come when we ought to have a special committee of this House through which Members of Parliament would be able, on a regular ongoing basis, to consult and be consulted on important developments affecting their constituencies, to render advice so that we do not end up having to hear about things through newspapers from time to time.

I recall on one occasion hearing through the press about the proposal to put a halfway house in St. Peter. I called the Minister of Health and told him that, despite the controversy raging at the time, I supported a halfway house in St. Peter and I was prepared to support it, but I would have preferred to have been able to have a positive input in that development which I supported. We are often accused, as Members of Parliament, of having too much power, but the fact is that ordinary civil servants very often have more say in what happens in the constituencies than Members of Parliament.

As it pertains to this particular matter, Sir, I have an interest in development planning, because as a professional I was once involved in development planning. I believe I have ideas in relation to the development of Speightstown and I would have no difficulty sitting on any committee which Government has to deal with the development of any part of my constituency. I suspect that Members on Government's back bench as well as Members of the Opposition would genuinely appreciate being involved up front in things that happen in their constituencies. I think we are fooling ourselves in this House when we allow the opportunity to pass without, as politicians, being able to make constructive inputs into the functioning of their constituencies.

Having said that, Sir, I am familiar with the Speightstown Development Plan. It has been overtaken by circumstances and needs updating. Speightstown does not only need a development plan, it also needs an economic development plan, to which I shall speak, because Speightstown has shared less in this country's diversification than the rest of Barbados and the rest of its urban centres. Speightstown's strength as an urban centre used to depend upon strong agriculture in St. Lucy and St. Peter, but the decline in agriculture in the North of Barbados has left Speightstown without a strong economic base. It does not have a manufacturing base – the Government has not followed through on the plan to put an industrial estate at Colleton – and it does not have as strong a tourism base as Holetown or Oistin. In the absence of an industrial base as well as a strong tourism base, Speightstown simply has not benefited as considerably from the diversification of this economy as have the other urban centres in Barbados. With its weak economic base a decay has begun to set in the town. So that physical development and economic development of Speightstown have to be pursued hand in hand.

I believe that, now you have the Speightstown by-pass road, and the facility of the improved Highway 2A, some of the services that do not have to be located in the heart of Bridgetown can possibly be located in Speightstown. One can get to Speightstown now far easier than in the past. The site of the old health centre would make a fantastic site for Government offices. International businesses can also look to locate in Speightstown, but we have to find a way to give Speightstown the kind of economic base to allow the town to thrive as other urban centres have thrived.

I will add that Speightstown has also been affected by the shift in population. The North has not grown, in terms of population, to the same extent as the rest of Barbados and the decline in the economic base and the shift in population are putting the town in a position where we

seriously have to address its economic development as part and parcel of the general development of the country.

Mr. Speaker, there used to be a Speightstown Development Committee to advise the Barbados Labour Party Government on the implementation of the Speightstown Development Plan. It was a broad-based development committee that even included Dems. A former Prime Minister of this country used to accuse one of the leading members of the Democratic Labour Party's General Council of having sold out, because he was a member of the Speightstown Development Committee. He was on that committee, not because he was a Dem, but because I recommended his appointment, and because I genuinely felt that he had something to contribute. There was also another prominent publican in the centre of Speightstown, whose leanings are elsewhere, who was also a member of that Speightstown Development Committee.

The Speightstown Development Committee, as far as I know, has not met since 1986. If the Government is serious about the development of Speightstown as an urban centre, it must genuinely seek to solicit the citizens' input in all aspects of the town's development through the instrumentality of a broadly based Speightstown Development Committee, constituted on a non-partisan basis. I remember that that committee convened a town meeting in which all, persons to be affected by the Speightstown fishing harbour had the opportunity to meet as a town, with all the experts and everybody who had a vested interest in the fishing complex, and the whole town met under the influence of the Speightstown Development Committee and made their input as they as citizens felt. We need that kind of citizen involvement in the physical development of the town and its economic development.

I am really urging the Government, Mr. Speaker, if it is serious about executing a Speightstown Development Plan, to reconstitute the Speightstown Development Committee where the people in the town can believe and feel that they are making a constructive input into what is happening to affect their lives directly. It is a gross oversight that has in many respects stopped action in Speightstown. For example, one of the plans the Speightstown Development Committee was working on in 1986 was the notion of having a Speightstown Festival on a scale and concept similar to the Holetown Festival and the Oistin Festival. Speightstown is the second largest centre in Barbados, but it does not have one, and the plans for that have started and stopped since 1986, because there has been no focal point which has a relationship to Government that can make it happen.

It is matters like those the Committee was working on. It was broad based, there were Dems on it, because they were citizens of Speightstown, and my only interest as the Member of Parliament in the Committee was that it

must be a committee **that** could faithfully reflect the views of the citizens of Speightstown, the business sector, the ordinary citizens and so on, Sir, and I would support the reinstitution of it as a matter of priority.

Mr. Speaker, in relation to this particular matter, I would like the Minister to **talk really** in a more direct way on some of the housing plans for the area surrounding **Speightstown**. I made the point about the decay of Speightstown. If you go up Church Street, opposite St. Peter's Parish Church, you will see a case of fading glory. There are elegant old buildings there, but in rampant decay. The population surrounding Speightstown has declined and you can only support commerce in a city or town if there is a **population** surrounding it. Clearly, therefore, the whole question of housing development around Speightstown must be part and parcel of the development of the town.

I am not straying outside this debate, Sir, but I want the Government to go back and have a look at Six Men's again. You cannot develop **Ashton Hall**, because **Ashton Hall** falls largely in the water area. To the South of Speightstown, a lot of Road View area falls in the water zone **area**. The only available large acreage of land around Speightstown suitable for housing development that can **give** Speightstown a stable population in the future is the Six Men's area. I know that the Government backed off the plan to acquire the land at Six Men's, but it was a mistake. Six Men's is a natural suburban extension of Speightstown and I would urge the Government again to go back into Six Men's and re-acquire the land. There are developments **taking** place there where people are squatting and a lot of problems are going to ensue with people putting houses too close to other people in an unchecked manner. People are capturing lands and putting down permanent structures. I have called attention to it in this House before. It is going to be a problem for me and for the Government, so Government should go back in and do it properly, re-acquire all the land and use Six Men's for the purposes of bringing a housing and population base to that town.

Mr. Speaker, the Speightstown Development Plan also **made** reference to the development of a fishing complex. There is another Resolution coming on this and I may not speak on it when it comes, but I want to say this. This Government took a decision on October 16, in the flush of election victory, not to have improved fishing facilities at Speightstown. It was taken, in my view, in the same kind of mind-set as when governments win office and call back all the ambassadors and review every project and so on. It clearly is a mistake to think in terms of having improved fishing facilities at Tent Bay, **Skeete Bay** and **Consett Bay** while in the second most important urban centre of Barbados you have a fishing industry but fishing facilities that go back to 1953. Government has made a mistake, Sir.
4.30 p.m.

Today I made a mistake on the Floor of this House and I was man enough to get up and tell the House I made a mistake and I am sorry. I feel that the Government also knows that it made a mistake because that project was one that had satisfied serious international people in relation to its feasibility. The EEC was putting out over \$3 million, half in grant and soft funds to finance the development of that facility. We went to the extent of assembling a town meeting where all of the issues surrounding that fishing complex were discussed.

There are some people who believe that the fishing complex should not be at Fort Denmark because it is too far from the centre of the town. I do not share that view because there is no place in Speightstown that can be too far from any other place. There are some people who feel that it should be in the centre of the town but I do not feel so because we have seen what could happen in terms of the congestion at the area at the mouth of the salt pond. I will not support any fishing complex in the centre of Speightstown at the mouth of the salt pond. Although I might have benefited from the first flood, I shall not hold myself responsible for the second.

The Fort Denmark site was properly considered. All the experts were brought to Speightstown and met with the people of the town, the fish vendors and the fishermen. It was gone into. There was debate and controversy on both sides in the matter. Some people wanted it at the centre, some wanted it at Fort Denmark. At the end of the day, we had to decide. The important point is that Speightstown will develop if it has a similar range of fishing facilities as has obviously assisted in the development of Oistin. I do not think that anybody can doubt that Oistin has been transformed by its fishing complex facilities. I believe that a similar kind of development would benefit Speightstown.

We have a 1953 facility in the centre of Speightstown intended to serve a 1992 population. Obviously, Mr. Speaker, it cannot work.

I want to plead with Government to reconsider its approach towards the acquisition of the land at Six Men's. We know a decision was made in the flush of victory in 1986, but Government should reconsider the redevelopment of the Speightstown fishing complex.

Generally, I believe that Speightstown will develop as an important urban centre if it is seen, not only as a place which depends upon agriculture, but an important service **area** as well. There are institutions now which are no longer relocating in Bridgetown but are going to its out-skirts. There are a lot of financial institutions which are locating out and the revolution in communications makes it possible for institutions and companies to be neutral in regard to where they are located in Barbados. Equally so, the improvement in the road system between Speightstown

and the rest of Barbados means that Speightstown should be seen as a place where the service industry should undertake business.

It is going to be very difficult to go much further with the development of the tourist potential capacity in Speightstown. It is a great pity that the Government did not spend the money in building a convention facility next to Heywoods as was spent at Sherbourne Complex. It would have been a logical development. Then you would have had a situation of a government-owned convention facility next to a government-owned hotel facility, each complementing the other. The land to the North of Heywoods is vacant and would have been a magnificent site for a convention facility. If \$20 million of the \$40 million from Sherbourne had been put into a convention facility at Speightstown, Speightstown would have been transformed. I do not know if it is too late to think of that. Certainly, I would want to urge strongly that any future convention facilities for Barbados should be encouraged in the Speightstown area. There is land to the North of Heywoods and it would strengthen Heywoods.

I think there have been plans for a marina at Six Men's Bay. I know there has been a private development for good restaurant facilities in the area, but again I speak subject to correction from the technical people. The possibility of having a marina to broaden the appeal of Speightstown is something that should not be passed up.

The general point I am making, Mr. Speaker, is that the Minister is here dealing with the physical development of the town and I appreciate and support Government. I am not quarrelling with the Government's desire to acquire this land to undertake sensible and reasonable physical development of the town, but I am also making the case to Government that Speightstown needs not only a plan for its physical development but a complementary plan for its economic development which will optimise the potential of the town as an important service area, building upon what it has to offer by being a sea port as well as retaining its charm.

I believe that the Church Street area could be a lovely place for offices and people who do not have to be in the heart of Bridgetown should be encouraged to invest in places like Speightstown. My contribution in this debate is to say that I will support the rational, physical development of the Speightstown area and urge Government not to exclude the people from participation in that exercise. To that extent, I would urge Government to reconstitute the Speightstown Development Committee to make it broad based and non-political and review what I think were erroneous decisions in relation to the abandonment of good projects at Six Men's and at Fort Denmark in relation to the fishing project.

Hon. H. B. St. JOHN: Mr. Speaker, I am not going to be very long in this matter. I just want to say I am very disappointed that the Speightstown Development Plan as envisaged by the published Plan in the 1980's was frustrated to a large extent by political considerations. I do endorse the view of the Honourable Member for St. Peter that the 3 major developments which were clearly envisaged in the early 1980's as being essential for the full development of the North of Barbados, and Speightstown in particular as the centre of the North of Barbados, have not come into effect.'

4.40 p.m.

The fishing harbour was the subject of an elaborate investigation by the European Economic Community. As the Honourable Member for St. Peter has said, there was controversy at the beginning with respect to its siting but the Coastal Conservation Unit, then in its infancy, had a large input in the final determination of the site. It was felt, quite clearly, despite the strong lobby and beliefs of a number of people in the Speightstown area – some of them whose beliefs were very genuine, and others whose beliefs were motivated by commercial considerations – nevertheless, the fact remained that an elaborate investigation had taken place. It was decided that the Fort Denmark site was the best site, bearing in mind the coastal conservation considerations which are very important on that coast. As a matter of fact, if my memory serves me correctly, the land was actually acquired to facilitate the development of the site at Fort Denmark. The money was negotiated and agreed to. I believe that to this day – I want to stress this; it is my understanding – the allocation of money that was approved for that site as long ago as 1985/86 has not yet been spent.

I know the EEC procedure is that if you lead them up the garden path and agree with them with their indicative programme for a particular project such as the one in the Speightstown area and then, after they have expended a lot of time and money in investigating and carrying out all of the pre-conditions before the investment decision is taken, you change the investment decision, you are not going to find it easy to get a new project in that area. I do hope, now we are in dire need of capital projects which are appropriately funded, that the Government would resurrect that project. The arguments today are as good for it as they were previously.

With respect to the development at Heywoods, Sir, I have always said that the Heywoods development was one that Barbados needed to have if it was to be in any kind of comparative and competitive position with the rest of the Caribbean. When Heywoods was designed and built as a 300 odd room hotel, it was the largest hotel in Barbados.. It still is. The fact is that our pattern of tourism

development was different from the rest of the Caribbean. We had a large number of smaller hotels, many of them locally owned, and we needed a property of a substantial size.

It was always envisaged that the land to the North of Heywoods was to be also devoted to tourism development to add such matters as a convention centre, or high-class residential tourism units. It was decided at that time to leave that to the private sector. I think a study of what has happened since then ought to tell all of those who believe that in a country like Barbados you can rely only on the private sector that it is a good lesson for them to learn because that was unquestionably left to the private sector, in an area which was right for development and it is still in their hands – that people must distinguish between speculators and people who are willing to put their money where their mouths are.

There will be never a high-class complementary development of Heywoods in that area unless the Government does it. It is my belief. I know there was a plan for the development of a number of suites and a convention centre to allow Barbados to host such conferences as take place every year, a Caribbean marketplace in which you need facilities to bring the suppliers to the Caribbean here. Barbados cannot have one. We do not have facilities for it. That land was available for \$1 million at that time. I believe that today it is available for not too much greater than that because the market has dropped. I do hope someone will pick up the challenge of providing the facilities there to complement Heywoods.

I heard the Honourable Minister who introduced this Resolution speak of the fact that it appears that efforts are being made to change, whatever the reasons, whatever the motivations, the original concept of a pedestrian mall between the North of Heywoods and Speightstown. It would be starting at the North and going right back up into the centre of Speightstown. I know when Heywoods was first opened in 1985 there were some problems such as you have now with a small minority of people who believe they are in a position to blackmail the owners of all land between the beach and the land side. There used to be a few problems with people trying to move over the property of the Tourism Investment Corporation because they were granted the extraordinary privilege of having the whole access to the beach side, and with the co-operation in those days of the Police in Speightstown, good security at Heywoods and a rigorous enforcement of the existing Parks and Beaches Regulations or National Conservation Regulations at that time the problem was solved. We did not have to put up a fence to solve the problem. The Petty Trespass Act, the Parks and Beaches Regulations and rigorous enforcement, together with some education of the people in the area prevented anything from happening.

What problems they have are problems we have all over Barbados now. It is time we have a co-operative effort to solve those problems.

When Heywoods was designed, a craft village was developed in a prominent place so that one could be able to use it as a sort of a prototype for what is taking place today, namely, that you had all of the vending you wanted within the context of a confined area and for the rest of the area the public had unquestioned access to the beach on terms and conditions that they behave in such a manner as not to interfere with the enjoyment of others. We really have problems once again in this area. There are some people who believe that their right of enjoyment of a public facility is so unlimited that they can then turn around and impinge upon the rights of others who have equal enjoyment. That must stop.

Sir, it does not give me any pleasure to hear of the need to put in a fence to fence off the pedestrian walkway. The street line hedge was planted in our time with the specific understanding that the walkway was going to be outside of that and that the law enforcement authorities and everybody would operate upon the basis that was to be a public area and the public would understand they had to have proper behaviour there. Let us be strong enough and not cave in on the ground that we are courting unpopularity as politicians or otherwise, and insist that there is proper behaviour and law enforcement in that area.
4.50 p.m.

I now come to the other point, Sir. We acquired land in the Six Men's area for the specific purpose of facilitating the development of housing and industry and to carry into force of the Tenancies Freehold Purchase Act. Six Men's Plantation was scheduled. The Ministry of Housing did the investigation with respect to the tenants at Six Men's Plantation, as they did with respect to any other plantation in Barbados. It is a fact. The Government acquired land in that area. We actually put in a road in our time, because, and I want to remind Honourable Members of this fact. There was serious encroachment by the sea at certain parts of Six Men's. It was necessary to have a site further inland so as to relieve many of the houses, as you go north from Six Men's, of the problem they had where their land was being encroached upon by the sea. If you go down there you would see where the sea was coming in. I remember participating in a decision, and I remember a religious gentleman coming to my office, at the time, and trying to invoke all kinds of deities upon me, threatening me, because he felt that he had a grandiose scheme of by-passing the road, digging a canal to have a marina and things of that kind whereas, all the advice was that you could have a beautiful marina in the sea there because you have a great depth of water at a lower end and there was an old jetty there. We must not allow these special lobbies.

I know it, Sir, we had it all the time. We had it in Oistin. We still have it in Oistin. People still abuse me as though I was the only person responsible. Politicians still do it all the time. It does not matter to me, but the point is I never caved in to the threats and I do not intend to cave in. I know it is a fact that the need for the acquisition of that land for the houses and for the further development of Six Men's is as evident today as it was then. It is even more urgent now. It is obvious that the Government has to step in there. I hope that the Government will not shrink from their responsibilities in that respect.

I believe that, in this House after 1986, a resolution was passed annulling the acquisition that took place prior to 1986, a resolution abandoning the acquisition. So that the land reverted to the owner. The position is that the gentleman and the company or **whoever** it is have had many years now to carry into effect any development scheme that he had. He ought to be grateful now that the Government has been lenient to him, but I want to say the pressure is very great in that area arising from the need that both the Honourable Member for St. Peter and myself have spoken of and I do hope that, again, the Government would have another look at that area. As to the resuscitation of the Speightstown Committee that obviously was an institution which proved its worth because it provided a mechanism for consultation. There is no question about it that in Barbados there is a strong feeling and belief that the Government is too remote from many communities and that it is necessary to find **some** mechanism whether it be a formal, legal mechanism in the form of local government or otherwise to ensure that local opinion is taken into account when major decisions affecting particular areas are being taken.

As for festivals, I would give Honourable Member a certain amount of advice in that respect. If he is to become the principal agent of organizing it he must understand that he is thereby exposing himself to being the principal guarantor, because with all due respect, Sir, the Minister of Housing who is also Minister of Culture should let him know early that the Government grant which he, the Honourable Member for St. Peter, well knew was always available previously to big festivals in Barbados is no longer available. It is a pure voluntary effort that now finances those festivals. There is no question about that. If he needs any technical assistance, I am sure the Honourable Member for St. James South will be willing to give it. I certainly will be willing to give. I will start by letting him understand the financial implications of any such activity. It needs a tremendous amount of energy and effort.

But Speightstown is a great area and has great potential. I am a little disappointed – I was there only last weekend – in some of the aesthetics contained in the designs I have seen at Golden Mile. I do hope that some of

the elevated houses' that...What had happened with that design in Oxnards and **Wanstead** Gardens takes place almost immediately, and that is, that the bottom is converted, immediately, into a flat. I have seen some of them. There is an attempt to grow hedges and the hedges have reached a certain height. They still do not conceal the stiltlike effect of the design. You see them in Guyana and around, Sir.

Aside.

Hon. H. B. St. JOHN: No, no, no. The designs, I think, which were to go there were different. No, no, no. I remember. The wooden houses were not to go there. Spring Homes had put a proposal for development at the other end, the beginning of the By-Pass road at Battaleys. But the planner had raised objections to that land on the ground that it was within Zone 1. Although a great part of the land was not in Zone 1, he still felt that it would be a wrong place for development. The Government accepted that, at the time. I do not think he has got planning permission. I do not think that Mike has got planning permission or, if he has got planning permission, it would be for a small area of land.

Aside.

Hon. H. B. St. JOHN: No, Sir. That is a very exceptional development. It has defied all ~~the~~ regulations that I know which relate to coastal conservation in Barbados. But some people's luck is very good, Sir. They are very lucky. One of these days one would get to the bottom of that, Sir. It is quite mysterious to see how that extension has taken place at **Mullins** Beach Bar having regard to the new norms that relate to planning developments in Barbados. I do not begrudge them that, Sir. I regard that as an example of the aberrations that occur periodically, Sir.

5.00 p.m.

Those, Sir, are my contributions and I look forward with interest to hear some of the reasons why a number of the things that were clearly envisaged, as the Honourable Member for St. Peter said, on a bipartisan basis, have not been implemented.

Hon. E. E. GREAVES: Mr. Speaker, when I introduced this Resolution I refrained from making mention of the proposed fishing harbour at Speightstown because I was cognizant of the fact that we have a Resolution on the Order Paper which hopefully will be discussed this afternoon. I understood that Honourable Members in discussing the Speightstown Development Plan would have had some difficulty in discussing the Speightstown Development Plan without looking at the matter in respect of the fishing harbour in Speightstown.

The fact of the matter is, Sir, as I understand it, that a decision was taken to establish a fishing harbour at Fort Denmark which is just outside of Speightstown over where the old St. Peter's Almshouse used to be and, when this Government came into office, representation was made to them by the fishermen and fisher folk in Speightstown which very clearly indicated their opposition to the siting of a fishing complex in the **particular** area which had been identified. A **number** of reasons were advanced, one of which was that a jetty measuring about 175 metres long would have to be constructed and it was felt that it would create very serious problems in that particular area. The cost of maintenance would have made it very difficult. I think the general feeling was therefore that we should look for a site which was more acceptable and which would not create the same kind of problems as had been identified in that particular **area**.

Let me say that the Government is committed to the construction of a fishing complex in the area. I am in no position to indicate how soon but we recognise the need for the provision of a facility in that area. When you look, for example, at the fishing activity which takes place on that North-Western part of Barbados, starting over in Half Moon Fort into Six Men's Village and then into Speightstown and indeed as far up as **Reid's Bay**, that would indicate that there is need for the construction of a fishing complex in that particular area.

I want to make the position of this Government very clear, that the Government is committed to the establishment of a fishing complex in that general **area**. The point is that we have to be able to identify an area which will be suitable to the majority of people and we are continuing to work to identify that particular area. That is all I am able to say on **that** particular matter. I think we are at one in identifying the need for the development of a fishing complex in that area.

A number of points were made by Honourable Members. I would want to start with the matter of fishing since the Honourable Member for St. Peter and the Honourable **Member** for Christ Church South are seeking to leave the impression that this Government has changed radically the plans envisaged in the Speightstown Development Plan and basically the area beyond Speightstown. I think one could see that general area is developing to such an extent that we would, for the purposes of this discussion, take the area right out to Six Men's or out by the Judge Gap.

I want to say very clearly that most of the plans envisaged in the 1980 Development Plan have been put in place and indeed the Government is committed to implementing them. We are committed to implementing the fishing project but it is a question of the location.

On the question of the marina which both Honourable Members spoke about in the Six Men's area, I remember about 2 years ago being part of a team which visited that particular area to look at a proposal by a local company to site a marina in that area, not the person who has been identified as the owner of Six Men's - we will deal with that later on. At the time the Government had invited a team from Australia to advise on the **location** of a marina in Barbados and they looked at a number of sites. As a matter of fact we looked over in Shermans, right on the edge of St. **Lucy/St. Peter** where the sugar bonds still remain. We then looked at the **area** just at Six Men's and further down into the **Heywoods** area and then the team went to look at some areas here in Carlisle Bay and some other places. They have indicated very clearly that, because of the tides and a number of problems, they would not recommend that area for a marina. That is the expert advice that we have. There is a study which has eliminated those areas and, as a result, I believe the Government would be looking at the location of a marina in another area. I am sure, at the appropriate time, the relevant Minister will make the announcement.

On the question of the fencing of Heywoods, I certainly did not seek to give the impression - I hope I did not convey the impression - that the hotel would be permitted to fence off the footpath and incorporate it in their property. What I did say was that they had put an application into Town Planning and apparently, even before any decision was made, they had started to put up poles which, if they had continued along the way they were going, would have fenced the footpath into the property. It was clearly indicated to them that they could not do that, that is, that whereas they have a right to put their fence up, certainly they had to leave the footpath for pedestrians to use coming from the north of **Heywoods** and going to Speightstown and **vice versa**. That is very clear and as I indicated, as I understood it, this was an arrangement which had been agreed when the hotel was constructed and when the road which used to follow that particular path was diverted through the Speightstown Bypass right out to Six Men's.

Honourable Members can be assured that they will be permitted to put the fence up but not in the way that they wanted. The Honourable Member must understand and certainly recognise that we are living in different times from 1985 so that some of the approaches which might have been useful then do not seem to be relevant today and therefore property owners have a different view in terms of protecting their property.
5.10 p.m.

The convention facilities, as the Honourable Member has indicated, were envisaged by the then Government. There is land to the North of Heywoods in private hands. I know there have been statements made by the owners

about **the** kind of development which they would **seek** to take place there and **as** I understand it, that land might have changed hands once or twice already. I noticed in the newspapers recently one of the owners advertising the sale of that particular land, and I am sure that some time in the not too distant future we will **see** some development taking place there.

Certainly the Honourable Member must be **aware** of the commitment which the Government has to establish facilities at Sherbourne, and the Government will continue with its project at Sherbourne to develop facilities of a convention nature and other facilities which will, hopefully, cater to the particular demand which we see **as** very important in this country. Honourable Members can rest assured that we will continue in that particular area.

The Honourable Member for St. Peter has raised a matter, which I know does cause him some pain, in respect of the squatting which is taking place in the Six Men's area. When the Government came into office in 1986 and reversed the decision which the previous administration had taken in respect of the acquisition of land at Six Men's, whatever the reasons, the Government also recognised that the properties of people who were living on the sea side of that village were being devastated by the **sea** to such an extent that it had become very uncomfortable for them to live in that **area**. We took a decision to relocate those **persons** over on the other side of the road in a development which had been prepared for industrial development, but where we had not been able to attract any industrialists to set up operations. The Government took a decision to convert that into a housing area. We came to the House with it and we spent considerable sums of money in relocating those persons from the seaward side. Indeed, if you look at the houses which they now have and compare them with what they had before, and the facilities, it is like chalk and cheese. I think it is important that this House recognises that as a very positive step which this administration made to alleviate that particular problem.

I, too, am concerned about squatting, no matter where the squatting takes place. I am concerned about the fact that some people in Barbados seem to think that it is their right, if a person has property and they feel it is too much property for that person, to go into a person's property and squat on it, put houses on it and almost take over people's property. That cannot be tolerated and that certainly is not right. We have to understand very clearly in this country that we have to respect other people's rights. If the Government, in its wisdom or otherwise, whensoever the time comes, makes a decision to re-acquire the land, then so be it, but at this point we have not taken that kind of decision and I do not see why any person should feel they have a right to squat on people's property and build houses to the point where they are building permanent structures. They are locating them without any particular reference to

town planning or anything else. It is the same thing as is happening in Parish Land, Christ Church. We have to get this message across to people, **so** I hope that people will understand very clearly what they have to do.

On the question of supporting Speightstown in terms of the provision of housing development, the fact of the matter is that since 1980 a number of developments have taken place around the Speightstown area. The Golden Mile area has been identified. That is a new development. There is another one next to Golden Mile and which is growing very fast to the North of that area and of course we have developed the Six Men's **area**, which I talked about, where additional spots have been **made** available. Therefore, there are supporting housing developments in that particular area.

If you move to the east of Speightstown, we have a problem, **as** the Honourable Member for St. Peter knows quite well, because we move into the Ashton Hall area which has been identified **as** a Zone 1 area. It is creating very serious problems also, because we have a situation where people, in spite of the decisions and advice from the Town Planning Department, have gone and established substantial houses in Zone 1 **areas** and a decision has been taken, as far **as** Town Planning is concerned, that these houses have to be removed. I know that the people have gone to court for an injunction and therefore I do not want to say anything about that, but the fact of the matter is that the health of the country is very important and we have **to** be very clear to people in this particular area.

On the revision of this plan, it is true that the plan is over 10 years old and obviously we would need to have another look at it but, as I said, the Government has not really sought to change the plan because most of the things mentioned in the plan have been implemented, and indeed the acquisition of these 6 areas of land would seek to further enhance the plan, as it envisages the need for open spaces in heavily built up areas. Apart from providing flood control **areas**, these areas which are being acquired are to be grassed and retained as amenity spaces, thus breaking the monotony of structures while providing valuable recreational space. No structures will be going on these areas. They **are** for aesthetic purposes and, generally speaking, for recreation.

Basically, one has to understand very clearly that the Government is committed to the further development of Speightstown in accordance with the plan. I have said up front that we have had to take a decision in respect of the Speightstown fishing complex and its location. The Government is committed to that. We have seen the development, private and public, of housing in that particular area, and indeed the problem which was being experienced with further erosion in the Shermans and

Judge Gap area has been partially dealt with by gabions, and that has arrested the erosion in that corner. There is further work to be done by the Ministry of Transport and Works in reorganising that whole **area**.

5.20 p.m.

I should say also, concerning the Coastal Conservation Unit; that Government has just been able to obtain a loan from the Inter-American Development Bank for the development of coastal conservation projects. The **area** from which the houses have been removed and where there has been so much beach erosion has been identified by the project for restoration works. A lot of work will be going on in that particular area and I think one ought to recognise the commitment of Government to this particular **area** of Barbados.

As I said earlier on, it is clear to me as I look around Barbados that the next wave of development which will **take** place in Barbados will be in the North and Speightstown will play an integral part in that development. The Government will certainly play its part in upgrading facilities in Speightstown to ensure that it can capture whatever advantages will accrue from development in that particular area.

The Honourable Member for St. Peter raised the question of the possibility of a Speightstown Festival along similar lines as the **Holetown** Festival and the Oistin Fish Festival. I think it is a good idea and I would certainly like to see that take place. I **am** sure the Honourable Member **as** representative for the area would spearhead that particular development. As a resident of Speightstown or nearby I would be very glad to see that development take place.

Asides.

Hon. E. E. GREAVES: Quite seriously, one of the things **which** I have indicated I would like to see is Community Development and Culture playing a much closer role. I know I **am** speaking the language of the Honourable Member for St. George South. In looking at that, one would hope that the Community Development Division and certainly the National Cultural Foundation would be working much more closely in promoting cultural activities throughout Barbados.

On the question of the Speightstown Development Committee, I was aware of the role which this Committee has played in the generation of ideas for the development of Speightstown and I am sure the Government would be – I have to be careful because this is a matter which we have not discussed – favourably disposed towards looking

at the revival of this Committee, particularly, in the light of any revision which we would want to make in the Plan.

As I look through Speightstown, I see some interesting things happening. Just as you pass Sand Street on the eastern side I see some interesting developments taking place. A number of restaurants **which have** recently come into Speightstown also indicate very clearly that there is a growing demand for these kinds of services in that area. One of the things which I would certainly want to promote, and it is one which has been identified by the, previous Administration, is that walk from **Heywoods** into Speightstown. I think that should really be developed. I think it can really make a very beautiful addition to the development of that particular area.

Just let me say, Sir, Government is committed to the Speightstown Development Plan and to the redevelopment of Speightstown and one would hope that, as funds become available, we will be able to continue the development of this important area of Barbados.

The Honourable Member for Christ Church South did make mention of **Mullins Beach Bar**, but I do not know what the Honourable Member means by saying some people have not been as fortunate as others. What I can say is that I see a tremendous amount of activity taking place around the area of **Mullins Beach Bar**. It is really one of the bright lights in that particular area. It is a place which is always full, with people on the beach and at the beach bar. It seems to be doing a tremendous amount of business. It is an attraction to people as far as its location is concerned. I am sure we will get an opportunity to discuss that on another occasion. We will not bother to deal with that at this point.

Let me therefore say, Sir, that with those remarks I beg to move that this Resolution do now pass.

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

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

ORDER NO. 7 – RESOLUTION TO APPROVE THE NOTIFICATION OF THE ABANDONMENT OF THE ACQUISITION OF LAND AT ST. PETER

Hon. E. E. GREAVES: Mr. Speaker, this Resolution has to do with the proposal to abandon the acquisition of 2 parcels of land which had previously been acquired for the proposed fishing complex at Speightstown. Honourable Members have ventilated their views on that. The House knows the view of the Opposition. We have indicated very clearly that Government is committed to the establishment of a fishing complex in the general area but we have a

problem with the location. Since we are not going to construct the fishing complex at the Fort Denmark area it is but right that we release the lands and give them back to the people from whom we acquired them. In any event, we would continue to run up interest on the money owed for this particular acquisition. Government thought that, since a decision was taken not to establish the fishing complex, we should abandon the acquisition so that the people who own the lands can have access to them. This is the purpose of this Resolution.

I therefore beg to move that this Resolution do now pass.

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

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

PRIVATE MEMBERS' BUSINESS

ITEM NO. 1 - RESOLUTION CALLING UPON GOVERNMENT TO TAKE STEPS TO RESUSCITATE THE SUGAR INDUSTRY

Hon. D. W. BOWEN: Mr. Speaker, I rise to make my contribution and to enlighten the mover of this Resolution on what steps the Government has taken to resuscitate the sugar industry. In this intervention I shall deal specifically with some of the items raised by the mover of the Resolution. As a matter of fact, since the Resolution was tabled, Members would note that the Government has taken a number of far-reaching, indeed, decisive steps to resuscitate the sugar industry. While, during the course of my contribution I will enumerate those steps, at the same time there are a number of matters I want to touch on briefly.

Let me start, Mr. Speaker, by saying that this Government recognises sugar as a key sub-sector in the agricultural sector. Indeed, it will remain the nucleus around which all other agricultural activity will revolve in the future. That is our position on this side on sugar. Having said that, when one considers the financial difficulty with which the industry has been plagued over the past 10 years, notwithstanding the injection of some \$80 million into the system, we must state categorically that it cannot be business as usual any longer and there must be a complete overhaul, restructuring and re-organising of the sugar industry.

At December 31, 1991 the sugar industry's indebtedness stood at \$275.3 million of which \$133.4 million was owed by the Barbados Sugar Industry Limited and the remainder by the plantations. For the industry to survive into the 21st Century, there must be some viability

of the industry. I would like to quote, as a matter of policy, from an extract in our 1988/1993 National Development Plan where Government clearly states that it will promote, within the context of efficient utilisation of land and water resources, a programme of diversification in agriculture while at the same time maintaining sugar cane cultivation at optimum levels.

There can be no doubt, Mr. Speaker, that we are committed to a programme of agricultural diversification. Government's current land use policy calls for the retention of 45 000 acres of land in sugar cane, root crops, vegetables and cotton. It is our intention to allocate between 27 000 to 30 000 acres to sugar cane. Given a yield of, say, 2.8 tonnes per acre, we can expect to have a return of about 84 000 tonnes of sugar per year, give and take the fluctuations that usually take place consequent upon certain vagaries of the weather and so on.

In the Resolution mention is made of alternate crops for agricultural diversification. The Honourable Member for Christ Church South would recall that, after their McGregor Study of 1979, certain incentives were given to the planters to get into non-sugar agriculture such as cotton and fruit. One must ask why the planters over time resisted growing cotton, why only 100 acres of land for a long time was planted in cotton therefore putting Government in a situation where we had to take up the slack in planting cotton. This is a very important point because one must recognise that cotton can contribute 3 times as much foreign exchange earnings as sugar cane. There is no doubt that there has been growth in non-sugar agriculture. Indeed, it has grown by 30% over the last 5 years. At present it contributes twice as much as the value of sugar to the economy.

The Honourable Member also referred in the Resolution to the Landell Mills Study and he stated that - I am quoting from his contribution - the Government should let the public know specifically what are its views on the Landell Mills Study and on the more recent study which is known as the Booker Tate Study. In responding to that I must state that Government has indeed accepted a number of the recommendations of the Landell Mills Study. The Report has formed the basis of the action plan which we have formulated for the resuscitation of sugar.

Following the Landell Mills Study, we recognised there was need for further analysis to be undertaken on the sugar industry in order to arrive at an operational plan. It was against that background we supported the efforts by the sugar industry to have Booker Tate undertake additional studies. I am not on this occasion going to go into the details or Government's position on the recommendations of Booker Tate or, indeed, on the other proposals made by AIMS because of the delicate stage of the negotiations.

That is my position on that issue, but it would be useful again to quote from the **Landell Mills Report** because I believe this particular quotation is relevant to the current initiatives which we are undertaking to revive the sugar industry. The **Landell Mills Report** states as follows:

"The preferred solution to the present demoralized indebted state of the sugar industry is the appointment of an **agricultural** management company to manage the most indebted farms on behalf of their owners. However, this is seen as a medium-term measure to turn the industry around from its long decline. Eventually, agricultural management is likely to be assumed increasingly by **owner/management** operators who undertake most jobs on their farms and who are much less vulnerable to falls in sugar price than their counterparts who employ large numbers of managers, supervisors and farm workers."

5.40 p.m.

Mr. Speaker, I think it is important that I make this quotation. I quoted it to show that the **Landell Mills Study** did not see the use of a management company as a permanent solution to the problems of the sugar industry. Of course it placed a lot of emphasis on the Australian model of **owner/manager** operating systems where services such as planting and farming are hired out.

The Honourable Member also spoke about the question, and I would just touch on this in a very cursory way, of land use and golf courses. Since 1990, 1991 the Government has been pursuing a policy of sports tourism. In this case, as in all cases, we take into account all the potential usage of land to which the land could be put. In the case of golf courses, Mr. Speaker, we have had wide-ranging collaboration and consultation with all the interested partners. Indeed we have even held two days of meetings at Dover Convention Centre where persons with objections to the applications had their say. From the Ministry of Agriculture's point of view we conceded that most of the land in the first phase area was out of agricultural production anyway and to use it in a more productive way, through a golf course, would cause minimum loss to sugar cane.

Therefore, all I would like to say on the question of land use and the reference to Durants is that – the Honourable Member made mention of the fact that Durants seems to be lying idle – we hope that the new thrust in golf from this Party would redound to the benefit and would have a spin-off, overflow effect as far as Durants is concerned.

Mr. Speaker, to place on the record of the House, if I may list the number of initiatives that have been taken to restructure the sugar industry:

- (1) as we all know, **BSIL** has been placed into receivership;
- (2) Government has committed itself to providing a transparent subsidy to the sugar industry for a limited period to support the restructuring process. A minimum guaranteed price of \$1 200 per tonne has been offered for the 1992 crops;
- (3) a decision has been taken to establish a financial agency to be renamed the Agricultural Credit **Trust** to assume the non-performing portfolio of the BNB;
- (4) a decision has been taken to establish a company to be called the Agricultural Management Company to administer the operations of the heavily indebted entities both factory and field; and
- (5) discussions are in train with the CDB with a view to obtaining funding to the tune of \$10 million to assist in the financing of the restructuring programme.

I thought that it would be useful to place those initiatives on the record in this House.

Therefore, Mr. Speaker, it can be seen that we remain committed to the continued success and growth of the sugar industry. As I said, it must be done against a backdrop of agricultural diversification and, indeed, we recognize that sugar cane production or the contribution could be marginal and, therefore, most farming estates must as a matter of policy include diversification in their system.

We have taken action, therefore, in accordance with the **Landell Mills Study**. We, on this side, do not subscribe to the view that the land should be left to the activity which necessarily brings in the highest perceived returns or, in other words to put it another way, that sugar cane should be left to die. We believe that certain lands should be left to agriculture so that we can continue or reach the goal of feeding ourselves, especially in times of emergency, and we believe also that water resources and the protection of the environment demand that development should be restricted to specific areas.

There are a number of questions and a number of issues which could be raised and which relate to the past handling of the sugar industry. I certainly believe that games have been played with the sugar industry. I make no apologies about that. There has been a great deal of manipulation in the sugar industry. For instance, one must ask the question, why did the sugar industry stop producing fancy molasses which had a guaranteed market in

Canada and which produced the equivalent of about 6 000 tonnes of sugar? Why was this curtailed? Why did they replace the syrup factory which was taken out of Carrington Factory and was to be replaced at Portvale? These are questions that must be answered. I do not think they have to be answered now, but these are questions, obviously, which would inform discussion of future policy on the sugar industry. How come, Mr. Speaker, that despite the Government's cane breeding efforts, the planters refuse to plant new varieties of canes? These are matters which convince me, Mr. Speaker, that in the past the sugar industry has not been run with the interests of the majority of Barbadians but to satisfy a minority. It is against this background that we will be restructuring and have taken a particular course of action to completely overhaul the sugar industry.

5.50 p.m.

I think the Honourable Member for St. John in his contribution made the point that it would not be business as usual. I would go even further. When we talk about restructuring, Mr. Speaker, we are not talking about just changing a name and bringing back the same old faces. That is not our understanding or that is not how we are going to see the restructuring of the sugar industry. I thank you, Sir.

Mr. R. L. MORRIS: Mr. Speaker, I would like to contribute to this discussion on the sugar industry. It appears to me that this is a very timely debate and I respect the importance of this Honourable Chamber leading the debate on the industry, but it is vitally important to me that the debate goes beyond the Chamber and that, in fact, being at a critical time in the life of the industry, I would certainly hope that it will become a matter of national expression of opinion.

I don't think there is any other debate at this time of a sectoral nature that should have more inputs at the various levels of our society. Sugar, after all, has been with us from the 1640s in a significant way and it touches the lives of all Barbadians. It is out of sugar that the first really large trading concern in Barbados was established, Plantations Limited. It is out of sugar that our first manufacturing concerns were established. Sugar has tremendous linkages in the total economy. The demise of sugar would send shock waves through our economy that would certainly have tremendous ramifications for employment and investment and all other things. We have to understand this very clearly. Sugar Plantations Limited, Barbados Mutual are all correlating institutions and then there are several other institutions that will be impacted on by the state of the sugar industry.

I certainly support a positive approach to the continuation of sugar and I believe sugar should be that

part of our agricultural system to form the basis for diversification. I think, even now, there is still a very strong argument between those who are sugar monoculturists and want to see sugar excluding almost any other kind of agricultural diversification against a growing element that recognises that there must be a sugar industry, but that there must also be diversification around that. I think that is one of the important debates we are having.

Let me say at the same time, Mr. Speaker, that I think there is a sizeable element that might not be speaking too loudly that really want to see sugar move away and, moving into its place, things like land development. I believe there are some people waiting on the demise of sugar who have already located themselves in places and positions that should sugar break up, they will benefit by getting sugar lands for other purposes. I do not know what the aims or the intentions of these persons may be, but I know that those of us, who really have some feeling about the location of sugar within the economy of our country, sugar and agriculture around it, know that we have to take our very positive and definite positions in the direction that we want to see them go.

At the same time, I think that we need to recognise that the plans for restructuring now and into the future should have elements of very, very strong transformation in those plans. It is my view that sugar has been structured against the family arrangement and the private limited liability company arrangement and that cannot be the way for the future. The entire sugar business, whether we are talking about the factory element or the land element will have to open up. We need to see the formation of public limited liability companies to attract shares from whoever wants to get in there. In that way greater ownership and greater participation in the ownership of the industry will be encouraged. For the future, it cannot be that those 140 or so estates that still exist in Barbados become the bastion of a small but privileged group of persons while much of the country remains land hungry.

We are not going back to the 1930s when Sir Grantley Adams was saying before the Moyne Commission that he wanted all the land subdivided and everybody getting a share. We do not believe that is going to be a reality but participation in ownership will come in a different way. You might not be able to subdivide the lands where everybody gets a piece. It does not make sense in terms of the arithmetic of numbers. If people can buy shares in estates and can participate in that way in ownership, I think that is the type of democratisation to see established in a premier area of economic activity, that is, land ownership, land management and land control.

We need to recognise, at the present time and in the future, the whole question of small farmers. Small

farmers are disappearing and there is very little chance of them ever coming back into reality. That is the reality of the modern system of agriculture, that farming by people running 4 acres and one acre and 2 acres and growing sugar is a thing of the past. If we want small people to be involved in sugar again it has to be through small ownership, perhaps by shares, buying some shares and getting the opportunity to expand **those** shares in the future. I believe that, whatever happens now, we are at the kind of juncture where it is entirely possible, if the national will so directs and so demands, that for those heavily indebted estates in any agreement in the future that is going to use public funds to be able to weather the storm, part of that agreement should be that they should be restructured into public limited liability companies so that they can open themselves to being capitalised by individuals purchasing shares to help them through. I believe that is vitally important, just as it is going to be important that Barbados Sugar Industries Limited, and we are talking about the factory element, has to become a public limited liability company so that Barbadians can buy shares in that company. They will have, like any other company, to show that they can be viable in the future. They should be able to show people their financial statements and so on and **they** will have to encourage people to risk money by buying shares in them in order to provide for their future development. That is one of the things I would like to think about, the whole question of moving the type of ownership that we have from private ownership, individual ownership, the family ownership into the stage of public limited liability companies. In fact, that sort of consolidation **started** in the 1920s when people like Dr. Pilgrim from Porters started those early private limited liability companies, moving away from family ownership et cetera. **Remember** the idea of putting shares together from any number of persons when Searles was first formed as a cooperative company. I think that a further stage now is the formation of public limited liability companies.

In terms of development, also, I believe that this is a **massive** opportunity for us to look at the lands out there in the sugar **estates**. All sugar estates have lands that are utilised now, arable lands for the purpose of growing either canes or something else and then there are some **rab** lands **out** there that we have to look at. It seems to me that, once we get the permission from Town and Country Planning and once it is ecology friendly, we have to be able to dispose of some of those lands. I believe that the owners of the land should have a right to sell some of the land for housing development or whatever else. I believe that is a right they should have. Once it does not conflict with any considerations of the Town and Country Planning and so on I believe they should have the right to sell that land, if there is a demand for it, at the market price. That should help to repay some of their debts. At the same time, I think we have, out of those lands, to allocate certain areas for sale to poor people in our country, people who want land

to put their houses on at concessionary rates which could be agreed by Government under the Tenancies Freehold Purchase Act or something like that where people would just have to pay minimal prices per acre or per square foot for the land as the case might be.

6.00 p.m.

I believe there must be two different regimes, a regime where a plantation has arable land and there is a part they can sell in order to help recoup some of the debt, and then other lands that might be made available for persons who want to get hold of that for housing purposes. I am talking about poor people. I do not see why we should forever prevent those persons from being able to use what is an asset, because I think this would be unfair and it is bad economics too. If you have an asset you should be able to realise that asset in order to help you. It seems to me to be unfair that if a man has 400 acres, and only 200 are arable, we are preventing him from using the other 200 acres in order to pay off his debt and so on. But I think at the same time a policy can be developed that all is not then sold off at extremely high prices, and poor people will be able to get access to land. A regime can be developed to accommodate both interests. I believe that is vitally important.

If we are looking at the sugar industry of the future, I believe sugar is the industry most reported on in Barbados. The reports go back to whenever you can think about, the **1950's**, then you had in 1961 the Farley Report, but when you go back and look at the reports, quite frankly I believe that our reaction time is too long. You read those reports today and recognise that those chaps were telling you exactly where you should have gone for a very long time. As you go back to each one you will realise that you have not been using the accumulated wisdom of a number of experts in a number of areas. Rawle Farley wrote from the perspective of an agricultural economist and gave very good advice. The McGregor Report tended to be more in the direction of the technological **concerns**. McGregor was more concerned with using machinery. **Landell** Mills was again coming from an economist's point of view, the whole question of the domestic resource content **of** crops, and even though some people say the conclusions are flawed, still you can try to refine the conclusions and see if you can get something out of them.

Now you have **Booker** Tate, which to me is one of the most comprehensive attempts to look at the industry from a variety of approaches, a multi-factor analysis and a multi-disciplinary approach. To me it is a very useful starting point. It does not mean that everybody has to accept everything that **Booker** Tate is saying, but I think that they have tried to bring a comprehensive approach to analysing the industry. They have looked at the areas that affect me most in my professional capacity as a trade

unionist, the whole question of employment, wages, *et cetera*, and even though we will not accept everything **Booker Tate** is saying, at any rate I know they **are** bringing an approach to sit down and **talk** to them, because they have a concept of where they want to go. I find that approach is superior to the other report before us in Barbados today for consideration, the AIMS report. I am not getting into an analysis or comparison between the two, but it seems to me that AIMS is slightly unfair. The AIMS people asked **Booker Tate** to come and do a major report and then they "cogged". That is what we used to call it at school. You got somebody to do the major thing and you **cogged** out of it, you sort of diverted from the areas they put that might have been considered as contradictory or controversial. You moved away from those areas so that you gave another report that appeared at least more palatable to persons.

I would like to suggest that the report that should really be agitating the minds of Barbadians right now is the **Booker Tate Report**. It is a comprehensive report. It looks at both the factory side of things and at the estate side. It also looks at the whole question of debt. It has a very comprehensive policy on where it would want to go, a comprehensive programme, and while, as I said, I do not believe we can take it wholesale as it is, it is a very serious document for future consideration.

I want to look at the factory side of things. It seems to me that the factory side is one we have to be very careful about. When the Honourable Minister addressed the House he indicated that there is a perception we might be moving towards 80 000 tonnes of sugar as a target. Government, I think, is moving between 70 000 and 80 000 as a maximum. Clearly that has to be related to your milling capacity. One of the difficulties I think you will face is if you reduce your milling capacity too much, because then to build back up that capacity would be extremely hazardous. It is better to hold your capacity at a certain level. Right now we are getting about 55 000 tonnes in the last couple of years and we are hoping to move back to 80 000 tonnes. We have to be very careful then that we do not reduce our milling capacity. Hence the concept of looking at 2 or 3 factories, which would be the optimum choice, is vitally important. It seems to me at this time we can really stay with the 3 factories if we are really hoping to move back to 80 000 tonnes. I think that Bulkeley, Andrews and **Portvale** should be able to give us that capacity. If we want to move down from there gradually, then we can make a decision later on in terms of getting rid of one of the factories, whichever one I believe would be the least applicable at the particular time. But for now I think it is good policy to maintain the 3 factories, to do any changes that are necessary in terms of engineering and so on and get maximum capacity, because I think what is most important is capacity utilisation.

To utilise capacity most efficiently and effectively is going to be critically important. I am not convinced, for a number of reasons, that we get capacity utilisation out of the factories at the present time. As a matter of fact, the AIMS Report has a suggestion by Mr. West, a chemist, that about \$10 million was lost to the industry because sugar was not taken out of the molasses. He is making that admission even while he was the person responsible for it, which tells us very clearly that something was **not being** done right. Anybody who is a chief executive and can say to you that in 3 years we lost \$10 million because we were not doing the right things should not give you any confidence to put him in charge of anything. That is the strange dichotomy that was coming out of the kind of management we have in the factories at this point of time, so it seems that we have to look back at the factory operation very, very carefully. I am convinced that, at the level of the factory, we need good factory engineers and there should be some kind of relationship between factory engineers and factory chemists in terms of the management element. In terms of the field, my understanding is that about 30 estates have done well and have continued to do quite well over time. In fact **there might** be about 50 estates that are but not at the worst level of indebtedness and then there might be another 50 or so estates that are **really** doing quite badly. I understand a debt ratio of so many thousands dollars of debt per acre has been developed. That is where you start stratifying estates in terms of heavily indebted, middling indebtedness or not so indebted.

6.10 p.m.

In other words, dealing with the industry in aggregate form, we might not recognise that there are some very well managed sugar estates. That is one of the pictures that might not be coming through clearly to Barbados. In fact, some people have been doing an excellent job in managing their sugar estates and have been making quite a bit of money. This has been offset by other persons who have been doing a very bad job of management. Even so, when you put the well managed and the badly managed ones together there are other elements that one has to look at in terms of estate management.

One has to look at external problems that even those who are most motivated and confident in the industry can not control. Currency values have gone very much against the people in sugar in the last 10 years or so. The cost of production, the domestic component of the cost of production, has gone against them and at the same time the way how the prices are structured within the **Lomé** Convention arrangements has gone against sugar workers, sugar owners and sugar growers.

I would like to make the point that I am not satisfied with the arrangement with the Barbados National Bank,

particularly in the **period** between 1981 and 1986, when it seems to me that the policy of lending did not meet the highest professional standards and might have led to the problems in the industry that we have today. There might have been a certain political intervention in the process that might have created high levels of indebtedness in that particular.

Around the time of the Sugar Industry Act there was a very liberal policy of allowing outflows of funds from the banking system to persons to purchase sugar estates, or rather to purchase estates on the pretext of going into agricultural development. I believe there was a very liberal policy in terms of scrutinising the way those loans were used. I believe **there was** a very liberal policy during that period also in terms of examining the financial information necessary to get those loans. I believe that liberal policy allowed a huge build up of indebtedness to the level of today.

I believe that we have to make sure that does not happen again. I am glad for the direction it is now taking where those debts are going to be hived off from the Barbados National Bank. I understand that a corporation is to be established. The Minister of State in the Ministry of Finance spoke of it before and I believe that will now provide some relief to the Barbados National Bank which has been placed in jeopardy by that particular system of lending.

Of the 2 proposals before this country for some consideration it is only **Booker** Tate which has been looking at the question of indebtedness. I think they are **asking** for forgiveness of interest, if not of principal. If the people of Barbados **are** convinced that loans which were made and resulted in this tremendous debt were not reached because of generic problems in the industry but because of mismanagement or something else, I think people might consider a policy of some forgiveness of the interest if not of the principal. It is possible that the people of Barbados, if the facts are put to them and they can be convinced that the indebtedness was caused not by mismanagement or by policies beyond the control of those people involved in growing sugar, might be considerate.

If the people of Barbados feel that the indebtedness was partly due to human factors, then the people might not be considerate about any **kind** of policy of forgiveness of debt. The **Booker** Tate Report says that some of it would be paid off by earnings and they are requesting some government subsidy towards helping to deal with debt and some subsidy from the money that is made from the importation of sugar, I think they gave figures that it is imported from Guatemala at over \$650 per tonne and then sold at over \$1100 per tonne. The excess can be used,

rather than going to BMC, and can be turned over to sugar to help pay off some of the debts.

I think that is something that has to be looked at very closely. I think everybody would be interested in what policy Government will take up towards the question of the debt in the sugar industry. Sympathy will come only if it can be proven that the debt was unavoidable because of things like currency arrangements or the price of sugar in the European market or something like that. To the extent that there has been mismanagement of any kind in the allocation of loans, in the scrutiny and management of how the money was spent and in the way how the Barbados National Bank supervised the repayment of those loans, if the people of Barbados feel that these things were not on the up and up then they certainly should not support any kind of debt forgiveness whether of principal or of interest.

We have to get some solid discussion on the question of debts in the sugar industry. I believe it has to be treated to open debate. The other thing we have to note is that in future we should not **be** against Government putting money into the industry. This is one of our critical sectors and is **vital** important. When money is going into the sugar industry in future I want to see it coming through Parliament. Any allocation of money to the industry should come through this Chamber. It should be debated. It should be transparent and people should know what is going on. Any funds that go in the sugar industry in future, if there is necessity for any kind of subsidy, I want to see it come through here and debated by every Member of Parliament. I want to get a report subsequently on how it was spent.

I want to be able, as a taxpayer in this country, as a citizen of this country, to be very clear on any funding of the sugar industry in future, that it will not be hidden through Barbados National Bank loans, at any kind of concessionary rates or any situation which is away from the knowledge of the legislators of this country. I am not against subsidies to sugar. I believe that those subsidies should be provided until sugar is able to put itself on a firm footing and move off again. While we are subsidising, let it come through this Parliament, let it come out of the Consolidated Fund and let us debate it **so that** we know exactly what is happening. Let us get reports on how that money is **spent**.

I think it is a tremendous opportunity for Barbadians to look at a major area of its economic activity and to play a role in where it goes in the future. From the trade union point of view, we are looking forward to early discussions to get the crop started because we would take a very nationalistic position on this, as we do on all things.

Asides.

6.20 p.m.

Mr. R. L. MORRIS: Mr. Speaker, I would think that in the future we have to recognise – I do not think there is much time to learn now, or much time to make any further errors in sugar – that it is critical to do what we have to do immediately and take steps to get this **turned** around. We cannot play around with the 1993 or the 1994 crop. I think all the partners involved have to make sure that we get everything going well and then we can, over the next 5 years, **try** to do what we can to improve the situation. It is a very critical time now. I think the next 3 months are going to be very critical in terms of the future of the sugar industry, in fact, of the future of our country. If we believe we can be in a structural programme and can play around with the 1993 sugar crop, then I think we would have to be making a great deal of fun. I think this is one area in which the 2 sides of this House can come together on an understanding of where we have to go in the future.

They talk about conflict of interest. I am in the trade union movement and I am in **politics**. I think you know, Sir, that the Honourable Leader of the Opposition is the chief adviser to the sugar industry especially in terms of the factories, and that my colleague, the Honourable Member for Christ Church South, is one of the chief advisers to the sugar industry in terms of the field. You know well too, Sir, that when Plantations Ltd. was having its internal problems, when the CLICO Group called up the Leader of the Opposition, the old sugar planters called the Honourable Member for Christ Church South. You know too, Sir, that the Leader of the Opposition is the chief legal adviser to the Mutual. As I said, Sir, Plantations Ltd., the sugar industry and Mutual are at the heart of the economics of this country. So when you are talking about conflict of interest I expect that when the Leader of the Opposition and the Honourable Member for Christ Church South get up in this House they will say early: "**Anytime** I am dealing with sugar or anything like that, I have an interest to declare."

I have an interest to declare in this. I represent the sugar workers. There are about 7 000 jobs out there that I am interested in and I want sugar to continue.

Aside.

Mr. R. L. MORRIS: Mr. Speaker, I hope **they** will indicate their interest in this matter. I hope this will not become political. I hope that sugar and agriculture will not become a political football and that it will not be mired down in any political quarrels because I believe it is fundamental to the future of our country.

With those few words, Sir, I would like to support the Resolution of the Honourable Member for Christ Church South in terms of discussing the sugar industry.

Hon. W. O. FRANKLIN: Mr. Speaker, I think the Government's position on sugar has been made very clear by the Minister of Agriculture, Food and Fisheries, the Honourable Member for St. Michael South Central. Sugar has always been recognised as central to the agricultural sector in Barbados. During my term as Minister of Agriculture, I **always** said that agriculture should be diversified around sugar. Therefore, the position of the Democratic Labour Party and the Government on sugar is very well known. The steps needing to be taken must be taken very urgently. Against this background I am not going to be very long.

I would like, Mr. Speaker, to move an amendment to the Resolution before this House. I am only amending the operative paragraphs 6 and 7. Those should be amended to read as follows:

"BE IT RESOLVED **THAT** this House note Government's action to ensure that an adequate flow of credit was made available to the industry as a matter of urgency; and

BE IT FURTHER RESOLVED **THAT** this House note Government's effort to introduce measures to resuscitate the sugar industry, to secure the jobs of 6, 000 sugar workers and to ensure the survival of the small farmers in the sugar industry."

Having made that amendment, Mr. Speaker, I would just like very shortly to show how important sugar has been to all Governments, and particularly this one. The programme that has been put in place to save the sugar industry with the agreement, as I said, of both sides is a unique one. We must remember that the sugar industry is the oldest one in Barbados. It is over 350 years old. I am going to make a statement which is sometimes forgotten, that the sugar industry is a private industry.

Mr. SPEAKER: There is only one problem that arises here. If the Honourable Member makes an amendment he would now be suggesting to the seconder that there will be 2 motions before the House. Which motion then would the Member be speaking on? Would it be on the amendment or the original motion?

Hon. W. O. FRANKLIN: I am speaking to the amendment.

Mr. SPEAKER: Then if you are **speaking** to that it would have to be seconded.

Hon. D. J. H. THOMPSON: I beg to second the **proposed** amendment and reserve my right to speak.

Hon. H. B. St. JOHN: Mr. Speaker, I would need your answer on this matter because I moved the Resolution. None of the speakers on the other side proposed an amendment except at this last stage. One of those who purports to second it is one who has spoken already.

Aside.

Hon. H. B. St. JOHN: The Speaker has power, if you introduce a new resolution, to rule that a new resolution is not a proper amendment. That is the point. I want to know how the course of the debate will go. Everybody who has spoken before will have the right to speak again?

Mr. SPEAKER: That is what is likely to happen in the circumstances because then there will be 2 motions before the House, an amendment and the previous Resolution. If the Honourable Member were **speaking** on the previous Resolution, I would accept that and all other Honourable Members would speak on that. Then if they want to speak on an amendment that would have to be a second approach to the debate.

Hon. H. B. St. JOHN: You cannot speak on the amendment now, Sir.

Mr. SPEAKER: You cannot have 2 Resolutions debated at the same time. You can speak on the Resolution before. At the end of that it is clear to me that that amendment would also have to be discussed as well.

Hon. W. O. FRANKLIN: Mr. Speaker, I started by saying that the Minister of Agriculture, Food and Fisheries, the Honourable Member for St. Michael South Central has put the Government's view on this matter very clearly. To put it in a nutshell, I am not going to be **long**:-

1. The Government has realised the importance of the sugar industry.
2. The Government has put in place a series of measures to make sure the sugar industry is resuscitated.
3. Governments over the years have always been most supportive of the sugar industry.

I went on to demonstrate the importance of the sugar industry to this and all past Governments. As I have said, the sugar industry is **our** oldest industry. It is over 350 years old. It is a completely private industry. During the last couple of years numerous private businesses collapsed. During that time on all the occasions we were always saying that the businesses collapsed because of bad

management and, unlike the sugar industry, no concerted effort like what is now being done by this administration to resuscitate the sugar industry had been done for those industries.

Unfortunately, Mr. Speaker, as I said, a lot of those businesses were small businesses in this **country** and this has been happening for years. But because of the tremendous importance we have always attached to the sugar industry for the following reasons:

6.30 p.m.

- (1) that it is a well-established industry;
- (2) it has all the necessary departments and specialty items to support it;
- (3) It has its own processing;
- (4) It has its own transportation system;
- (5) It has an assured market; and
- (6) It has its own research and it has its own management system.

Over the years, it has been a viable industry up until about, I would say the last 10 years. From about 1982 the sugar industry started to have some problems. Whatever the problems are, we have reached the stage where a definitive decision has to be made and this Government has made that decision to take whatever measures are necessary to resuscitate the sugar industry. It is against this background that we can see any subsidy to the sugar industry as a subsidy to assist in the earning of foreign exchange, since it has been demonstrated that there is a secure market which brings in foreign exchange and that this industry retains a higher percentage of the foreign exchange than most industries.

In my opinion, just as important, are the environmental concerns. This can be seen as a contribution to the tourist industry in that the sugar **industry** assists us to keep the countryside extremely tidy and the appearance attractive to enhance the tourist industry. From a **conservation** point of view, which is also extremely important to the Government, it is **seen** as the kind of grass crop that is capable of preserving the top soils in Barbados which are very thin. In the absence of any established crop that would have those attributes, that could be planted in that acreage, the sugar industry has a very strong case to back its existence and I would say that we are doing this very, very well in this Administration.

There are a few things that I should like to draw to this House's attention and which the planners in the

sugar industry should be careful about, that is, what is the future of sugar as far as the LOMÉ arrangement is concerned? And looking down the road at the possible receipts from sugar how would it affect the planning for the sugar industry? It is very well-known, Mr. Speaker, that with the GATT arrangement together with the agricultural protocol, there have been continuous calls for the reduction of subsidy for all agricultural produce. I will tell you why this is important to us in this debate.

Under the GATT arrangement it has been realized that the heavy subsidization by the developed countries of their agricultural sector allowed them to almost dump primary agricultural produce on to developing countries who could not compete because the Governments of the developing countries were not in a position to provide that type of subsidy. The bigger agricultural producers not only had the advantage of subsidies but, because of the size of their domestic market, because of the state of their technology, because of the resources available to them, they always had an advantage. When you add the subsidy, it means that the primary products from developed countries can always be passed on to us as developing countries at a price that will make it impossible for us to compete. Because of this, there has been a call for the removal of some of the subsidy. The possibility exists of a good chance of a reduction of about 20% to the agricultural subsidy in the EEC under the ACP agricultural protocol. This would have a direct effect on the price that the European Agricultural Community would be paying for beet sugar. It is well-known that the price that is going to be paid for cane sugar, under LOMÉ, is going to be tied to the price that the beet sugar people in Europe get for beet sugar.

Against the background of a likelihood of a reduction in the subsidy, there is the distinct possibility that there could be a reduction in the price for LOMÉ sugar in the years to come and the planners must take this into consideration. As the Minister said, the planners must also take into consideration that it cannot be business as usual. These are a few of the things that the AIMS Report has demonstrated, which leads me to this point: that it is very obvious that some of the people who are in the sugar industry and were in the sugar industry in the past have recognized certain areas that should have been corrected. Because the AIMS Report is now telling you that if the persons who are offering themselves to manage the AIMS Report are given the opportunity, they see the opportunity immediately to cut the Headquarters staff from 43 to 27. This is strange because most of the people associated with the AIMS Report were also in the position of management decisions, under the present BSIL administration and never sought to introduce any cost effective measures to improve the viability of the sugar industry. But they can now offer it. They can now tell you, Mr. Speaker, that the local arrangements for marketing, because of the guaranteed

market, under LOMÉ, that there is no necessity for local companies to be part of the marketing arrangement. We have said for years that there is no necessity. How could they advance it as one of the reasons? They could now advance, as one of the reasons, that there could be cost saving by amalgamating sugar terminals, the transport system and the molasses terminal. They are the same people who were administering BSIL for many, many years.

One of the things that I have said before is that the present payment system for canes has, in my opinion, always discouraged the more productive people in that the system was so loaded – due to the fact that it was devised at the time when you wanted 150 000 tonnes of sugar – that those people in the least productive sugar lands were given a bonus to encourage them to continue in sugar. As a result there has been a conflict over the years where the people in the higher rainfall areas who were more able and capable of producing sugar had always said that situation prevented those people who could really grow sugar specially from growing it.

The Minister also made reference to the point that, within recent times, there had been very few introductions of new varieties into the industry. There are many things that have been spotted that could improve the efficiency of the existing sugar industry. Against this backdrop, Mr. Speaker, I want to say that the Government is resolved to put in place all the measures to bring about the resuscitation of the sugar industry and, therefore, Mr. Speaker, I beg to move an amendment to the resolution as follows. The operative part of the amendment would be in paragraphs 6 and 7, it reads as follows:

"BE IT RESOLVED THAT this House note Government's action to ensure that the adequate flow of credit was made available to the industry, as a matter of urgency.

AND BE IT FURTHER RESOLVED THAT this House note Government's effort to introduce measures to resuscitate the sugar industry to secure the jobs of 6 000 sugar workers and to ensure the survival of the small farmers in the sugar industry."

I so move, Mr. Speaker.

Hon. E. E. GREAVES: Mr. Speaker, I beg to second that amendment and reserve my right to speak.
6.40 p.m.

Hon. H. B. St. JOHN: Mr. Speaker, I will speak on the amendment before I reply on the main Resolution. It is because of the urgency of this matter that I decided it is very necessary that the real facts surrounding the

difficulties the industry finds itself in should be made known, I want to say, Sir, that I have been retained, Sir, by a section of the sugar producers in Barbados in connection with the drawing up of a proposed lease to a marketing company and to that extent an agricultural management company known as the Heavily Indebted Estates, so I don't want anybody to say, Sir, that I have not declared an interest in that.

A number of statements have been made in here by Members from the other side. I have no quarrel with the statements they made because those statements are no doubt derived from their perceptions of how the industry was run, and in particular, their understanding and analysis of the causative factors of the decline in the industry, particularly in the last 10 years since 1980.

There is only one Member on the other side, Sir, who mentioned a very important factor, in my opinion, and which is something that any debate *on* the sugar industry in Barbados should take into consideration if we are not to indulge in an exercise which will in the future inevitably result in failure. The **Booker** Tate Report that has been referred to so often in here and is apparently accepted by a number of Members on the other side, emphasised and highlighted the point throughout and it is this, that the Barbados Sugar Industry suffered greatly from the relationship with the pound sterling exchange rate in the early 1980s. In other words it was not the decision of the sugar planters or the sugar millers in Barbados – it was not their function – to decide whether the Barbados dollar should be pegged to the US dollar in the face of the overwhelming evidence that *as* far as sugar was concerned, that was having a harmful effect. As a matter of fact I would also like to emphasise this point because many people are looking at *the* reports and, to me, are ignoring some very salient features of the report.

A very salient feature of this **Booker** Tate Report mentioned by the other side is this statement:

"A major reason for the decline in the sugar industry **performance** is the link to the exchange rate parity of the Barbados dollar,"

Barbados is paid for a large part of its sugar in **ECUs** and, as indicated in the **Landell** Mills Report, the depreciation of the **ECU** against the US dollar, the currency to which the Barbados dollar is pegged, has significantly reduced sugar income in Barbados dollar terms. As an additional component to the measures we are proposing it is suggested that serious consideration should be given by the Government to adjusting the exchange rate significantly to enhance the income of exporters such as the sugar industry.

Mr. Speaker, Sir, I therefore must point out to this Honourable House that no intelligent discussion can take

place as to the causative factors, as to the state of efficiency of the **people involved** in *the* sugar industry and how to recognise that, *as* far *as* Barbados *is* concerned, whoever was managing the industry had to face the reality, the fact that from the early 1980s the amount that you got from sugar, from your exports, *was* reducing every year because of the strength of the US dollar. That situation continued from the early 1980s right up to 1985.

After the Plaza conference in which the Group 7 nations decided that it was in the interest of the rest of the world to force down the **value** of the US dollar, you will notice that *the* US **dollar** fell *from* September 1985 in relation to the European currency and the sugar receipts increased from 1986 on.

Now, Sir, the second point that I would like to raise is this.

Asides.

Hon. H. B. St. JOHN: Now, Sir, that is the kind of half truths that the Honourable Member who *made* that statement is famous for because he is unable to face the fact that the very report that his side is speaking of *made* that proposal.

Asides.

Mr. SPEAKER: What I want to say to the Honourable Members ...

Asides.

Hon. H. B. St. JOHN: Not *one* of the other Honourable Members mentioned that fact. You never mentioned that fact. You talked about irresponsible ...

Hon. D. J. H. THOMPSON: On a point of order, Mr. Speaker.

Mr. SPEAKER: Before the Honourable Member speaks on a point of order, the Honourable Member responded to something where there is no record or reference to it in the *&*bate. Therefore I am not so sure what the Honourable Member was responding to in respect of a comment made in the latest stage of his speech. I think one has to be very careful of saying things that are not recorded as part of the debate.

Hon. D. J. H. THOMPSON: That is one part of it, Sir, and you are perfectly correct in that particular assessment of attempts at misrepresentation of what was said over here by the Honourable Member for Christ Church South but the principal point *that* must be made and has been made consistently in here and publicly

is that the Government has not determined that the **Booker Tate** report represents, in its totality, the direction that the Government is taking with respect to the sugar industry. The future management of the industry will be put out to tender.

The point of order, Sir ...

Mr. SPEAKER: That is not really a point of order. You might have been explaining or it might be elucidation.

Hon. D. J. H. THOMPSON: The point of order is this, Sir, maybe I have not made it clear, that nobody should say that this side has accepted **Booker Tate** report *in toto* or leave such an impression on the public.

Hon. H. B. St. JOHN: I am not giving any impressions. I am saying that we have a debate in here and to me a number of people who have spoken from the other side have commended the report and criticised our administration when it was in office between 1981 and 1986.

Mr. SPEAKER: Order, please.

Hon. H. B. St. JOHN: You criticised our administration between 1981 and 1986 and today. As the Honourable Member for Christ Church East Central has said very openly and very plainly, he has criticised the management of the Barbados National Bank...
6.50 p.m.

Mr. R. L. MORRIS: Mr. Speaker, on a point of order.

Asides.

Hon. H. B. St. JOHN: You are hiding from the people the fact that **Booker Tate** recommended devaluation.

Asides.

Mr. SPEAKER: You have risen on a point of order.

Mr. R. L. MORRIS: On a point of elucidation, Sir.

Asides.

Mr. SPEAKER: Order, please. What is happening is that the Honourable Member for Christ Church South believes that the Honourable Member for Christ Church East Central has risen on a point of order. He has not, so therefore the Honourable Member is still within his right, if he wants to give way to do so.

Hon. H. B. St. JOHN: I give way then, Sir.

Mr. R. L. MORRIS: Yes, Mr. Speaker. I rise to say that I had mentioned in my speech exchange rate fluctuations as they affected the viability of the industry, as well as the price of sugar on the European market. I said that they were two causes of the problems in the sugar industry, but I also spent some time, perhaps more time, on the question of lending policies and the utilisation of loan funds. I believe it is vitally important for that to be assessed also. I was not putting any priority between that and the problem of the exchange rate adjustments, Sir.

Hon. H. B. St. JOHN: I gave way, because it is necessary for us to have a clear understanding about the difficulties surrounding the sugar industry and all the factors which affect its viability.

The second point I want to make is this, Sir. The suggestion, and the impression that was unquestionably left by speeches by Honourable Members on the other side, is that the industry's losses primarily were incurred between 1981 and 1985. That is not correct, Sir. The truth of the matter is that between 1985 and 1991 the industry's losses were accelerated because of the fact that the scale of production was reducing after 1986, so therefore the increase in cost exacerbated the situation. In 1986 the milling cost, for instance, according to the same report, was much less than it is today. You cannot produce 100 000 tonnes of sugar at the same price as you produce 57 000 or 55 000 or 50 000 tonnes. That is a fact.

Thirdly, only the Honourable Member for Christ Church East Central would appreciate that, whatever the losses, 50% or near thereto of those losses went into the pockets of the employees of the industry, because the gross employment cost is around 40% to 50%. Whatever it lost, whatever subsidy the Government gave, it was subsidising to the extent of 50% the 6 000 odd workers. If the Honourable Member wants to tell me that the Government must not give a subsidy to the industry so that the income of the workers whom he represents is reduced, then the Honourable Member can advocate that point of view. I do not agree with it. One of the reasons why this side is supporting the continuation of the sugar industry is because of the fact that we are convinced it makes a very substantial contribution to employment, foreign exchange and things of that kind. That is a very important point. Whatever subsidy was given, directly or indirectly, the trade unions in Barbados made sure that a fair proportion of that went into the workers employment cost, whether by way of loans or indebtedness. If you say the loans were \$247 million, half of \$247 million was incurred as a result of employee labour costs. That is the structure of the industry.

Now, Sir, to be truthful, my criticism of the Government is that they have been hardened in

arriving at a decision. Nobody will stop me from saying that this Resolution was introduced in February of this year, we are in December, and up to now, Mr. Speaker, the management company is not in existence. The arrangements for the leasing are not complete, the arrangements for the structure to replace BSIL are not in existence, and this is the crux of the problem we have. It is the dithering. If you had made up your mind in February of this year that you were going to accept **Landell Mills**, there was nothing to stop you from implementing it. That is the position. What has stopped you from implementing it? If the Government had had proper legal advice, it did not even **need** to put the company into receivership.

Aside.

Hon. H. B. St. JOHN: That is a matter for you. I do not blame the lawyers, Sir, I blame the people who employ them. They must learn to employ proper ones and not employ people from their own law firms.

Let us go on, Sir. These facts must come out. You hear a lot of talk about BSIL. The Government of Barbados, through ADC, is a major shareholder in BSIL.

Hon. D. J. H. THOMPSON: Something may have slipped into the record there which is a gross misrepresentation. I am not now, and have never been, a member of any law firm in Barbados, and I wish that to be struck from the record, because it is a blatant untruth.

Hon. H. B. St. JOHN: The honourable member must not assume that he is the only lawyer in Bridgetown. The Government, through its agency, is a major shareholder in BSIL. That is correct, Sir. Many observers fail to understand why is it that the Government, in its capacity as a shareholder, having Directors on BSIL, was not able to use its influence to make BSIL operate how they want it to, but the truth is that the Government has one view and the civil servants in the Ministry of Agriculture have another view. It is the division between the Government and the civil servants **that** has caused this dithering to take place. It is because the Government and its civil service do not share the same view, and that is ignorance. It is manifestly clear in the public statements that everybody can see. If you analyse the real position, the Government was never able to persuade the civil servants, who are the executors of their policies, that their point of view would be accepted. That is the reason for the dithering.

Secondly, Sir, the Barbados National Bank, in their capacity as mortgagees of this land, also had the opportunity to tell the same indebted estates that, in their capacity as shareholders of BSIL, they had to vote how they wanted them to vote.
7.00 p.m.

If you are telling me that you are not in a position to persuade the heavily indebted estates to lease their land to a management company that you have created, could you not have persuaded them before to vote in their capacity of shareholders of Barbados Sugar Industry Limited? You do not understand the structure of the industry.

The structure of the industry is that BSIL is a cooperative and all those landowners have the voting rights so if you have more heavily indebted plus owing the Government you have majority control. So are you going to pay Receivers millions of dollars now? We are laughing. You are going to pay out a big 7 figure fee to the Receivers to do something that you could have done in another way.

Sir, it is necessary for us to understand that, in 1985, the then Government came to this House for a subsidy of \$10 million to the sugar industry and it was debated in this House and we said the reasons therefor.

Certain remarks made by the Honourable Member for Christ Church South were ordered to be expunged from the record by Mr. Speaker.

Hon. H. B. St. JOHN: The first Chairman of the National Bank after 1986 did not agree with the policy of the Democratic Labour Party.

The point is, we have had a position in which there has been a lack of cohesion in the policy of the Government because it has been divided. The Honourable Member for **St. Philip North** was Minister of Agriculture and was in a position, if he understood the structure of the industry, to commandeer a majority of voting power at BSIL, but he could not get the technical officer to go along with him. He had no control of him. Nobody has any control of him. The Honourable Member in here who was the Minister of Agriculture understands very clearly.

As a matter of fact, let us deal now with the question of diversification. There is no doubt that diversification is necessary in Barbados. You have to grow sugar cane around rotation of crops. This is a serious matter. Has **Booker Tate** addressed that matter? It is a very serious matter because you are talking about... I want these facts to come out because I am only interested in the facts. All Honourable Members in here who spoke on the Government's side said they expect to have about 30 000 acres of land in sugar cane.

Now, Sir, one-fifth of that theoretically should be in rotational crops. I do not see anything in that **Booker Tate** Report about that. Government says heavily indebted

estates represent 20 000 acres. Is the agricultural management company part of the solution put forward? What is going to be the policy of the agricultural management company in relation to carrying out the objectives stated by both the Minister of Agriculture and the former Minister of Agriculture? Are they going to grow cotton? Let us not fool ourselves. I think the public should know that several attempts at growing cotton have been an economic and dismal failure – CARSICOT and its successor organisation. The only person who has benefited from that is the Managing Director who has got \$6 000 or \$8 000 a month every month. It is a fact of life. If you want to know what has happened with money ask the CARSICOT directors and the people in its successor institutions and you will find out.

Sir, my understanding is that – **and** I checked it out carefully before I came in here – many farmers tried to grow cotton this year and got seed from the Ministry of Agriculture. 60% to 70% of the **seed** did not germinate because of the treatment given it by the Ministry of Agriculture staff. They gave out seed to **farmers** which was not properly looked after and did not germinate. It is not the first time.

If these matters were easy the Barbados Agricultural Development Corporation would be the leader in this effort of diversification because it is under **Government** control. You must ask yourself whether it is as simple as all that. I want to emphasise that it is not a simple matter. Decisions have to be taken and they must be taken against the background that you are dealing with a very difficult situation in which decision making has to be swift.

I am very worried about this hiatus that has developed. I am very worried about the antagonism which seems to be arising between the workers' organisations and the Government and its successor organisations. I am worried about the receivership that is taking place. If we want to see a smooth transition, the best thing the Government can do is to assure the workers and their representatives publicly that whatever severance payment is due them they will get.

There is a serious viewpoint developing around here. I do not know where the Honourable Members here live but I know there are people in my constituency who work in agriculture and they tell me that, unless they are assured that BSIL or its successor organisation will have adequate funds to pay them their just and due compensation for severance payments, they will not work in January. They say so openly. They need the comfort and assurance of Government, that Government has such an interest in the continuation of the industry, that Government will commit

itself – do not mind if that commitment might not come out to much – to ensure that a flow of funds will go into it.

There is talk about giving away the assets of BSIL to a successor organisation for a miniscule amount. That is foolishness. You cannot give away 3 big factories for nothing. Therefore, people want to know in all this welter of confusion that Government is saying it is determined to change it and all the logical consequences of that change it will stand behind. Sir, we had difficulties with the Deep Water Harbour, and the Government of the day made it publicly known that the people who would be affected by the structural change in the national interest at the Deep Water Harbour would be compensated. We had a problem with the Barbados Port Authority and the gantry crane. Again, you have to have a commitment and understanding with those who wish to carry out the change that the logical consequences and compensation will take place. It is the same thing with this now, Sir.

I want to make this clear now. I have seen public statements from a Receiver appointed by the **Court** which indicate to me serious things. I am not **saying whether** he said them or not but what I want to say is this. It is wrong for any impression to be given that a Receiver appointed by the Court is taking direction from the Government. A Receiver who is appointed by the Court has his obligations to the Court. Therefore, to say that he has to wait on finance from the Government is a very serious thing. Anybody who is saying that the Government appointed him, this is saying a very serious thing too, Sir.

There are statements made by Ministers of Government that the Government has entered into an agreement with **Booker** Tate and financial advisers of the Government.
7.10 p.m.

The Receivers should not let the impression go abroad that they are also taking advice from the Government's advisors because, after all, **then** the Receivers would only be the stool pigeon of the Government. We must be very careful. We must clear up our minds on this thing. The industry is in receivership.

Mr. SPEAKER: One minute more.

Hon. H. B. St. JOHN: These are the areas of uncertainty and we must have them clarified. We know there will be changes. We hope these changes can take place against the background of as smooth a transition as possible. We are not going to get a smooth transition unless **people** accept certain fundamental facts.

Hon. D. J. H. THOMPSON: Mr. Speaker, I am speaking now on the amendment. There are a couple of **points** which have been raised in this debate that should not form part of the record of this House without some kind of explanation or rebuttal.

Let me begin at this point by saying that it is of considerable concern to me, and I know members of the Opposition do not owe anything to me or to any member on this side either personally or otherwise, but I would feel some kind of remorse or shame if I delivered a speech in this House of Assembly relating to a matter as critical to the national interest as any of the productive sectors, and particularly the sugar industry, in which I have no financial or other interest to represent, and probably will never have any, and knew that the Government was grappling with difficult issues relating to the restructuring of the industry and the only time when I could open my mouth and offer criticism or any advice to the Government was at the point after all of these so-called errors were made by the Government. I said nobody owes any obligation to the Government but I still feel strongly that, if the Honourable Member for Christ Church South feels so strongly about this country, is a patriot and is interested in the future of Barbados...

Mr. SPEAKER: I think Members recognise the need not to shout across the floor.

Hon. D. J. H. THOMPSON:...then tears should be falling from his eyes as he delivered a speech in which all he does is set out a litany of criticisms of Government's policy when he himself had said in here that he had the **answers**. I am only saying this because I think that as a patriot...

Mr. SPEAKER: The Honourable Member is speaking too loudly. Be quiet.

Hon. D. J. H. THOMPSON: People like to say they are near the end of their political career. They are **interested** in the future of this country. Let the well-spring of concern of these people who get up from time to time with these **altruistic** viewpoints manifest itself.

Mr. SPEAKER: Please. I am having difficulty in hearing the Honourable Member. The only person who should be speaking is the Honourable Member for St. John.

Hon. D. J. H. THOMPSON: Precisely, Mr. Speaker. I am only saying that I could never deliver the speech the Honourable Member for Christ Church South just delivered to this House. I could not bring myself, as a citizen of this country, to come in here knowing that, at some stage, because he declared that he was representing an interest in the sector, he would have been involved in those

negotiations. It would have been incumbent on me to have taken a very high road and to have attempted to seek to solve some of these problems. The same influence the Honourable Member for Christ Church South said the Government does not have with the sugar industry, it is obvious he has. If he is so patriotic and interested in the success of the industry, he should have used **that** influence.

I do not wish to create any division but I wish to say this. There have been other members of the Opposition - I wish to make this clear because this is a matter I feel strongly about - who have given freely, of their own counsel to Members of the Government from time to time on these issues and I commend them for their approach. I am unhappy as a young parliamentarian...

Mr. D. A. C. SIMMONS: On a point of order, Sir. I just want to know, since we seem to be into a new area of cooperation, if the Minister is now making a public call to the Opposition to come over into Macedonia and help us.

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

Hon. D. J. H. THOMPSON: The public call I will make is for all citizens, particularly those who have special knowledge and interest in the future of this country, to rally to the policy initiatives of the Government with respect to the reform of the Barbadian economy. I am saying there are some of those citizens over there. But the speech the Honourable Member for Christ Church South just delivered is not in keeping, in my view, with that perspective. He knows who are the principal decision makers in respect of the sugar sector. If he has this specialised knowledge, I feel that, as a patriot, he should have brought that to bear on his advice to the Government previously. However, I am not going to hold that against anybody.

I want to make this point, that the Honourable Member for Christ Church South also has to tell this House of Assembly that the sugar sector is no different in terms of faces than the people who own properties on Broad Street who are distributors in the distributive sector, who are the principal people in the insurance **industry**, and who have all kinds of interlocking economic interest in this country. Those persons have a very strong influence in terms of the success or failure of Government policy in any direction. If he thinks that it would have been a simple matter of Government teaming up some people to get the majority vote at the Barbados Sugar Industry Ltd., I am saying he knows less about the sugar industry than he pretends to know in this debate.

Those interlocking interests, if one does not tread carefully, can impact tight across the entire economic system because the Barbadian private sector is not any large group of varying interests. The top layers of

the private sector in Barbados are influential in nearly every single sector. That has to be understood. Any pretence that you are dealing with some sugar farmers who are coming to a meeting and you are just sitting down with them and saying: "Well fellows, this is the position" – when you sit down with those people their principal interest is in continuing to import fertilisers, put heavy mark-ups on them and do a whole host of other things that are absolutely unrelated to the very issue you are going to discuss which is the reform of the sugar sector. The Honourable Member has to understand that.

The impression should not be given that Government had any considerable advantage over the sugar sector. Even now, when the Government is seeking to exert some leverage by way of the financial resources it makes available to the sector, the Honourable Member for Christ Church South is basically suggesting, according to what he said at the end about the relationship with the Receiver, that the Government should not place any conditions or strings on its financing to the sector through the Receiver. At least I got that impression.

Hon. H. B. St. JOHN: Sir, on a point of order. The Honourable Member is entitled to say what he likes about me but he is not entitled to misrepresent and distort what I said. I said very clearly that the Receiver cannot give the impression to the public that he, an officer appointed by the court, is awaiting and deciding based upon the advice of the Government's principal advisors. I said that very clearly.
7.20 p.m.

Hon. D. J. H. THOMPSON: Let me make the position very clear, Mr. Speaker. A Receiver has been appointed by the court, not by the Government. The Receiver has to know what his legal responsibilities are. That is not my business. The Honourable Member can direct those remarks to the Receiver and the persons who the Receiver represents. It is not my business to tell the Receiver how to function. What I know is that Government is interested in reform of the sugar sector. In terms of offering assistance to the Receiver, the Government agreed to enter into a technical services agreement with Booker Tate to provide technical assistance. That technical assistance does not place Booker Tate in any better position than anybody else in the sugar sector. He can either accept that advice or not accept it. My own view is that it would be advantageous to the sugar industry if the Receiver were to accept the advice of Booker Tate. That is my view. I think that, based on the arrangement that Government has entered into...

Aside.

Hon. D. J. H. THOMPSON: But it is a matter for the Receiver. At the end of the day he has to determine

whether he is accepting that advice or not. But the Honourable Member also knows, because it is public record, that a Committee was established by virtue of the Court Order, a Committee which consists of people from BSIL, the Ministry of Agriculture and the Ministry of Finance. The Court itself said that the Receiver is to collaborate with that Committee in relation to decisions on the sugar industry. It is not just a matter for the Receiver alone. The Receiver is also to consult, under the court order, with a Committee which consists of representatives of the Barbados Government, through the Ministry of Finance. And the court had sanctioned that. It is not entirely correct to say that the Receiver is out there all on his own. By virtue of that order...

Hon. H. B. St. JOHN: On a point of order, Sir. I want to make this abundantly clear. I was very specific and I said that the Receiver is appointed by the Court and that the Receiver's obligation was to carry out the Court Order.

If the Honourable Member can show me anywhere in the Court Order that says the Receiver must accept the advice from the advisers of the Government or that he must accept the advice from the Government then I would say the receiver is entitled to do that because it would be part of the Court Order.

Certain remarks made by the Honourable Member for Christ Church South were ordered by Mr. SPEAKER to be expunged from the record.

Hon. D. J. H. THOMPSON: All of this is coming out in the wash now. We are now hearing all of the patriotism that the Honourable Member has for this country.

The point is that a Committee was sanctioned by the court...

Aside.

Hon. D. J. H. THOMPSON: – I have already said who it is, if you were listening, you would have heard – and that Committee is to consult with the Receiver. That Committee consists also of representatives of the Government. That is part of the Court Order. If amendments have to be made to a Court Order and are in the best interest of the sugar industry, those amendments can be made. The impression does not have to be given by anybody, Mr. Speaker, that because an Order has been made that that Order cannot be amended to reflect adjustments that are necessary.

The point is that, when the Government entered into, its arrangements with BSIL, we entered into those

arrangements in good faith. The Court Order is a result of collaboration between the two entities. It is not for Government alone to go to the Court and say, "We want this, that and the other." The question of courage is rubbish. Anybody who says the Government does not have courage is really saying that the Government should jump into the ling and start kicking people and tell them, "This is how it should be done." We have already said that is not the approach that we want to use in relation to this matter. We want consensus. We have been working hard against all of the odds, against all of the interests out there that I have spoken about earlier which, obviously, do not want to see the industry progress.

You talk **about** people in the public service not agreeing with the arrangement. There are people in **BSIL** who refuse to carry out the instructions of the Board in the way they should have done and they too have been frustrating the process of reform. But all the Honourable Member can see are all the faults that, according to him, lie at the feet of the Government.

There are senior executives in Barbados Sugar Industry Limited, people that he would probably know better than me, who have constantly attempted to frustrate the agreement of the Board of Directors in relation to the process of reform of BSIL. We make the policy decisions here and we know what the role of public servants is. If they do not know what their own role is they have to re-educate themselves. When we hold meetings, they do not make the policy. The Cabinet of Barbados makes the policy. Apparently some of them feel that they may go off on a flight of fantasy when, perhaps, they are offering technical advice. They are **free** to do that, if they wish, but the point is that, at the end of the day, the decisions will be made in relation to the agronomic aspects by the Ministry of Agriculture. The ultimate responsibility lies with the Minister. Those relating to finance will be made in the Ministry of Finance and the ultimate responsibility will lie with the Minister of Finance.

Mr. Speaker, the reason why I am getting so heated in **this debate** – and the Honourable Member could get heated on his side and point at us, I do not wish to point at him, I am finished with that – is that I want to point out, because he knows better than I do that we have tried to go this route carefully through building an idea of consensus with the people in the sugar industry. We have treaded softly. In other countries they have simply acquired the sugar factories and the lands and done it in that way. There are some people who agree with that, of course, even though they do not say so publicly. I am now saying this for the third time hoping that, eventually, they would make the facts known.

But there is a leader of a political party in Barbados who said there is a quicker way to do it and he

recommended a quicker way. What he means is that we should have acquired the estates and the factories. That is what he said. He has always been in favour of compulsory acquisition. He should say so publicly.

Aside.

Hon. D. J. H. THOMPSON: No. I **do not** mean the Honourable Member for Christ Church West. We decided to sit down with these people. The former Minister of Agriculture, I myself went to Warrens from as early as April. We told them the financing for the 1993 crop is secure. We told them we will now start to work on the financing for the 1994 crop but there are some reforms that have to be initiated.

The Honourable Member for Christ Church South also misled the House when he said...

Hon. H. B. St. JOHN: Mr. Speaker, on a point of order, Sir...

Mr. SPEAKER: The Honourable Member has...

Hon. H. B. St. JOHN: I know that the Honourable Member is inexperienced in here.

Mr. SPEAKER: Yes, but he has not made a statement. He just said misled the House.

Hon. H. B. St. JOHN: With respect, Mr. Speaker, he said that I misled the House.

Mr. SPEAKER: Yes, but he did not say how. He did not say what.

Hon. H. B. St. JOHN: He does not have to say how. He made an allegation that I misled the House. There is an imputation.

Mr. SPEAKER: Just one moment. I said that just to come to this point. Making a statement that a Member misleads the House is nothing unparliamentary. It is acceptable.

Hon. H. B. St. JOHN: Very well, Sir. I remember somebody said of Sir Grantley...

Mr. SPEAKER: I will add to that.

Hon. H. B. St. JOHN: If I call somebody a certain name, is that unparliamentary?

Mr. SPEAKER: What is really unparliamentary is when you say deliberately, but the general statement of misleading the House is not unparliamentary.

Hon. D. J. H. THOMPSON: The Honourable Member's research is imperfect because he said to the House that the management company is not in place. Since June or July of this year, the Barbados National Bank formed 2 companies, one by the name of BAP Sugar Manufacturing Company and the other by the name of BAP Land Management Company. The Directors are, for the time being, officers of the Barbados National Bank. That was done so that when we needed to pick up and move we already had the company in place. The Government has already appointed the Directors of the Agricultural Management Company and the Agricultural Credit Trust.

7.30 p.m.

In due course those will be announced and the Government's appointments to **those entities** are essentially people from both the public and private sector. So we will be using those existing companies, one in relation to management and the other in relation to the issue of the sugar debt.

Another impression was sought to be left with the public that the Government is ignoring the recommendation by **Booker** Tate in relation to the problems related to the impact of the exchange rate. I cannot think there is any report on any productive sector in Barbados that I have read that has not suggested, and I am talking about a report by non-Barbadians, that the Barbados dollar should be devalued. There is not a **report** in any sector from anywhere. Everybody outside of Barbados who writes anything about Barbados says that the Barbados dollar should be devalued and then they go on to do everything possible to see that that is a reality, but the Government has made its position on the exchange rate clear and we have not wavered from that position. The issue is not up for discussion. That is the position we have taken, so to suggest that the Government, in its consideration of problems affecting the sugar industry and of a reform route for the industry, has not considered the question of exchange rate, is quite correct because it is not on the agenda. I said in my presentation, and obviously Honourable Members including the Honourable Member for St. Peter were not listening at the time, or he probably was not here, I made the point that we would be entering into a management contract with **Booker** Tate that had to be a negotiated contract based on incentives, **based** on the possibility of subsidies to the sugar sector and made on an arrangement we find most conducive, not only to sugar but to agriculture as a whole. The purpose of the agricultural management company, and the reason why it is called an agricultural management company, is because the persons who are going to constitute the directing force in that entity have to look at agriculture as a whole, not just the issue of the sugar industry, because we want to ensure that there are viable options available for the agricultural sector and that

the debt the taxpayers of Barbados have been saddled with in respect of the sugar sector is reduced by means of viable options. We are not tying ourselves into one option over another. That is where the issue of a land use policy, particularly an agricultural land use policy, is so critical – and the Honourable Member for St. Joseph raised it – because if we are not meeting the objectives both agronomically and economically from one type of production we will have to shift and go into another.

The Honourable Member for Christ Church South, I think, was fully aware of this. We know that **Booker** Tate is interested in producing sugar and a few yams and sweet potatoes but that is not what the Government of Barbados considers to be the optimum use of land resources in Barbados, nor is it conducive to the development of the agricultural sector. I assume the Honourable Member for St. Michael South Central has made that abundantly clear. I am making it clear to you because again maybe you were not listening to him when he was speaking. I want to make it clear.

The point is this, Mr. Speaker, that the accusation of dithering must fall to the ground. It is one of the most misconceived accusations that could be thrown at this Government in respect of this particular sector. The Honourable Member for Christ Church South knows all of the difficult problems relating to restructuring of the sugar industry and the fact that it came to the stage where **BSIL** had to shut its doors has nothing to do with the Government because we asked them since June to agree to certain things and they wanted to go the route of the **court**-appointed Receiver because the Directors wanted to protect themselves, or so they said, from their shareholders. They wanted to go the Court route. As soon as the people got to the Court door in October, I think it was, somebody tells them: "Fellows we can't agree to that Order and we need new affidavits", and immediately some one from the **sugar** industry was in my Branch Office, in St. John, telling me the leases would not be in place until next October and we can't get the factories until June so we may as well find some money to give them. That is how people in the sugar sector function. People will not believe this, Mr. Speaker, this is outside the meetings, that they are rushing up in my **Branch** Office to tell me that things cannot work as planned so the best thing to do is to give them some more money, keep the factories running for another year, and they will be blowing taxpayers money once again. Government's commitment to reform would be through the window and we would be no better off today than we were in April or February.

They are walking around telling people, and I am saying that just as the Chairman of another company said that part of the smoke screen was dropping the names of politicians as part of the ownership and directorship

of AIMS, I know where that smoke screen came from. People like to drop these names to frighten people into accepting positions so they walked around trying to frighten people by saying that certain politicians were the owners of AIMS and the Government was in favour of that. So we have a whole host of undermining that is taking place in the private sector. They called names of Ministers who they said were principal actors in AIMS. This is the kind of thing you are dealing with and it is gross dishonesty. I am shocked, as a young Barbadian, to think that you have to deal with people who are functioning in this kind of ambivalence. It just goes to show why the sugar industry could not be reformed before. I don't blame the Honourable Members over there for not having the ability or the courage. They were up against the same problems that we are up **against now** and instead of giving us credit and helping the process, greasing the wheels, pushing the reform forward...

Hon. H. B. St. JOHN: The Honourable Member claims credit for reducing the industry **from** 112 000 tonnes to 53 000 tonnes.

Hon. D. J. H. THOMPSON: The Honourable Member for Christ Church South, who by his own knowledge alone, must be a sugar baron. Well, he has a minor interest in part of a St. John estate.

Mr. SPEAKER: I am saying I would like "the Honourable Member".

Hon. D. J. H. THOMPSON: The Honourable Member **for** Christ Church South. There is nothing wrong with the designation of sugar **baron**.

Hon. H. B. St. JOHN: I have no objection to that. I know that I may be a sugar baron which I am not but the Honourable Member is pretending to be a political baron.

Hon. D. J. H. THOMPSON: I don't mind that, Sir. I suppose **there** is only one way you can cut your teeth in these things and that is by challenging these kinds of assertions because the history **books** must be correctly written and, just as I saw him on the independence programme talking about former politicians, one of these days, if I live longer than he, I may have to talk about him and I would wish to say positive things about him with the same courtesies as he said those things about previous politicians. That is why the speech he delivered concerns me. I know he only did it because he is a past master at political baronism. I think **baronism** would suit the occasion. So instead of taking the highroad on this, Mr. Speaker, that I expect him to take and would want to hear him speak on, he decided: let me throw the politics in it and deal with it from that perspective alone.

I am saying it has not been as easy as the Honourable Member for Christ Church South wants to make it to be. I also want to make this point. The laws of Barbados, as far as I know, guarantee **workers** severance pay, whether by one route or by another and therefore it does not require me, or the Honourable Member for Christ Church South, except that he would want his constituents to get it as quickly as possible and so would I, to tell **anybody** that the severance pay has to be paid. Barbadians know that severance pay has to be paid. At the end of the day if the entity does not have the money to pay the severance pay, then, regrettably in some cases, we have to draw on the Severance Fund to pay that severance pay. At the end of the **day** the sugar workers will be paid their severance pay.

We have just told you here this evening how we made a commitment and honoured it in respect of public workers in respect of severance pay. We are committed, in the event that it has to fall to Government by virtue of the law, to pay the severance pay. I want to make that clear. I wish whoever is leaving here with any message to make it clear. If I were a lawyer in Bridgetown that is what I would advise. I know the Honourable Member would advise that too, that if BSIL cannot pay it, the National Insurance has to pay it and therefore it has to be paid.

The Honourable Member for St. George South now asks when. I am saying, when somebody asks a question like that they ask it because they either Well, any way I will not pursue that. At 20 minutes to 8 tonight he wants to take us down another course. The point is the severance payments will be made.

I wish now to make this final point again, Mr. Speaker, since my time is running out. The Government is calling on committed Barbadians, particularly those who are knowledgeable and resourceful, outside of their political interest, to join us in seeking to reform the productive sectors of Barbados. That is nothing that we have not said before and nobody should express any surprise when the Government says that some of these reforms are so difficult that it requires a national effort and consensus. All of us would like to see the sugar industry back **to** its place of preeminence. All of us would like to see the earning of foreign exchange. I would like to see the rural sector prosperous again through employment, through the agricultural sector.

Aside.

Hon. D. J. H. THOMPSON: Well, I said all Barbadians and I know I have my passport at home. I don't know about anybody else although the Honourable Member for St. Peter likes to cast doubt on these things.

I am speaking now about Barbadians. You wish me to go beyond that? I can say, all West Indians and that may still exclude some. People should rally to our cry to help to get these sectors reformed and not take a road in these matters that leaves me despairing and despondent, particularly coming from people who, as I say, I would like generations from now to be able to put their shoulders to the **task**, even in the evening of their political career, that they forge ahead, that they grease the wheel and that reform of the sugar industry in Barbados was a reality. That is something I think is necessary and I look forward to it from Members on that side. Thank you, Sir.

Hon. M. A. KING: **Mr.** Speaker, the time is now 7.45 p.m. **Normally** we would have had a period of interruption. Really no provision has been made for refreshment of Members or staff and in the circumstances I **am** going to move firstly that further consideration of this matter be postponed.

Hon. E. E. GREAVES: I beg to second that, Sir.

The question that further consideration of this Resolution be postponed was put to the House and passed without division.

QUESTION TIME

Mr. SPEAKER: Question time. The Honourable Member ...

Hon. M. A. KING: **Mr.** Speaker, I am proposing to move the suspension of **the** House so I **am** suggesting that Reply to Question No. 44 can properly wait until the date of suspension.

Mr. SPEAKER: If there is no objection then we can take Replies to Parliamentary Questions.

SUSPENSION

Hon. M. A. KING: I move, **Mr.** Speaker, that this House be suspended until Friday 18th December at 10.00 a.m.

The question that the Sitting be suspended until Friday, December 18, 1992 at 10.00 a.m. was put and resolved in the affirmative, and Mr. SPEAKER suspended the Sitting accordingly.
7.48 p.m.

RESUMPTION

Mr. SPEAKER: This sitting is resumed.

QUESTION TIME

Hon. M. A. KING: **Mr.** Speaker, I move at this time that Question Time be taken.

Hon. W. O. FRANKLIN: I beg to second that.

Mr. SPEAKER: If there are no objections, then there will be Question Time. The Honourable Member for St. Peter, Question No. 44.

Mr. O. S. ARTHUR: **Mr.** Speaker, Question No. 44:

To ask the Minister of Finance and Economic Affairs:

1. Will the Minister please state whether consultants or other persons were or are engaged by Government as advisors on the sale or other divestment or disposal of:

- (1) assets of statutory boards, and
- (2) Government shareholdings and other assets or interests?

2. Will the Minister identify any consultants or other persons referred to in the foregoing paragraph and particularise their terms and conditions of service?

Hon. D. J. H. THOMPSON: The Reply to Parliamentary Question No. 44 is as follows:

"Yes. Consultants have been, or are, engaged by Government as advisors on the divestment of state-owned enterprises and assets.

The Commonwealth Fund for Technical Cooperation is advising the shareholders on the valuation, preparation of an information memorandum and sale of **Arawak** Cement Company Limited.

The Commonwealth Fund for Technical Cooperation is providing this assistance free of direct cost to the shareholders of the company.

Messrs. Ernst & Young were contracted to act as sales agent for the sale of 1 000 000 shares owned by Government in Barbados Dairy Industries Limited.

The sales agent was required to:

- advise on the selling price of the shares;
- prepare a prospectus;
- administer the offer and sale of shares;
- act as transfer agents; and

- liaise with the Stock Exchange.

The agreed fee for the performance of the required service is **\$24 000**. Out-of-pocket expenses are billable.

The accounting firm of **Ernst & Young** is providing consultancy services to the Government for the privatisation of **Heywoods Hotel**.

The remuneration to be paid for the work to be done is **\$257 500**. This sum consists of **\$235 000** as professional fees and **\$22 500 billable** out-of-pocket expenses.

The Agreement between the Government and the consultant provides inter alia for:

- The scope of services to be provided;
- The scheduling of the work;
- Reports and Documentation;
- Fees and Method of Payment;
- Additional Services;
- Obligations and Duties of the Consultant;
- Undertakings of the Government.

The accounting firm of **Peat Marwick Associates Limited** is providing consultancy services to the Government for the privatisation of the **National Petroleum Corporation** and **Barbados National Oil Company Limited**.

The remuneration to be paid for the work to be done is **\$390 000**. This sum consists of **\$347 500** as professional fees and billable out-of-pocket expenses of **\$42 500**.

The Agreement between the Government and the consultants provides *inter alia* for:

- The scope of services to be provided;
- The scheduling of the work;
- Reports and Documentation;
- Fees and Method of Payment;
- Additional Services;
- Obligations and Duties of the Consultant;
- Undertakings of the Government."

Mr. O. S. ARTHUR: Mr. Speaker, will the Minister please state whether consultants were engaged by Government to assist in the divestment of the **BET** and **Bartel** shares?

Hon. D. J. H. THOMPSON: To the best of my knowledge, the Government did not engage any consultants for the sale of those shares.

Mr. O. S. ARTHUR: Will the Minister agree that the absence of any technical advice to Government for the sale of those shares was a factor which in part explains the very deplorable terms under which those shares were disposed of?

Hon. D. J. H. THOMPSON: The Minister does not share the Honourable Member's opinion, Mr. Speaker.

Mr. O. S. ARTHUR: Mr. Speaker, was the intention to invite consultants to assist Government in planning divestment of its holdings in these various enterprises put to tender, and in what form?

Hon. D. J. H. THOMPSON: Quotations were invited from five accounting firms in Barbados and the matter was considered by a committee and a report was submitted to the Cabinet, which made the final determination in the matter.

Hon. H. B. St. JOHN: Mr. Speaker, will the Minister state whether it is not the usual practice, when Government is asking for services, to invite a number of proposals from various consultants with a view to having a competitive bid?

Hon. D. J. H. THOMPSON: Mr. Speaker, that practice has not changed and was done in this particular case.

Hon. H. B. St. JOHN: Will the Minister tell us how many people bid in respect of each of the various services that are being contracted?

Hon. D. J. H. THOMPSON: Five accounting firms made bids in respect of a total package and also bids in respect of a disaggregated package.

Hon. H. B. St. JOHN: Will the Minister state, in respect of each of the consultants that have been appointed for the various services, whether their bid was the lowest bid?

Hon. D. J. H. THOMPSON: In respect of the bids, because the bids were taken, aggregated and disaggregated, I will not be in a position to say offhand whether these bids were the lowest bids.

Mr. SPEAKER: That is the end of Question Time.

PRIVATE MEMBERS' BUSINESS (Resumed)

ITEM NO. 1 – RESOLUTION CALLING UPON GOVERNMENT TO TAKE STEPS TO RESUSCITATE THE SUGAR INDUSTRY (Resumed)

Hon. M. A. KING: Mr. Speaker, when the sitting was suspended on the last occasion, consideration of **Item** No. 1 of Private Members' Business, the Resolution in relation to the sugar industry, was postponed. I move now that further consideration of that motion be now resumed.

Hon. W. O. FRANKLIN: I beg to second that.

Mr. SPEAKER: There is a motion for further consideration of this Resolution. If there is no objection, then you may proceed.

Mr. O. S. ARTHUR: Mr. Speaker, as a person who represents a constituency which depends very heavily on the sugar industry as a source of employment, it would be very remiss of me if I did not make a contribution to this debate.

I speak against the background that there are estates in St. Peter which have been profitably operated and which either owe the banks no money or, if they owe money, do not owe the banks a large sum of money. That fortifies me in the view that there is a future for the sugar industry in Barbados once the correct industrial attitude and the correct industrial ethos are brought to bear. I therefore believe that this Resolution before the House is a very timely one and, speaking on behalf of my constituents, I can only urge that all deliberate effort be made to make sure that the sugar industry does not collapse.

Mr. Speaker, the Barbados sugar industry has also known crisis from time to time. I believe I am correct in saying that the industry went through a crisis in the late 19th century. The industry has also endured a crisis, as I understand it, in the 1920's, but I think we can all agree in this Parliament that this is a crisis with a difference. The former crises with which the industry had been **faced** were ones which also carried with them the expectation that the crises would have been resolved merely by the industry changing hands, but today I believe the crisis which the industry is facing is one in which there is a distinct possibility, not that the industry would just simply change hands as the way out of the predicament, but that the industry would collapse and become extinct altogether. That is why this debate has this particular urgency, particularly for those of us who represent rural constituencies.

10.20 a.m.

The problem with the sugar industry, if we were to define it properly, is one in which deliberate action now has to be taken to ensure that the industry does not become extinct in Barbados as it has in some other Caribbean countries. To that extent, therefore, I support the initial resolution before the House calling upon Government to take such deliberate measures as will prevent the industry from collapsing.

My line of departure in this debate goes back to a contribution I made in this House in 1985. On that occasion, I made the point that I do not support budget subsidies for the sugar industry. Experience in development administration teaches me that one of the hardest things to engineer is the finding of public sector solutions to private sector problems. At the end of the day, it has to be recognised that there will be no public sector solution to what is in the final analysis a private sector problem.

The sugar industry is an industry and in the final analysis attention will have to be given to find industrial solutions in the sugar industry to what must be regarded as industrial problems confronting that sector. I **must** stress that point, Sir, because a lot of the debate so far has focussed upon the question as to how best to reconcile the future relationship between the Government, the Bank and the private sector entities who own lands in the sugar industry of Barbados. That is a valid consideration and indeed a lot of the work being undertaken by the Receiver and other persons presently involved in finding a solution to debt problem of the industry is **focussing** on that particular issue.

How do you make operational estates which are really trading as technically insolvent enterprises? How do you deal with the debt problem that the operation of the sugar industry has caused the Barbados National Bank in such a way as to restore the integrity of the Barbados National Bank? How do you bring about a new relationship between Government and the industry, particularly at the level of price supports and matters of that kind to ensure that the operation of the industry can be put on a sustainable basis?

While that is all well and good, I want to **stress** that there are large numbers of industrial problems confronting the industry which have to be resolved, if the industry is to be assured of a sustainable basis for continuing operations in this country. If one can sum up what is the industrial problem in the industry it is just simply this. It is an industry in which the cost of production has been rising faster than its revenue and it is an industry that has been faced from time to time with the vagaries resulting from changes in the exchange rate. An industrial solution has to be found, therefore, if the industry is to survive, to keep the sugar industry's costs in some working relationship to revenue. Some relationship has to be found to insulate the industry from the vagaries of exchange rates particularly such as affected it in the early 1980's.

I stress that latter point because a lot of the problems of the sugar industry today are problems ensuing from that period in the early 1980's when the strength of the U.S. dollar versus European currencies caused the price realised by the sugar industry over an extended period to fall from the vicinity of BDS\$900 per tonne to BDS\$604 a tonne. The price support mechanism was conceived by the Barbados Labour Party as a way of compensating the industry for losses occasioned by exchange rate variation in the context of a situation where the Government had a commitment to the maintenance of the exchange rate.

Sir, I want to stress that point because there was a price support mechanism established to stabilise the revenue of the industry, but I am not sure that the Government of Barbados has carried through on the provisions of that price support mechanism. The industry, as I understand it, has not been in a position to service the bonds that were raised as a basis of garnering the revenue to underwrite the price support in the first instance. The Government of Barbados has departed from the policy under which ever so often, once there was an increase in the price of local sugar, the proceeds from the increase in the price of local sugar would be put to the Sinking Fund in order to redeem the bonds.

Mr. Speaker, this becomes very scandalous because Barbados is unfortunately in a position where we are now having to import sugar and I am not sure what proportion of the profit is being realised by the Barbados Marketing Corporation in particular, which I am told comes up to as much as \$800 a tonne. I am not sure that some of those proceeds are being put to redeem the sugar bonds as should be the case.

I want to make this point very briefly. To the extent that the sugar industry of Barbados faces a situation where the revenues can be volatile, and to the extent that a Sinking Fund was established for the purpose of providing the wherewithal to service the debt of the sugar industry, I believe that the Government of Barbados has a commitment to use a proportion of the excess profits being realised from the import of sugar to guarantee a situation where the debts of the sugar industry do not become a charge on the Consolidated Fund. You will recall, Sir, that the Government of Barbados has guaranteed the debts of the sugar industry and it has not followed through with a consistent policy in making sure that monies are put into the Sinking Fund of the sugar industry in order to put the industry in a position where it can repay its loans.

I believe it is dangerous to conceive of the industry's future as representing only a relationship between the Government and the industry because a large part of the industry's future will have to rest on a better relationship between the industry and the unions of this country being worked out. My father used to grow sugar cane but he can no longer afford to do so because too large a proportion of

the price paid to small farmers for sugar cane goes out in reaping and transport costs. There is absolutely no point of our having a situation confronting people, particularly small producers of sugar cane in this country, where they cannot see any rationale in making a commitment to grow sugar cane in this country if such a large proportion of the industry's revenue, the price per tonne of sugar cane, goes out in the form of reaping costs. I believe that the Union will have to work out a set of innovative relationships, with the industry moving beyond just the whole question of the payment of wages, if the industry is to be put on a sustainable basis.

I believe that the Barbados agricultural industry in general stands in need of a new product-sharing relationship between the owners of estates and the workers, if the industry is to be put on a sustainable basis. In my constituency, there are idle lands and unemployed people and there is a very high import bill. There are a large number of persons in my constituency who would be prepared to work except for the fact that some of the sugar estates are not in a position to employ them. Some share-cropping or product-sharing relationship can be developed as a supplement to wage income as a way of putting idle hands on idle lands as part of the effort not only to reduce the food import bill but also to increase foreign exchange earnings.

There are people who would work 2 extra days if they knew that, at the end of the harvest, part of the product is theirs.
10.30 a.m.

I would strongly urge the unions, therefore, to see their relationship to the industry not only in terms of working out wage relationships, but also in looking at the whole question of product-sharing relationships and introducing an element of product-sharing as a way of generating increased employment in the rural society while allowing the estates to avoid meeting increased costs. From that point of view it is very important that the present debate and the discussions and planning that are going on in relation to the revitalisation of the industry be widened beyond the Government/private sector relationship and be specifically constructed to enable the representatives of the workers to have a say in the determination of the new relationships for the sharing of product.

One can share products by bringing in income but there are other instances in other agricultural systems where share-cropping and product-sharing relationships have been worked out as a way of reconciling the interest of those who have land as capital and those who only have wage labour to sell. I really believe there are a number of my constituents who, if they were given the option of working 2 days a week on estates and then working 2 other days on

the understanding that at the end when the crops are harvested they would get a proportion of that product, would do it. It has to be properly managed and negotiated, in my view, in a spirit of good faith.

Having said that, Sir, I must make the additional point that if the Barbados Workers' Union is to become involved in an innovative way in the industry, it really has to do so with more seriousness than attended its efforts recently when the whole question of a productivity bonus in the sugar industry arose. I believe the Barbados Workers' Union discredited itself in the manner in which it addressed the question of the payment of a productivity bonus.

I believe also that the workers lost that additional bit more faith in the unions because they were promised the payment of a productivity bonus as part of a 2-phase manoeuvre. The first phase has been realised but the workers have not yet been told by the union what is their due under the second phase of the payment of the productivity bonus. I really believe the opportunity now presents itself for the Government to be clear and clarify the question whether the sugar workers of this country can expect an additional payment as part of the productivity bonus formula used in the sugar industry during the course of this year's deliberations. Having this matter on the street without resolution has really weakened people's confidence in the sugar industry. If we are going to have productivity or product-sharing relationships in the future as part of the industry's rehabilitation, and if the unions are to be part of that effort, then I believe the unions, the Government and the Barbados Sugar Industry Limited must clarify where all entities stand on the question of the productivity bonus.

I would like to hear more discussion and emphasis being placed on the industrial solutions to the sugar industry problems as part of the general exercise. Too much of it, in my view, is purely legalistic. Too much of it is designed purely to take the present owners, or the Barbados National Bank off the hook. But if we were, in the final analysis, to work out the best possible relationship between the Government, the Bank and the industry, BSIL would still face the fundamental problem of being an industry whose cost of production has tended to rise faster than revenue. That is an industrial problem that cries out for an industrial solution.

I really believe all facets of that industrial problem ought to be put on the table during the present round of discussions surrounding the future of the industry. Some of it will require management changes. Indeed, I suspect that the negotiations between the Government, the Receivers and the owners will involve management changes. Some of it will also require technological changes. In this respect I believe we have to be cautious that the wage rates charged in the industry do not so argue a case for the reformation

of land and the further mechanisation of the industry that we could end up having a small, lean industry that provides no labour. An optimal technological solution has to be looked at to preserve the role of the sugar industry as an important employer of labour in a rural society.

On the present trend the facts are that harvesting costs in particular make it profitable for estates to invest money in reforming land, mechanising their operations and laying off staff. If this is what the country wants, I can see trouble for the rural society. We might end up with a country, as I said, with very small, lean operations and a lot of equipment surrounded by a sea of unemployment. Barbados with a rural society cannot afford this. It is therefore so very important that part of the industrial solution refined must be a solution, in my view, that brings to bear a new product-sharing relationship with the industry, that does not force its wage costs to assume such a large proportion of its total cost as to force rural unemployment, excessive mechanisation and things of that character. I am also of the view that new owner relationships must be part of the industrial solution this industry must look to in the future.

Generally, Sir, I have made my point that an industry that from year to year generates between \$60 million to \$100 million in foreign exchange is an industry worth having in Barbados. I believe we are in danger now of accepting a totally intolerable situation in which this country imports sugar and molasses. Our national concern is who gets the benefit of the profit from the importation. The real point in the issue is we must do something to make sure that in our lifetime Barbadians must consume Barbadian sugar. I want to see the sugar industry rehabilitated because I do not accept that this country, at a time when we are having foreign exchange problems, should be using scarce foreign exchange to import sugar. Similarly, I want to make the point that if the Government of Barbados has to import experts to advise on the management of the sugar industry, I would like to believe that it would be a temporary and final arrangement. It is a statement of our underdevelopment and our underdeveloping...

• *Aside.*

Mr. O. S. ARTHUR: He was a temporary and final arrangement. Mr. Speaker, I believe that Hagelberg was part of a general syndrome where the broad mass of management in the industry was undertaken by Barbadians. It is a different thing when we commit the total mass of management in the industry to people from abroad. Barbados was different in the respect that we could point to a proven history of competence in the management of our sugar industry. This was a country that did not know absentee proprietorship in the same dimension as was known in other Caribbean countries. I believe the

Barbadian psyche is such that the Barbadian people feel they can manage the sugar industry. If we could manage the sugar industry for 300 years it says something rather sad about the state of our national psyche that, at the turn of the 21st Century, we find ourselves not being able to do what we could have done in 1750.

I believe, therefore, Sir, that part of the policy planning on this matter should be two-fold, that Barbados must be restored to a position as soon as possible where we do not have to use scarce foreign exchange to import sugar or molasses since this country has no shortage of capacity to be able to produce these things.

10.40 a.m.

And secondly, Sir, that the planning for the industry's future must be such that any foreign involvement at the level of management, to the extent that it is to be tolerated at all, should be seen merely as a temporary and a finite arrangement.

My final contribution to this matter would be to say this, that the sugar industry in Barbados really assumes proportions not just as an economic industry but part of a socio-economic culture. Let us recognize that one socio-economic culture has collapsed or is at the point of collapsing but there is no clarity as to exactly what is to replace it.

When I say it was a socio-economic culture, Mr. Speaker, Sir, the old plantation system that was part and parcel of the sugar industry's operations had a lot of bad as well as some salutary relationships incorporated into it. It was associated for a long period of our history with exploitation of black-people but it also had at its core as well a paternalistic relationship between plantation workers and the owners of capital. There is a large number of Barbadian people who own homes precisely because the plantation owners would go to stores...I am saying there is good and bad. Maybe the socio-economic was both good and bad. The socio-economic culture is decaying, it is being destroyed, it is vanishing, but we have to know what we have to put in its place. That is what I am saying.

In my constituency there is an estate that has been rehabilitated largely because of the nature of the relationship between management and labour. All I am really saying is that...

Aside.

Mr. O. S. ARTHUR: No. Whitehall has gone. I am not going to call the person's name, but the fact of the matter is that, in any planning for the sugar industry and its replacement or the replacement of its existing forms, one has to recognize that we are dealing not only with

economic matters but socio-cultural matters. The format that a new industry should take should go beyond just the egotistic things that I have heard spoken of as involving the time of the Receiver. That is why I spoke in terms of our having to work out a new product-sharing relationship as part of the industry's future that will allow some of the idle people in rural Barbados to be able to work on the understanding that they are going to get part of the product. That would be replacing what was formerly a relationship in the industry where estates used to lease land to workers as part of the overall terms of their employment, but I am not sure exactly what is the socio-cultural relationship we would have in the future. I am saying that we have to find something to replace that which is decaying.

The whole question of management labour relationships has to be put clearly on the table as one of the issues that will be addressed and must be addressed, if the industry is to be sustained. I want to finish on this point. The role of the agricultural worker in Barbados is also a matter that has to be addressed as well and it is timely that it should be addressed.

We had the *ridiculous* situation in this country recently where Barbados was importing labour in order to carry out agricultural activities. This is as a result, in my view, of two matters that must be corrected. First of all, the reserve price of labour in Barbados has been set by wage trends in construction *and*, to some extent, in tourism and NCC as well where persons who have only labour skills to sell saw the next best prospect as being employed in construction or tourism or NCC. To the extent, therefore, that the reserve price for labour, as set by those sectors, was higher than in agriculture, people in Barbados were prepared not to work to reap our crop in the hope of getting an NCC job, or getting a job in construction, or getting a job in tourism. That was part of the problem.

An additional part of the problem, too, is that people who work in agriculture, which is a seasonal activity in Barbados, are still subject to taxes even in circumstances where their annualized income does not come up to \$15 000 a year. A man could work for, let us say, \$350 or \$400 a week in the crop which would *qualify* him to be taxed during the crop season and then in the second half of the year between July and December he works one day a week for \$60 or 2 days a week for \$70. The problem with that simply was that he would owe no tax on his annual income but he would have had to pay tax because, for part of the year, his annualized income for that part of the year was higher than the \$15 000. He would have to wait until he submitted an Income Tax Return to get back his income tax if he ever got it back at all.

My feeling was that that disadvantage to the sugar industry people in particular was a factor that reinforced people's disinclination to want to work in the industry.

We have recommended in our Manifesto how the matter should be resolved. We believe that a new dispensation should be created for agricultural workers, given the seasonal nature of the employment, whereby they would be given a credit on at least half of their income during the crop season, perhaps 50% credit. If you work for \$600 a year the first \$300 is tax free and you pay tax on the difference – that is the point – which would therefore make sure that for the second half of the year when your income drops you would have the money that you would ordinarily would have paid in taxes.

We also put the view in our Manifesto that the time has come for Barbados to look to creating a special provident fund for agricultural workers because agricultural labour is a hard, demanding task. There is a large number of persons in my constituency, in particular, who have worked many years in the sugar industry and have gone home bent and twisted on terms that were worse than for an NCC worker. That is a fact. I know persons who have worked at Haymans Sugar Factory beyond 65 years and then, when Haymans was closed, they did not get severance. The contribution of agriculture to Barbados is so profound that not only do I believe that the agricultural workers, once they are registered as agricultural workers, should be given that income tax credit in the first half of the year, but I would support a cess on imported food if the proceeds of it were to be put into a special provident fund to ensure that anybody who spends their lives working in agriculture to earn foreign exchange and to save on the food import bill will not have to go home under the same financial conditions as people in this country whom I know personally, have had to go home under. We must treat the agricultural workers better if they are to resist the temptation of remaining unemployed rather than work for reasonable wages as is presently the case, because again, just as we must not tolerate importing sugar indefinitely or importing foreign management indefinitely in the sugar industry, we must also not tolerate this notion of importing labour in agriculture in this country indefinitely. The way to do it, in my view, is to create a new and better deal for persons whom we want to work in agriculture. All of these things I believe, therefore, ought to be part and parcel of the discourse that is now taking place between Government and the industry. That is why I say that, to my mind, the most dangerous thing that could happen now is for the whole question of the industry's future to be seen as just something that involves a relationship between Government and the industry. It goes beyond that. Indeed I do not believe that there is a public sector solution to the sugar industry's problem. Its industrial problems are also considerable and the need for new relationships between labour and capital in the industry are so considerable that this whole matter has, in my judgement, to be dealt with by reference to a broader range of criteria and within a broader framework.

Therefore, Sir, my contribution is that we now have the responsibility, as a Parliament, to make sure that the sugar industry does not vanish from this country, but let us do so by putting before us the real concerns of the industry which are that it has industrial problems and those industrial problems should best be dealt with by way of an industrial solution.

I am obliged to you, Sir.
10.50 a.m.

His Hon. T. C. ESTWICK: I would like to lend my voice, Sir, in participating in this debate and at the outset to state that I am in agreement with many of the things that were put forward by my friend on the other side, the Honourable Member for St. Peter.

Let me start, Sir, by saying that I believe that, unlike my friend the Honourable Member for St. Peter, the people of Barbados have, in my view, very little to be proud of for the management of the sugar industry for the last 300 years, in the sense that we ought to have tied it into any approach that we have in the future. For the majority of that time, the management of the sugar industry, I think, excluded all the workers. It was based on a system in which no wage was paid to workers. Even after 1838 the conditions of work of people who worked in the industry would have been conditions unfit for mankind, down to the twenties and thirties and forties and in some cases, even the fifties.

I think, we in Barbados, need not jump for joy that we have managed the sugar industry for over 300 years. That may well be the problem, the problem that it has been mismanaged for so long and did not consider the human side of the activity. That is really the problem.

Now, Sir, I just want to start off with that because my learned friend stresses this socio-economic culture with which I agree. I grew up myself not very far from Carrington Factory and as a boy growing up there was a culture surrounding sugar activities. There was a culture surrounding the activities which were in Carrington Factory itself. One could go there on weekends and boys would be playing in the factory and people would be selling. It had its own life. I saw that, with my own eyes, dying away, when I visited the factory some years later only to realise that I saw 2 old men sitting on a roller and not a single youngster was around that factory yard, because, Sir, the industry moved along. I would not say that it developed or progressed. The industry moved along in a country which sought to modernise itself and to become industrialised within its circumstances. It sought to have activities of labour which were not as debilitating as in the sugar industry and most persons went for that. There was no

meshing of the two in the classical sense. There was no blending of the traditional agricultural sector with any modern approach that we had in Barbados, either in terms of **manufacturing**, or in terms of other forms of agriculture itself, or in terms even of tourism. Even though year after year we **talk** a lot about the meshing of the **2**, there was no blending and the country developed like that along **2** separate lines.

Sugar agriculture suffered because all of us would know full well, those of us who grew up in the country and who would visit it, that throughout the thirties, forties, fifties and even sixties...

Aside.

His Hon. T. C. ESTWICK:...I was certainly around, Sir, as a little boy in the sixties and I can speak with some authority about the eighties. As a little boy, Sir, in the sixties and the seventies, I was aware that many families worked in the sugar industry and I mean worked hard, but at no time were they able to relieve themselves from the debt from the corner shopkeeper. They were always in debt and their standard of living was nothing to shout about. I was aware of the fact that every single day of the week **entire** families, sometime of more than 7 people went to the sugar fields, carted off in the mornings and carted back in **the evenings** broken in spirit and in body. That is nothing that can make me proud, because I believe if I could have seen the sort of physical input that they transferred to an industry then something ought to have been returned to them.

I know Honourable Members might say, or other persons might say, "look around Barbados now and you will see in the villages *et cetera* that people have improved their lot". I agree, but by and large those improvements, Mr. Speaker, were made by one or two persons in those families who were able to break out of that cycle of poverty, pursue other forms of activity and these invest some of the moneys in their family homes. So, I really am **not** proud of what has been happening in the industry over the years.

I know of cases in which old men lived until 80, those men would never die at a young age. They would live until 80 and 90 and would be around Carrington yard picking up rotten canes and getting \$7 a week as pension because, by whatever mechanism was operating, they were not paid gratuities. I know that as a fact. These old men would sometimes live in huts and hovels and that is not a way for human beings to live when those persons have put their teenage years, moving from the Perry Gang that I have heard of, through their adolescent years, their young adulthood, their middle age and their old age, finally into

an age that rewarded them **\$6** per week in pension and maybe a bottle of Port wine when Christmas came around. I cannot be proud of that, Sir.

I am also aware that the industry is a necessity for Barbados and I will agree with the Honourable Member for St. Peter that questions like harvest costs and **issues** of that type must be addressed, and addressed quickly. They can only be addressed, I believe, when persons who are interested in getting involved in the industry can see that they are going to get a return from it, and realise that persons who really do not work half as hard as they are living or will have a standard of living far in excess of anything they have in the industry.

I went to school with boys of a different pigmentation from me who were the dullest persons I ever met in my life and some of them ended up as managers of sugar factories.

Aside.

His. Hon. T. C. ESTWICK: All of the Members in here are of the same pigmentation. There is a story, Mr. Speaker, of one such boy who was asked to leave school in third form, who went to a factory and was asked to measure a pipe that was standing vertical **3** feet and he asked the workers to cut it down. He could not understand that **3** feet up is **3** feet flat. That is the standard of persons who were put to run **the** industry. There can be no apologising for it and I cannot be happy knowing that I grew up seeing this. I grew up, as I said, a quarter of a mile from Carrington Factory, seeing poverty in families who put their all into the sugar industry and at the **same** time I knew fellows who had no brains whatsoever that drove massive cars and turned up at the said factories as factory managers. It cannot continue like that. The restructuring which it must go through now, thank God, has come before the whole thing has disappeared from the face of Barbados even though that might well be the long-term end of it.

In concluding, Sir, I disagree with the closing of the **3** factories in the southern part of Barbados – **Searles**, Four Square and Carrington. By the closing of all **3** of these you have **effectively** destroyed the small sugar farmer in Christ Church, St. John, St. **Philip** and even in the upper parts of St. George. There is no point telling me that you can take canes from Christ Church to Bulkeley because anybody with a small farm is going to get one trip for a day. As my friend the Honourable Member for St. Peter said, he has to pay the cutters, he has to pay the loaders and he has to pay the vehicles to transport it. At the end of the day he has nothing. The longer the canes stay on the ground the less sugar content will be in it. I don't think that made much sense to me. I have heard reasons for it. If you are talking about integrating the small farmers in the industry then

the move to close down those 3 factories certainly was a way of getting them out of it. You still have people in Christ Church, some old men, who do nothing but plant canes and do not intend to plant anything else. They are really wasting their time, because to get one trip a day to Bulkeley is a waste of time. Then you might have to wait another 3 or 4 days before anything else happens.
11.00 a.m.

Another aspect I would like to see changed rapidly, and I hope the Honourable Minister will address this immediately – I touched on it already, as well as the Honourable Member for St. Peter – is the approach to the man who works in the yard and in the factory. Throughout the laws which apply to the sugar industry and employment in the sugar industry, you will find that at no time would the agencies which control the sugar industry in Barbados be obligated to that man. I had occasion to look at them at one time, I do not recall all the particulars now, but to the best of my recall in not one of those laws is it mandatory that if a worker works for X number of years and falls ill that the BSIL, the sugar producers, or whoever, will provide for him and his family. I do not know for sure, but I suspect that the persons who work in the offices, of a different colour, were well provided for by insurance coverage, but the little man who worked out in that yard, in the sun and the rain, who was called out at all hours and who got frightened when the horn blew and he was not at work, was at no time ever provided for.

Aside.

His Hon. T. C. ESTWICK: I could be wrong, but I do not believe I am wrong. It says the BSIL may consider payments. At no time does it say they shall pay. It is not mandatory on the sugar producers or BSIL or whoever to provide for small people. A man could have worked in the sugar industry for 30 years and then die, leaving 7 children, and the sugar producers may consider some payment.

Aside.

His Hon. T. C. ESTWICK: That is true. How do you mean it is not true? Once they did not make the 33 1/3, there was nothing for them. I believe the other persons were well provided for. No youngster growing up in the country, seeing and knowing that, seeing the sort of lifestyles associated with the sugar industry, Mr. Speaker, will readily want to go into it under those conditions. No youngster growing up today will want to go into an industry in which, at the end of his working life when he has to look out for his children, there is nothing there to provide for them. Fundamental and great changes would have to be made, and the sooner they are made the better.

I agree with the Honourable Member for St. Peter. We have been in here all the time stressing the legalisms of this whole issue, whether the Receivers are right or whether the Receivers are wrong. That may be all well and good at a particular level, but that will have nothing to do with attracting workers in the industry if we are going to agree with the Honourable Member that we are not going to have to import labour. That is the only reason. You cannot ask people in 1992 to go into a field and cut and load sugar cane, and when they want some water to drink a man pushes a little cart of two wheels, the sun heats the water up, and he gives them with a ladle in a little plastic cup. You cannot do that in 1992. You also have little huts, full of holes, strewn about the place which cannot even give shelter from rain. You cannot do that in 1992 and beyond.

Ways and means must be found to humanise that work. I know it will not be easy, because the character of the work itself does not too readily lend itself to it, as in an office where certain things can be done. It is work that is out there, but rest periods could be given. I do not know what sort of clothing could be recommended, I do not even know if goggles could be given or recommended. It could be that medical examinations could be made mandatory over certain periods of time, but you cannot negate the human factor of the industry. I do not care how many receivers are in or how much money is pumped into it. Those things are irrelevant. You will have to mechanise it completely and sooner or later you will have to mechanise the machines, because nobody will be working on them either. That is the reality of living.

I grew up in Brereton, St. Philip, as I said, in the belly of Carrington Factory, and I am not surprised that nobody in my generation or below my generation ever turned up at Carrington Factory or at any of the plantations in the area for a job, because we grew up seeing an injustice that the sugar industry wrought on the majority of people in this country. Unless that changes to the satisfaction of people who ought to work in it, it is extremely silly in a country where there is so much unemployment to have to import labour to work. At the same time, persons who get involved in that activity must know that, at the end of the day, there is something for them and that the work is not of a type which will completely destroy them, body and soul, and turn them into nothing but rum drinkers. It cannot continue like that, Mr. Speaker.

We have educated a country, Sir, we have sought to modernise the people and any sector, principal or other activity that is in this country, which lags behind that modernisation will suffer the consequences. So with the sugar industry. I will agree that some of the problems would have started back in 1982 when there was a change

in exchange rates in the European currencies where we sell and how they related to the US dollar. I will agree there were losses, but there is no point in us correcting all things when we pay no attention whatsoever to the most important aspect of it.

I have heard all the speeches in this House, Mr. Speaker, and I must say the only person I heard touch on the human factor was the Honourable Member for St. Peter. It could be because he, like myself, grew up in the country. I trust the Honourable Member for Christ Church South will do that too because, as I understand it, he grew up on a plantation, a little more advantaged than the majority of us. My good friend, the Honourable Member for St. George South, has always over the years indicated that everybody up by him would watch his house, and they are sugar workers, so we have an affinity with sugar workers in this country. I can well recall, as a little boy of 10 years old, when with all due respect he was called the heavy roller, with the Honourable Member for St. Philip North, who lived not far from me, we would all journey to hear the heavy roller delivering speeches on the sugar industry trying to right the wrongs there were then. Unfortunately, Mr. Speaker, many of those wrongs still exist.

I trust that when this exercise is finished – and I have every confidence that the Honourable Minister of Agriculture is capable of steering this ship where we can have a new industry, an industry which we know will be tailored down somewhat, that will be efficient, that will consider the most important aspect of the equation, the human factor – that the future will not be one in which the majority of young people in this country will prefer to sit around corners and smoke foolishness, and do foolishness, rather than getting into something positive, which brings in foreign exchange for the country and which in the long run can redound to their own benefit.

Thank you, Sir.
11.10 a.m.

Mr. DeL. O. BRADSHAW: Mr. Speaker, I am glad for this opportunity to make a contribution to this very important debate. The thing that worries me about the sugar industry is that people tend to think that bringing in experts and having technical advice and expertise would in itself solve the problem in the sugar industry. I do not feel that the sugar industry is going to improve, to succeed, unless the human element is taken into consideration. The people who work in the sugar industry, the labourers, the people who keep the farms free from bush, the weeders, the cane cutters, the cane loaders and those who are engaged in freighting, are the people. Any attempt or policy that is put in place to resuscitate the sugar industry must take into consideration those very important persons.

It is all right for people to get up and talk about their knowledge of the sugar industry. I can speak on sugar and the effect it has on people's lives, the families of sugar workers. I am a product of a sugar worker. My father used to cut canes and I know what it means for a sugar worker to feed 10 children and the conditions that exist in that home. I know what it means for a family. I can say that proudly. I know what it means to go out in the hot sun to work for money and to come home to feed a family. Therefore, I would urge Government, whatever steps it takes to revive the industry, to take into consideration those workers.

From time to time when I go to the country, St. John in particular, I meet people of 70 and 80 years who have spent all their lives working on plantations and have absolutely nothing to show for it. It is not a question of their lavishing or "licking out" the money which they earned. It is because of policies that we have sat back and allowed to take place in this country. That is why it is going to be very difficult for any government to attract young people to the sugar industry.

We have to understand what took place and try to avoid those occurrences once again. We have seen where plantations have changed hands and we have seen how the new owners have applied for planning permission and have cut up those lands, have even gone as far as to remove the top soil and sold it in order to make income and have laid off the very workers without paying them one red cent. We have also seen policies where some plantation owners have refused to provide work for the same labourers during hard times as they call it. Hard times are those times that come immediately after the crop when people would dig cane holes or even work on the plantations weeding and clearing the hedgerows to get 2 or 3 days a week to make some money to carry home to feed their families.

Have we not seen that this is a thing of the past? Therefore we cannot expect the sugar industry to thrive as it used to do in the past. Mr. Speaker, I have heard the Barbados Workers' Union making repeated calls to improve the lot of the workers. For instance, I have heard calls to have plantations provide latrine facilities. What has become of them up to this present day? We do not find them.

We have seen how sick people have been treated on the plantations in fields that are distant from houses. We have seen people suffering from the heat. Therefore, their children like myself have realised and witnessed what took place and that is why most of us do not feel that our children should be engaged in this most laborious task. We must ask ourselves why it is that parents used to feel proud to see their children work alongside them but we do not see that today. That used to be the order of the day.

Children would work on plantations and felt that they had a stake in the plantation.

Then there were times when the laws were all tied up in a policy inherited from the system in Britain where in order for you to get an income, they would give you a piece of land, half an acre or a quarter, and you were forced to work that land in order to remain on the plantation. That is how some of the plantations were able to have labourers at all times. What we have seen today is that the laws have changed and times have changed. No longer does the law require a tenant to **work** on the plantation and that has brought about a significant change in the attitude and the approach to the sugar industry. People were content. In order to get manure to put on some of these pieces of land that were allocated to them, the plantation would provide dung and some sort of assistance by way of a loan would be granted. They would also provide a loan to repair their houses from time to time.

We have seen a complete change in this approach. No longer are the plantations lending money to the workers and workers realise now that that was a form of **keeping** the workers attached to the plantations. They can go to a bank or some other financial institution and get money and they have asserted their independence and hence a sort of attitude towards the plantations.

All of this, Mr. Speaker, tells you that the attitude of workers has changed and that is why we are experiencing this difficulty. I do not buy the argument that it is because of mismanagement. That is not all. That is but one factor. There are a number of factors that have emerged.

We have seen a reduction in the actual lands that were allocated for sugar planting. We have seen in St. Joseph that lands at Joës River, Newcastle and Foster Hall that used to be cultivated are no longer in cultivation. In Bath, St. John we see vast areas of lands being taken out of agriculture and this is in addition to what we have seen of late, people buying lands, applying for a subdivision and selling off the lands, not for housing purposes but just for speculation. Some of the lands that have been subdivided have no houses on them. We have seen very good agriculture producing lands at Frere Pilgrim. We have seen some in St. **George** going out of agriculture and massive houses being constructed. When we make calls to halt the indiscriminate cutting up of agricultural lands we have to ask ourselves how many acres, or the amount of land we require, and what we expect from this amount of land. That has to be a consideration. We must determine once and for all how much land is adequate to produce X number of tonnes. We have to think in terms of the quality of sugar cane.

11.20 a.m.

Mr. Speaker, that takes me back to the time when you could go to Groves Agricultural Station where the technology occurred and where they had a variety of canes. They were able to tell the small as well as the larger planters what were the best variety of canes to plant because the sucrose content was a consideration. We do not have that. These small farmers knew exactly what types of canes to plant. They knew whether canes were good for sucking, as they call it, canes which were best protected against rats, and those which would produce more sugar and give heavier **wonage**. We must realise that.

There are some plantations where one would get 40 tonnes per acre. There were some that went as far as 60 tonnes an acre. We have not seen this sort of information. That is why sometimes when I hear people talk about land that is marginal, they talk about marginal land as though it means that because the top soil is just about 1 foot deep that land should go out of agriculture. That is not the case. In St. **Philip** some lands where the top soil is just about 1 foot or 18 inches, we were able to produce some very good canes. I think we have to look at that system even when we have to determine the subdivision of land. We can **understand** using some lands on which the plantations used to have sour grass like the area in Sandford, an area outside the Crane. Canes were never grown at Ruby Park. It was an area reserved to grow grass in order to feed the animals. That is why agriculture generally has been in decline. That sort of land is quite suitable for housing.

I am one who does not believe that some lands should be released for housing. I think every case should be taken on merit. I do not believe there should be a policy saying not to release any agricultural land. I do not believe in that. There are some lands that could be put into sugar planting but there is a problem. As it stands the Chief Town Planner will determine that in Zone 1 you cannot put a house. We know that in times past you would put a house and the landlord was able to supervise even his crops. Now if you have a case where you cannot put a house then you have a lot of absentee landlords. The problem **with** that is if you plant canes and you are not living there then you must realise that **people** are going to reap the canes. That is why I said we must look at each application and treat it on its own merit.

Aside.

Mr. DeL. O. BRADSHAW: I do not want to hear about canes because, as I said, the variety of canes lends itself to reaping. There are people who reap canes, sell them and they are not really the owners of them.

We have to look at the question of the workers and their attitude. We **talk** a lot about agriculture. Have **we** not seen that the average age of agricultural workers is some-

where about 50 to 55? Have we seen many young people between the ages of 20 and 30 attracted in large numbers to sugar and agriculture? You may see them planting vegetables but as far as cutting canes is concerned, it is a different kettle of fish.

Mr. Speaker, you can take, for instance, Kingsland Plantation, the one involved in the golf course. I was recently **informed** that the average age of workers to be severed is over 55. That is significant. You are not getting any young persons coming into it. In looking at a policy we have to interest young people in agriculture. We have to look and **see** exactly what can be done to attract them. I do not care what anybody tells me. You can have all the policies in place and all the money at your disposal but if you do not educate or try to involve people in cane-cutting in the sugar industry, as this Resolution deals with, you are not going to have the results you anticipate. The workers are very important. The other alternative would be to mechanise but you would have to prepare the canes for mechanisation. By now I think everybody knows what lands can be mechanised. We know full well that the majority of lands cannot be mechanised for this purpose. Whatever machines you employ you will need the workers and I am calling for better conditions for the workers on the plantations.

Aside.

Mr. DeL. O. BRADSHAW: The conditions I would ask for are what the Barbados Workers' Union has been asking for, to put proper lacmnal facilities for the workers. We have seen in 1992 that the plantation owners have not paid heed. Nothing has been done. I would expect the Barbados Workers' Union to put this as a matter of priority, put it as a condition of service for the workers in 1993. I will be **calling** on them and any call on this would be supported by me.

I am also asking wherever possible to provide **out-of-season** work for the same workers. I am asking for better wages, where possible. If you are going to put the sugar industry on a good footing, economically, then one would also expect to have a proper income for the workers. You cannot be changing the outlook on sugar and the industry with a view to making the owners of the plantations better off and at the same time asking the workers to hold strain. I am not involved in that. If you are making money, pay the workers some of the money.

Mr. Speaker, the thing that bothers me is that about 450 plantation workers have gone home for Christmas with not one single cent. I am worried about that. It is because of the system. And they would feel happy about those workers! We have got in here today and I have heard Members say how it is back-breaking. It is sweat and sun

but at the same time, why are we not concerned? Why should someone not put a case for these workers who now at Christmas cannot draw one single cent?
11.30 a.m.

Far from that, Mr. Speaker, I have been told by someone who would have attended a meeting called by the union representing the workers that it is some people who are representing the BSIL and the sugar growers and preventing them from getting the money. That came to me and I said, that is unfair and wrong. I feel we have a bounden duty, as leaders in this country, to tell the people the truth, especially those workers. They must not and should not be misled. They should be told that, if the BSIL has no money, is bankrupt and cannot **pay** they should apply to National Insurance to get their money and should be told, in no uncertain terms, that it is a situation where they would have to go to the National Insurance. That is why I have said, repeatedly, that money should be made available. I would support it. I would support any supplemental vote to pay those people. I would go on record as saying that. The people work. It is hard when people have worked for years, their lifetime and cannot do anything, cannot be **retooled** nor retrained. That is what I am talking about. You would be able to train a transport worker. But can you train a fellow at 75 years? To do what?

Aside.

Mr. DeL. O. BRADSHAW: But he is still working on the plantation, if you do not know. We hear this talk about 75 year old workers retiring. That is a joke. Those are the very people that are employed in the sugar industry. We must understand that you are dealing with someone who knows what is going on. This is an experience.

Mr. Speaker, we have to think seriously about what we are doing. We used to **see** the plantation houses, very beautiful, lovely houses, mansions with lovely orchards. Pass up Golden Ridge – that is a case in point – and you will see a plantation house and a plantation that was one of the outstanding plantations. **Look** and see. The orchard is gone. The house has collapsed. Go to **Buckden** and you will **see** it. Go to **Clifton** Hall. Things are changing.

I want to warn the Government. I have seen something taking place over the past couple of years. A particular person has applied for permission to subdivide plantations. No problem. But I know the reason given. The reason given was that they were going to have a canning industry. Mr. Speaker, after getting the planning pennission you did not see anything of the sort other than that houses have gone up. It is a pity. I have seen it happen under the BLP and under the DLP. We need to watch and see what is going on. These people put in applications and

we think they are going to subdivide the 10 acre lots and the lands **are** going to continue in agriculture. Little do we know they are applying and putting down one house and then the lands are running idle. I would like the Government to watch that.

They say they want to put up managerial quarters. It sounds feasible when the Town Planner or the Minister responsible for Agriculture or the Minister of Lands has to look at it. But you must watch and **see** that these people do not follow up any canning industry, nothing **at** all of the sort but the permission is there. Go into Wakefield and see what I am talking about. Go up there, on top of Mount Tabor and see what I am talking about. Go **up** at **Clifton** Hall when you come below St. John's Parish Church, and you will **see** lands there. The owner has taken off the top soil, raping the country, and sent home the workers. No compensation. I am saying that. Every day they are subdividing them. Some of them are so smart that, when they have ripped off the country, they take the money and go to Canada or England or some other place and leave the burden on the Government to take care of that. I am saying to the Government, your eyes should be opened now to watch and see what is going on. The Minister ends up with a problem. He has to be defending something that he should not be defending because, as I said, these people come and outsmart the Town Planner and get money and leave the lands out there. Go up St. John and see what is going on. Come across from **Kendal** and come from Cliff and you will see what **has** taken place there.

Mr. Speaker, we need to look at these things and understand what has taken place and make sure that these things do not happen. Otherwise all this **talk** about reviving or resuscitating the industry cannot do anything. We want to increase the number of tonnes produced. We need to have better management. The management cannot be similar to that of the past. We need to be more vigilant. The Government must make sure, even when they have got management in place, that they can police and that management carries out certain policy arrangements. We need to look at the workers. I am concerned to hear workers saying or to hear calls on the radio...I am hearing some of the moderators refuting statements or commenting on statements from people and calling on people not to work, not to cut a cane until they get paid. Do you think I feel happy when I hear that sort of thing? It should not even be discussed. What I am saying at the same time is that though I know unions would put pressure on Governments or even employers to pay in order to get work done – it is a sort of pressure game – I would hope that common sense would prevail because we can ill afford **to** have the crop started late. I would implore all those people who **are** involved to make every effort to explain to the workers what is going on so that they can return to the crop, start it on time and reap it. We have seen it. We

cannot go beyond the month of **June** cutting any canes. We cannot afford that. I would hope that the Government would find something from which they could understand and learn so that we could alleviate some of the problems that seem to be confronting us which could very well be alleviated.

Mr. L. L. **BRATHWAITE**: Mr. Speaker, I should like to lend my support to this matter under discussion speaking on this Resolution to recognize that, for a very **long** time, there has been considerable concern for what has been happening in the sugar industry. I should like to speak against the background, firstly, of what came to mind yesterday as I read an article in one of the daily newspapers which relates to the growth of the sugar industry from somewhere in the region of 30 000 tonnes to a high of just over 200 000 tonnes.

I should also wish to speak against a background of the guaranteed market which this country has and which is of a fairly sizeable proportion. Of very **great** significance, Sir, is the need for us to maximize our export thrust so that we could **earn** the much needed foreign exdchange we require to meet the needs of the people of our country.

Much has been said by all the previous speakers and they have **covered** a significant area of concern. I should like to think **that** there is still room for growth in the sugar industry, if only in some of the by-products that can come from the raw sugar that is produced from our sugar cane.

I am of the view that large quantities of granulated sugar and icing sugar are imported into this country. I believe that something can be done to eliminate the high cost of importing these products which, as I said, are by-products of our sugar. Therefore, in the restructuring effort in which I commend the Government in its efforts to restructure the sugar industry, I should like to see greater emphasis, greater thrust put into the manufacture of by-products which can help to enhance our employment opportunities. I should like to see a greater thrust put into the manufacture of by-products which can help to enhance our employment opportunities. We have, for instance, Sir, in our manufacture of rum the sad situation where we are importing molasses to manufacture rum which we consider to be one of our major exports. We have also, Sir, in our soft drink industry, in our confectionery industry and in our baking industry to import sugar at this time because we have declining levels of production in raw sugar in Barbados.

11.40 a.m.

I believe, Sir, that something has gone wrong and that it cannot be said that the management of the sugar industry in Barbados has done us proud. If change must come, it must come from the level of management in the sugar

industry. That change must indicate very early its intention not only to build the productivity of raw sugar back to what it was or what would be more economical for persons, but also to get enough to look at the by-products that can expand our export potential and our employment potential in this country.

One accepts much of what has been said by the Honourable Member for Christ Church East and the Honourable Member for St. Peter, but many of the problems we find today in having people seek employment in the sugar industry relate to the kind of treatment meted out to them by people in the sugar industry. We cannot deny that as the real situation we face. One believes also that the development of manufacturing in using the by-products I have mentioned can bring some of those people who may not be desirous of going into the hot sun and the rain and the kind of conditions that were spoken of today to find jobs for which they could be properly trained. This country could then see the benefits of their labours by way of an export thrust and by way of meeting local demands.

I would think, Sir, that the restructuring must look at **developing** Barbados, and in developing Barbados in terms of its export thrust one thing I would say, Sir, just before I close on this matter, Sir, is that I am not in support of any proposal to close the Bulkeley Factory. I do not think it is a progressive step. I think it will further destabilise the small farmers in the area, not only of Christ Church but of St. George; and certainly, as my constituency borders on St. George, many people in that constituency will have some difficulty in finding employment if that factory is closed.

I should just like to close, Sir, by saying that I commend the Government on the steps it has so far taken to try to resuscitate the sugar industry and I hope that those efforts will bear fruit to the benefit of this country. Thank you, Sir.

Hon. W. O. FRANKLIN: Mr. Speaker, this debate has been a long one and I am not going to spend a long time on debate. The importance of this debate can be seen from the **contributions** on both sides and the difficulty of the solution can be further seen when you compare and think on some of the suggestions. Let me start as I have done before, by stating the Government's views very clearly. The Government is committed to the continuation of the sugar industry and this administration has demonstrated this over the years. The Government's policy, at the moment, is to return the sugar industry to a target of between 80 000 to 90 000 tonnes because of the secure markets we have in LOME, in our domestic market in the U.K. and can have in the United States. Therefore the Government has put in place, as the Honourable Member

for St. John has brought to the attention of this House, certain proposals to allow the industry to be stabilised.

We can see the difficulty that this debate has caused. The Honourable Member for St. Joseph, in his contribution earlier, raised the point about wage levels in the industry and indicated that the industry cannot **survive** with the present wage levels.

The Honourable Member for St. Michael South East, in his speech raised the point that the workers cannot be expected to operate at the wages that are not commensurate with what is in the other sectors. The Honourable Member for St. Peter drew attention to the fact that the wage level of the agricultural people has been tagged more or less to construction costs and he made some proposals for wages in the construction industry. He is of the view that a special approach has to be made to the whole structure of wages in the agricultural sector to make it survive.

One thing I need to bring to the attention of this House is that the Union, over the years, has agreed in principle and in practice to allow the wages of the sugar industry to be much lower than they should be. It is a well-known fact, Mr. Speaker, that there are numerous plantations in this country that have not for the last 5 or 6 years honoured the mandatory statutory 5 day wages that the Act stipulates for registered agricultural workers.
11.50 a.m.

There are many agricultural workers who are not getting more than 2 days' work out of crop, and at \$35 per day that is only \$70 per week, Mr. Speaker. If that has been going on, how much further can you lower the wages of the agricultural worker? You cannot carry it any further, so the acceptance of that low wage by the agricultural worker is a contribution to the continuation of the sugar industry over the last 5 years or so.

Let me also state another fact, because employment in the industry has been overstated for many, many years. During the last crop season the industry **employed** about 4 358 people, and out of crop the industry does not employ more than 1 538 people, so we have to take these things as facts. What are the facts, Mr. Speaker, and what is the justification for the continuation of the industry? I have stated the justification before, but we have to repeat it:

1. It is one of the agricultural industries, the only one for which there is a market, the **Lomé** market.
2. The industry has the capability of bringing, and has been bringing, to Barbados an average of between Bds.\$60 and \$100 million over the last couple of years.

3. From an environmental point of view, it is desirable, because it keeps the countryside tidy.

In my opinion, Mr. Speaker, if there is nothing else to justify a subsidy, it is the fact that it adds to the attractiveness of the countryside, which should allow us justifiably to see the subsidy as a subsidy to the tourism industry which is heavily dependent on a tidy countryside. It also is a preserver of the top soil.

The Honourable Member for Christ Church South has also raised the point that 50% of the subsidy you can directly attribute to labour, so we can say we are subsidising the agricultural labourers by 50%. which is justifiable when you consider their task and what has happened to agricultural workers in the past.

The Honourable Members for Christ Church East and St. Michael South East gave a very vivid picture of the industry as an employer. One of the problems historically in the sugar industry is that it is so fraught with deprivation of the people attached to the industry, there is so much suspicion in the industry, that only a few have got anything out of the industry. It is very difficult to ask people to go into the industry with that suspicion and where the people who have spent years in the industry have very little to show from it.

Another justification is that the industry has pointed out in the past that, in its **heyday**, the Government had been using some of the funds. Government can point to where the funds have been used in the furtherance of the wellbeing of workers in this country, as well as in the industry itself.

These, Mr. Speaker, in my opinion, are desirable and justifiable reasons why this administration has taken the point that we should stabilise the industry at a considerable cost to the taxpayers of this country. But there are a few things of which we have to make sure. In the stabilisation of the industry we must not lose sight of the fact that it is not going to be easy.

If you review the agricultural sector, Mr. Speaker, sugar cane is the only tropical agricultural crop that is dying out, and I will tell you why. It is dying out for many reasons. One, the health fad which is on. Secondly, there are many high fructose sweeteners from fruit, *et cetera*, which are a lot cheaper.

Then, beet sugar is a lot cheaper to produce. I have heard people talk about being able to get back into the cycle of the world market, but they must remember that when that cycle goes back up for the price of sugar a beet farmer can get in and out of a crop of beet sugar in 9 months. A sugar cane farmer takes 18 months before he

can get in, so even when that cycle is there the sugar cane farmer is at a disadvantage. Also, the beet farmer's crop is completely mechanised. Therefore, when you take that situation, the challenge to cane sugar is not only fruit sweeteners, but beet sugar.

Beet sugar is also posing another challenge. I remember speaking to the agriculture Ministers in Brussels, when I was part of a delegation to try and whip up support for the Sugar Protocol. It is very instructive, Mr. Speaker, that when the simple question was asked, whether the ACP sugar Ministers believed that Europe needed ACP sugar any more, the agriculture Ministers in the EEC went on to explain that the EEC is now a net exporter of sugar. When the Sugar Protocol came about, the EEC was a net importer of sugar. The EEC is now a net exporter of sugar, with the unified Germany applying for an additional quota in the EEC and the likelihood, if that additional quota is given to unified Germany, of that quota going to the disadvantage of the ACP quota, together with the fact that the **arrangements** in GATT and the EEC Sugar Protocol, which have agreed to a reduction in the agriculture subsidy, will lead to a reduction of at least 20% to the EEC beet farmer. It is well known, and it has been stated in clear terms by the EEC, that despite the Sugar Protocol and the continuity of their market being secure, what is important and instructive is that the price you are going to receive for that sugar in the EEC is a price that is negotiated. That price has not gone up over the last 5 years. There was a 5% decrease and there are signals that, with a 20% reduction in the EEC subsidy to beet sugar, you have a consequential reduction in the price of beet sugar which is going to be reflected in the price of ACP cane sugar into Europe.

The question we are going to have to face at some time, Mr. Speaker, in the ACP is whether or not, despite the fact that there is an assured market in the EEC, the ACP high cost producing countries like Barbados can continue to produce sugar under the Agricultural Protocol for the EEC. The justification for continuing with cane sugar is one main thing, the earning of foreign exchange, but there is also a cost, the subsidy being paid for the production of that sugar.

In reality, what we are doing in Barbados in order to **earn** that foreign exchange is subsidising the cost of sugar on the European breakfast table, and, in return, making sure that our own breakfast table has sugar that costs about 4 or 5 times the cost of world market sugar, so there is going to come a time when the critical decision has to be made as to whether or not the subsidised cost is worth the effort, but as I see it, in the immediate future we have no alternative, let me make it very clear, than to keep the sugar industry viable, even if we are keeping it viable by the injection of millions of dollars.

12.00 noon

I want to state very clearly that the sugar owners are the most privileged people I know of taking a private sector risk in this country. Let us examine all the other people in the private sector who have invested their money in any enterprise in Barbados. A lot of people have invested in manufacturing and they have gone under. They have been accused of bad management but, like the sugar industry, it is the world marketplace that has forced a lot of people under.

No government to date has come in with as well thought out a programme as we are now doing to cause them to survive. What is going to happen with the owners of the sugar lands? They are a very privileged people and this is one of the bones of contention under the present system. The Government is going to come in with a programme to stabilise the sugar industry, to allow the projected profits from the sugar industry to pay off the debts of the sugar plantations and, at the end of the period, if all goes well, to hand back the plantations to the original owners because we are only leasing them at the moment. The arrangement is that the owners are now leasing to the company and the company's projection is that it will make enough profit to pay off its debts and at the end of it the owners will be able to have back the management of it. This is the programme. It is a programme that has been worked out, as the Honourable Member for St. John said, with the agreement of everybody hopefully in the interest of keeping the sugar industry alive.

I can only hope that the effort we are making pays and that we can bring about increased efficiency in the industry to allow it to be viable. As was said earlier, the industry in the long run is only going to survive if it is viable from an economic point of view. I cannot see Government continually for time unforeseen, being able to come to the industry with this type of gigantic support that we and all Administrations since 1980 have given the industry.

Let me speak on one of the things that was debated. As was quite rightly stated the industry, because of payments in European currency, is very susceptible to currency fluctuation. Any private sector industry has the same problem. I would say that the Democratic Labour Party Administration recognised it as one of the critical areas and this is why the programme of subsidy was revised to offer a guaranteed price up front and Government decided to take the foreign exchange risk. This is what we were saying to the industry when we put forward our programme. We were saying: "Let us take the foreign exchange risk so that you would not have to worry about what would be the final conversion of your money to Barbados dollars when you receive it in European Currency Units."

The difficulty has been that Government was never able to provide the quantum of money requested by the industry as needed to make them viable for the simple reason that the production costs could never be agreed between the technocrats in the Ministries and the BSIL.

I will give you a reason why this was so. One year during my tenure as Minister of Agriculture when we were discussing the minimum guaranteed price the sugar industry in a discussion with the technical people started with a production cost of \$1 835 per tonne. That was the first production cost the industry put on the table. The technocrats disagreed and within 3 days the industry came back with a production cost of \$1 630. The technocrats still said that, according to their best available information, that figure was far too high. The industry came back again with a production cost of \$1 330 and when that was explained as too high finally came with a production cost of \$1 275 at which time there was some agreement.

I say this to come to the point that there is a lot of suspicion in the marketplace about whether or not the industry has always come clean with the public, the Government or the workers. If we are going to save the industry there has to be trust between the industry and the workers' representatives as well as Government because Government has for a long time to play a key role. I can only hope that all those areas of suspicion are removed, that we approach the industry as one critical for the well being of this country and that we apply ourselves and do whatever is necessary within limits, with goodwill on all sides, to return the sugar industry to a state of viability or to a state where the subsidy for its existence becomes as small as possible.

Against that type of understanding this Administration has demonstrated in the past that it is going to continue to support it but, as the Honourable Member for St. John has said, it cannot be business as usual. As said in the Report, it has been demonstrated that the industry itself had identified in the past areas that it could have improved itself and it has done nothing about them. I have already talked about the reduction of staff, the removal of marketing people, the amalgamation of a number of companies, the better agronomic practices and the methods of transportation and all the other things that were identified are now to be put in place. I hope that we will, under whatever arrangement, do this.

I agree completely with the Member for St. Peter that, if we have to go into any management contract, it should be temporary because if the sugar industry over 350 years cannot supply its own efficient management that is a serious statement on the sugar industry. If after 350 years the sugar industry cannot provide efficient management that is an indictment of the sugar industry. Whatever we have must be a temporary arrangement. The domestic arrange-

ment for sugar must also be a temporary **arrangement**. We must be able to meet our overseas quotas and satisfy our domestic arrangements.

Mr. Speaker, let me spend a little time on the other one which I am not sure can be a temporary arrangement.

Mr. SPEAKER: You do not have much time.

Hon. W. O. FRANKLIN: That is the matter of labour. With the best will in the world, I cannot see the sugar industry becoming such an attractive place as for people to run to it and offer their services. We are going to be locked in with as much mechanisation as possible. Let us hope that for the manual section we can make the working conditions, if not the wages, as amenable as possible by improving things like shelter for the workers, refreshment breaks that will allow those people, and there are people with an affinity and attachment to the soil, to continue to work it. I also believe, as was said, that some system has to evolve for the workers in the agricultural sector to believe that they will share in any future profits in that sector so that they would be satisfied in giving their labour because they believe they will have part and parcel of the profits coming out of an industry that is revived and viable.
12.10 p.m.

With those few words, Mr. Speaker, let me end by saying that this administration recognises the importance of the industry and is prepared, as demonstrated by the action we have put in place, to return that industry to a state of viability.

Thank you very much, Sir.

Hon. H. B. St. JOHN: Mr. Speaker, it is now time to wind up this debate. I regret very much that I am unable to accept the amendments put forward by the other **side**. There are a number of reasons why, although we have had a very interesting debate and the Government has been a bit more forthcoming on this occasion having regard to its silence, we cannot accept the amendments which have been suggested. All of us are grateful to the Honourable Members who have contributed to this debate. There seems to be a **lack of experience** in Barbados with agricultural activity, that sugar cane growing provides for us in Barbados, up to the present time, the best use of agricultural land having regard to the return **we** can get from it and the need, because of our peculiar soil conditions, for a crop which would prevent disastrous soil erosion.

We also have the experience that sugar cane is a crop around which rotation of other food crops takes place. We have the advantage of having a guaranteed market under the LOME Convention with the European Economic Com-

munity for a substantial **part** of our production. We have exploited also under the LOMÉ Convention the opportunities to utilise the by-products in the form of rum and molasses. There is total agreement in this House that sugar cane is the best crop we have so far available to us for the utilisation of the majority of our agricultural land.

Our **quarrel** with the Government is this, Sir. It came out in some of the speeches made by the other side. There is still too much bashing of the industry, the owners of the industry and those who work in the industry. There is still too much failure to recognise that there are serious problems in the structure and organisation of the industry which have to be solved and the Government has to play a major role in the solution of those problems. The Government of Barbados is the largest landowner. The Government was in a position to pioneer new concepts of land tenure in Barbados in order to democratise the industry, if this is what they say is their aim.

When the Barbados Labour Party was in power it was the declared policy of the Government that it would lease to any farmer who was willing to come forward, **parcels** of land under the control of the Government agencies. We started with the development of the new type of farmer in Barbados, the farmer who was working a piece of land, not as a labourer but as a tenant farmer. The Government, despite the precedent which was established, despite that clear idea of policy, despite its profession of the idea that the existing terms and conditions in the industry **were** wrong, failed to pursue that. Far from pursuing it, in its capacity as a landowner and a sugar producer, the Government **has** failed miserably. It reduced its sugar production from over 40 000 tonnes of cane to less than 12 000 tonnes. When we say there is a crisis of confidence in the industry, that has come about by the fact that the Government through its own policies, has demonstrated it has no faith in the future of the industry. Therefore, we must look with suspicion every time the Government professes it is interested in the industry.

The second reason, Sir, is that recently the Government has indulged in taxation of the inputs of production in the industry. Barbados does not produce fertilisers. Barbados does not produce a number of the other inputs and the Government, by its taxation policies, has reversed the long, historical trend of not taxing inputs into agriculture in Barbados by the introduction of consumption taxes and stamp duties on some inputs in production.

Today throughout this debate I thought I would have heard that Government had decided that, just as it had to renege on its policy of taxation with respect to manufacturers, it would have given a signal to all those involved in the sugar industry that it would reduce taxation. Everyone

knows the debt which has been built up in the industry has, to a large extent, arisen from the very factors that are acknowledged by the Honourable Member for St. Philip North and, to some extent, by the Honourable Member for St. John, that is, they arise from the peculiar position we have in Barbados in which our sugar receipts are denominated in ECUs and our dollar is tied to the U.S. dollar, so that when the relationship between the European currency and the U.S. dollar is such that the U.S. dollar is strong, the actual receipts we receive in sugar are less.

The Honourable Member for St. Peter quite rightly pointed out that this was particularly so between 1981 to 1985. As a matter of fact, if one goes back to the debates of 1985, one would see that the then Minister of Agriculture, now the Honourable Member for St. Joseph, made the point that up to 1985 the loss arising from the difference in the currencies was \$46 million and the price support was only \$34 million. Now what is the Government's position in respect of debt relief? The Barbados Labour Party has always taken the view, and we still maintain that view, that it was because of a deliberate policy of Government not to devalue the Barbados dollar that the sugar industry would be placed in difficulty and it was under an obligation, therefore, to support it.

Mr. Speaker, we are in the position in which we are restructuring the industry. It is a myth to believe you will be able to restructure the industry and make it viable without providing some form of debt relief. There is no question about that. The Government's spokesmen have been silent on the very important points made in the Booker Tate Report. That Report makes it abundantly clear that if you do not have debt relief and a future policy of devaluation of the Barbados dollar, the industry will not be viable. I would have thought that the Government's spokesman on the other side would have replied to those 2 very important points.

I agree with the Honourable Member for St. Peter that there are certain inherent economic and industrial policies, as described by him, relating to the sugar industry that you must put in place. The Barbados Labour Party is prepared to face those policies. We were always prepared to face those policies. We were prepared to let the public of Barbados know we were willing to use taxpayers' money to subsidise the industry rather than devalue the Barbados dollar. We were also prepared to provide a mechanism for price support which involved the Barbadian consumer having to pay a subsidy to the industry. What is the Government's policy in relation to that? I can tell you what the policy is, Sir. Rather than allowing the receipts from the differential between the profits that arise from importing the sugar and selling it to the consumer - \$10 to \$12 million in profits per year are made in this area - the Government has removed that from the mechanism which we set up and have placed it in the arm of another

Government agency, the Barbados Marketing Corporation. So that we had a ridiculous situation in Barbados in which Guatemalan sugar was imported, and fantastic profits were made arising from the price paid for the Guatemalan sugar imported from some non descript company, some Indiana company in which all efforts to find who the principals are have been unsuccessful because they only go there and hide under the laws of Indiana which do not compel you to disclose the principals. That is a fact. What has taken place is a scandal. The Government's agency is involved in that. 12.20 p.m.

What has happened to the \$10 million in profit that was made on the importation of sugar? I asked a question in this Honourable House about that and we were told that that money was being placed in a special fund, the profits were being placed in a special fund with the Accountant-General's office, a below the line account and that it would be used to help redeem the sugar bonds that we issued.

Aside.

Hon. H. B. St. JOHN: You say precisely. The Honourable Member is always talking about transparent activity. What section of the law permits you to do that? You tell me.

We have looked at the Accountant-General's Report and we do not see any disclosure, any below the line account, but what is more, we want to know the charges and who was paid in the importation of that. We want to know how much broker's fees were paid. Yes, I want to know.

The sugar industry, as we pointed out...I want to appeal to the Honourable Member for Christ Church East - my friend and colleague, he is next to my constituency - that when he is making his speeches on sugar he must not criticize the Barbados Workers' Union in the manner he has done, because listening to the Honourable Member's speech, one would have thought there was no workers' union in existence in Barbados.

Aside.

Hon. H. B. St. JOHN: I agree with you. The Workers' Union has discredited itself. I accept that, but the truth is that, until it veered and started to be the lackey of the Democratic Labour Party, certainly when it was under the Barbados Labour Party it was the most vigorous institution in support of the amelioration of the conditions for the sugar workers in Barbados. Hence a Provident Fund was established. Hence the Labour Welfare Fund was used. Hence the Housing Authority funding for sugar workers. Hence the Tenancies Freehold Purchase Act was passed in Barbados.

While we accept that sugar has a history of exploitation in Barbados as it has all over the world, the position is that in Barbados today, and this is an economic reality that we must all face, every report that has been made on the sugar industry in Barbados discloses the fact that, as far as wages and conditions of service are concerned in Barbados, there is only one country in the Commonwealth, none in the whole of the African Caribbean and Pacific countries that provides better wages than the Barbados sugar industry provides. In the Commonwealth there is only Australia that provides better wages for their sugar workers and in the African Caribbean and Pacific countries, no country provides similar wages, terms and conditions. So the position is quite clear. When you are indulging in your speeches you must accept reality. This is one of the things that I had expected the Government to respond to.

The reality is that the industry has to be restructured and in the restructuring process it is our duty to let all and sundry know that there is going to be shrinkage, serious shrinkage in the numbers of people that are employed. You must accept that reality. There must be more mechanization, there must be more land reform and part of the process – I am going to deal with that now, Sir – of the land reform that is taking place is that the Government is negotiating for a larger unit of production.

One of the criticisms of the Barbados sugar industry is, that despite what all Honourable Members say, we do have a multiplicity of small units producing sugar. If you look at how the sugar is organized in all of the African Caribbean and Pacific countries you will see that it is usually dominated by a large corporation that commands the control of a preponderance of the amount of land that produces sugar, and with a small group of small farmers while, in Barbados, we had a relatively large number of single or family-owned estates producing the sugar.

The Booker Tate proposal is that you bring in an entity that will have control of 12 000 of the 24 000 acres of land. That of the other 12 000 the profitable areas will be retained by units of 1 000 to 2 000 acres and that you will have then a small farming class of 3 000 or 4 000. This is a dying class. All Honourable Members in here have spoken about it. It is a reality that you cannot expect cane to be produced in Barbados, given our structure, by people working 5 or 6 acres of land. That is the position.

That is why the suggestions that the Honourable Member for St. Peter made are very valuable because it may well be that the Government will have to organize its Agricultural Development Corporation in such a way as to pioneer the concept of the Government owning the land, the workers providing the labour, the Government providing the machinery and having a unit there to see

whether that would be as economic as the 12 000 you are going to lease to this one entity. These are real problems. The Government cannot skirt around these problems. They are skirting around the problems.

There will be no viability in the sugar industry unless the Government and the Barbados Workers' Union and the entity are in agreement. That is a fact. We have heard from a spokesman in the Barbados Workers' Union in here. He is not here today. It is a bit unfortunate because I would like to follow through and reply to him on some of the points that he made, never mind that they went around and told the workers that the Leader of the Opposition and myself were part of the obstruction preventing the reorganization of the workers. The point is that, when the Honourable Member talks and says that it is necessary that the workers share in the ownership of the new entity, we accept that The Government is in a position to ensure that. The Workers' Union is in a position to ensure that because they are the ones that are going to be the bargaining agent with the entities that succeed the Barbados Sugar Industry Limited. They are in a position to negotiate new terms and conditions.

I think the workers should be told that the Booker Tate Report envisages very clearly that there would be a large mass of redundancies. As I said before, my criticism of the Government is that it knows these things and is hiding them from the public. When we had to face the introduction of the Deep Water Harbour we faced it. We told the workers openly that there had to be a reduction. We paid out compensation for redundancy. Why are you not telling the people the truth in relation to this? You want to hide that because you want to squeeze maximum political advantage on that. No doubt, in due course, you are going to try and say that the Honourable Member for St. Peter and the spokesmen for this side, including myself, are the ones that caused that. It does not matter to us because we know the truth.

I want to say very clearly, Sir, that the Barbados Labour Party feels there are mechanisms Government can utilize to ensure that any money that has to go from the public Treasury in this restructuring exercise can be recaptured. In 1985 the Honourable Member for St. Philip North made a speech in here in which he pointed out – he was in private practice in his capacity as a land developer, a land adviser and things of that sort – that when you speak of land in Barbados you have to look at it in the context that the mere grant of a planning permission in Barbados causes a phenomenal rise in the value of the land. That is still so. The Democratic Labour Party has never gone on record as telling the public that it will be part of their policy to recoup for the public Treasury, by way of a tax on capital gains or whatever it is called, to ensure that that increase in value is in part recovered for the Treasury. 12.30 p.m.

Mr. Speaker, the position is that the World Bank and other multilateral institutions are on to this point. The World Bank issued a report on Barbados. I am going to make it a document of the House, Sir. If it is not we will photostat it and make it a document of the House, August 1991, Report No. 95, this is what it says with respect to agricultural diversification in the future.

"A basic proposition that should guide any and all proposals for viable opportunities to replace or complement sugar is that any further alienation for green land should be evaluated in light of environmental impact the new land use would have. This means introducing measures that will require environmental impact studies as a standard procedure for large land **transfers**. Measures should also be introduced to deter the excessive use of fertilisers, herbicides and pesticides. Among the measures that seem particularly relevant are the **permanent** zoning of parcels of land exclusively for park land and recreational purposes. Straight enforcement of land use regulations by the Town Planning Board and the treatment of capital gains from land sales as a trading gain was subjecting them to a corporation tax."

Now, Sir, we have had occasion recently to hear of changes of use of land approved by this Government in which the developers are projecting that 2 400 acres of land removed from sugar cane and put into golf and housing development will result in an increase in value of over \$650 million in land sales alone. That is what we have heard.

We know, Sir, that of the two most heavily indebted estates to the Barbados National Bank, one is situated in Christ Church and one in St. Lucy, the parish of the Honourable Member for St. Lucy. We know that in respect of both of them legitimate planning permissions have been granted in respect of one for 180 acres and, in respect of the other, an application was made by that group of estates to subdivide land which was what in Barbados was called rock stone land, rab land, ideally suited for housing development and that application was rejected. No doubt in the passage of time that will be accepted. Sir, I am not **quarrelling** with the fact that that particular application may have been rejected because I specifically said that no doubt in the process of time ...

Hon. E. E. GREAVES: Mr. Speaker, on a point of order. Since the Honourable Member specifically made reference to Fairfield and Mount Gay Group of Estates, and the fact that an application was made to the Town Planning Department, I rise to point out that the Honourable Member is misleading the House when he says that the application was rejected. The fact of the matter is that the person who made the application made an application for, not a specific

subdivision, but it could have been interpreted in such a way, if the application were given, that the entire Fairfield and Mount Gay Group of Estates would have to be subdivided.

Hon. H. B. St. JOHN: Sir, I am not wowed about the point made because I specifically said that **that** particular application may have been rejected but no doubt in the process of time permission would be granted for the subdivision of the rock stone hillside land. You misunderstood. You are jumping at the shadow and leaving out the **substance**. It is not surprising to me that the Honourable Members have not **adverted** to this because that is the Minister of Housing and Planning and if that is how he is he is leaving out the substance. The substance of the matter is that his Cabinet has refused to make up its mind as a matter of policy that it will announce to the world that it intends to introduce a tax on those gains. That is the substance of the matter. Respond to that fact, Sir. That is the position.

The position is, Sir, that what we have here is the capacity of the Government to be able to recapture some of the money that it needs to restructure the industry. The point is that agricultural land in Barbados is valued at \$3 000 to \$5 000 Barbados per acre. The National Bank just put up in the exercise of its power of a mortgagee an estate for sale. It raised somewhere between \$4 000 and \$5 000 per acre. The point is that, if planning permission is given, as the Honourable Member for St. Philip North can tell you, at 50 cents to 75 cents a square foot it is \$32 000 an acre and if you follow the newspapers and the real estate market you will find that agricultural land, hillside land, which has just recently been subdivided is selling at a rate of \$400 000 an acre.

Aside.

Hon. H. B. St. JOHN: Nobody told me so, I have been reading the newspapers. Check and see that land at the Farm is \$10 a foot. The Honourable Member is well aware that he occupies an area of land which was **formerly** farm land and he can tell us what he paid for it. I know he did not pay \$5 000. He is not farming either, Sir. Now, Sir, we should not therefore be wowed about the need for the Government to finance the structuring.

There are 2 other points why we feel that the Government's amendment cannot be accepted. Those last two points relate to what is taking place now with the mechanism of the receivership. I just want to repeat that the receivership proposals which originate in the Booker Tate Report are cumbersome in the context of the existing structure of the industry. The position is that the Government as a shareholder of the land via the ADC together with the Bank as mortgagees of the heavily indebted estates, the two of them together, command a majority on

the board of the Barbados Sugar Industries Limited and they can appoint directors. Under the Companies Laws of Barbados shareholders can fire directors at any time. They can appoint directors of their own liking.
12.40 p.m.

There is no need to pay out the large fees which have to be paid out to Receivers. To do what? The market for sugar factories is very limited. Only a successor institution which has the support of the land owners will survive, because if the land owners who are not heavily indebted decide they do not have any confidence in the processing arm, there is not a proper contractual relation, they just would not grow. The position would be that you would have to arrive at a situation similar to that which exists in all the rest of the Commonwealth and in the African, Caribbean and Pacific countries in which you have to have an entity which processes, and has an agreement with the growers in which the split takes place between the gross proceeds arising from the sale of the sugar. We must deal with that too.

I feel, Sir, that this Resolution has had a useful effect, because it has allowed a debate in Parliament on this very important issue. I think it has been indicated quite clearly that the consensus of the debate is that the sugar industry is necessary in Barbados and that steps have to be taken to ensure that the successor institutions to the existing institutions are viable, but that we must recognise the reality of the situation, which is that we are a high cost producer and that structural changes will have to take place in the industry, the effect of which will mean a reduction in employment and a consequential reduction in cost. I must say, Sir, that I have read all of the reports and I believe the Government will have to continue for some considerable time to provide support for the industry. I hope that support is financed by a combination of the existing measures which were proposed and a change in the taxation laws in Barbados. I know that is not going to be popular with the people who own the land, but I think it is wrong that the mere grant of a planning permission in Barbados can escalate the value of the land in accordance with the figures that we all know and that some of that is not recaptured for the public Treasury.

I beg to move, Sir, that this Resolution do now pass.

Mr. SPEAKER: There is an amendment before the House and before words can be inserted one would first have to put the question that the words proposed to be deleted stand part.
12.50 p.m.

DIVISION

The bell was rung.

The question that the words proposed to be left out stand part of the Resolution was put and resolved in the negative the House dividing as follows:

Noes: Rt. Hon. L. E. SANDIFORD, Hon. M. A. KING, Hon. D. J. H. THOMPSON, Hon. W. O. FRANKLIN, Hon. N. K. SIMMONS, Hon. W. W. HALL, Hon. C. V. WALKER, Hon. D. W. BOWEN, Hon. E. E. GREAVES, Mr. L. L. BRATHWAITE, His Hon. T. C. ESTWICK, Mr. J. O. TUDOR, Mr. H. A. BLACKMAN - 13.

Ayes: Hon. H. B. St. JOHN, Mr. O. S. ARTHUR, Mr. L. R. TULL, Miss B. A. MILLER, Dr. R. L. CHELTENHAM, Mr. DeL. O. BRADSHAW - 6.

The question that the words proposed to be inserted be added to the Resolution was resolved in the affirmative without division.

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

Hon. M. A. King: Mr. Speaker, I would ask that Government Notices be taken.

GOVERNMENT NOTICES

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

The National Insurance and Social Security (Collection of Contributions) (Amendment) (No. 2) Regulations, 1992.

The National Insurance and Social Security (Self-employed Persons) (Amendment) Regulations, 1992.

The Annual Report of the Accountant-General for the financial year 1991-92.

ADJOURNMENT

Hon. M. A. KING: That takes care of Government Business for the day. I move the adjournment of the House until January 5, 1993 at 12 o'clock noon.

Before I conclude, Mr. Speaker, I should like to take this opportunity, it being the season of goodwill, to extend from the Government side to the members of the Opposition, the compliments of the season and the best for 1993.

I should also like to take the opportunity to extend to the staff of Parliament and the reporters, the police officers and all those who have participated in the work of

Parliament and contributed to making the work of Parliament a success the compliments of the season and all the best for 1993.

I should also like to take the opportunity to extend to colleagues on this side equally good wishes, and **finally**, and by no means least, to extend to you and your family the compliments of the season and the best for 1993.

Mr. L. R. TULL: Mr. Speaker, Sir, on behalf of the members of the Opposition I should like to extend to you and the members of the Government and the Honourable Member for St. Philip South and their respective families our very best wishes for 1993. I should like to attach to all this members of the staff of Parliament. I know it has been a fairly tempestuous period for them. I would like to

promise them that there would be some respite when we renew our discussions and debates in the new year but I cannot in good conscience do that.

I do hope that **all** the staff will accept our felicitations. Thank you.

Mr. SPEAKER: Thank you for your season's greetings and I reciprocate by extending to all of you season's greetings. Hopefully next year we shall resume business as we have done in the past.

The question was put and resolved in the affirmative without division, and Mr. Speaker adjourned the House accordingly.
1.00 p.m.

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