

THE

House of Assembly Debates

(OFFICIAL REPORT)

FIRST SESSION 1994 - 99

HOUSE OF ASSEMBLY

Tuesday, October 25, 1994

Pursuant to the adjournment, the House of Assembly met at 11.20 a.m. on Tuesday, October 25, 1994.

PRESENT

His Honour I. A. ROETT, (Speaker)
His Honour R. D. MARSHALL, (Deputy Speaker)
Rt. Hon. L. E. SANDIFORD, B.A., M.A., (Econ.),

J.P.

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

Mr. L. A. WEEKES

Hon. O. S. ARTHUR, M.Sc. (Econ.), (Prime Minister, Minister of Finance and Economic Affairs, Minister for the Civil Service)

Hon. D. A. C. SIMMONS, Q.C., LL.M. (Attorney General and Minister of Home Affairs)

Mr. D. J. H. THOMPSON, LL.B. (Hons.)

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

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

Hon. Dr. R. L. CHELTENHAM, Q.C., M.A., M.Sc. (Econ.) (Minister of Tourism, International Transport and the Environment)

Hon. Miss B. A. MILLER, (Deputy Prime Minister, Minister of Foreign Affairs, Foreign Trade and International Business)

Mr. J. O. TUDOR, J.P.

Hon. G. W. PAYNE, (Minister of Public Works, Transport and Housing)

Hon. R. C. EASTMOND, B.A., LL.B. (Minister of Agriculture and Rural Development)

Dr. R. C. HAYNES, M.B., Ch.B., F.R.C.P. (Edin.)

Mr. D. CARTER

Hon. R. N. GREENIDGE, (Minister of Labour, Community Development and Sports)

Mr. G. A. CLARKE, (Parliamentary Secretary, Ministry of Public Works, Transport and Housing)

Mr. J. M. EDGHILL

Mr. F. J. STUART

Mr. W. C. C. CALLENDER, (Chairman of Committees)

Mr. H. F. LASHLEY

Mr. R. St. C. TOPPIN

Mr. D. St. E. KELLMAN

Hon. Miss H. E. THOMPSON (Minister of Health)

Hon. Miss M. A. MOTTLEY (Minister of Education, Youth Affairs and Culture)

Prayers were led by Rev. Ivan Harewood.

Mr. SPEAKER: The House is now in session. The Minutes of Tuesday, October 25, 1994.

Hon. Miss B. A. MILLER: Mr. Speaker, Sir, the Minutes have been circulated and have been taken as read. I beg to move that the Minutes of October 18, 1994 be confirmed.

Hon. D. A. C. SIMMONS: I beg to second that, Sir.

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

ANNOUNCEMENTS

Mr. SPEAKER: I am to announce that I am in receipt of the Accounts and Statements for the months of March, April, May and June, 1994.

Aside.

Mr. SPEAKER: I would like to correct that. I am to announce that I am in receipt of the Accounts and

Statements for the month of July also as prepared by the Accountant General.

PAPERS

Hon. D. A. C. SIMMONS: Mr. Speaker, I am commanded to lay the Annual Reports of Her Majesty's Prisons for the years 1990, 1991 and 1992 respectively.

FIRST READING OF BILLS

Hon. D. A. C. SIMMONS: Mr. Speaker, I beg to move that a Bill to amend the Magistrates Jurisdiction and Procedure Act be now read a first time.

Hon. Miss B. A. MILLER: I beg to second that, Sir.

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

Hon. O. S. ARTHUR: Mr. Speaker, Sir, I beg to move that the Barbados Agricultural Management Company Limited Sugar Bond Guarantee Bill, 1994 be read a first time.

Hon. Miss B. A. MILLER: I beg to second that, Sir.

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

ORDERS OF THE DAY

SUSPENSION OF STANDING ORDERS

Hon. Miss B. A. MILLER: Mr. Speaker, Sir, I beg to move the suspension of Standing Orders Nos. 6,16,18,20, 42(5), 43, and 44 for the remainder of this day's sitting.

Hon. O. S. ARTHUR: I beg to second that, Sir.

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

Order No. 4 -To move that this House resolve itself into Committee of Supply to consider a grant of sums of money for the Service of Barbados.

On the motion of Hon. Miss B. A. MILLER, seconded by Hon. D. A. C. SIMMONS, Mr. SPEAKER left the Chair and the House went into Committee of Supply, Mr. W. C. CALLENDER in the Chair.

COMMITTEE OF SUPPLY

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

SUPPLEMENTARY ESTIMATES 1994-95

Order No. 4-To move the passing of a Resolution to grant the additional sum of \$500 000 from the Consolidated Fund to Supplement the Estimates 1994-95 as shown in the Supplementary Estimates No. 2 of 1994-95.

HEAD 30 - MINISTRY OF THE ATTORNEY GENERAL, MINISTRY OF JUSTICE AND MINISTRY OF CARICOM AFFAIRS - \$500 000

Hon. Miss B. A. MILLER: Mr. Chairman, Sir, this Head is now residing in a new Ministry. The former Ministry of Foreign Affairs - I think as most Honourable Members understand by this time is now the Ministry of Foreign Affairs, Foreign Trade and International Business. The Prime Minister and Minister of Finance when he reordered the portfolios in his new administration saw fit to put in this new Ministry Telecommunications and the Corporate Registry. I interpret that to mean that the Prime Minister and Minister of Finance has given the tools to this new Ministry so that it can efficiently and more effectively carry out its work.

Barbados has enjoyed a good reputation I would say in the several years since the Barbados Labour Party in an earlier administration introduced what has come to be known as the offshore sector and what in recent times is referred to as the International Business and Financial Services sector. In the past years of the recent administration, we have felt in the Barbados Labour Party and it has been felt out there in the world of international business that not enough had been done to enhance the work of this sector and certainly to enhance the reputation that Barbados had achieved up to this time. Indeed, I was much distressed on a recent visit to New York to the U. N. General Assembly to come across a new book called the "Complete Guide to Offshore Money Havens, How To Make Millions, Protect Your Privacy and Legally Avoid Taxes" by somebody called Jerome Schneiders. It was published out of California. There was an interesting piece on Barbados. It spoke of political stability as a major benefit to anyone considering financial ventures in Barbados and it made the point that without racial friction and military rule or serious labour problems we operate a parliamentary Government located - and they say where Barbados is and they talk about the sunshine, the balmy trade winds and so on. 11.30a.m.

It also went on, this book, to make the point that we have an excellent top of the line communications system and it made mention of the earth satellite station, our road system and so on. It also went on to say, and I quote, and I am prepared to make this excerpt copy a document of the House:

"If you consider this offshore haven..." meaning Barbados "... that people should be forewarned that the quality of local banking regulations is considered below par by most analysts."

It goes on to say too -

"... that like the Bahamas Barbados discourages financial investment by individual entrepreneurs as well as small consortiums to limit the pool of eligible investors, local Government now requires a hefty U.S. \$1 million paid-in capital requirement before issuing a bank licence."

But this was the part that really disturbed me:

"Between this capital requirement and a deteriorating economy due to falling exports and a rising trade deficit, I suggest that you avoid Barbados for business activity. I would, however, encourage anyone to vacation there. It is a beautiful place and very welcoming to American tourists."

We were much disturbed at this and in fact, through the publishers, found Mr. Jerome Schneiders, drew to his attention our new Manifesto, and in fact we have sent off a copy of the Manifesto to him, and extracted a promise from him that he will now rewrite this small chapter on Barbados when he puts out his new edition. We believe that is going to happen next year.

We in our Manifesto - this document is already a document of the House, thanks to the Leader of the Opposition - at page 7 speak of technological change. We make the point that we believe "we can reduce unemployment in this country ..." Barbados "... to negligible proportions by putting into effect a three-pronged strategy." The first prong that we refer to in our Manifesto speaks of -

"existing international business and technological conditions create an environment within which Barbados can fully develop relying on its export of services and becoming the leading services economy in the Caribbean. We intend to take advantage of a dynamic information processing industry, a fully fledged off-shore financial sector and a tourism sector with new dimensions that take it..." (Barbados) "... significantly beyond sea and sand."

Mr. Chairman, this Resolution before the House asking for some \$500 000 for the computerisation of the Corporate Registry is the first step in that direction. It is one of the high priorities that the Ministry of Foreign Affairs, Foreign Trade and International Business has for the first hundred days of the Arthur administration. It does give me an especial pleasure this morning to be able to be speaking as I do on it.

Mr. Chairman, I want to say that the Corporate Affairs and Intellectual Property Office has many responsibilities and it has an administrative function under our Companies Act, but that office also has a direct responsibility for a number of pieces of legislation as well as legislation which impinge on our Companies Act. There are several pieces of legislation which we now have to busy ourselves with. There are several new pieces of legislation which will bring quite new concepts to this whole business of international business and financial services. We have two new pieces which we are putting before the professions, particularly the legal and the accounting professions, for their comments before they come here, but there are many pieces of legislation which have to do with the Companies Act and its accompanying regulations, the Foreign Sales Corporations Act, International Business Companies Act, and it goes on and on. These are existing pieces of legislation which all fall within the Corporate Registry's jurisdiction.

With the steady growth of Barbados, Sir, and even greater growth which this administration is about to launch, as an offshore financial centre over the last decade and in the decades to come, the Corporate Affairs and Intellectual Property Office has struggled on a manual operation. As I have said on an earlier occasion in here, last week, we are in a 1950's mode in 1994. That is only one of several constraints and it has been quite impossible for the Corporate Registry, with these difficulties facing it, to keep pace with established and even emerging centres in this region which have been virtually computerised at this stage, and there is a whole network now in place and we have to get on line and on board if we are going to significantly improve the efficiency and the speed with which business is done in Barbados.

Mr. Schneiders' comment had to do with the fact that it takes an inordinately long time to do international business in Barbados and there are a number of barriers and hurdles that people encounter in their attempt to do business. We have to make ourselves what the Prime Minister is pleased to call business friendly. We have to provide an environment that is business friendly so that people will want to come and do business here. Like tourism, word of mouth works in this sector as well, and if business people whisper and write, as Mr. Schneiders has written, to say that in truth and in fact we are not as open to international business as we claim to be, we are in a region where it is very competitive and they can easily go to other islands, which shall be nameless at this time, and other countries in this subregion. We have to make ourselves very attractive in this connection.

Following a review of the requirements of the Corporate Affairs Office, IBM has recommended to us the installation of what is called its Image Plus 400

system which will provide savings in filing space, the ability to generate additional revenue, it will reduce time in retrieving and printing documents and, we think, result in an overall increase in productivity of the Office of Corporate Affairs. The system, which will facilitate the management of paper documents in new ways, will allow the office to electronically capture, import, index, store, retrieve, display, process, distribute, send a fax and print image information. This proposal, Sir, if it is adopted, when it becomes available early in 1995, we believe can be an asset especially to the offshore operations of the Corporate Registry. It will involve what is called the Offshore Infosystems Limited software offering, and this is, I am told, a leading edge company registration system and it is modelled on a very successful system which is in operation in the British Virgin Islands and I believe that Honourable Members who work in this sector are familiar with the British Virgin Islands system. The cost of the system recommended by IBM is meant to include hardware and peripherals, software, image and work stations, scanner and training services for 10 persons by IBM, totalling some BDS\$454 954. That is roughly what the breakdown looks like. 11.40a.m.

The Minister of State in the Ministry of Foreign Affairs, of Foreign Trade and International Business who has day to day responsibility for the Corporate Registry is of the view that if Barbados and the Corporate Registry, in particular, is to keep in touch and in sync, and ahead with technological developments, in the world economy and the competitive environment that I just spoke of, not only in this region but in the world, which has resulted generally and more particularly in offshore financial centres, it is imperative that the computerisation process of the Office of Corporate Affairs and Intellectual Property must be put in train at the earliest opportunity.

Now we are aware in the Ministry - the fact that it has just recently within weeks come to us doesn't make us any less aware - and as a member of the legal profession I am aware that the Office of Corporate Affairs and Intellectual Property has suffered a great deal of negative criticism in recent years, especially in relation to the incorporation and registration of offshore companies and we feel that the computerisation process that we want to get underway now, the training of staff, which is a component of that will, to a large extent, facilitate a new approach in this Office. It simply has to become a year 2000 kind of thrust. It has to be even better than the 1990s.

We are, therefore, coming to this Honourable House and wanting to inform Honourable Members as far as we can do in this respect. At the same time that we are taking these measures to improve the efficiency and the effectiveness of the Corporate Registry, we, in the

Ministry, are in the process too of upgrading the technical skills in respect of international business and financial services. We are planning to relocate the Corporate Registry in more suitable premises, in due course, and we hope that this computerisation process will be in place by the end of this year, 1994. That is why I said earlier that it is one of our first 100 days' priorities.

The system will include an imaging and document management system which will eventually allow corporate clients to conduct corporate searches and requests for copies of documents on line from their own offices so that to use a colloquialism, Sir, it would be push-button work from here on in. This business of manually copying everything and endless telephone calls and searches and so on and so forth will be a thing of the past.

Needless to say, Sir, there is expected to be an electronic billing feature because this is a revenue generator as well that will allow customers to be automatically billed and to pay the Corporate Registry for their services by electronic transfer of funds. The issuance of receipts would by the same methodology be virtually instantaneous. At present, the delay in the issuance of receipts is one of the major irritants of business.

In relation to international business and financial services, Sir, there is also a very real need for improving the level of human resource skills in that office and that is why the training component of this is so important. While there are those persons who can be usefully trained to take on greater responsibility, there are some who have reached the limit of their competence and we need a top flight legal brain and a seasoned chartered accountant with some offshore commercial services experience. All of this we want to bring on board. We want to engage the services of a consultant of international stature who will live in Barbados over the next year or two and train and develop our staff so that we can really take this strategy that we have begun to outline for international business and financial services forward.

Aside.

Hon. Miss B. A. MILLER: Mr. Chairman, with those words of introduction I beg to move that this Resolution stand part.

Hon. D. A. C. SIMMONS: I beg to second that Resolution, Mr. Chairman, and reserve my right to speak.

Mr. D. J. H. THOMPSON: Mr. Chairman, the Opposition will have no difficulty in supporting this particular measure and I certainly do not wish on the merits of the expenditure of the money to get into any

major debate; but there are some elements of the introduction which have caused grave concern to me, perhaps to other persons on the Back Bench, in particular, who are more familiar with these matters relating to the offshore sector.

Barbados is not a tax haven. It is a low tax jurisdiction and therefore to be quoted favorably in Schneider is not something that I, myself, would look forward to. Therefore to premise one's remarks about Barbados' location or attractiveness or competitiveness as against tax havens, in my view, is to totally misconceive what Barbados sees as its role in the international business and financial sector in Barbados.

It is not for me, therefore, to advise Government on what direction the offshore sector, so-called in Barbados, should take; but I always thought that there was common agreement particularly by those who were familiar with the development of this sector that to be a tax haven is precisely what we are not looking at. So I was a bit surprised to view...

Aside.

Mr. D. J. H. THOMPSON: That may be true but that is not the kind of domicile that Barbados is. It is not the kind of domicile which any governments have sought to promote Barbados as and therefore one should not worry too much. There are many journals and many persons who come to Barbados, the most recent being a gentleman who has visited Barbados for the past 25 years, Mr. Murty who has added Barbados to one of those countries in which he has reviewed the tax scenario and the Minister should have at her disposal a document prepared by a firm of attorneys, one of the most prominent in the United States of America and financed jointly by the Barbados Government and the private sector. The firm is called White and Case. The White and Case Study on the International Business and Financial Services Sector.

I would think that since we all agree, or I assume so, that the basis of the White and Case study and the scenario which it projects for Barbados is the direction in which we wish to go in relation to international business and financial services that one would understand the kind of promotion and the kind of journals and the kind of encomiums which we would seek to attract and Schneider, in my view, would not be either at the top of that list nor even in the middle. Barbados is simply not that kind of jurisdiction. In fact one of the things about Barbados as an offshore domicile is that we have been particularly selective in the way that we have promoted this country. We have avoided promoting Barbados in those journals, pamphlets or newsletters which seek to promote tax havens because we are not a tax haven. I think this matter needs some attention urgently because if

we are by implication, if I am to accept what the new Minister is saying, as being an indication of the direction in which Barbados is going, then I have grave concerns about not this initiative, but any initiative which seeks to change the composition of the way in which the international business and financial services sector has developed. 11.50a.m.

The Price Waterhouse Barbados Tax Newsletter, I just came across it as the Minister was reading, and it is very interesting. I will make it a document of the House/The Barbados Tax Newsletter put out on October 18, is very fulsome in its praise of the Government on its Throne Speech, went on at page 3 to make this point, very important, and I quote from page 3:-

¹ There is a need to develop a clear strategy in terms of promoting Barbados and attracting active international business as a regulated low taxed jurisdiction so as to distinguish Barbados in the market place from the ever increasing number of tax havens whose future is at best uncertain."

This is one of the leading accounting firms in Barbados, very much involved in the international business and financial services sector. I think the Government is going to need, after this introduction, I do not wish to blow the matter out of proportion, to make it clear what direction Barbados is going in because it is very important to understand what our competition is in Barbados. As a domicile Barbados has certain advantages which are unique to Barbados. There are a combination of pieces of legislation. There are combinations of investment vehicles and a combination of tax policies which make Barbados unique. There is no other jurisdiction that combines that particular combination.

I think that combination is appropriate and the Opposition is supportive of that combination but we are not supportive of seeking to compete either with domiciles which have volume registrations or domiciles which are viewed as tax havens. That is not the direction in which Barbados, in my view, should go and if the changes are contemplated in that area, I should like to hear about them at the earliest possible time. I have no problem with attempts being made to facilitate investment in Barbados and we certainly will support any initiatives.

The previous administration sought by way of measures, in the last Budget, to free up the foreign exchange regulations but again, the comment of Schneider about the deposit in relation to offshore banking, I do not know that that is an area that Barbados has any real interest in pursuing with the vigour with which the writer of that Journal would wish to suggest that we wish to pursue it.

I think that the registration of offshore banks, unless we are very cautious about it, is an area that we do not need to push any further. I think that the requirements, both the regulatory framework and the requirements by way of the deposits which have to be made and the other prudential information which must be required, are adequate. I do not think that in Barbados there should be any further diminution of the regulatory framework or any major changes in relation to the area of offshore banks and the way in which they operate in Barbados.

We do not need to be competing at that level. There are areas in which we are competing very well. Foreign Sales Corporations - contrary to any impression that has been given by anybody - the registration of them has increased probably more than 100% year by year, particularly since the franchise tax arrears were being sought by St. Thomas as a domicile and you will note that the FSC Conference is being held in St. Thomas this year. It is being held there because of the strides that Barbados had been making. It is the first time the FSC Conference is being held outside of continental North America. It is being held in St. Thomas because of the strides that this country has been making essentially in diverting business from the U.S.V.I. to Barbados in relation to Foreign Sales Corporation.

When we passed the amendment to the Foreign Sales Corporation Act a few months ago in this Parliament, there were criticisms, although I did not think the criticisms were founded in logic, that the issue was to permit Foreign Sales Corporations to trade within CARICOM.

Aside.

Mr. D. J. H. THOMPSON: There were criticisms because we were talking about Caribbean multinational corporations like Grace Kennedy, if you throw yourself back to the debate, which established US corporations and trade them back in the region. At that point some of the concerns were legitimate but I am saying there were criticisms at that time. It is that also which has given us considerable advantages and advantages which have been helpful. I think we can sit down as a country, particularly because the private sector has led the initiative in the development of the offshore sector outside the regulatory framework, and agree on the direction we want to take and ensure that we all work hard in that direction.

It is not true to say that not enough was done. Of course, people can always say that more should be done, but the more that you do, and I do not mean by way of legislation, I mean the more active that Government becomes in promoting the international business and financial services sector in Barbados, you will find that the private sector is going to pull its resources out of that and

therefore I do not think that we need to look at the allocation of resources from the point of view of promotion and so on, and in this regard the Minister is quite right. We need to look at the allocation of resources in relation to upgrading the administrative capability and perhaps computers will do this. Although there are many Government Departments in which the addition of computers has caused, not less confusion, but more because the phenomenon in the Caribbean is that we spend more on the hardware and the software than we spend in training and the way in which the Public Service functions, transfers from here and there, people do not develop the kind of expertise which they should and computers therefore remain on desks as status symbols rather than as tools which should be used and the Ministry of Finance is one of the famous places for that. The Minister can check that for himself.

We established an International Business and Financial Services Unit and for the first time in the last Estimates that Unit was provided with resources....

Aside.

Mr. D. J. H. THOMPSON: Not personnel. The personnel had been provided from the December of 1992. The Unit was launched at Ilaro Court in the presence of the Speaker of the United States House of Representatives together with representatives of most of the major law firms in the United States who were involved in the offshore sector as well as other prominent persons and a major event was held for the offshore sector. The Unit's work then began formally as a Unit with resources from that time and in March adequate resources were placed at its disposal for the work it is designed to do. I hope the unit will be able to continue with that high quality of work which it had begun since its inception. That is a significant development because recommendations had been made for the establishment of such a secretariat for a long time even during the time of previous administrations which had established or took credit for the establishment of International Business and Financial Services Sector.
12.00 noon

What was happening previous to that is that the Central Bank, as it did in some areas of industrial promotion, had more control over those areas than the executive Ministry of Government department which was dealing with it. It was the Democratic Labour Party that took the opportunity to establish that unit and to staff it and as a result of that there has been greater collaboration between the entities, both public and private, which are involved in the Offshore sector. They have negotiated new double taxation treaties, they have negotiated new bilateral investment treaties with the United Kingdom. They have started new negotiations with a large number of countries in South America. They were rushing to get one done

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with the European Countries because of the terms of the EEC business, where if there was a treaty in existence, it would simply apply and you would not need to negotiate one with a composite grouping. So they had done that and strides had been made. What has not been done, and this is very important, is that the legislation which is so vital to this country keeping abreast has not been drafted. So that other territories came along and put in place new trust legislation based on reports which Barbados had financed, I am almost certain, and other jurisdictions made other changes to their legislation which put them in a slightly more competitive position.

What, as I understand it, the private sector is saying now, is that based on the legislation and the investment of vehicles and the arrangements we have now, Barbados is progressing satisfactorily but if we wish to make advances, particularly into new areas involving countries in Latin America, parts of Europe and even Africa, then you have to look for these new investment vehicles. There are a large number of opportunities which we could have in that regard and I would commend the on-going work of the offshore committee to the Minister.

There should be a draft of the Trust legislation which is almost ready for Parliament and other legislation which was in the drafting stages and for which the Government had employed private persons who had previously worked in the Government service and who are now in private practice to undertake the drafting of that legislation.

Those are significant advances. The White and Cane Study is, in my view, a path breaking study and it was, in my view ...

Mr. CHAIRMAN: The Honourable Member has one minute to wind up.

Mr. D. J. H. THOMPSON: Thank you. That study is very important. The new laws are under way and in my view the work which was done in relation to promotion and streamlining the administrative apparatus for the International Business and Financial Services sector has been significant. So we are not going to oppose the measure but I wish to say, however, that I think that the focus of the Minister, in her introduction, was slightly misdirected and therefore we have to understand where Barbados is competing and ensure that we focus on that rather than looking at us as a domicile as against a tax haven. That is a totally misconceived outlook to have on the development of our International Business and Financial Services Sector. I thank you.

Rt. Hon. L. E. SANDIFORD: Mr. Chairman, I rise to support this particular measure. It is for the sum of \$V₂

million hopefully to provide improved and more efficient services in the particular department. I do not think on this side we have any quarrel with that. It is a matter for the Government to indicate the priorities in accordance with available resources.

I would also wish to take note that the Minister quite properly recognised a criticism of Barbados, and sought to respond speedily to that criticism. I think that any criticism of any aspect of the public affairs of this country should elicit as speedy a response as possible, and I think to that extent the Minister should be commended for taking that particular action. Whether the action was the most appropriate in the circumstances may be a question for examination.

As I understood it, the criticism was that Barbados, as appeared in the document which the Minister referred to, was not a very attractive place for doing business. That is something which, whether it applies to a particular subsector or the entire sector, is something that we have to correct and to get right because we want the right image for Barbados.

Let me make the point, Sir, that it is crucially and vitally important that we earn in every sector the foreign exchange required in order to maintain financial and economic stability in Barbados; and to the extent that our image abroad may be criticised, to that extent we must take action to correct it.

Now, the question has to be asked whether the criticism made was sound and well based. I did not hear the Minister address that particular point. Someone writes that something is wrong with the banking regulations. I do not remember what was the word she used, whether it was too "cumbersome"¹¹ or too "stringent". Was that a fact, given Barbados' particular posture or not? Was it preventing the development of the subsector which we may agree is desirable for the development of Barbados or not? What has been the reaction of the subsector to those particular criticisms? And then, how do we respond to it? Do we send off to the author a copy or an extract from a party's Manifesto, or do we say this is the policy of the Barbados Government, or some extract from the Throne Speech setting out the policy?

Now, I would think, Sir, that it would be more appropriate ...

Mr. CHAIRMAN: Would Members please address the Chair.

Rt. Hon. L. E. SANDIFORD: I think, Sir, it would be more appropriate, acting at that level, to send the official policy or Ministerial position rather than sending an

extract at that level of a political party. We wish to keep the matters at a level above party policy. Now it may be that the Minister in her exuberance and desire to respond quickly overlooked this particular matter. We are simply sending a signal here and a warning that in these matters, perhaps a little more care, caution and circumspection should be used in these particular areas. 12.10 p.m.

Sir, I think those are the only points I wish to make on this. It is vitally necessary that we do everything to develop and further improve the international financial and business sector. Much work has been done in the past. More work needs to be done. We have taken steps and have enunciated a policy as a Government. I think that this is something which both sides can agree on, namely that Barbados should become a one-stop shop and our arrangements should be such that there should be the minimum of obstacles and the minimum of bureaucratic red-tape in order to get business and international business done. I believe that as part of the restructuring and re-organization, certainly the objective was that the major departments and corporations involved in these areas should operate in a way that bureaucratic entanglements would not prevent the speedy transaction of business. I think we can be committed to that, and I think that we can be committed to the need to do whatever is necessary in order to make our business operations, including business operations in the international economic field, more efficient and more appropriate to the needs of our time and the needs of our country.

Sir, in conclusion, let me say that it is right, whatever criticisms there are, that we should take steps to try to counter those criticisms. Our approach should however be measured and should be appropriate to the circumstance with which we are dealing.

Dr. R. C. HAYNES: Mr. Chairman, after my short vacation from this House for some 3V₂ years, it looks as though one has returned to a debate that was continuing for so long without much being done. No one has ever questioned since 10 years ago the whole issue about a one-stop operation which was raised and we are still talking about the same thing today. The same issue as to the role of the public sector in relation to the development of the offshore sector was being debated 10 years and it is still being debated. It looks as though...

Aside.

Mr. CHAIRMAN: *The Honourable Member for St. Michael South Central is asked to address the Chair. I am not dealing with Asides.*

Dr. R. C. HAYNES: Sir, I think that the Honourable Member for St. George South needs to look at the Budget

of 1987 and he will see the steps that were started to get the one-stop shop going. However, Sir, I think you may recall that it was only a week ago that I raised on the floor of this House the whole question of the problems at the Corporate Affairs Department. I am very pleased to see that the Government has responded so rapidly and it is clear testimony to the effectiveness of this NDP Opposition over here that in seven days time we can get some kind of response.

Aside.

Dr. R. C. HAYNES: There is nothing wrong with responding. Is there anything wrong with that?

Mr. CHAIRMAN: I am again asking the Honourable Member for St. Michael South Central to address the Chair.

Dr. R. C. HAYNES: The facts are, Mr. Chairman, that I raised the issue of the problems of the Corporate Affairs Division on the floor of this House a week ago last Tuesday. The second fact is that a measure is before the House today to assist in the alleviation of the problems at the Corporate Affairs Department. I, therefore, cannot have any difficulty in supporting the measure particularly with the re-assurance that there will be a concomitant attempt to improve the human resources situation in that Department. I think it is well known among the practitioners in this field that there was a bottle-neck and a problem there which needed to be dealt with a long time ago. It was not dealt with and it was a source of considerable frustration among people operating in the field.

The second area that I would like to make a comment on is that when one looks back over the years, one really has to recognize the very important contribution made by private practitioners in Barbados in the development of the offshore sector. I think it is a fair comment to say that the public sector contribution has not kept pace with them. One cannot help of course but be very congratulatory of the efforts of the former manager of the Central Bank of Barbados particularly between the period of 1979 and probably over the first ten years of the operations of the offshore sector here in promoting from the public sector angle the offshore sector of Barbados. By and large, one would like to see a far more active involvement of the public sector in the development and the promotion of the offshore sector.

I do not think that the Minister who was a little wobbly in her presentation, probably as a result of a little unfamiliarity of the subject, need worry about complaints about the capital requirements for a bank licence in Barbados in the offshore sector. I believe that the second Offshore Bill in 1979 was debated in this House. There was extensive debate as to what kind of image we

should seek to project and I remember being very forceful indeed and stressing on the Government the importance to make sure that it is developed as a clean destination. I think the contributions in the debate then certainly resulted in an ever present awareness by successive Governments that they need at all times to make sure that the image of Barbados as an offshore sector is well protected, and that very often going after the quick dollar whether it be in the offshore banking sector or in this craze for casino gambling or whatever, can only in the long run damage the country. I think the Honourable Member for Christ Church South, whose name I will not call, because I cannot call his name in this Honourable House, would fully support that kind of position, that it is the long-term you have to vote for, even though it may appear that your rate of growth might not be as dramatic as can be. 12.20 p.m.

I think that Barbados now, as far as I am aware, has a very wide range of products available. I gather that in many instances there is not the supportive legislation to support the rapid development and the marketing of those products. I believe that the next bottle neck is in fact in the office of the Attorney General. I sincerely hope that he responds to the cries of the Minister of Foreign Affairs and tries to get some appropriate legislation out of his office, because the complaints I hear out there not only relate to the administrative problems of the Corporate Office but the continuing problem of getting legislation out rapidly to address the need for the new products that have come on stream, and to make sure that Barbados is always one step ahead.

In the past, I hope my memory serves me right, I think there were two bits of legislation that came here that made a difference because they were timely. I think one related to the Foreign Sales Corporation and another one related to the double taxation treaty with the United States.

Aside.

Dr. R. C. HAYNES: Anyhow, there was a treaty that was necessary at a time when the whole thing might have compromised the Foreign Sales Corporation situation.

Aside.

Dr. R. C. HAYNES: The Exchange of Information Act, right. That was a situation where the Attorney General's Office responded timely to a situation that assisted the offshore sector. So I think whatever needs to be done within your Department, even if you need to employ people who have special skills in those areas to make sure that that is done. The point I am making is that we have been talking a lot and in the public sector we have not been making the kind of progress with the kind of pace I think is desirable.

I certainly think that the dismantling of foreign exchange controls in Barbados would be a major factor in promoting the offshore sector and in fact promoting investment in the country. It is something that the Minister of Finance and Prime Minister has to look at, make a very major policy decision - a very delicate policy decision both in terms of timing and other related factors - but it is something that has to be looked at because, certainly, looking back over the past 30 years throughout the Caribbean there is not a shred of evidence that exchange controls have done anything other than harm in terms of economic development.

I know there is a certain fear, a certain reluctance when it comes to dismantling foreign exchange controls, but nevertheless look back at the experience of most Caribbean countries and I think you will find it was a kind of mistaken view that that kind of regime of management of your foreign exchange would necessarily result in a better external position and faster economic development. So it is something that needs to be looked at. It is the kind of thing where I think any Government that attempts to do, would probably require the support of all the parties in Barbados, because there might be a temporary risk involved in the exercise and therefore the timing has to be very appropriate and the political climate has to be right and all other relevant factors. I have no doubt whatsoever that the dismantling of foreign exchange controls in Barbados would be a very desirable thing to achieve. When it can be achieved or how it can be achieved is something that needs to be looked at and one needs to work towards that.

On this whole question of investment in Barbados, I think it is about time that we stop fooling ourselves. There is no question whatsoever that Barbados is not a country that is particularly friendly to investment, whether it is foreign investment or even local investment. We have the problems of taxation and we have gone down the route of progressively exempting various sectors from the heavy burden of taxation without looking at all the other factors in the society that result in the high cost of operation. Then there is the administrative humbug. When you speak to those lawyers who are out there in the commercial field, lawyers who have to deal with persons who wish to invest in Barbados, they tell you they cannot understand why anybody bothers to invest in Barbados because of the humbug they get with all kinds of administrative problems. These things need to be removed, they need to be reduced and they need to be dealt with.

Just look at the kind of problems you have with investments in real estate in Barbados. The tax burden on people wishing to invest, whether they are local or whether they are foreigners, in terms of transfer tax and all kinds of taxes. We need to deal with these things and to recognise that if we identify increasing investment as a

fundamental requirement for the development of this society and for job generation, we need to look at the totality of the situation and see what are the factors inhibiting investment. Do not just let us go along like ostriches and believe that because we say that Barbados is such a wonderful place for investment that it is. Why do you think there is hardly any new investment in hotel plant in Barbados? No new big hotels are coming into Barbados. Do you know why? Look at the rate of return on the investment in hotel property. I think the rate is somewhere in the region of less than 6% at best. Who is going to invest money in a situation with that kind of rate of return? All these things we need to look at. Even in those areas that are partially protected by tax incentives, nevertheless we find that it is not attractive for investment and the whole thing needs to be looked at, if we are really serious about this area of investment.

One thing I am a little worried about. I am not satisfied that the offshore dollar is being spread around sufficiently in Barbados. I do not know whether it is because the fact that it has been largely private sector development that only those people with the resources for promotion and so on have been able to take advantage of it, but I would like to see a lot more lawyers in Barbados, particularly the young lawyers, having the opportunity to get some income out of this exercise. I would like to see some more of our smaller accounting firms.....

Aside.

Dr. R. C. HAYNES: Sorry?

Mr. CHAIRMAN: The Honourable Member has one more minute and I would appreciate it if you would address the Chair.

Dr. R. C. HAYNES: I think it is very important. I want to get back to that. I agree with you that probably the lawyers themselves are not equipped to deal with it, but I think it is the responsibility of us in here to make sure that with a sector developing at this pace, that we create a situation where there can be a wider spread of the cake. I think this is very important.

I want to deal with the whole question of job generation, but I will have the opportunity to speak again.

Thank you very much.

Hon. D. A. C. SIMMONS: Mr. Chairman, we have heard three remarkable speeches this morning, starting first with the Leader of the Opposition. He had no premise upon which to attack the Honourable Minister. He found himself in a position where he had to support the Resolution, so he carved out for himself a basis that did not exist. What the

Trinidadians call setting up a Good Friday bobolee, like a mock man, to throw things at. Arising out of the Honourable Minister's quotation from Schneiders' book, the Leader of the Opposition criticised the Minister on the basis that she was in some way promoting Barbados as a tax haven strictly so called, and she never used that as the basis upon which she was predicating her comments. In fact, the title of Schneider's book does not even speak of tax havens. It is a "Complete Guide to Offshore Money Havens" - not tax havens - "How to make millions, to protect your privacy and legally avoid taxes". In the third paragraph, there is the one and single use of the word "haven". 12.30 p.m.

"If you consider this offshore haven, be forewarned that the quality of low banking regulations is considered to be below par by most analysts."

The Minister certainly was not concerned about giving the impression that this Government was promoting Barbados as some special kind of tax haven, but I wish to say this.

Where the Honourable Leader of the Opposition's argument was in itself flawed was that, as he should know, as a practitioner in the field of offshore business law, that all of the leading authorities and books on offshore business and on tax havens refer to Barbados under the rubric of "tax haven". I would like to recommend to him the big brown encyclopedia in my Chambers - "Spitz on Tax Havens". He will find a number of pages devoted to Barbados in that.

So the Honourable Leader of the Opposition, not having any base for criticism, was essentially splitting hairs from an argument that he set up and then knocked down. So we can dismiss him.

The Honourable Member for St. Michael South, the former Prime Minister. His was a very strange speech because whereas it appeared that the Leader of his Party and the Leader of the Opposition was about to pillory the Minister, the Honourable Member for St. Michael South was very anxious to commend the Minister for, I quote - "the action which she took" in replying to Mr. Schneider and putting him right. We are grateful that the Honourable Member for St. Michael South was so laudatory in his comments in relation to the Minister who moved the Resolution.

The most remarkable speech of the three came from the Member for St. Michael South Central. Several of us on this side were in here in 1979 as Members of the Barbados Labour Party Government and I know that several of us felt nauseated the way the Honourable Member for St. Michael South Central made his

contribution to the offshore banking legislation that we brought in 1979, because he attacked us viciously. He predicted that we would have brought gamblers, gangsters, money launderers, every kind of people in here as a result of the offshore legislation which we had the foresight to do.

Dr. R. C. HAYNES: On a point of order. The Honourable Member's style is always exaggerated and distorted. He has elected this morning to mislead the House. During that debate, I was most particular to point out what needed to be avoided.

Asides.

Dr. R. C. HAYNES: The thrust of my speech, Sir, was what needed to be done in order to avoid the kind of problems that other offshore centres have got into.

Hon. D. A. C. SIMMONS: Mr. Chairman, this is a contest of memory which is located over 15 years back. We will get the Hansard in here today and check.

He has now come around to the realisation that the offshore sector has a substantial contribution to make to economic development in Barbados. We are glad that he has been converted. The problem in 1979, as was the problem about 1989, was that the Democratic Labour Party did not understand offshore banking, did not appreciate the nuances of international banking which could contribute handsomely to the local economy, and not understanding, engendered the fear and the wild statements that were made when they sat as Opposition in those days.

About 1989, the Democratic Labour Party had a number of businessmen involved in offshore sector at the Cabinet Office one day to explain to them - and I quote one of them - "like ABC how the offshore business sector worked". They needed instruction because there were very few in the Cabinet if any who understood it. They had to bring the people from outside, bankers and lawyers - I won't call any names - who went into Cabinet and tried to teach them like little children. That was the problem. Now that they have understood it they are full of praise for the contribution which the sector has been making and I am sure that the Honourable Leader of the Opposition now that he has gone back to the Bar will carve out his own niche in the area from the contacts that he built up going to the RIM's conferences and all these things. So that is how life is. No problem with that.

With specific reference to the Resolution, the computerisation is important; but there are other things that have to be dealt with to make sure that we create the momentum to allow the Corporate Registry to function more speedily. Let me say, at one time I used to form a lot

of companies, but I stopped. I could not take the hassle and rather than have a row I stopped and let other people do it. In the last three or four years, I think I formed one company.

Part of the problem has resided in the Company Regulations. Part HI of the Company Regulations 1984 deals with the requirements for names. It is a simple thing, but it is a very important thing and it has held up our attitude to the registration of names, has held up a lot of business in Barbados and, in fact, turned away business from Barbados. We now have a situation where you find all kinds of companies registered as ABCD and E Company Ltd., LMQ and all that. Rubbish!

There has been great unhappiness, Sir. When you form a company you send in a form with three names seeking the approval of the Registry. I have been in the position where three perfectly sensible names have been sent back. Come again! Well, there are only some of us who can take that kind of pressure. I can't take any more at my age so I passed it on. They are interpreting the provision for names, and I think that that was unfortunate. The former Government was aware of that particular problem which caused contraction in the business. It seemed to me that all that was necessary was to amend - it can be done by Ministerial Order - the Regulations, Part IE, which run from Regulation 5 to Regulation 6, a page and a half. I sat down here before the House started and drafted what I thought should be the amendment along these lines. This is all we need in Barbados and it will enable people to go and get a name for a company within a matter of 48 hours to have a company registered:

"The Registrar shall approve for registration any name unless the name in the opinion of the Registrar offends against reasonable standards of decency, bears such similarity to that of an existing registered name as reasonably to cause confusion among members of the public, or contains a reference to the Queen or using the word 'royal'. " 12.40 p.m.

Traditionally, we have not allowed companies to be formed using the word "royal" or some reference to the Queen. That is all you need to make sure that somebody comes with a name which is reasonable. That could have been done. That requires a week. Somebody to draft it, get it to Cabinet, Cabinet approves it, brings it here as a Bill, one page and for years nobody has done what is necessary to give more liberal discretion to the Registrar. That is all that is necessary. If we do that I think we will find that people will be able to register companies a lot more quickly.

In addition to that, Sir, the form that you fill up for applying for a name contains a provision that I think

is foolishness. They ask you for derivation of the name. I know people who have written and come up with a nice name like Sandy & Co. Ltd. They ask for derivation of the name. You know what the answer to that is? From my own ingenuity. You do not need that in the prescribed form. Take it out. We just need to look at that area. It requires a quick amendment and it can be done within a matter of weeks.

Now, Sir, the Honourable Member for St. Michael South Central raised a point that he did not understand the importance of the point when he raised it about more lawyers getting involved in the offshore business. It is a matter of training, yes, it is a matter of interest also. But, fundamentally there has been a problem and I say it now from this official position. I have mentioned it when I sat over there in the Opposition and I am saying it again.

There has been a problem with the Central Bank of Barbados. Every Member of this House should get the three publications put out by the Central Bank in very simple style, explaining shorn of legalese, explaining the various mechanisms and devices that we have in the offshore sector. There are three publications.

Mr. CHAIRMAN: The Honourable Member has one more minute.

Hon. D. A. C. SIMMONS: I will have enough time. What is very disquieting is that in those publications the Central Bank records a list of lawyers and their names - 7, 8, or 10, I cannot remember how many - special persons so that when you go overseas to a RIMS Conference and you have these documents I have taken the documents on CPA Conferences that I went on and distributed them - you give this document to somebody in the insurance business in Texas, he looks through it and at the back page he sees only certain people. He has a conception ever since that Barbados is a small place, probably a banana republic doing all kinds of wild things, and that we only have 10 or 12 lawyers who know this business so he picks out one of them and that is how it happens. The work gets circulated in very narrow legal confines because I do not know if it is wittingly or unwittingly. The Central Bank in these publications has limited the information about the lawyers who have expertise in that area to a few people and I know for a fact that they never asked the Bar for the names. That is obviously from people who have been associated with them.

I would like to call on the Central Bank not to publish the names of any lawyers in future or to publish all. But to pick 10 or 12 and give them publicity is unfair advertising. Our profession does not allow advertising but that is unfair advertising pouring on touting.

Mr. H. deB. FORDE: Mr. Chairman, I am very happy to support this Resolution. In fact, it shows the vitality of this Government and it reflects a new direction in administration. In the last 3½ years we have spoken regularly in this House about the necessity to computerise the Registry. In the last 3½ years we have emphasised very strongly to the then Government that unless we re-act instantly and initiate new developments in the offshore sector we would be in danger of losing business to competitors, who are increasing at a very fast rate.

The Honourable Member for Christ Church South spoke of his experience in visiting the Virgin Islands where the Registry had been computerised. This improved the functioning of their Corporate Registry and they were registering over 1 000 new companies a month. The Virgin Islands are able to respond within 24 hours to a request for registration, to approve a name and have the company incorporated and registered. As a result the cost of doing business in the Virgin Islands is significantly less than the cost of doing similar business in Barbados.

It is to the credit of the Government that at the second really effective working session of this House, it has brought a Resolution for half a million dollars in order to achieve an objective that is so very vital to the proper functioning of one aspect of the offshore industry.

The Honourable Member for St. Michael South Central cannot really claim any credit for any of this at all. He is now saying that he mentioned the matter last week. He obviously has not been following what happened during his enforced absence from these Chambers in the last few years. He says it was a vacation but he must have been also mentally on vacation and obviously was not reading the sterling contributions being made by the 10 members of this House who were then sitting on the Opposition benches, all of whom have been returned on the basis of their performance to now sit on the Government side.

Obviously, although we were not successful in persuading the then Government of what ought to be done, our message got across to the public and I am happy to say that it got across to the Honourable Member for St. Michael South Central too because he came in last week and started to talk about it. It obviously got across to him in time and he has therefore welcomed it.

As the Honourable Minister has said, this is the first of several measures for reform that the Government, in keeping with its Manifesto pledges, will be bringing before us. Such measures are necessary. The offshore sector offers Barbados a tremendous opportunity for increasing our foreign exchange earnings and jobs. As you know, Sir, our number one priority is jobs. That is our number one job. This sector has a vital contribution to make. I am

speaking not merely of the traditional aspects of the offshore sector as understood by lawyers and accountants, but of other areas such as informatics and mutual funds. 12.50 p.m.

I believe that the Government has already started taking measures and exploring possibilities and if I am guided by what I have seen in the Press, the Ministers, both the substantive Minister and the Minister of State have been able to attract to Barbados, persons who are interested in investing in this area. I look forward to seeing therefore the fruits spread wide in Barbados where young people in particular and those who are computer literate would get a greater opportunity to find jobs in this sector.

In this regard one must not forget the statement made only a couple of days ago by the Honourable Member for St. Michael North East when she opened a computer laboratory at the St. Leonard's School and where she made the point that we must put Barbados on the cutting edge of technology. That is a very important aspect of it.

Certainly in the last few years I have spoken about the untimely reduction in training opportunities for young people in the use of computers. For instance, at the St. Matthias school, a training programme was discontinued because the then Government reduced the vote and made it impossible for the young children of St. Matthias to have access to six computers which for most of the time were lying idle.

I make these points to emphasise that this Government is aware of the problems and is on top of the problems from day one. This is a sign that the respective Ministries are grappling with the problems of the country and are adopting a holistic and co-ordinated approach to the whole offshore sector and informatics industry.

A few remarks, Sir, about the nature of some of the competition which we must confront. The competition is coming not only from the developing countries (whether in the Pacific or in the Caribbean or in the Mediterranean) but also from the developed countries such as Britain, Ireland, United States itself, Canada, particularly Quebec. These countries are now advertising themselves as main bases for the offshore business sector. And what you are getting as a result of that is a reaction from their Parliamentary system against countries such as ours.

In fact as we mentioned to this House during its last Session, in the United Kingdom a Member of Parliament introduced a Bill in order to penalise any investor who invested in the offshore sector in some Caribbean countries.

In the United States Congress one has also heard some of the most retrogressive language from some

Congressmen and Senators who believe that the Caribbean countries, places like Barbados in particular, should not be doing as well as we are doing in the sector.

So we have to fight for our place by being more aggressive, by being more far-sighted, by being better organised, by being innovative in product development, and by selling a service of quality at a very cost effective price. And those must be the objectives which the Government has to set. The Government must take the lead. I do not believe that the lead should remain only with the private sector, especially the accountants and the lawyers. The private sector lawyers and accountants are key players and have a vested interest, but there are areas in which the Government has to lead. It has to lead to make sure that the laws that are so necessary are updated from time to time and that we keep ahead of our competitors.

Whether we are bringing legislation to update the International Business Companies Act, legislation to introduce mutual funds, legislation on International Trusts, legislation on limited partnerships, whatever aspect of the offshore industry we are developing, we must be in the lead.

We must also be ahead in the international convention environment of the offshore industry. We have been deficient in this sphere. The Hague Convention on the recognition of Trusts has been negotiated for quite a long time, but we have not signed the convention as far as I am aware. We have to subscribe to this Convention. We must have a pool of experts in the Ministries who can deal with international treaties which impact on the industry. We also need continuing education in the field. Our practitioners must not be mere post office boxes in this industry. So far the lawyers have been outstripped by the accountants. For one thing the accountants earn more and are better organised and better at promoting themselves in the field. The lawyers who practise in the field have been used mostly for forming the companies and are not principal actors in the same way as the accountants.

Now, I believe, Sir, that we have to be the principal actors in an industry that is located here. We must not cede that right to lawyers from other places. We must share it with them in joint venture enterprises but we must not allow ourselves to be used only as post office boxes. There is a danger if this happens. There is not only the loss of revenue that results to ourselves as well as to the country, but there is a danger that when the litigation starts in the offshore sector (as invariably it must start) our lawyers may find themselves having to pay out millions for not having properly taken their responsibility for work done by others and in which they did not fully participate. We might find that we are pressured by overseas lawyers to permit them to appear before our Courts in major

cases. Unless they qualify under our laws this pressure must be resisted. But our judicial system must be upgraded to deal speedily with litigation arising in the sector.

Sir, in the Bahamas there are two courts which spend all their time dealing with nothing else but litigation resulting from the offshore sector. Investors, who are bringing millions and billions of dollars and passing it through your country daily, want to know that if they have to litigate the judicial system is up to date and responds readily to their problems.

I am therefore looking forward to the implementation of the reforms which have been promised in our social contract with the people, the Manifesto - reforms in the judicial sector as well. And I am looking forward as well to the continuing education which must take place if lawyers and accountants, the principal actors, are going to be in a position to give prompt and correct advice.

Now, Sir, the Honourable Member for St. Michael South Central made the point that he would like to see the work spread a bit more around the lawyers and in particular the young lawyers and others - firms of young accountants, small business people. I agree with that sentiment. But let me state that the lawyers have, I would say, rather supinely yielded space to the accounting firms. When we brought the Companies Act down here in 1982, an opportunity was provided for lawyers to increase their business but by degrees they have yielded the business to the accountants. I think the lawyers must come with amendments to the Legal Professions Act to say that certain people who are now doing legal services have no right in law to do legal services. But I also have a fear that the same is happening in the law of trust. 1.00p.m.

Mr. CHAIRMAN: The Honourable Member has one more minute.

Mr. H. deB. FORDE: Thank you, Sir. Some of us attend overseas conferences and you go to a conference dealing with trusts and trust legislation and who is lecturing on it from Barbados but an accountant.

Mr. CHAIRMAN: The Honourable Member has to be reminded that he should be addressing the matter under consideration and not to sway too far.

Mr. H. deB. FORDE: Yes, Sir. The matter under consideration is the offshore sector and how you can deal with it, and trust is a very important part of that offshore sector.

Two other comments before my minute runs out.

I think we have to sensitize the officials dealing directly with the sector - whether they be in the Registration Office, Immigration Department or the Ministry of Finance - that they must not allow bureaucratic red-tape to prevent us from being the most efficient and competitive offshore centre. Secondly, we must continue training at all levels, not only in the Civil Service but also among the practitioners. In particular, I would like to see tremendous emphasis placed on making people in the sector understand the importance of double taxation treaties. I see that the Government has already sent a team to Switzerland to negotiate a double taxation treaty with Switzerland. We need to negotiate such treaties with many other countries from whom we should be seeking investment.

Finally, Sir, I would like to see the Corporate Registry reorganised to function at maximum efficiency. I am sure the Minister will tell us about this in due course. There must also be a pool of experts within the Ministry itself and whose task it is to design and fashion the instruments for developing the offshore sector, including the informatics industry.

I am much indebted to you, Sir.

Hon. Miss B. A. MILLER: Mr. Chairman, Sir, I am not winding up.

Mr. CHAIRMAN: My eye catches the Honourable Member for the City. Can the Honourable Member please address the Chair?

Hon. Miss B. A. MILLER: Mr. Chairman, Sir, I beg that you do now report progress to His Honour the Speaker and ask for leave to sit again.

Hon. D. A. C. SIMMONS: I beg to second that, Sir.

The question that the House report progress to His Honour the Speaker and ask for leave to sit again was put and resolved in the affirmative without division.

Mr. SPEAKER: The Chairman has reported progress and asked for leave to sit again.

SUSPENSION

Hon. Miss B. A. MILLER: Mr. Speaker, I beg to move that this House be suspended until 2.15 p.m.

Hon. D. A. C. SIMMONS: Sir, I beg to second that.

The question that the Honourable House be suspended until 2.15 p.m., was put and resolved in the affirmative without division, and Mr. SPEAKER suspended the sitting accordingly. 1.05 p.m.

RESUMPTION

Mr. SPEAKER: The sitting is now resumed. When the suspension was taken, the House was in Committee of Supply. To that it shall now revert.

Mr. SPEAKER left the Chair and the House resumed Committee of Supply, Mr. W. C. C. QALLENDER resumed the Chair.

COMMITTEE OF SUPPLY

Mr. CHAIRMAN: The House is now in Committee of Supply and will now be reconvened. We have not begun proceedings yet. So those who want to rise can do so accordingly. Honourable Member for St. Michael South Central.

Dr. R. C. HAYNES: Mr. Chairman, the peaceful and harmonious progress of this debate was temporarily interrupted and I hope not for too long by what I may call the characteristic supersedes and condescending attitude by the Honourable Member for St. Thomas, a kind of attitude that can lead him to state that he was nauseated by the contribution by an Honourable Member in this Honourable House. Perhaps, Sir, on the occasion he may...

Aside.

Mr. CHAIRMAN: I must remind Members that they are addressing the Chair and we are not taking any cognizance of any asides in this House.

Dr. R. C. HAYNES: I will be very happy to do so, Sir. Maybe on that occasion he might have been a bit inebriated and he is not attributing his nausea to the correct cause if I may say so.

Sir, I think it is important from the perspective of Corporate Affairs that it has a duty to make sure that the laws are conformed with and to recognize that the matter which the Honourable Member for St. Thomas was referring to was purely a situation where that Barbados Labour Party Government at the time brought an Offshore Banking Act to this House and quite appropriately, and those of us who were in the Opposition at the time had a responsibility to make sure that all the known pitfalls were avoided in the implementation of the Act.

It is passing strange, Sir, that the Honourable Member should be nauseated by the fact that the very brief that informed those who formulated that Act pointing out those pitfalls was the very brief that I used in that debate. This is still relevant today and Corporate Affairs must always be aware of this. The major point was the importance of avoidance of contamination of the local finance situation by

an offshore sector because of the fleeting nature of the movement of money. That is one good reason why we must have a very tight Corporate Affairs Division in this country. That was the issue which was raised.

The other issues raised, Sir, were issues related to secreting of money to avoid responsibilities in divorce settlements, money laundering contamination instead of the local money supply and drug money. These are realistic problems that we have to face. I am pleased to say that as a result of the kind of awareness which resulted out of that debate Barbados has managed to grow in the offshore without any kinds of problems. Now it is true that our offshore banking sector has not grown at a terrific rate and that was never anticipated because it came on stream at the end of the petro-dollar explosion and Barbados was largely exempt from the explosion of offshore activity that accompanied drug money in the 1980s. I am grateful and thankful that has happened largely because of the legislation and the regulations that were insisted on by myself on the floor of this Honourable House.

I wish to make it quite clear that we must not adopt this supersedeas attitude that once you bring legislation to the House of Assembly that everybody must sit down and say yes, this is the greatest possible thing. It is the bounding duty of an Opposition to make sure that the legislation is improved or certainly the operation of that legislation is improved and no one is ever going to stop me from doing my duty on the floor of this House.

Aside.

Dr. R. C. HAYNES: Sir, they were the kind of remarks that one would associate more with a Saddam Hussein rather than an Honourable Member of this Honourable Chamber.

Aside.

Dr. R. C. HAYNES: Do you see what I mean, Sir?

Mr. CHAIRMAN: I am listening to you. I am listening to the Honourable Member not to...

Dr. R. C. HAYNES: Exactly, this is what I mean, Sir. They are free to say what they like and they cannot stand the slightest criticism.

Aside.

Dr. R. C. HAYNES: Yes, you can take it. Anyhow, Sir, the point I wish to make is that we should all be grateful that the offshore sector is expanding. We would like to see the offshore banking sector expand more rapidly. But I am very glad that the very tight

legislation relating to the offshore banking sector has never been relaxed. 2.25 p.m.

Since we had an Offshore Banking Act in Barbados, just 3 000 miles away, in Miami, you saw the explosion of an offshore banking sector. And what is it today, Sir? It was fuelled principally by drug money, as you know, and today that has dwindled considerably. As a matter of fact, as the Honourable Member for St. Thomas would know, if you want even to deposit money in Miami today you need almost four pieces of I.D. to open a banking account.

Aside.

Dr. R. C. HAYNES: A primary I.D., a secondary I.D. and two other pieces of I.D. You are the Attorney General, so you should know these things. All these things should be known to an Attorney General. Do not tell me you do not know that. The important point, Sir, is that we have made progress and that progress can be enhanced.

I just want to reinforce two other points. I really sincerely believe that the public sector has not pulled its weight sufficiently in the development of the offshore sector of Barbados, and the time has come to see more activity on the part of the public sector, and in the private area I am really looking forward to the day when I see many more young Barbadians involved in getting a larger piece of the cake. I do not know whether or not the Government has a role to play in that, I do not know whether it is a matter of education, whether at university level, whether there should be some focus on the legal aspects of the offshore sector. I do not know what is required, I am not in that field, but what I do know from what I see, when you see a multi-million dollar industry mushrooming in Barbados, I want to see more and more small people getting an opportunity to participate in it. I think that is a legitimate request and I think that the Government should look at that as well, and I hope that the Attorney General, who should be fully apprised of what is going on in that field, takes some steps to do something about it. I hope that when a debate of this nature arises in this House again, in a year's time, I will hear that significant progress has been made.

My final point is this. The Barbados Labour Party came in here in 1979 and claimed that they invented the offshore sector. I had to point out during that debate that upset them, that there was legislation on the Statute Book since the mid 1960s.

Asides.

Dr. R. C. HAYNES: Do not deal with me, deal with them. I am not part of them.

Mr. CHAIRMAN: Order, please. Will the Honourable Member for St. Michael South Central please get back to his point?

Dr. R. C. HAYNES: I am just helping a bit. I am just defending myself as of 1979, when I was a part thereof, that there was legislation here since the mid 1960s - it is true there were not many companies registered - but there was not much offshore activity. It was the petro-dollar, it was the oil crisis, as you know, that stimulated the Eurodollar development and the massive explosion of petro-dollars that could not find a home in the domestic environment that created this significant explosion of offshore activity. So I do not think it would be a legitimate criticism to say that there was no rapid growth during the 1960s.

Asides.

Dr. R. C. HAYNES: It did, but not in the same....

Mr. CHAIRMAN: Order in this House, please. I would like Honourable Members to address the Chair and I am hearing one Honourable Member only at a time. If a Member wants to speak, he will have his turn and he can speak for up to 15 minutes. May we please proceed? The Honourable Member for St. Michael South Central.

Dr. R. C. HAYNES: There are two other points I want to make. I think we should not only be looking at the direct employment in the offshore sector. I remember when the late Tom Adams introduced that Bill. He made a point that the employment generation should not only be looked at in terms of people directly employed, but for example people who are living in Barbados, renting in Barbados, employing people in Barbados to provide services at the household level, elsewhere and so on. I do not know how much this is encouraged, but one would like to see, for example, more local activity in terms of companies being formed in Barbados, companies having Board meetings in Barbados and probably through the hotel sector more ajid more employment generated as a result of the presence of the offshore sector.

The main reason why I rose to speak, Sir, was in order to set the record straight in relation to the wild and uninformed allegations of the Honourable Member for St. Thomas, who becomes very hurt as soon as any kind of criticism is levelled, and when you hear him speak you would believe that he is really hurt.

Aside.

Mr. CHAIRMAN: Order, please. The Honourable Member is asked to address the topic under consideration and not another Honourable Member.

Dr. R. C. HAYNES: Yes, Sir, I am addressing you. You would believe that the Honourable Member is really hurt, so do not rush to protect him because I can assure you that is an act and nothing more.

I thank you very much, Sir.

Hon. H. B. St. JOHN: Mr. Chairman, I would like to say a few words on this matter, but I think we should remember that what we are debating here today is a Resolution for a sum of money to facilitate the computerisation of the Department of Corporate Affairs and Intellectual Property. This is a very important Department in the scheme of Government in Barbados and the Government should be congratulated for the speed with which it has brought this Resolution before Parliament.

It was well known for some time that there was dissatisfaction with the speed and the administration in this Department. I myself believe that the computerisation of the Corporate Registry will help to reduce some of the problems that those who have to deal with the Registry experience today. As I pointed out last week in a debate here, Sir, it is important that we recognise that whatever machinery, whatever laws we have in place in Barbados, we are still going to be faced with the problems unless we have a fundamental change in attitude in those who have to administer the laws.

There is no doubt about it, at the present moment in Barbados under our corporate laws a tremendous amount of discretion is granted to the principal administrators, particularly in the area about which we had the most complaints, namely the area of the assignment of and/or approval of the name of a company. Unless therefore the discretion is reduced by an amendment to the law, these problems are likely to arise. Once you have a wide discretion granted to anyone, there will be disagreements and those disagreements can arise as a result of honestly held views. Many people also have the experience that some of these disagreements are well founded in the experience of having to deal with the people who are putting forward particular propositions.

I think it has to be well recognised that in this area you are not dealing with all saints, you are dealing with a number of people who regard their function as being primarily to facilitate their clients, whether that facilitation involves an infringement of existing legislation or not, so we have to look at it in that background. I am certainly in favour of the viewpoint that the area of disagreement should be narrowed by reducing greatly the factors that have to be taken into account in the determination of a name. The Barbados Companies Act was based on the Canadian Business Corporations Act and, in particular, on the Ontario Business Corporations Act. I am reliably

informed that the regulations which were made under our Companies Act as long ago as 1984 which was patterned to a large extent on the Ontario regulations that the Ontario regulations have been amended in this area to reduce discretions. 2.35 p.m.

There are other factors to take into account in the determination of problems that we have in this area of the offshore regime and those factors relate to the fact that we in Barbados, on both sides, as I understand it, have a consensus that we wish Barbados to develop in the offshore regime along certain lines, that we wish to have a high quality, low tax regime which is primarily interested in attracting to Barbados the type of business which will provide income to Barbados and employment for a wider range of services that are available in Barbados, not only professional services but other services from people who have had the advantage of an educational system which is capable of producing people who can deal with computers and the information industry.

One of the significant things about the Barbados offshore sector is that we have some companies, as CDS, as Donnelly, and a number of other information processing industries which have provided large numbers of employment, despite the fact that we have just about 10 000 companies as opposed to countries such as the British Virgin Islands who have 100 000 companies and the totality of employment is not as much as in Barbados. That is a very significant thing. Our International Business Companies Act has been the vehicle which has been used, so that we do have very active offshore processing in Barbados and I think that in looking at the industry as a whole we have to keep continuously under review the laws that we have with the objective of ensuring that Barbados continues to be attractive in that area.

There is no doubt that there are other areas of legislation that need to be passed and I am sure that the Government will approach that need with the same degree of swiftness as they approached the computerisation of the Registry.

In particular, I draw attention to and I am going to repeat it, I think Barbados has missed out on opportunities in the civil aviation area to become a registry for aircraft. Again that is not a problem with the laws. That is a problem with the people who administer the laws and it illustrates the point that I made and I am sure that the relevant Ministers will be dealing with that.

There is also the question of the intellectual property section of this Ministry. There have been legitimate complaints about the situation in that area in that people claim that they have not been able to get trade-

mark registrations in Barbados over the last couple of years to the degree of speed that they should have. I believe a report has been done which attempts to analyse the difficulties in this area.

I claim some responsibility for the development of this area because I was the Minister of Trade and Industry at the time when the Government took the decision to invite WIPO, the World Intellectual Property Organisation, to come to Barbados and to undertake a review of all of the intellectual property laws in Barbados with a view to upgrading our laws to bring them in line with the modern laws of the world.

Since then, 1984, I believe the laws came into operation, there have been significant developments. Indeed the development of copyright for computer software and things of that kind have taken place and we in Barbados are behind in that respect because it was never envisaged in those days that there would be such very large business in the development of software.

Again I am very aware of the fact that the Government is in the process of bringing before Parliament at least an amendment to the existing laws to deal with that situation because we have developed in Barbados the capability of producing some software which is saleable. That is a fact and people are very worried that they cannot get the protection.

In addition to that, the developments in world trade have been such that under the new trading organisation, the World Trading Organisation, which replaces the GATT and will come into operation in January of next year, provided it is ratified, so that it is clearly envisaged that intellectual property will be a commodity that will be traded like goods. So we have to be in tune with that. Now that area has already been the subject of computerisation. I believe that WIPO has given the office a computer. Notwithstanding that, we are still having these problems in that area.

I want to emphasise that if we are to keep this regime and if it is to achieve the objectives we want it to achieve, we must understand and appreciate, and it is very evident that the Government does by the fact that it has assigned it as a special responsibility of a Minister of State. It is very evident that there must be a continuous review of our existing laws so as to keep them in tune with what is needed. We also must never lose sight of the fact that our regime is a regime which seeks to exploit the skills and the talent that we have. We must also never lose sight of the fact that it is necessary for us to have a critical self-examination of the industry periodically.

I would really like to see in this area a study done of the impact that the industry has had on the economy of

Barbados as a whole. An impact study is due. I see periodically some of the firms who operate in this area publishing information that its contribution to the economy is of such a high order that it is the number one earner of foreign exchange. I believe I saw that somewhere in one of the magazines the other day. That is something that should be looked at with a degree of suspicion because it may be a self-serving statement.

I feel that the offshore industry should be the subject of periodic studies like the tourist industry should be and the agricultural industry is such that one can get an independent and objective analysis of it. In truth and in fact, there have been some developments in relation to the industry which give rise to some hope. I know that we have developed a large number of young people who are studying in such fields as corporate secretary exams. I am pleased to see that there are a number of young Barbadians who have received qualifications in that area and although they are normally working for what is known as the Big Six accounting firms, in truth and in fact, it will only be a matter of time when those skills are hired by the legal profession.

I think that the lawyers have allowed a great opportunity to be missed by their failure to recognise that this industry is an industry that requires special attention and an investment in human resources and an investment in marketing. The most successful lawyers in this area I believe could be classified as being far better marketeers than lawyers. I think that that is well recognised. I think that is well recognised that they bring marketing skills not legal skills. 2.45 p.m.

Aside.

Hon. H. B. St. JOHN: I am not attacking anybody. I am just giving you an objective analysis of my observations of the industry and I think they are worth listening to. The position is that as time goes on we have a very good opportunity to be able to capitalise in this area.

Mr. CHAIRMAN: The Honourable Member has one minute.

Hon. H. B. St. JOHN: I would like to see, for instance, further development in the area of utilising Barbados as a centre for mutual funds and trust. We know the areas and I am confident that the Government will bring to this area the same degree of commitment and efficiency and that all of the legislative obstacles will be removed and all the administrative difficulties that we have, an attempt will be made to solve them.

Rt. Hon. L. E. SANDDFORD: Mr. Chairman, I wish to make a few additional points. First of all, let me say

that I have had a little to do with the matter under discussion. I would wish to make it clear that from time to time I have heard criticisms, and criticisms have been brought to me concerning some of the issues raised here, in terms of the tardiness on the part of the Corporate Affairs Registry to get businesses registered and off the ground.

I can only say with respect to those which have been brought to my attention in terms of the nomenclature of businesses, that whenever they were brought and examined, it turned out that within the four corners of the law as explained to me, the Corporate Affairs Registry and its management were right. I wish to make that absolutely clear whenever those issues that were brought were examined, it turned out that the officer or officers in charge were more often right than wrong in these particular matters. It may very well be that there is a need for a change in the law. I am not speaking to that particular issue, but the Attorney-General has assured us that it should only take 48 hours within which to draft the legislation. In fact, I think he said he had it in his hand, so all he has to do is to dust it off and produce it. Perhaps at the next meeting of this House we may be having some updated, or amending legislation, or law reform in this particular...

Asides.

Rt. Hon. L. E. SANDIFORD: It does not even have to come here. It is done by an order, he says, so you do not even have to take up the time of the House but it will be laid, I suppose, and we will be so informed. We look forward to action in that particular area.

Sir, I do not think there should be any difficulty in Barbados on this particular matter, since we are all agreed that we wish international business service to be a vital and vibrant sector of our economy. We are agreed on that on both sides of the House and the Way forward is clear. We do not have to look around for any blueprint. That has been set out in the Development Plan 1993 to the year 2000 and entitled "Prosperity Through Increased Productivity". That document should be required reading. I believe they have all read it already but they must read, mark, learn and inwardly digest what is in that Development Plan. If they wish it in another context it is already a document of the House. What is not a document of the House yet is a very colourful document here, namely, the "Democratic Labour Party Manifesto 1994 General Election". I wish to indicate that the way ahead was also set out in this particular document.

I have no difficulty in making this a document of the House, Sir. I read from page 15. It is very instructive.

Aside.

Rt. Hon. L. E. SANDIFORD: I believe I heard so. I do not quite recall whether the remarks were addressed to you but they must have been if I heard them in here: words to the effect that something was being asked from Switzerland, some Double Taxation Treaty or some negotiations being negotiated. I am not sure what the words were all about, but we will get to that.

This is what we said in our presentations. I am reading from page 15, the 'Democratic Labour Party Manifesto, 1994 General Elections,' Sir. I am positive that these things can bear repetition:

"Achievements 1991-1994

The Democratic Labour Government took significant steps during the 1991-94 period including the following:-

- The establishment of the International Business and Financial Services Unit;"

The distinguished Leader of the Opposition has already referred to that.

- "The establishment of a separate Corporate Affairs Unit;
- Enacting the Business Companies Act;
- Enacting the Financial Intermediaries Regulatory Act;"

Aside.

Rt. Hon. L. E. SANDIFORD: This is what we are saying we have done. This is exactly what we are saying. Mark, learn and inwardly digest - that is the best pad from which to launch your contribution.

Mr. CHAIRMAN: The Honourable Member for St. Michael South is asked to address the Chair.

Rt. Hon. L. E. SANDIFORD:

- "Concluding tax treaties and bilateral investment agreements with Norway and Sweden;
- Achieving a 150% growth in the offshore sector with the number of companies increasing from 966..."

I think the number is even less than that. Nine hundred and twenty nine is given there, but I am reading from this document.

-
- ... 966 in 1988 to 2 414 in 1993;"

So when I hear all this talk that we need vitality and so on, the record reflects considerable action on the part of the past Government to stimulate a particular subsector of our economy.

- "Earning an estimated Bds. \$120 million annually through the offshore sector."

These are the Proposals for the way forward:

"The Democratic Labour Party will therefore:

- Provide additional funding specifically for promoting Barbados as a base for more companies providing information technology services to foreign companies. Such services would include:
 - data entry
 - programming
 - printing
 - processing of transaction documents such as insurance claims
 - documentation
 - proofreading
- Provide an identical regime of fiscal incentives for local entrepreneurs providing information technology for foreign businesses as those provided to foreign entrepreneurs locating here.
- Remove all imposts on importation of information technology, equipment and software.
- Resolve difficulties with the net foreign currency earnings credit and continuation of the credit in favour of encouraging businesses to increase their international service revenues.

2.55 p.m.

'Permit businesses to take a tax credit for costs incurred to promote services in order to earn foreign exchange revenue. Support efforts to promote Barbados' business services and tourism sectors using computer multimedia technology applied in Barbados. Introduce computer network and training in information technology in every school in Barbados.

Train all teachers in information technology. Support the establishment and maintenance of a state of the

art information technology resource centre for training of Barbadians in all aspects of information technology."

And very significant, Sir, seeing that it was said only a week ago, and the Government would therefore have had to act very speedily on the matter, Sir

"Computerise the Corporate Affairs Office to speed up the processing of corporate registration business."

Yes, Sir, that is one of the proposals in this document.

"Computerise the international business and financial services unit". The one before that was "computerise the corporate affairs office to speed up the processing of corporate registration business".

"Increase the promotion budget for the international business and financial services unit.

Increase the focus of the promotion of this unit to include South America and the Pacific Rim Countries.

Increase the resources for both the office of Corporate Affairs and the International Business and Financial Services Unit.

Increase the research capacity of the International Business and Financial Services Unit so that Barbados stays fully abreast of development in competing jurisdictions and of emerging opportunities."

Sir, there are some 7 other proposals in relation to the international business and financial services sector. I am sure that if the Minister follows this very progressive, forward looking, and dynamic blueprint that has been set out here, as the action here today in computerising the corporate affairs unit may indicate, Sir, she will be on the right track. I think all Barbadians ...

Mr. CHAIRMAN: Honourable Members are asked to refer to Members by their office.

Rt. Hon. L. E. SANDIFORD: I am referring to the Honourable Deputy Prime Minister, the Member for the City and the Minister responsible for this particular subject. I give her all of her handles, Sir, all of those to which she is entitled. We wish to see her do well. We wish to see all of the Ministers do well in the service of Barbados. This will not be an opposition like that opposition over there which carped at and criticized everything that was done over here.

Aside.

Rt. Hon. L. E. SANDIFORD: If I have to wait on that, Mr. Chairman, can I speak through you. Silence gives consent, Sir. I will proceed. But I think I have made the point, Sir. There is a definite policy on this side for the promotion and development of this sector. It is a policy that was arrived at after wide consultation and discussion, and it is a sound policy. If the Minister proceeds on this basis, and it is done in all good will, there will be support and there will be approbation. But if they come to share lashes, lashes will be returned. But that is not our initial approach. We are people of peace. We do not look for quarrels, but if we ...

Aside.

Rt. Hon. L. E. SANDIFORD: I just saw him across the road! I think I have made the point, Sir, and I make this particular document a document of the House. I thank you.

Hon. O. S. ARTHUR: Mr. Chairman, Sir, I have listened very carefully to the debate and I would like to make my own contribution to it, Sir. I would like to thank the real leader of the Democratic Labour Party for making the Democratic Labour Party's Manifesto a document of the House. Last week the House would recall that the other leader of the Democratic Labour Party was so busy with Barbados Labour Party's affairs that he thought it necessary to lay our Manifesto before laying his so little confidence he has in the handiwork of the Member for St. Michael South.

Sir, this matter before the House is one that has obviously elicited a lot of comments and perhaps it needs, Sir, to be put in clear context. A lot of speeches are being made out of context. And for the benefit of Members on the other side, it ought to be said, and some things need to be said that as far back as 1989 the Government of the day had access to the Langer Report which drew attention to the need, Mr. Speaker, for new legislation to be introduced to broaden Barbados' appeal as an international business and financial sector and for changes to be made in the way in which the business of the sector was transacted.

From as far back as 1989 it was being spoken of that Barbados should have Trust legislation. We are in 1994, Mr. Speaker, and we are still to get from the Democratic Labour Party the Trust legislation and all the other pieces of legislation recommended by Langer five years ago to broaden Barbados' base as an international business sector. So that when we hear of the talk on the other side as to how wonderfully well they have done, Sir, this House must never, ever forget that the former Government has taken a long time in doing things which other countries, faced with the same international circumstances took by the scruff of the neck, instituted and have gone ahead of Barbados in

certain areas of the international business sector. When the Honourable Member for St. Michael South read out the performance of his administration as it was then, in this field, he should have also read out what other competing developing countries did face with the same international situation. He should have told us, Sir, what the British Virgin Islands, which was more on the ball, did in the same time period in relation to the registration of companies. And it is against that background, Sir, that this particular Resolution has a meaning. It is well and good to talk but action is another matter. This legislation is being brought to Parliament in a financial year when the Democratic Labour Party had the opportunity if it so wished to have put money into the very thing that we are now putting money into to accomplish the same purpose that we are seeking to accomplish. And I want to carry back this Parliament, Sir, to the Estimates Debate. When the Estimates came to the House this year I commended Government for the fact that it was establishing an international business unit. But I lamented the fact that given the scope of the work contemplated for the Unit, Sir, \$440 000 was not enough to get the job done and that more would have to be done in order for that Unit to give the kind of drive that was necessary to this most important sector of our economy. This is the same financial year. 3.05 p.m.

If the Democratic Labour Party was serious about this sector and about the computerization of the affairs of the Corporate Registry, Mr. Speaker, it could have done it in the Estimates this year. But the Democratic Labour Party has tarried on this particular matter. They have taken too long in bringing important pieces of legislation to the House. They have taken too long in making the necessary institutional changes and arrangements that could really make Barbados a full fledged international business centre. While we are grateful for the fact that some progress has been made, the relevant consideration is what could have been accomplished had the legislation been brought to this Parliament and had the money been spent to make the necessary institutional change. That is the relevant consideration. We could have gone much further in this field as the British Virgin Islands has and other offshore businesses have if the Government was more on the ball.

I am, therefore, fascinated by the accounts that have been given. But enough was not done and I give this House the assurance, Mr. Speaker, that we will be paying attention to the work of the International Business. From the floor of the Opposition, I said that I did not feel that it should be located in the Ministry of Finance. The Ministry of Finance has a heavy portfolio and the International Business Unit in my view would have been lost in the welter of other considerations that come before the Minister of Finance. I thought it should have been put in a Ministry where it can be given the kind of focus and the kind of manage-

ment that it requires given its potential; and that is one of the strategic differences between the way in which we have approached it and the way in which the Democratic Labour Party has approached it. They located it in a corner of the Ministry of Finance. We are putting it at the centre of a Ministry.

I thought that I needed to react particularly to the straw god that was set up by the leader of the Opposition when he challenged the Government to state that it was not going to change Barbados' status as a low tax jurisdiction. There is nothing that has been said by the Deputy Prime Minister, there is nothing that has been said in our Manifesto, there is nothing that has been said in the Throne Speech, there are no utterances or action by the Barbados Labour Party that would suggest that we intend to change Barbados' status in this sector as a low tax jurisdiction. In fact, it was the Barbados Labour Party in introducing the Offshore Banking legislation made sure that the offshore banks pay tax and we inherited a regime of International Business Companies legislation that we have perpetuated with low taxes. And we have always followed the policy that Barbados should develop in this sector as a low tax jurisdiction depending upon a network of double taxation treaties with other countries to give effect to the execution of the policy.

It therefore, Sir, was unseemly for the Leader of the Opposition to seek to read into the statement of the Deputy Prime Minister what was not there. There is absolutely no intention on the part of this administration to do other than maintain Barbados as a low tax jurisdiction supporting that standing with a wide network of double taxation treaties. This effort to continue to confuse the issue where there is no need for confusion is unfortunately the only tactic of the Leader of the Opposition. His only contribution to this debate as far as I am aware was to try to urge us not to do what we had absolutely no intention of doing.

Sir, the idea that Barbados should establish a one-stop shop in the area of offshore business administration is one that this administration takes, Sir, but we also have to as far as practicable establish one-stop shop procedures in other Ministries as well. The Ministry of Tourism could do well with a simplification and a reduction of the number of points in decision making that now stand in the way of people being able to carry out investment activity. The same thing applies in the area of agriculture and the same thing applies in the area of industry. It is not a problem that is peculiar to this sector. The Barbados Labour Party's Manifesto cited the removal or reduction of the encumbrances to the way of doing business as one major aspect of our economic policy.

Mr. Speaker, we believe fundamentally that one way of creating the possibility of high levels of capital

formation in this country is by creating a business friendly environment. People must feel welcome here to make investment. I take the point that right now this environment does not operate in all the spheres of Government activity and we must not only make changes at the Corporate Registry. We must also begin to make changes in the Immigration Department and all of the areas in the public sector which in the face of the private sector must begin to adopt a business friendly attitude because the jobs of all of us depend upon our being able to support high levels of capital formation in this country.

I thought that I would make my input into this debate by saying, Sir, that we have to judge what is being done now against what could have been possible had a different approach been undertaken. I would like the other side to remember that it fell to them to have executed the Langer Report. I deeply want the other side to remember the debate in 1984 when the Foreign Sales Corporation legislation was brought to the House and what was important about that debate was the fact that there was only a very short lead time between there being the possibility of our getting into the Foreign Sales Corporation business and our bringing the legislation to Parliament. This is a very competitive field, Mr. Speaker. And if we take five years to bring legislation to this Parliament and if we do not also bring the very best legislation to sell Barbados as a reputable place to do business, as a place which is offering the best, then we will be lost in this competitive field. I have heard the Democratic Labour Party praise themselves. I am not impressed with the self praise because I know that the Langer Report has been languishing for very long. Now if it now falls to us, Mr. Speaker, to do what they could have done in the context of the international environment in which they operated that was so conducive to the greatest possible expansion of activity in this sector, we will do it whether it is in their Manifesto or not.

I am obliged to you, Sir.

Mr. D. J. H. THOMPSON: Mr. Chairman, there were a couple of issues that had surfaced in this debate since I spoke at the beginning which I wanted to deal with and they were certainly some which arose from the very able defences put in on behalf of the Honourable Deputy Prime Minister by her colleagues on either side. I would have taken her word alone. I want to assure you of that, Mr. Chairman. I did not need the word of the Honourable Attorney General or the Honourable Prime Minister in defence of her good intentions.

However, the sheer logic of what the Honourable Member said at the beginning of her presentation is something that would have caused concern. Contrary to what we may feel particularly in relation to the international business and financial services sector and

just as we read the debates of the Canadian House of Commons and the voluminous documents which the Minister of Finance in Canada puts out whenever measures he takes have an impact on the financial services sector, there are people who are going to hang on every word which comes from Members of this Chamber particularly those on the Government side in relation to the offshore sector. Now the particular report which the Minister quoted from said this: 'If you consider this offshore haven,¹¹ in respect of Barbados, "be forewarned that the quality of local banking regulation is considered below par by most analysts. Like the Bahamas, Barbados discourages financial investment by individual entrepreneurs as well as small consortiums. To limit the pool of eligible investors, local Government now requires a hefty \$1 million paid in capital requirement before issuing a bank licence." I understood the Minister to be saying that Mr. Schneider raised a concern to which she responded. All I am saying to the Minister is, at this point, that I would like to understand whether she agrees with Mr. Schneider in relation to the paid-in capital requirement, and in fact that paid-in capital requirement is not something that any recent Government introduced as an impediment to business, it is something that was in there from the beginning and forms part of the measures introduced by the then Barbados Labour Party administration. Mr. Schneider should be told, not that we are lying down prostrate before him or anybody else, but that this is a domicile of integrity, that it is not a tax haven and that we have countries with which we will compete but the tax havens are not those countries. 3.15 p.m.

Likewise, it is monumental folly to continue to cite Tortola in the BVI as a country which Barbados, according to some of the comments I hear, is competing with on the same basis. We are not into high volume registrations, and the Honourable Member for Christ Church South makes the point and I agree with him that we wish quality international business companies operating here which are involved in active business operations, which employ Barbadians and which make some contribution to the economy. That is not the perspective which the British Virgin Islands has. I suppose they would like to have it, but we have an advantage over them, so for the Honourable Prime Minister to intervene by suggesting that BVI did something so monumental and fundamental in the past few years which Barbados did not do is to misunderstand the location of Barbados and its position as an international business and financial services sector. Because, as I would like to maintain, there may be selective areas in which we compete with jurisdictions, but that overall we are leading the pack in the Caribbean with foreign sales corporations, we are still leading the pack, in my view, in the Caribbean in relation to active IBCs, and on that point the Honourable Member for Christ Church South asked about an impact study.

An impact study was done last year. I think all the lawyers should have been circulated, together with accountants and others, the problem being that getting information from official sources on the contribution of the sector has been difficult, so what happened is the Unit sent out circulars requesting information and it was purely at the discretion of the professionals to provide that information or not to provide it, and based on that the study was done. The sole purpose of that study was to collate sufficient information to make representation to the Minister of Finance in Canada about the contribution of the offshore sector in Barbados and also the benefits to Canada of having Canadian companies establish IBCs in Barbados rather than to go the route of using tax havens as their domicile. In other words, we were trying to make the point that it is still in the interest of the Canadian Government to have a domicile like Barbados as a place in which their business people wish to do business, and we wrote to the Minister of Finance in that regard and I met with him some time earlier this year and he said that the objective of the changes in the Canadian tax legislation was not such as to disadvantage Barbados, but in fact we were *ad idem* on how the sector should grow.

The second point I want to make is that there is a reason why countries like BVI can have legislation go faster than us. Barbados is a developed democracy. We have private sector accounting firms, all of which have different views on legislation. The Financial Intermediaries Regulatory Act took a long time to come to Parliament because there was a lot of to-ing and fro-ing between the accounting and legal people and the Government on provisions of that. The Foreign Sales Corporation Act was delayed in here because of objections which the then Opposition put in about some of the provisions. The IBC Act was delayed because of objections, some of which were taken on board by the Government and the changes were made eventually. We have an Advisory Committee which does not itself agree on any one issue, we have an Advisory Committee, half of whom are grumbling for ever and fighting with the Corporate Affairs Department and the other half of whom say they have terrific relations with the Corporate Affairs Department. So we have never had any specific recommendations from that Committee because they are unable to agree, and as I have said this is a democracy.

The Honourable Member for St. Joseph I know has a different style from me in these things and he will railroad the process. I do not think that is the way that Government should operate. I know your style is a lot different. The *Advocate* editorial also recognises the difference between your style and others. There is also a consultants'...

Mr. CHAIRMAN: The Honourable Member should address the Chair and not other Honourable Members.

Mr. D. J. H. THOMPSON: Yes, Mr. Chairman. There is also a consultants' report on the establishment of a one stop shop in Barbados which the Honourable Members have access to, but I want you to read that report at the earliest opportunity. That report suggests that in Barbados the essential impediment to the development of business and the impediment to invest in Barbados is not the officials and the bureaucracy. They actually came to some conclusion that matters spend weeks on the desks of Ministers, adduced no evidence but said that all of these things should be taken out of the discretion of the Minister and should be decided much lower down in the bureaucracy. The Honourable Member for St. Joseph is not going to agree to that, and based on what happened with the Tourism Authority Act in here and the amendment which the Honourable Members on that side proposed from the Opposition, as well as the Public Enterprise Investment Fund Act, in which we took the power and vested it lower down in the system and the Honourable Members who were then on this side said no, the Minister must decide,....

Aside.

Mr. D. J. H. THOMPSON: I did not say anything is wrong with that, I say you said so. The problem is this, that the same issue came up when we were seeking to establish the Unit, that the private sector was of the view that the Unit should be an autonomous body in which the Minister has absolutely no influence whatsoever, which as they say is the case in BVI. I heard the Honourable Member for St. Peter talking and drawing those comparisons to countries like BVI. If you go down that line, the private sector will carry you out to the bailer on BVI and in BVI the Governor would have absolutely no influence on the development of the sector. Those comparisons do not make sense, and the Honourable Member can call my comment obscene or whatever else he wishes. I do not wish to jump in where angels fear to tread, so I am not going to reply, but perhaps a little more familiarity and some time at it. The Honourable Member for St. Joseph could have assisted with this. He really could have assisted with this. We would not have had the *faux pas* at the beginning and the subsequent comments that do not make sense. 3.25 p.m.

If the Honourable Member for St. Peter as Minister of Finance is saying that \$400 000 is inadequate for the Unit, we just did a supplementary to approve funds for rural development, we are doing computerisation, the next question I wish to ask is how much more is the Government going to allocate to the International Business and Financial Services Unit for, as he said, promotion during this fiscal year? I mean the new Government. How much more, because this should be a matter of priority...

Asides.

Mr. D. J. H. THOMPSON: Power is a funny thing. You better understand that it may be more my business than yours and you must answer it.

Mr. CHAIRMAN: Order in the House, please.

Mr. D. J. H. THOMPSON: If you don't answer it now, then you will get a Parliamentary Question.

Mr. CHAIRMAN: The Honourable Member is asked to address the Chair. Will those who are speaking loudly please desist.

Mr. D. J. H. THOMPSON: Nobody can say "none of your business" inside here. What kind of comment is that? That is madness! Absolute power corrupts.

It is my business to know how much more the Minister of Finance will provide the Unit. I want to know how much more over and above the \$400 000.

The second point relates to the role of the public sector and I wish to say that I believe that the public sector has in fact been - except in relation to the legislation... The Honourable Member for St. Peter should be sufficiently familiar with these matters before he gets up to speak. There is a final draft of the trust legislation already in circulation. It has been to IFSAC. It has been to the accounting professionals and therefore should be ready for Cabinet or whatever other procedures and ready for Parliament right away. If it is not ready, then I say to the Honourable Attorney General to get it ready because those are the instructions which the Honourable Prime Minister has given you and it must be done right away and the Langar Report must be implemented without delay.

On that score, had the Honourable Member been adequately briefed, he would know that there are several elements of the Langar Report which have already been implemented, including the negotiation of additional bilateral investment treaties, and additional tax treaties. Sometimes it does not make sense having the legislation for the sake of having it, unless you also have[%] in place those treaties which are very critical. We need to focus on the treaty. It is true the legislation is important because it adds investment vehicles; but what is of greater significance, is major advancement in relation to the negotiation of treaties - bilateral investment treaties and also tax treaties.

Asides.

Mr. D. J. H. THOMPSON: They are not a problem but we need to conclude more of them because they are becoming very significant now in relation to... Barbados just acceded to Article 8 of the IMF for that reason

because the question of being able to repatriate profits or other benefits is critical. It is becoming a major concern and it will become of even greater concern because of some of the foreign policy decisions sanctioned by the Security Council which have wrought havoc and which the Honourable Member for the City I know is very familiar with and would understand better than some others.

The last point. The net foreign currency earning credit is a matter which was raised in the last Budget. It is something that impacts on professionals who earn foreign currency from services provided in Barbados on these matters. No Government seems to be able to resolve it. We sought via the last Budget to say that we would bring a special rate of tax, and that legislation, I hope, will be brought to the House soon because it is very important. There are a lot of matters outstanding before the Appeal Tribunal and also before the Ministry of Finance for determination which can go no further and it is an impediment to people who want to become involved who can earn foreign exchange if they are not certain that there is an incentive there because of the way in which it is being administered.

I have nothing to say about the attorneys as professionals. The Honourable Member for Christ Church West used the right epithet - "supine", "spineless". You read the Minutes of the Bar Association Meetings. They talk and talk about it.

Asides.

Mr. D. J. H. THOMPSON: I am not competing with accountants or anything. I am ignoring them. "The crabs in a barrel", I heard that one but it is not my language. I will drop that.

The point is that there is something...

Asides.

Mr. D. J. H. THOMPSON: I was on Spry Street before you.

Mr. CHAIRMAN: Please address the Chair.

Mr. D. J. H. THOMPSON: Yes, Mr. Chairman. You came and found me on Spry Street.

Mr. Chairman, the lawyers, however, have backed down on this issue. There are some of them who themselves reap such paltry benefits from the accountants, but because of those very paltry benefits that they reap, they prefer to ingratiate themselves to the accountants in Barbados and stymie the approach which the Bar Association makes. The Bar Association frankly seems...

Mr. CHAIRMAN: The Honourable Member has just one minute to wind up.

Mr. D. J. H. THOMPSON: Thank you. Something needs to be done about it, and one would assume that now with an administration constituted by so many former eminent practising attorneys-at-law and other attorneys-at-law that in that regard it would do something urgently about the approach of the accountants in this particular matter because it is something that obviously is of concern. I am not making a special pleading for lawyers, but I am saying it is something that is in need of attention. So I make the point that I wouldn't make any plea on behalf of attorneys-at-law at all. Thank you, Mr. Chairman.

Hon. Miss B. A. MILLER: Mr. Chairman, Sir, I am grateful to all Honourable Members for their contributions on this matter. It is a matter for some regret that the Honourable Leader of the Opposition is not accepting his role as Leader of the Opposition and not accepting the will of the people with a certain graciousness which one would have expected but we learn to live with that in here. I hope that he will improve with age but it can only be a hope.

He made much, Sir, of the excerpt from Mr. Schneider's volume that I referred to in the beginning. Nobody, including Mr. Schneider's excerpt, said anything about Barbados being a tax haven. The point has already been made by Honourable Members that he is only building up a straw man to knock him down because it was too much for him to concede, as other Honourable Members on the Other Side have, that this is a good first move for us and that much is underway. It is just too much for him to do that.

The fact is that wherever and whenever somebody says something ill about Barbados - and it is an ill thing to say to people that he would suggest that they should avoid doing business in Barbados - we must seek to correct it. This is also an indictment of the late Democratic Labour Party Administration because this is a comment on the past 8 years. So I would understand that he would have some difficulty with that.

In his more recent comments in his second intervention in this debate he asked how much we would spend on the international business sector. This coming, Mr. Chairman, from somebody who was only recently a Minister of Finance and found it within his bosom and purse to vote \$1 million for the St. John Polyclinic, part of a St. John Development Plan which is mythical and never existed? And the \$500 000 we are asking for today is a mere pittance compared to what has been lavished on the yet unfinished Sherbourne Centre by that Honourable Member when he was a Minister of Finance. I cannot believe that this question is being asked of us.

In the fullness of time...

Mr. D. J. H. THOMPSON: On a point of elucidation. I was not making it as a criticism, asking how much more as if you are spending too much. I was simply asking what more is going to be given to the Unit in view of the fact that the Prime Minister said that \$400 000 was not enough. I only want the figures. That's all.

Hon. Miss B. A. MILLER: There is a plan, Sir, and when the Estimates of Expenditure come before this House the Honourable Member will see. It will not be like Topsy in Uncle Tom's Cabin when asked "Where did you come from?"¹¹ She said, "Dunno, I just grewed." That is what happened up at Sherbourne. It just grewed and grewed and grewed. This will not be like that and I give Honourable Members and particularly the Honourable Member for St. John that assurance. 3.35 p.m.

Mr. Speaker, Members on this side are concerned that an Honourable Member who has been much criticised and is really *persona non grata* in CARICOM, and the laughing stock, I am advised, for not having signed the CARICOM Tax Treaty and for the wrong reasons at that, it does not come well from his mouth that he should be asking these kinds of questions. It is easy when you are in Opposition now to look over your shoulder at the *vast vista* of what you left undone, of all the unfinished business, but this Government has to get on.

Mention was made of trusts, Sir. I would like to say this in respect of trusts for the information of Honourable Members. The Trust legislation is proving to be far more complex than was originally thought. It is the intention of this Government to bring a technologically sound, first-class, world-class Trust Bill before this Parliament when it does get here.

We are seeking presently, Sir, the advice of trust experts in London, in Ontario, Canada, and in New York before we finalise the draft which has already gone through six revisions, no less. It is all right for the Honourable Member for St. John to get up and talk about they have left a final draft somewhere. There have been six revisions and it is still inadequate. It is still not a year 2000 document. While we are reasonably certain at this point that it is a sound document, there are additional provisions which we think are going to be needed because technology is so rapid and sophisticated, global financial requirements in the market place are such that you really have to be ahead if not by the time you publish you are obsolete.

Mr. Chairman, I think it is timely that Honourable Members may wish to know that a new Advisory Committee on Foreign Trade and International Business has

been appointed in the Ministry of Foreign Affairs. It is to be chaired by Mr. Teddy Griffith, a former General Manager of the Central Bank. It is peopled from the legal profession and the accounting profession. We have even gone outside those two professions for persons whom we think will have substantial and significant input. It is expected that the Committee will be inaugurated some time next week.

Mr. Chairman, there was some talk coming from the Honourable Member for St. Michael South, he who is not now in his place, about manifestoes. It is suggested that the Honourable Member for St. Michael South has fled, but it is regrettable that he is not now in his seat. I know that manifestoes are anathema to him but I would wish to quote again, from the Barbados Labour Party Manifesto at page 12, where under a heading of "Offshore Services and the Informatics Industry" there are several bulletins here and I do not want to quote all of them. I only need to quote a few to show the context of the Manifesto into which this whole issue will set.

We have said in the Manifesto that we will establish a new Ministry of International Business. That has been done. But we have also said that in addition the role of the bureaucracy will be re-engineered to meet the needs of a complex and sophisticated world-wide market place.

We have also said, Sir, that we will seek advice from competent full-time professionals and world class consultants on new marketing strategies. We have said that we will provide significant additional Government funding for the development of this sector and that we will ensure that Barbados is positioned to anticipate and respond to technological changes and to supply qualified people to service software development units.

We also said, Sir, that we will ensure, and I am saying this specifically for the benefit of the Honourable Member for St. Michael South Central, that only genuine offshore business is conducted and we will remain ever vigilant against the use of Barbados by those seeking to evade the laws of other countries. We recognise that if ever we should be compromised it will fundamentally undermine the industry.

Having mentioned the Honourable Member for St. Michael South Central, perhaps I should remind him of what he said in the debate in 1979, the debate on the introduction of the Offshore Banking Act, 1979, and I am quoting Hansard, Sir, at page 2581, Dr. Haynes. It says:-

"I have very mixed feelings about the introduction of offshore banking facilities here in Barbados. It is important to point out that this particular measure will have little relevance in dealing with the impor-

tant social and economic problems facing the masses of Barbadian people in this country".

This is the Honourable Member for St. Michael South in the 1979 mode, Sir. He became even more extravagant in his language. He said:

"Indeed, I feel that only very wealthy Barbadians and particularly those with legal training, will be able to reap any significant direct benefit from this particular measure, while many non-Barbadians will of course be able to benefit directly from these offshore banking activities."

It goes on. The language becomes more and more extravagant. The Honourable Member said further in his 1979 mode:-

"It is my belief that this question of introducing offshore banking here is going to create further problems within this society. Here you have a situation where you are offering further incentives and in my judgement only a very small number of Barbadians will benefit from it. Now how many Barbadians may I ask you, Mr. Speaker, do you think will be able to find \$500 000 or \$250 000 or whatever it is in order to get involved in a company to benefit from this kind of exercise?" What kind of contract will they have?"

It goes on and it goes on. The fact is that the Honourable Member for St. Michael South Central was highly critical at the time and the word "mafia" was used in this debate.

Dr. R. C. HAYNES: On a point of order, Sir. Quite clearly the Honourable Member cannot distinguish between offshore banking and the offshore sector. How many Barbadians are employed in offshore banking today? Answer that if you want to criticise what I said.

Mr. CHAIRMAN: The Honourable Member does not have to answer a question.

Hon. Miss B. A. MILLER: No, No. The Honourable Member was a Minister of Finance. The Honourable Member in this debate was talking about what Barbadians might invest, not the number of people employed. That is another part of the debate because there was a long argument about how many Barbadians would be expected to gain employment out of this and how labour intensive or otherwise it was going to be.

I want to go on, Sir, to say that it is very easy also for the Honourable Member for St. Michael South Central, who is another former Minister of Finance in here, to look

back over his shoulder into the past, now and at a lot of unfinished business and to get up now and talk in here as though this is the most wonderful thing that can happen to Barbados. When the Honourable Member was Minister of Finance in 1986/87 in those horrible years of the July 1986 Budget and the Budget of April 1987, we were not hearing what we are hearing today.

The fact is, as I said at the beginning of this debate, we could have been much further ahead than we are now but the past administration over the past eight years just did not give the kind of priority to this and part of it had to do with a certain obstinance. They were obstinate because they well remembered how they criticised it and laughed and cried it down when it was introduced in here and it is only now in these latter years that we can read in Manifestoes that this is a way forward and that this is priority for a Barbados Government. This is coming from the mouths of two former Ministers of Finance who helped to reduce manufacturing the way it is in Barbados today, who watched the sugar industry diminished to where it is at today and who supervised tourism so that it is where it is at today. We would not talk about the unemployment rate, unprecedented in the history of Barbados. Mr. Chairman, Sir, I am asking that this Resolution do stand part. 3.45 p.m.

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

On the motion of Hon. Miss B. A. MILLER, seconded by Hon. D. A. C. SIMMONS, Mr. CHAIRMAN reported the passing of one Resolution in Committee and Mr. SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Hon. Miss B. A. MILLER, seconded by Hon. O. S. ARTHUR the Resolution was read a first, and second time and agreed to without division.

ORDER NO. 6 - A BILL TO AMEND THE MAGISTRATES JURISDICTION PROCEDURE ACT, CAP. 116

Hon. D. A. C. SIMMONS: Mr. Speaker, Sir, about the third week in September it became obvious that recent legislation which had been proclaimed on 1st September was proving to be ineffectual.

In 1992 the then Government passed the Theft Act 1992-29, the Criminal Damage Act 1992-16, the Criminal Law (Arrestable Offences) Act, 1992-17 and more recently, this year the Offences Against the Person Act 1994-18. These 4 pieces of legislation took effect by proclamation on September 1st. At the same time no consequential amendments had been made to the substantive Act

the Magistrates Jurisdiction and Procedure Act Cap. 116, vesting jurisdiction in the Magistrates to try offences under those 4 Acts which had been passed in 1992 and the other one this year, Sir. The result was that a number of persons were being charged on a daily basis for offences, particularly against the Theft Act and those offences were at the time of the charge potentially indictable, triable by Judge and Jury.

Indeed, Sir, let me explain that. If a person stole a tin of sardines from *Julie-N* he was liable to be charged before the Assizes. Now that, if it continued, would have made the business of the Magistrates' Court in particular unwieldy and unmanageable. It was necessary to have a regime of offence that would be triable before the Magistrate exclusively so that swift justice could be dispensed rather than have the drawn out 'rigmarole' of a trial by judge and jury at Assizes.

A number of persons involved in the prosecution of offences spoke to me about the problem and it was my opinion that there needed to be a swift amendment to the existing legislation. Let me explain, Sir.

Concurrently with those events which I have just set out, there is a new and substantial, and when I say substantial I mean voluminous Magistrates Jurisdiction and Procedure Bill in circulation which is going to completely revise, modernise and update the procedure and jurisdiction of Magistrates. It is a substantial piece of legislation, and it would have been unreasonable of me to expect the various bodies to whom that legislation has been circulated to respond in the time that was required make meaningful comment on that legislation. I therefore deemed that it was appropriate that while that legislation is being considered by various interest groups, an emergency measure should be brought to Parliament to deal with the immediate problems that arose since the 1st of September. The Bill before Honourable Members is that emergency piece of legislation. Before I deal with it seriatim I wish to make one or two general points. 3.55 p.m.

The Manifesto of the Barbados Labour Party commits us in an effort to ensure wide consideration of legislation prior to introduction into Parliament to the circulation of that legislation in a draft stage to interest groups that could be affected by the legislation as well to political parties. I have given instructions that the Magistrates Jurisdiction and Procedure Act in that spirit be sent to the leaders of the Democratic Labour Party and the National Democratic Party and I trust that they have got them by now. That will be an ongoing routine.

Aside.

Hon. D. A. C. SIMMONS: It is being pointed out to me very properly, Sir, that certain Members on this side have not got that document, but I will put that right tomorrow. In addition to that, Sir, and appropriable of something that was said earlier today, there are two pieces of legislation in the offshore sector that will be in the hands of Honourable Members on the other side shortly, maybe by the end of this week if not before. Instructions have been given to send to them the Society With Restricted Liability Bill and the Limited Partnership Bill. Those should be in the hands of the leaders of the two parties on the other side by the end of this week. (We are asking in relation to those two to have the comments back by November 15th). They are not terribly big bits of legislation so that we can bring them to Parliament in November.

Sir, I cannot tell you why there was a foul up with the Theft Act, Criminal Damage Act, Criminal Law Arrestable Offences Act, or the Offences Against The Person Act. All I can guess is that the previous Government was trying to give the impression that they were enacting legislation before close of political play on September 6th and just rushed them through thoughtlessly and needlessly of the consequences and the great confusion that has been the aftermath of that quite silly decision. We now have to clean that up, Sir. I think people must understand that before we can make progress we also have to clean up the stables.

This Magistrates Jurisdiction and Procedure (Amendment) Act, 1994, Clause 2 amends the Theft Act in this regard, Sir. Where there is a theft of property not exceeding \$1500 in value, the person is liable to prosecution before the magistrate and liable to a fine of \$2500 or to imprisonment for 2 years. Similarly, in respect of robbery, the value is \$1500 and the penalty is the same as mentioned earlier of \$2500 or to imprisonment for 2 years. Stolen property and obtaining property or advantage by deception, they are all standardized in terms of the value and the penalty.

We have also taken the opportunity to amend Section 44, Cap. 116 in Clause 4 of this Bill to allow the magistrate to put the statutory question to a person who is accused of an offence where the value is more than \$1500 but not more than \$3000 to opt for summary trial before the magistrate. That is the effect of Clause 4 of this Bill re-enacting Section 44(1) of the existing Cap. 116 and to make sure that those who have been charged with offences since Sept. 1, 1994 do not escape on the basis of a technicality. I have put in a special clause in Clause 6 to make this Act relate back to September 1st, so that this Act will be deemed to have come into operation on the 1st of September.

The Schedule to the Bill enumerates all the various offences which are caught by the legislation in relation to other Acts such as the Post Office Act, Stamp Duty Act, Theft Act, Electric Light and Power Act, Perjury and so on. It is a very simple piece of legislation but it was the quickest way of doing it. One does not like to amend legislation by tinkering such as we have done here, but it is inevitable given the circumstances that have attended this matter and the fact that there is a new comprehensive bit of legislation which was first done in February 1986 and is in circulation now for the Bar.

One further point that I would like to make, Sir. In the Manifesto the Barbados Labour Party also says that we wish to assist the profession in terms of continuing education for lawyers. The Honourable Member for St. Michael South Central earlier today was making some reference to that in relation to the offshore sector. I would like to tell him that on the Tuesday before I introduced the last in-take of lawyers I did mention to them that they were coming into the profession at a time when we had got rid of the old Larceny Act and we were now applying different notions to the concept of theft and larceny and that most of us in the profession were never brought up as it were on a Theft Act but rather on the old Larceny Act. The Theft Act itself is based on the English legislation which originated in 1968 and it seems to me that the Government could contribute to continuing education by sponsoring a seminar to be addressed by someone who was familiar and conversant with theft legislation. In that regard, I am pleased to say that I have had a response from Mr. Graham Broadben, lecturer at the Cave Hill University in this area. He is willing to do a seminar for us. His books have not yet arrived and will not be arriving until the end of October and I will be arranging with the Bar Association shortly a convenient date for all concerned so that the profession can get the benefit of Mr. Broadben's experience and expertise in this very critical area of theft and a new area for Barbadian lawyers. 4.05 p.m.

So I am pleased to move the second reading of this Bill. I did ask for an explanatory memorandum to be prepared and circulated and I think all Honourable Members should have received it. The Bill speaks for itself. There is no difficulty with it, Mr. Speaker.

Before I sit, I wish also to say to the Honourable Member for St. Michael South Central that earlier today he was calling on me to bring legislation and asking, do I have the staff and all this kind of thing, Sir. This Bill is before Honourable Members in less than 3 weeks after a draft was sent to Honourable Members for their comments. It is before Honourable Members in less than 3 weeks. I don't know how much faster I can be. I am not a magician.

I wish him to know that...

Aside.

Hon. D. A. C. SIMMONS: I have already mentioned the Limited Partnership Bill, the Society with Restricted Liability. There is a Business Corporations Bill being drafted. I have seen a first draft of it in the Ministry of Commerce. There are about 5 or 6 other Bills which are going to amend various pieces of the offshore legislation to bring them up-to-date to take account of the concerns of the Port and to make sure that Barbados places itself on a fast track for offshore business.

I would like to think that before the end of this year - I mean this calendar year - those other bits of offshore legislation will be in this Honourable Chamber. Before that, Sir, we will also be bringing a Bill to amend the Marriage Act. So that is some indication of the legislative programme for the balance of this calendar year.

I wish to compliment the staff of the Chief Parliamentary Council who have worked extremely hard on this Bill. It is a small thing, but it requires a lot of close work and careful work to make sure that we caught every possible offence. In fact, only this morning I came across something that had to be amended. It is the best that we can do and I think that there are no wrinkles left. All those have been ironed out and I am pleased to ask that this Bill be now read a second time.

Hon. Miss B. A. MILLER: I beg to second that, Sir, and reserve my right to speak.

Mr. F. STUART: The Opposition Party, whose voice I am in matters of this kind, cannot credibly object to the amendments which passage of this Bill is intended to effect. The amendments are sensible and necessary.

As I understand the Bill, the amendments seek to establish a relationship between the Magistrates Jurisdiction and Procedure Act and the Theft and other Acts, not unlike the relationship which existed between the Magistrates Jurisdiction and Procedure Act and the Larceny Act which the Theft Act repealed and replaced. That is commendable on grounds of consistency in the first place.

In addition to that, passage of the amendments remove the prospect of unnecessary and torturous delay in the Court process. For were these amendments not brought, were this Bill not brought to effect these amendments, matters that could be expeditiously and easily disposed by a magistrate would have to pass through two stages: a preliminary enquiry at the Magistrate's Court level and then, trial on indictment before a judge and jury.

Already, an intelligent public is hostile to the unnecessary delays that take place in the court system and from time to time emit howls of protest at what seems to be the disadvantages to which they are exposed as a result of these delays.

So we cannot object to these amendments. They will have the effect of relieving congestion in the court system and they will have the effect too of alleviating any discontent which victims of criminal offences might feel by having to come around the courts, week after week, to stand in a courtyard demeaningly while unfriendly buildings frown on them. So I cannot ascribe to the amendments at the moment and the gravity which the Minister has just ascribed to them. They are sensible and routine amendments and they have the support of the Opposition whose spokesman I am in this matter. Thank you.

Mr. L. R. TULL: Mr. Speaker, Sir, the amendments such as are outlined in the Bill and stated by the Honourable Attorney General are entirely necessary for certain consistency to the work that must be done by the people in criminal investigation and charges, by the Magistrate's Courts in particular, and by those attorneys-at-law who on a daily basis practise criminal law before the Courts in Barbados.

I do want however to give him a word of warning and that is to have matters heard before the Magistrate's Court do not necessarily, as the Honourable Member for St. Philip South was just saying, ease the congestion. My own experience tells me that when you are charged for an indictable offence which will go to judge and jury that there is more expedition these days. You get an indictable matter before judge and jury more quickly than you get a matter that is going before the Magistrate's Court. We have a system at the moment where there are large numbers of cases that are non-indictable being in the system for 3 or 4 years with 20 or more adjournments while, on the other hand, we have the indictable cases done extremely rapidly and particularly by one Magistrate. Maybe there are two of them, but I don't know. I have seen someone charged recently in the month of August for a big drug haul and his case is at Assizes which is operating almost at blinding speed.

I don't think that the difference such as is envisaged in this particular amending legislation will necessarily produce results in that area. The confusion caused by the early passage, the proclamation of the Theft Act did in fact cause a few problems, not only in the Courts but to the police department because they charged a number of people for offences under the Theft Act only to realise that it was an exercise in futility.

I am a bit worried at something the learned Attorney General has said and I would ask him to advert to it, that is, whether you can pass retroactive legislation making a charge for a criminal offence that was invalid in law now valid. I think he needs to look at that because if you charge a man back in early September under the Theft Act and you have a problem such as you have articulated today, can this Parliament properly pass legislation retroactive to September 1, 1994 that would render something that was legally invalid, valid? I just raise the question and perhaps the Attorney General might have looked at these things and can give me an answer that might satisfy. 4.15 p.m.

I also want to make a point in relation to this question of continuing education. I agree that the amount of legislation coming out sometimes even makes it difficult for lawyers who are members of Parliament to be able to absorb the volume of legislation and to be in a position to be proper practitioners of that law in a short period of time. But apart from the lawyers I think that in relation to the Theft Act, which is a major change in criminal law, and the Attorney General is perfectly correct, the vast majority of people who practise criminal law were brought up, weaned, reared and mastered in the Larceny Act but the Theft Act has brought about some fundamental changes in how one conceptualises wrongdoing in criminal law.

I believe it is going to take a long time for practitioners to get the hang of the Theft Act because they have been miseducated in something else before. Even more important than the practitioners who are partisan in the court law, are the magistrates. The magistrates are the ones who principally have to be subjected to this education of the import of a new Theft Act. Also persons who must be involved are the subordinate police officers and the senior people in the Criminal Investigation Department because almost on every occasion they have to do the interpretation of an offence and determination of what should be charged far long before anybody does it. A station sergeant in a police station in Barbados has immediately to look at a set of circumstances and decide what a man should be charged for and it is not always easy. Sometimes in a case like new matters like this it is extremely difficult and the bringing of wrong charges could quite often result in a defeat of the efforts of the Police Department over time through investigations or otherwise to bring people who are perhaps even guilty of matters before the court so it is very important that they too be involved in any process of education in relation to this matter of the Theft Act.

What I am not sure about, having read this, is whether this preserves the hybrid offence or not.

Aside.

Mr. L. R. TOLL: I looked at section 44 when you referred to it and I did not see...

Aside.

Mr. L. R. TOLL: If the hybrid offence remains, well fair enough. I accept your assurance.

There is only one other thing I want to say in relation to this whole business of the Magistrates Jurisdiction and Procedure Act. I am glad to hear that at long last there has been a comprehensive review of that particular piece of legislation. It is absolutely vital that if the integrity of the Magistrates' Court and the way they are run should continue that there be a new Magistrates Jurisdiction and Procedure Act. I would not like to use the word "the Bible", but it is the one piece of legislation that no Magistrates' Court or any practitioner of the Magistrates Court and the Criminal Wing particularly can operate without.

A number of difficulties have grown up over the years, particularly in relation to matters like committal. I hope the Act deals with committals for persons who are before the court for mental problems because you always have a problem with that and the law in relation to the committal of persons for psychiatric evaluation is not clear, even to persons who have been practising law for a long time.

Also in relation to the question of bail, now I know that there has been a draft Bail Bill knocking around for a very long time and it has not yet reached those to whom these things are circulated. It is absolutely urgent and pressing now that there be a new Bail Act. Everybody is doing his own thing. A practitioner cannot be sure that he can advise a client as to what is likely in respect to bail because each magistrate does his own thing and there is no consistency.

Those who are practitioners of law are told from the first few weeks in Law School that the law must be certain. That is one thing they tell you very early, and that a lawyer must be in a position to tell his clients with a fair degree of accuracy what is likely to happen if... That is something that can no longer be done in the courts in Barbados, not even in the Supreme Court before the judges. You cannot now be in any position to tell your clients with any reasonable accuracy what is likely to be the event of a bail application. It is a difficult way in which to practise law because clients believe very much in their lawyers, or most of them any way, and they feel that what they tell them they can rely on. When you seek to tell a client that you are not sure what will be the result he wonders what he is paying you for. I would like the Honourable Attorney General to give early attention to the question of bail and it will minimise many of the problems confronting both

those who appear before the courts as parties to proceedings and also to those who appear as their lawyers.

I want to say one final thing in relation to the question of the old preliminary investigations and the new paper committals, not so new because it has been going now for a few years. It is not working. It is not working for two main reasons. One is, Mr. Speaker, that there is a lack of trained persons to evaluate the evidence for the paper proceedings and I think this will require not only people who are trained but also more staff in the office of the Director of Public Prosecutions.

It will also require more people trained in the Police Department who deal with criminal investigation and charges. The system just is not working. It was intended to speed up the process towards trial and the result is that many practitioners are now opting for preliminary investigation hearings because they are swifter than the paper proceedings that were meant to cut down on the time that was spent on preliminary investigations so it is working the other way.

I will ask, Mr. Speaker, that the Attorney General give some early attention to these things like he seems to be doing with a number of other pressing matters. There are perhaps two other matters I would want to raise in Committee but I will not do that at this stage.

Thank you.

Dr. R. C. HAYNES: Mr. Speaker, this is essentially a legal matter in which I would not wish to intervene but there are one or two matters that always attract my attention. I am very glad that the whole question of retroactive applications of this piece of legislation has been raised. I intended to raise it because as soon as I see anything retroactive in this House it always alerts my suspicion that something might be wrong.

I hope that this present Attorney General would listen more carefully to the views of the non lawyers in this House because if others had listened in the past, several bits of unconstitutional legislation would not have been passed so I think it is always worthwhile hearing the view of someone not in the legal profession. I am not quite sure about this and you have a duty to me as a Member of the House, you are also my legal adviser whilst I am here to explain one or two things to me. There is a different regime of penalties here for the same offence? Is that correct. A person committing an offence, say after the 1st of September, let us say steals some corned beef or something like that, these fines here are different from what obtains in previous legislation? 4.25 p.m.

Aside.

Dr. R. C. HAYNES: Thank you very much. If that is the case then it would seem to me that this thing cannot be retroactive because what you are doing in effect is that you are worsening the position of an individual by making this legislation retroactive. In other words if I may go back 7 days on a maximum fine of say, \$20 for stealing a tin of corned beef under the previous legislation and I stole that in the middle of September, you are telling me now that you are bringing legislation now to tell me that I am liable to 2 years in jail or a maximum fine of \$25 000? I do not think you can do that. I think it is unconstitutional. I think it is something that needs to be looked at and I think that the legal language used by the Honourable Member for St. George South is worthwhile listening to. Mine is a layman's position and it seems to me to be a little wrong.

I intended to raise it by way of a question because it does seem to me to raise one or two things. The other point I would like to raise, if this was made to commence on the date of proclamation, what would happen to the people who had committed offences between the date of proclamation of this piece of legislation and whatever happened before? Would they just go free? Would they be charged now with the previous Act? Was there a previous Act under this where they could be charged? Now, these are things that need to be explained to the House to justify any kind of retroactive legislation. I think that this is a matter that needs to be looked at and Sir, as I pointed out before several legal matters have been raised by myself were ignored because I was not a lawyer and eventually the Supreme Court agreed. The second point, Sir, I would like to look at is the whole question of bail. I would like to address that question from a different perspective. I have always formed the impression that poor people in this country have had their rights trampled on by the courts of this country in many ways. One particular area I have referred to again and again in this House, this is not the first time, is in the area of bail. Now, I believe that under the Constitution or under the Laws of this country...

Mr. SPEAKER: Honourable Member for St. Michael South Central would you confine your remarks to ...

Dr. R. C. HAYNES: Yes, Sir, the Magistrates Jurisdiction. That covers everything. I can talk about everything to do with a Magistrate. If I am charged for stealing a tin of corned beef, I might be fined but I can also ask for bail and be denied bail. I am well within the 4 walls, Sir. Sir, I never ever stray from the 4 walls. Never, ever do, Sir, so you do not have to worry about me at all.

Now that whole question, Sir, and it seems to me and I have heard several lawyers, particularly young lawyers, complain about the attitudes of the Courts especially towards poor people in Barbados in respect of bail. Now,

as I understand the rights of people in this country under the law, is that they are deemed to be innocent of any offence until they are proved to be guilty. Now, if that is the basis on which a whole judicial system is based it would seem to me that the presumption must always be that a man is entitled to bail and it is the duty of the person objecting to bail to give good and valid reasons why he should not be allowed bail.

Aside.

Dr. R. C. HAYNES: That may be the law. I am just saying how it operates. A whole lot of poor people in this country are denied bail. That is a fact. That is a reality and it is usually poor people, people who do not have legal representation and I hear now, today, for the first time that even if you have a Q.C. representing you, the Q.C. has a problem too. Now this is serious because this really infringes the rights of people and this needs to be dealt with and I hope that the matter would be addressed by the Attorney General this time around. You will have more than one year this time around to get these things sorted out. Let us hope so. I suspect more than one. That whole question of bail as it affects the basic rights of people in this country needs to be addressed.

Now I gather that from time to time police object to bail because they are looking for evidence. They have arrested a man, charged him. They did not object because he is likely to go and kill somebody or something like that, but because they do not have sufficient evidence and they are looking for more evidence and therefore he is remanded without bail to Glendairy. That kind of thing is wrong. I do not understand how this society and how our judicial system, how the legal profession can continue to function year after year when they see the rights of people in this country are trampled on, day after day within the judicial system. Do not be surprised a lot of people out there have a considerable disrespect for law enforcement in Barbados because of these kinds of problems that they see going on day after day in the Courts. It is something that needs to be addressed. There should be a clear understanding, in my view, that anyone going before a court is entitled to bail except under a given set of circumstances that could be interpreted uniformly by everybody in Barbados and that it should be the exception rather than the rule that a man is not granted bail. I am not saying if there is reasonable cause to believe that a man would go and kill somebody that he should be given bail but certainly you cannot refuse a man bail because you do not have enough evidence and you are walking around looking for evidence and so on and you can refuse him bail on those grounds.

I would like to hear what the lawyers in this Honourable Chamber have to say about it. Sometimes, Sir, I get worried about the level of commitment of some

members of the legal profession to the fundamental principles of justice, to the whole concept of the freedom of the individual in a democratic society. I do not see enough of that kind of activity coming from the legal profession although I must, except the Honourable Minister of Education who represents a younger group of lawyers who would be prepared to devote the necessary time and effort to defend these kinds of causes that I am talking about but these are the kinds of causes that should be occupying the attention of this House of Assembly as well, apart from the technicalities of these Bills. Now, I am not competent, Sir, or capable, nor would even seek to try to address the technicalities relating to this Bill. I can only give an ideal second reading speech, Sir, where you do not deal in any way with the clauses or anything like that and stick principally to the principles behind the Bill. I would like to hear the Attorney General address some of these principles so that we can see the kind of tone that he would be setting for his period in office. We want to see a more aggressive, a more enlightened kind of approach to legal matters routed very much in principles of justice especially as they affect the freedoms of individuals in this country. The time has come for that. The time has gone when you could just treat people as you like and deprive them of their liberty. I think that whole question of bail needs to be looked at very fundamentally. If a Bail Act comes before this House, I think that I will have an opportunity to really deal with it in some detail. 4.35 p.m.

Thank you very much, Mr. Speaker.

Hon. D. A. C. SIMMONS: Mr. Speaker, if I may wind up. I am very grateful to Honourable Members who have spoken. Let me deal with the question of bail first. There is a legitimate concern of Honourable Members about the conditions under which a person can be admitted to bail. I think that I am right in saying that in the Barbados Labour Party's Manifesto of 1991 the Party was committed to bringing a Bail Act. Yes, it is on page 2 of the 1991 Manifesto. Indeed, in that Manifesto we promised the Offence Against The Person Act, Theft Act, Criminal Law Arrestable Offences Act, Magistrate Jurisdiction and Procedure Act. But what has happened is that since we said that we were going to bring this on the basis that they had been drafted when the Honourable Member for St. George South and I had been Attorney General in previous years and left up there, the last Government hastily passed them and proclaimed on September 1st. Be that as it may, we also had promised in 1991 a Bail Act and an Evidence Act. The Evidence Act has come.

The Bail Act, Sir, will be part of the legislative programme of the Barbados Labour Party. Every bit of legislation that one is going to introduce is not necessarily spelled out in the current Manifesto and indeed because

this Manifesto came 3 years and not 5 years, a lot of what is in the 1991 Manifesto informs the 1994 proposals. So we have to read the two together. But I can give Honourable Members the assurance that during my tenure there will be a bill to set out the procedure, terms and conditions for bail.

I want to say, Sir, that the introduction of the new Bail legislation in Trinidad has caused a lot of political trouble for the Panday Party as well as the PNN. I am going to evaluate the concerns, criticisms and fall-out that have attended that legislation in Trinidad before I send out a draft Bill on Bail in Barbados, because I believe a lot of concerns will be concerns which Barbadians will have that Trinidadians have. It is a question of studying the Trinidad experience and if necessary doing certain amendments to take care of the concerns that we have.

Aside.

Hon. D. A. C. SIMMONS: I am not a philosopher, Sir. I said that I am going to bring a new Bail Act which will set out in legislative form the principles upon which a person should be admitted and not admitted to bail. He asked me for my philosophy. How could my philosophy be different from the Constitution? The Constitution says that you are presumed innocent until proven guilty. I am going to make sure that the Bail Bill that is brought deals with people who are fugitives from justice who leave Barbados and run away and you cannot find them. All of that will be taken care of. You know what I am talking about.

The question of bail is largely discretionary at the moment and there is a wide discretion vested in the magistrate. I think it is Section 27 of the Magistrate Jurisdiction Act. I will just enlighten the Honourable Member. It states: "A person charged with any treason shall not be admitted to bail except by order of a Judge."¹¹ So basically you cannot get bail for treason unless a Judge gives you bail. It goes on: "Where a person is charged with any felony other than murder, the Magistrate may if he thinks fit admit him to bail."¹¹ Thirdly, "Where a person is charged with any offence other than treason or murder, the Magistrate shall admit him to bail unless there is evidence sworn before the Magistrate that the accused either intends or is likely to leave Barbados or by any other means evades trial, or unless such person has previously been convicted of a felony."

There is a strong presumption in favour of bail in the average kind of case. The Magistrate must admit to bail unless, and this is one which has not been followed to the letter, there is sworn evidence that the person is likely to evade trial, or has been previously convicted of a felony. Too often in my experience I have seen bail denied on prosecuting sergeants merely saying that this is a

serious offence and that kind of foolishness, and they do not go on the witness stand and swear to the evidence that they believe that you are likely to leave Barbados or not attend trial. The formality of swearing is observed more in the breach than in the practice. That is all there is really on bail in the Magistrates Court. Of course, if a Magistrate denies you bail, you can always apply to a Judge in the High Court and take your chances there.

England has a Bail Act which no doubt will form the basis of new legislation which we might bring. But at the same time I would wish the House to be assured of one thing during my tenure that I am not going to be looking to England exclusively for legislative precedent and following slavishly English notions. Because we are two different societies and two different cultures. There are lots of points where there may be some interlocking identification and interests or whatever, but to follow slavishly and just take from England and dump it in Barbados. 4.45 p.m.

I am not going to be a slave to English legislation or indeed foreign legislation, period. I will look and take the best of what they have and adapt to suit local conditions bearing in mind the cultural patterns of our people, the history and conditions of our people.

Sir, I wish to give the Honourable Member for St. George South the assurance that when I indicated that in an attempt at continuing legal education I would be taking up Dr. Broadbent's willingness to lecture to the profession. I must not be taken as in any way excluding all persons who have an interest in the operation of the Theft Act. I may have been careless in my use of language but I am grateful to have the opportunity to clarify any false impression. I wish to say positively that not only will lawyers at the private bar be invited, but lawyers in the public sector, in the DPP's office and so on, the Police, particularly the prosecutors and those who have to charge offenders, and the CID, all of the magistrates indeed if there are any judges who are willing to attend, invitations will go to the Judiciary, to the Bar, to the Police, probation officers, the lot, right through the system so we can have a meaningful seminar and everybody can be enriched by Dr. Broadbent's expertise.

I am aware, and I have been for many years that there are problems with the paper committal system and I take the point that perhaps at the heart of the problem is an inadequacy of staff. That is why we have before the Ministry responsible for the Civil Service and the Ministry of Finance requests for - subject to memory, I think there are two additional posts of Crown Council in the DPP's Office, 2 additional temporary posts in the Attorney General's Office. The DPP's office is shortstaffed. The

public is aware of the incidence of crime. The public is concerned about delays in the criminal justice system and the public has to understand now that there has been for some considerable time a shortage of manpower to deal effectively with the several and varied cases that come before the DPP.

If we are going to make a real attack on the criminal justice system in this next 5 years with a view to its modernisation to make it function more effectively and more speedily, then part of that reformative process is the necessary expansion in personnel to cope with the problem. This is the first time - October Assizes 1994 - that we have ever had over 100 cases listed for us. God knows when we will get through them. Happily the Barbados Labour Party Manifesto calls for continuous assizes and if Honourable Members read the Chief Justice's speech at the opening of the law term in October, they would have been aware that he gave a strong hint that the judiciary, certainly himself as head of the judiciary is now in favour of continuous assizes.

I, therefore, would like confidently to look forward during 1995 to the bringing in of a system of continuous assizes where we will have at least one court doing what we call colloquially "session cases" right throughout the year and that will help us cope with the back-log. For this present Assizes, for the record, I think as human beings we have to have some sympathy for the judges who are writing all of this stuff every day. Mechanisation will come and it will take a little time. On another occasion I will explain what was done towards mechanisation and we have been since we are a new government making some steps. Indeed I can say that 2 weeks ago Mr. Justice Chase, the President of the Bar and the Registrar went to a conference in Tennessee for which the private sector contributed the cost to observe the operation of computer aided technology for the judicial court system, and arising out of that we are... Indeed today a letter was written by the Registrar to the person in charge of the Texas State Court Centre. What we have in mind, - I am not giving this as a decision - is inviting persons from overseas who are trained and skilled in computer aided technology to come to Barbados and train our people.

Let me just explain how difficult it is. The system that is used, for example, in Trinidad is different from a typewriter. It has less keys and it is how you press the particular key at what point that you get different symbols. Much like a trumpet, you can press the first valve and get F and higher D above the scale with one palm. A similar principle for this system.

It takes two years to train a person to be skilled and proficient in using the machine. The machine itself is not costly. Indeed an estimate of \$500 000 to do the courts

in Barbados would be perhaps a little extravagant. We could get by with less than \$500 000. The cost is in training. These people are professionals. They are above the level of shorthand writers and what we have been discussing but haven't made a decision - I am only keeping the House informed as to what is happening - is to invite these persons who have these skills to come to Barbados to do a programme with the Community College where we would advertise for - the word is a "cadre" nowadays - a cadre of young ladies who are interested in getting into the system.

Aside.

Hon. D. A. C. SIMMONS: There are some trained to use them? Not as far as we are aware. Anyhow we will be able to train up some persons here.

My idea would be that these trainers would work in the courts during the mornings and then in the afternoons they would give training at the Community College. In two years' time they would be ready to go and we would have our own people fully trained. I hope that provision will be made for persons who are attached to Parliament, the shorthand writing staff, for some of them to hook on to this technology because it commands good money for the service in the open market and in time we would be able to sell these services elsewhere. That's the kind of thing.

The problem is that it takes 2 years. If we can get 3 or 4 people to come on a consultancy to remain in Barbados for 2 years, help us in the courts during the morning and train persons at the Community College in the afternoons, I would have thought that we would be making a meaningful inroad into the present problem of a lack of mechanisation.

Finally, Sir, the point of substance relating to Clause 6 of the Bill, Members are concerned as to whether we can deal with this matter retroactively. 4.55 p.m.

Now, let us go at the starting point, Sir. The starting point is the Theft Act, 1992-29, Section 3, and I will just do one which would apply to the others. If we look at Clause 2 where it says "36. (1) Theft of property not exceeding \$1 500

"Any person who, within the meaning of section 3 of the Theft Act, dishonestly appropriates property belonging to another, such property not exceeding \$1 500 in value is liable on summary conviction to a fine of \$2 500 or to imprisonment for a term of 2 years."

When you look at section 3 of the Theft Act it says:

"A person who dishonestly appropriates property belonging to another with the intention of

permanently depriving the other of that property is guilty of theft and liable on conviction on indictment to imprisonment for 10 years."

This Act gave the accused after September 1 only the right to trial by jury and the possibility of 10 years. We are amending it to give him the right of trial before the magistrate and a fine of \$2 500 or imprisonment of two years. Now, at the moment, of course, the magistrate has that jurisdiction. The maximum he can give is 2 years.

I had better read section 36 for the sake of completeness before I come to the issue. Section 36(1) said that:

"Any person who steals any goods, cattle or property of any kind whatever not exceeding \$500 in value and is convicted before a magistrate shall be liable to a fine of \$1 000 or to imprisonment for a year."

All we have done is to increase those numbers from \$500 to \$1 500 and the fine of \$1 000 to \$2 500 and imprisonment of up to 2 years. We have increased the penalties and the values in the offences that are summary jurisdiction offences so as to enable the magistrates who asked for this provision. In fact, I was told last week at the University night - we had a function up there for Mr. Justice Bishop - two magistrates did say to me that their experience is that there are clothes selling in town, brand name gear, that if you steal a shirt and a pants, it may cost you more than \$500 and they are asking for the extension of jurisdiction of \$500 to \$1 500. That is all we have done.

We must never forget the canon of statutory interpretation that says that a repealing Act or an amending Act must not be construed in such a way as to deprive a person of accrued rights. If amending legislation reasonably deprives a person of approved rights, there may be a challenge to it. I do not think there are any accrued rights which a person would have had on September 1 which are made disadvantageous to that person by this legislation. In other words, the legislation is not restrictive of any rights the person had. It is expansive or enlarges the rights of the individual.

Of course, if there was a problem, and anybody took a point and the magistrate thought that there was a point and he threw out the charge, all you have to do is there and then recharge and give him another one. The point is that we want to have these matters where the value of the property is up to \$1 500 tried by the magistrate rather than clutter up the High Court and Assizes with these matters.

I gave the example, and other members in here at the Bar know of the *Julie 'N* cases day in day out

where somebody charged for two Phensic costing \$3.05 and Julie 'N have them in court, that kind of rubbish. That has no right going before a judge and jury. The person should be able to come in and say "Yes, I had a splitting headache. I saw the thing and took it up. What are you going to do with me?" The magistrate will say, "All right, CRD, go along about your business". But do not go before a judge and jury with that.

I think I have answered all the concerns of Honourable Members. I had forgotten one other Bill, Mr. Speaker, which is important, the Rehabilitation of Offenders Bill. I found the draft that I left up there in 1986. It has been dusted off and some flesh put on the bones that Justice Chase and I had done. The Rehabilitation of Offenders Bill I hope to get before the House before the end of the year subject to consultations. I will send out and comment on it and get back the comments but I will have it for distribution before the end of the year.

The purpose of that Bill is to cause the criminal records to be cleaned of certain offences which may have been committed 10 years before. You will see if you look in the House of Assembly debates 1976 one of the early speeches I made after coming in here was for us to bring a bill like England had in 1974 for spent convictions because so many of our people, and I know having grown up at Dodds and so on....

Aside.

Hon. D. A. C. SIMMONS: Yes, the best thing that came out of Dodds. You want to hear me say that.

I know that it has been an impediment in the way of progress of a lot of our young people who have had little things, nothing big, they go to the U.S. Embassy to try to get a visa to get out of Barbados and those people are turned down for something that was done in 1957. I assure members that I have legislation which is being drafted now, as I speak to you. I expect we will have a little problem with the US Government but I cannot bother about that. I will be doing something which I hope will help a number of underprivileged and poor people in Barbados. It will call for the establishment of a board which will decide when your convictions can be crossed out and spent.

Mr. Speaker, I am obliged to Honourable Members again and I move that this Bill be now read a second time.

Hon. O. S. ARTHUR: I beg to second that.

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

On the motion of Hon. D. A. C. SIMMONS, seconded by Hon. O. S. ARTHUR, Mr. SPEAKER left the Chair and the House went into Committee on the Bill Mr. W. C. C. CALLENDER in the Chair.

COMMITTEE Mr. CHAIRMAN:

This House is now in Committee.

Clauses 1 and 2 were called and passed.
5.05 p.m.

Clause 3, 4 and 5 were called and passed.

The Schedule was called and passed.

On the motion of Hon. D. A. C. SIMMONS, seconded by Hon. Miss B. A. MILLER, Mr. CHAIRMAN reported to His Honour, Mr. SPEAKER the passing of one Bill in Committee and Mr. SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Hon. D. A. C. SIMMONS, seconded by Hon. Miss B. A. MILLER, the Bill was read a third time and passed and cited as the Magistrates Jurisdiction and Procedure (Amendment) Act, 1994.

ORDER NO. 5 - BARBADOS AGRICULTURAL MANAGEMENT CO. LTD. (SUGAR BONDS GUARANTEE) ACT, 1994

Hon. O. S. ARTHUR: Mr. Speaker, Sir, the Bill before the House is intended to provide for guarantee of the issue of corporate bonds in the order of \$45 million to be issued by the Barbados Agricultural Management Company Limited. Before I touch on the broad points of policies and the other issues raised by this piece of legislation I do feel that the House would benefit from a simple statement of the background to this matter.

Members of the House would recall that as part of its effort to restructure the sugar industry the previous administration in 1992 established two companies, first the Barbados Agricultural Credit Trust to take over the BNB's portfolio of loans to the Barbados Sugar Industries Limited and some 40 plantations which were heavily in debt to the BNB, and out of a subsidiary the Barbados Agricultural Management Company which now operates those estates on the basis of a 12 year lease.

A restructuring programme was conceived of for the industry, the central purpose of which is to attempt to restore sugar production in Barbados to 66 400 tonnes by 1998; and as part of that restructuring programme it was identified that some \$60 million would have been required to support the activities of the Barbados Agricultural Management Company.

The Caribbean Development Bank has already committed itself to providing some \$23 million of this \$60 million required for the revitalisation of the estates under the management of the Barbados Agricultural Management Company. The question therefore that fell to be considered was the sourcing of the additional amount required to finance the restructuring programme as well as to meet the working capital needs of the industry.

Now, Sir, the Government is the sole shareholder of the company and ordinarily one would expect that there would have been a direct injection of funds by the Government to recapitalise the industry and to meet some of this financing for revitalisation. However, it has been arranged and was agreed by the previous administration that the funds would be raised by way of a bond issue through City Bank in the amount of \$45 million to meet the component of the amount being provided by the CDB as well as to go towards the working capital of the company.

The nature of the operations of the BAMC are such that it is not envisioned that the Corporation would be in a position itself to service these bonds when they fall due. Indeed it is estimated that provision would have to be made in the annual Estimates to meet the cost of amortising the bonds issue by the company.

In addition, Sir, the company's fixed assets as at June 30, 1994 have a net book value of \$2 779 000; in the circumstances, Mr. Speaker, City Bank has asked the Government to provide a guarantee to the purchasers of the bond for the payment of interest and the repayment of principal. The previous Cabinet agreed to the guarantee on June 2nd and we are giving effect to that commitment as stated.

Now, it is ordinarily the case, Mr. Speaker, that in circumstances where funds borrowed by public enterprises have to be backed by guarantee, that the guarantees are written into the legislation, establishing those enterprises and this particular measure before the House seeks to maintain that tradition and as a result therefore the opportunity is being taken to create a Barbados Agricultural Management Company Limited Sugar Guarantee Act of 1994 to provide that the Minister may, with the approval of Parliament, guarantee in such manner and on such terms as the Minister thinks fit, the payment of the principal and the interest necessary for the redemption of the bonds issued by the BAMC for the purpose of financing the sugar industry. Section 4 of the Act, Sir, provides for the establishment of a Sugar Industry Revitalization Fund into which all the monies received from the issue of the bonds will be paid and from which payments for financing the industry's restructure will be made. Section 5 of the Act

provides for the establishment of a Sinking Fund for the redemption of the bonds and for meeting other incidentals. 5.15p.m.

Sir, those are the bare facts behind the legislation. We are through this legislation asking Parliament to give effect to the financing arrangement that had been entered into by the previous administration to raise funds on the bond market to finance the working capital needs of the Barbados Agricultural Management Company which presently manages under a lease arrangement at least forty per cent of the sugar lands of Barbados. This arrangement forms part of a wider range of activities contemplated as far back as 1992 to restructure the sugar industry along lines proposed by Booker Tate and agreed to by the Democratic Labour Party's administration. Among the broad concept for restructuring of the industry, Sir, was the amalgamation of a large number of small estates into single larger units for the purpose of consolidation of the management, the rationalization of the use of equipment by the pooling of equipment and rationalization of labour.

Now it must also be pointed out to Parliament, Mr. Speaker, that the overall scheme for restructuring also involved the proposals by the Board of the Barbados Agricultural Management Company for the introduction of a Productivity Payment Scheme which is still the subject of continuing discussion and which should now be ready for execution in January. The question of the role of independent producers not under the Scheme and the question of their support is also a matter that has been the subject of some discussion and has been made all the more pressing because of the nature of the financial distress that those independent producers would have had to endure and can endure in the future as a result of the recent drought. It must be said that an attempt was made to interest estate owners who were not heavily indebted to the banks to become interested in the re-planting of sugar lands with a view to bringing back sugar production in Barbados up to a level where we can meet our premium market requirement as well as to meet our domestic market consumption. We are particularly anxious on this side to see the day in Barbados when our national psyche will no longer be offended by our having to import sugar from elsewhere.

Mr. Speaker, the overall plan for the restructuring of the industry as conceived by the past administration also required the closure of Bulkeley Factory and other matters which would have resulted in the industry being far more complicated than the one that we happen to know in the 1950's, 1960's, 1970's and 1980's. Sir, this is in many respects a very complex operation being undertaken in the sugar industry. In many respects, Sir, this may well be the last restructuring of the sugar industry. The Barbados sugar industry has historically gone through crises. There was

the famous crisis of 1897. There was the crisis in the 1920's out of which companies like Plantations Limited and others evolved. There have been crises from time to time, but the industry has reached the stage now, in my view, that if this fails then the consequences could be dire. What is being contemplated, as we understand it, is an attempt to try to address what has traditionally been regarded as the fundamental problem of the sugar industry. The fact is that our unit costs of producing in Barbados are higher than the prices fetched even on our markets where the prices are preferential and higher than those paid by world market suppliers. This matter is deemed worthy of being addressed by consolidating estates in the belief that one can reduce not only the management component of cost, but reduce the operational cost that ensue from economies of scale, as economists will put it. The feeling is that if one could take estates that are contiguous to each other, reform the land, put them under one management rather than under a series of management hierarchies, consolidate the use of the equipment and consolidate the use of labour, you could give yourself an outside chance at being able to break even in the sugar industry and even being able to realize a profit.

This concept of the management of the industry, Sir, has been with us not just with Booker Tate, but it has been a concept that has been with us if I may say so from as far back as the early 1980's. Mr. Jerry Hackleberg, a former sugar adviser, was very strong on the argument that this was in many respects the way to go. I remember when I was Chairman of the Barbados Agricultural Corporation, the Corporation that it did set up a Land Management Unit for the purpose of managing lands without a management super-structure that one has associated with the plantation past. That land management experience of the 1980's in the sugar industry as adopted by the BADC then showed that with a different type of management system one could even in marginal estates grow sugar profitably in this country.

Mr. Speaker, I want to make the point because I feel that it should be made, that I do not feel that all is loss for sugar in this country. I speak representing a constituency that is not in the best ecological zone in Barbados and I know for sure that there are estates existing in similar ecological conditions in Barbados where the cost differential per unit is so drastically different as must force one to believe that considerations other than ecological considerations explain cost differences in Barbados. I once saw an econometric study that tried to relate per unit cost in Barbados to ecological zones. The results of the econometric study was indeterminate because there were some estates in what were supposed to be bad ecological zones that had better per unit cost than estates in what were supposed to be good ecological zones leading to the inextricable conclusion that one had to look beyond ecological factors to explain cost conditions in the country.

There is no doubt, Mr. Speaker, that if the sugar industry in Barbados is to survive the whole question of its management has to be dealt with, the whole question of the rationalization of land use has to be dealt with, the question of rationalization of equipment and labour has to be dealt with as part of an effort to bring the cost of producing sugar in this country within line with what is paid to us as a price on preferential markets. In broad ethos, that is the concept behind the restructuring.

Now the concept is one thing; the execution is another. Many of the changes that are taking place in the sugar industry that has been the subject of much controversy of late are changes that in some instances a year late. Some have been deferred, Mr. Speaker, because of the election. Some are changes on which the numbers are not yet called. 5.25 p.m.

The question of the closure of Bulkeley, Sir, is still a matter that has to be reviewed, because every time we take an action that is as definitive as closing down a factory we close another door in the sugar industry. And therefore at this juncture we have to approach the question of taking complex decisions pertaining to the present and the future of the sugar industry with careful consideration to not do things that may pre-empt all our options, while at the same time being sensible enough to understand that tough difficult decisions have to be made. That is the general context in which we propose to approach this matter.

The House will be aware that one of the issues that has been current of late has been the laying off of management staff. That has been abominably handled by the management of the Barbados Agricultural Management Company. It has been handled in a most abominable manner and I will be accused of being harsh on Public Officers. But I feel that if Public Officers are put in a position where they are going to be laying off people because of incompetence, they must show some level of competence themselves in the way in which they go about their tasks. It is a tremendous contradiction for people to attempt to lay off managers without discussing terms and conditions with them, or discussing the terms and conditions of supervisors with the Supervisors' Association. Mr. Speaker, I thought it was handled in a way that was not salutary and I am glad to see that the matter is now subject to discussion, because no matter how useful the concept is a bad management practice can destroy the way in which it is executed.

I make that point, Mr. Speaker, to say that just as we have to be careful about who are the people managing the sugar industry, we also have to be careful about the people who are employed in the central managing of the Barbados Agricultural Management Company as well. Their competence now is being put under scrutiny. And I

must make the point with as much clarity as I possibly can summon that I would like to see, to the extent that they are involved in this exercise, a greater sense of professionalism brought* to bear in other aspects of the future work of the restructuring than was shown in the recent fiasco in firing staff without adequate consultation. I am not going to mince my words on matters like these, particularly when people are being dismissed for reasons of incompetence.

Mr. Speaker, the action plan that was drafted some time early in September, before the 6th, also spoke in terms of the rationalisation of plantation manning levels to commence in November, after the farms are formed and managers are put in place. I want to speak to these two matters simultaneously, because the memoranda that I have seen in relation to this matter do not only speak in terms of rationalisation of management by sending home people and sending home staff, but there was also a plan to mitigate the impact of the redundancy by putting those persons who had agricultural skills into possession of lands and so on. When I speak in terms of lack of professionalism I speak strongly about it, because when I met with the staff of the Barbados Agricultural Management Company, I asked them to bring the two sets of proposals together - where are your plans drafted as far back as March to mitigate the consequences of the redundancy? Are you ready to move now that you are ready to send home people? They were not ready with the plan to mitigate. I really do not believe that we can tolerate circumstances like this where corporations are aware that their actions are going to create distress, they prepare contingency plans to mitigate the distress, but then they execute the pain but do not seek to execute the measures that can relieve the pain.

I can only stress again the need for all due consideration to be exercised by all concerned to ensure that a minimum level of distress and dislocation should ensue from any plans that have now to be taken at this time to restructure the Barbados sugar industry. It is going to require a high level of professional competence by those who have the responsibility for the central management of the Agricultural Marketing Company.

Mr. Speaker, I have said enough to suggest to you that a large number of these plans are subject to review. They were subject to review even by the previous administration. Among them is the question of the closure of Bulkeley. This closure of Bulkeley was contemplated to be reviewed some time in November and I feel that Members in this Parliament who have interest in this matter, including not only the national interest but constituency and other interests, may want to speak in a forthcoming way and by way of the advice they would want to render on this occasion, Sir.

Mr. SPEAKER: To what year is the Honourable Member referring?

Hon. O. S. ARTHUR: 1994, Sir. I want to convey to the House that there is a need for rationalisation in the sugar industry that obviously cannot be gainsaid. We cannot sustain a sugar industry in this country which operates at 36 000 tonnes. We know therefore that the industry cannot stand where it is presently. At 36 000 tonnes we cannot meet preferential markets far less even come close to meeting domestic requirements. We have to take clear decisions about the strategic future of the sugar industry. There is a view - and there is some division among the professionals, Sir - as to whether the target set by the BAMC would be the level that would allow the industry even to break even. There is a view that one would have not to produce 66 000 tonnes, which would just satisfy the preferential markets in the EEC and the local market, but that one would have to move to 75 000 tonnes at least and above in order for the sugar industry to break even.

Now, Sir, the industry is now projected on a restructuring plan that is designed to accomplish a target that in itself is subject to dispute. It does not make sense for us to support a restructuring plan to produce 66 000 tonnes if at the end of the day we cannot be assured that the industry is going to come out of it with a capacity at least to break even. If that is not the case the whole restructuring would have been in vain, not only because of the financial obligations that now stand to be met, arising not from future operations of the sugar industry, but past. Let us remember that the exercise in financial restructuring which to date has been undertaken has succeeded in transferring a debt from the pockets of the BNB to the Agricultural Credit Trust, and the replacement of the debt owed by the industry to the BNB in the order of \$200 million and more by the issue of Government paper, at some stage will have to be redeemed. It is quite obvious that a debt of \$200 million or the redemption of that \$200 million in Government paper cannot be redeemed from the operating revenues to be generated from a 66 000 tonne industry, or even for that matter a 75 000 tonne industry. There therefore has, Mr. Speaker, obviously to be some element of managed asset stripping in the heavily indebted estates, and that raises fundamental legal questions about subdivision and valuation of the assets and so on. The work has not been sufficiently well advanced for me to give this House the assurance this evening that I am clear, based on what has happened to date, as to how the funds will be raised to address the \$200 million problem that has been deferred by the nature of the financial arrangement. That, Sir, is clear. We are now asking the House's indulgence in raising another \$45 million in new bonds to be guaranteed by Government in circumstances where it is clear to us that the cash flow of the BAMC will mean that the servicing of the bonds will become a charge on the budget. 5.35 p.m.

Added to that, Mr. Speaker, the best cash flow projections of the BAMC do not put that enterprise in a financial condition where it could operate in the absence of some form of subsidy for the next five years. Added on top of that, Mr. Speaker, is the fact that the independent producers themselves have been affected by considerations falling outside their control and their financing difficulties which were modest to begin with have now been exacerbated by the fact of drought. We may therefore be looking next year at a situation which might be quite difficult in terms of the capacity to give full financial effect to the needs of the sugar industry.

What I mean by that, Sir, is that we will next year have to look at the prospect of meeting the price support implications of the drought together with the normal operating subsidy requirements of the BAMC, together with the debt service requirements of the financing plan that we are putting in place and, therefore, Sir, I am saying that this House has to think soberly on these matters. This will be the last restructuring. It has to be the last restructuring. There is absolutely no way whereby we can indefinitely contemplate a situation where financial flows of this order of magnitude can come through the Budget.

Mr. Speaker, I must tell you that in 1985 - and the Member for St. Michael South Central is smiling - I spoke then as a Parliamentary Secretary in the Ministry of Finance and I took a very clear philosophical position. I do not subscribe to on-budget financing of private sector losses. I really don't. I have heard people speak very strongly against public sector on-budget financing of losses by public sector enterprises and urge the need for us to use expedience of privatisation or whatever else to address that. It therefore comes anathema to me philosophically to agree that if the public sector cannot underwrite the losses of its enterprises on budget that it has a responsibility to underwrite the losses of the private sector on budget.

I then spoke quite graphically about the fact that my father if he could not make his shop turn a profit, had to find some way of making up the loss, otherwise he had to get out of the business.

I am saying all of that to say that we have to open all the options. The plan for the revitalisation of the sugar industry cannot just be a sugar plan; but it has to be a plan for the rehabilitation of all our agriculture within the context of a situation where all of the information requirements of the old Sugar Industry Act are met.

Mr. Speaker, I had to go back to an old hobby-horse of mine. The information requirements of the old Sugar Industry Act required that the cost of sugar and non-sugar production in this country should be shown separately. An accounting system should have been developed by the

industry to be able to represent those separate costs. The agricultural sector has been wonderfully well equipped to show sugar costs but has never been as wonderfully well equipped to show cash receipts and the cash costs of non-sugar agriculture. One therefore has to adopt an holistic approach to this question of the development of sugar within the context of the overall development of agriculture.

I still remain satisfied that the solution to the sugar industry's problem is not just a sugar solution but it has been an agricultural solution. A lot of my misgivings initially about engaging Booker Tate was that Booker Tate's experience of the management of sugar lands is in the context of exchange rate variations. I certainly know that the Member for Christ Church South has spoken clearly to this point - but they have not had a commensurate experience in non-sugar management and certainly, Sir, Booker Tate has never yet had the experience of managing and rehabilitating sugar industries outside the policy framework of exchange rate variations.

Now Mr. Speaker, the Booker Tate study was very pointed in arguing, as the Member for Christ Church South is often fond of telling this Parliament, that they felt a devaluation should be part and parcel of the overall restructuring effort. We are set against it as the Member for St. John knows and even more strongly set against it than persons who once would have been members of discussion groups arising out of the restoration of the 8% pay cut.

Aside.

Hon. O. S. ARTHUR: The Member for St. John knows that too. Mr. Fitz Krowkow knows very well. But I will not be distracted by the Member for St. Michael South Central.

All I am really saying is that I want to let the House know that we are here to deal with a number of very difficult delicate issues, perhaps even of an historic nature. It falls to us to determine whether the sugar industry in this country can survive, whether it can be profitable and whether it can operate at levels that will allow us to be an exporter of sugar and put it at the capacity where we can support an industry that can meet our domestic requirements and satisfy the growing demands for molasses and other by-products for ancillary products. We have to see our decisions in this matter in that kind of context.

It cannot be a matter that we can dodge nor duck merely because the issues are difficult; nor can we deal with it by rhetoric by reference to the bad plantation past and the horrors of the hierarchical system of management that we have inherited. We have to deal with it in a straight businesslike way.

This Administration, Mr. Speaker, is therefore committed to dealing with all of these issues, reviewing many of them to go into every aspect of this very difficult set of matters with the greatest particularity, if I may use the words of a former Prime Minister. Nothing else can suffice. Some of the matters have not yet been foreclosed. As I said, the question of the future of Bulkeley has not been foreclosed. The question of the level of production has not yet been foreclosed. The question as to what has to be done with the non-agricultural assets of the heavily indebted estates is something that needs urgent action. The question of the nature of the leases and the evaluation of the assets of the estates now under the management of the ANC, needs very urgent action. There needs to be equally urgent attention by the BAMC to the phasing in of programmes already conceived to mitigate the impact of redundancy on management in the industry and related staff and we have been dealing with these matters as they arise.

These institutions that manage the sugar industry are institutions that operate under the Companies Act and therefore management changes at the level proposed cannot be addressed by way of a simple Cabinet decision but have to be dealt with by way of the convening of the appropriate Boards of Directors and a suitable recommendation by the Boards. But there will be changes in the Boards in due course. In fact, sooner than "due" there will be changes in the Boards. There will be a recognition that this requires serious complex management and that we are all in many respects as a House in this together.

At the end of the day the decision we will be making in this matter will decide whether the industry will survive in the long run - and I will use the concept that the Member for St. John now likes to pin on me - in the long run, now that the long run has come. The long run is here for the sugar industry, Sir, and we have to deal with it.

Against that broad background, Sir, I now beg to move that this Bill be read a second time.

Hon. Dr. R. C. CHELTENHAM: I beg to second that, Sir, and reserve my right to speak.

Mr. D. St. E. KELLMAN: I must congratulate the Honourable Member for St. Peter for being consistent because while he was speaking I remembered his speech in 1985 when a grant of \$10 million was given to the sugar industry and the quote is exact. At that time I thought that there was a conflict between himself and the Prime Minister of the day and I strongly believe that his approach is right. 5.45 p.m.

I honestly believe that if money is to be given to sugar it must be given to an industry that belongs to the

people of Barbados. The reason why I am saying that is because we have a situation now where we have formed a company in this country called the Barbados Agricultural Management Company and we are giving that company support. Now we have the private plantation growers asking for support and I have a particular problem with that. I am saying that if you cannot influence the policy of the private growers you cannot influence their finances.

The Agricultural Management Company was formed to look after the interest of the Government and thereby the people of Barbados and I do not have a problem with the Government supporting that company. But at the same time that company must understand that once it is getting the support of the citizens of Barbados that its policy must reflect the support that has been given to it by the people of Barbados. Even though there are some managers who might be complaining now, if they had listened to advice that was given to them since 1977 they would not have been complaining today.

In 1977 they were told to get involved in the Sugar Industry Supervisors' Association and those managers on those plantations felt they were managers and they needed no support. The factory side of it, when you check with the Sugar Industry Supervisors' Association nearly every member - supervisor, manager, etc. - were members of the Sugar Industry Supervisors' Association and the plantation managers felt that they could not pay dues. But now in 1994 when they have not strengthened the hand of the Sugar Industry Supervisors' Association, they now are calling for support from that Association.

I am not saying that the Sugar Industry Supervisors' Association is blameless because in 1977 that same group felt that they could not offend management at the time either. At one stage there was an impression that if you wanted promotion in the industry all you had to do was to go and run, be elected as the President, and you were guaranteed that you would be a manager, etc. These are the facts, Sir.

Aside.

Mr. D. St. E. KELLMAN: I know, Sir, that the Honourable Member for Christ Church South might be aware of that also.

Mr. Speaker, the sugar industry in this country will never be profitable but the agriculture industry in this country will be profitable. Once we can get our hands on the land where we can dictate a total agriculture policy, the Government will not have to worry about the funds that they are placing in the agriculture industry but if they are going to be putting this money into the sugar industry, then I cannot vote for it. If they are putting it into the agriculture industry they have my total support.

Sir, when you look at what the Barbados Agricultural Management Company is supposed to do, they are supposed to have 32 500 acres for sugar cane, 2 000 for cotton, 500 for cut flowers, 2 000 for fruits, 1 500 for vegetables and 6 500 for pasture land. I am saying if they can follow the chart that has been laid out for them we will not have a problem and provided we can also put our hands on other lands that will be asking us for additional support, I am not saying that we control those lands the same way that we are controlling the HIP estates.

I am saying that the Barbados Agricultural Management Company should be given the necessary management, and even if they have to form another subsidiary so that they would not mix up the finances, etc. that nobody will be able to question the costings, that we should find a way where we can ask them to manage those other estates so that we would not necessarily have to give them a direct subsidy because in 1982 - I heard the name called in here by the Honourable Member for St. Peter - that same gentleman introduced a policy in this country and I still maintain up to today that that was the destruction of agriculture in this country called the Ecological Groupings.

That policy, Sir, was a policy if you had the worst lands in Barbados you got the best price. What happened with that policy was that the best estates started to become rab land and started to be subdivided and the land that could not produce properly continued to grow sugar cane. If we did not have the Ecological Grouping then the worst sugar lands would have been out of sugar and the best sugar lands would have been still in sugar today.

Aside.

Mr. D. St. E. KELLMAN: That is not true. The Honourable Member for St. Peter knows better than that. They had plantations in St. John, Ashford, *et cetera*, that went out of sugar production because of the Ecological Groupings and I can give you an example of what I am talking about. They were forced to go into subdivision.

In 1986 when Ashford went out it went out because they were only getting something like \$53 per tonne of cane while places down in St. Andrew, no disrespect to the Honourable Member for St. Andrew, were getting \$72 per tonne for rolling canes down the hill, then asking a truck to charge them exorbitant prices for growing sugar when they should have probably been growing cotton and places all over Barbados which would have been more suited for growing sugar cane had to go out of sugar cane because they were only getting between \$45 to \$55.

The Honourable Member for Christ Church South will agree with me. There were good estates like Malvern, Eastmonte, *et cetera*, that were producing and producing

properly but they could not grow sugar cane because of the Ecological Groupings.

Aside.

Mr. D. St. E. KELLMAN: No. it lasted long. It lasted over five years so it was a long time.

Mr. SPEAKER: Please continue.

Mr. D. St. E. KELLMAN: I am also saying, Sir, that because of the same Ecological Groupings in two years' time a former Prime Minister criticised his own Chairman of the National Bank because what happened is that the sugar industry ran out of funds, the Minister of Finance who had appointed the Chairman lambasted the sugar industry, the Barbados National Bank, and everybody. If we today are going to continue to support the sugar industry we must not have a Minister of Finance willing to give support on one hand appointing someone to do the job and prepared to pull down the same person because of the policies dictated to that person by the Minister of Finance, or the Minister of Agriculture.

I am also saying that bonds are funny things to be issued. The Barbados Labour Party also introduced some bonds and I believe today they are still outstanding. Am I right, Sir?

Aside.

Mr. D. St. E. KELLMAN: The bonds to the Barbados Sugar Industry Ltd. I believe there are still a set of bonds out there to be redeemed, \$36 million. Unlike the \$36 million...

Aside.

Mr. D. St. E. KELLMAN: It is a gift? You cannot get vex with the Honourable Member for Christ Church South because I honestly believe that if he had his own way it would have been a grant and not a bond because in 1985, I admit, then he gave them \$10 million.

I am saying, Sir, that this \$45 million that we are guaranteeing today, we are guaranteeing it to a company that belongs to us. We must be sure that we tell all those who have to look after this money that they must stick to the plans that have been given to them and once they stick to those plans we do not have a problem because we have an agricultural policy and that policy once it is followed, Barbados will be able to gain by it. 5.55 p.m.

I also believe, Sir, that as I said earlier we cannot only look at sugar cane. We must be able now to take

the agro industry and I honestly feel that this is a good time for the agro processing plant to come under the Barbados Agricultural Management Company.

I will tell you why I think so, Sir. I believe, Sir, that the Barbados Agricultural Management Company should not be producing vegetables for Barbados.

Mr. SPEAKER: Let us hear the Honourable Member for St. Lucy, please. I have given him permission to speak, let us hear him in silence, please.

Mr. D. St E. KELLMAN: I will repeat that point, Sir, that the Barbados Agricultural Management Company should not be producing vegetables for Barbados. That company should be producing vegetables for the export market. The small farmers of the Spring Hall Land lease and in St Peter also should be producing vegetables for the local market. If we can encourage the Barbados Agricultural Management Company to produce for the export market and we can expand the small farmer and then we can have more people employed in agriculture.

I have just given you all a couple jobs. But I am not talking about employment in agriculture where someone is going to work for someone else, I am saying we can give them some land and they can work that land like they are doing right now at Spring Hall but all I am asking for is for you to expand it.

If you put the Agro-processing plant under the B AMC and mandate that company to buy the surplus vegetables from the small farmers we would not have to import canned vegetables in this country and it is not a new idea. This idea goes back to 1967 when Mr. Barrow made the 'no cane blade' speech and it was taken out of context and some Members of the Opposition at the time, for political reasons, joined with people and they should have known better because when he made the speech it was a speech with the interest of Barbados at heart and now, Sir, you will have people criticising us, talking about when you go into the supermarket all you can see is canned vegetables from Trinidad etc. I am saying, Sir, if we had joined with Mr. Barrow and we had implemented the policy he had we would have been exporting vegetables to Trinidad and not importing them from Trinidad and Jamaica.

Sir, we have a golden opportunity now and it is fortunate for the Honourable Member for St Peter. We have left a wicket for you, Sir, where you can now have the agro-processing plant and you can start canning your vegetables and 10 years from now you can tell everybody that you have implemented that policy. But, Sir, I am saying on the serious side of it that we in Barbados must stop criticising everything because we have not implemented it first.

When I drive through Barbados now, Sir, I am seeing something that I like. Previously, Sir, when you drove through Barbados you could see 4 or 5 plantations planting cotton but now I am seeing a situation that whenever you pass through Barbados you are seeing a situation that nearly every plantation is growing cotton. I am saying that if you have a structure like that, Barbados will go forward because the management on each plantation now will be able to look after a manageable acreage.

That also brings me to another point. Previously we could not do that because cotton was grown by other farmers and we had no control over them and when we said that we wanted to grow 2 000 acres of cotton they agreed with us but yet still they would not. That is why the Government of the day had to grow all the cotton at Spring Hall.

Sir, now that we have the Barbados Agricultural Management Company, the Minister of Finance and also the Minister of Agriculture can now tell the Barbados Agricultural Management Company, I want 2 000 acres of cotton because I am financing that project. It is in the interest of my people of Barbados and they will have to deliver the goods. But previously, Sir, we were financing the agricultural sector and we had no control but now under the Barbados Agricultural Management Company we have control, Sir, and that is why I am saying to the Minister of Finance that if they are making representations to him for financing he must tie that representation to the finance and to the control on behalf of the taxpayers.

We cannot in this country continue to give away money without control and it has been our problem all the time and I am happy now that in a sense I am feeling a oneness in this Parliament when it comes to agriculture. The Democratic Labour Party does not have to worry now about being criticised.

Aside.

Mr. D. St. E. KELLMAN: No, you will have to come over here. We have always been strong on that point so I am glad to see that you agree with us and you are prepared to join us on that. Although if you want to cross the floor I cannot stop you.

Mr. Speaker, I am not asking you to cross, Sir, you are independent. I am also saying, Sir, that previously the sugar industry has been very fortunate. They have been able to get financing for their bonds and they were able to encourage the Minister of the day to increase the price of local sugar to prop up the sinking fund. It so happens now, Sir, that there is no local aspect of the sugar so I would like to find out from the Minister of Finance if he is prepared to support his own company the same way they have supported the other companies.

Mr. Speaker, the reason why I ask that is that you are going to hear a lot of people accusing myself and probably the Honourable Member for St. Peter for having something against the sugar industry or the agricultural industry but we as citizens, Sir, growing up in a rural constituency we cannot be against the agricultural industry. We have a special bond to the agricultural industry but our bond to this situation is that we understand the significance of having ownership of something where you can control it. We understand that in the same way some people have a problem with cotton, even though some people would want us to have a problem with sugar cane agriculture, we do not have a problem. We have moved from that stage where we strongly feel that it is time that we know how to plant and we know how to manage. It is time that we get an opportunity to show people how the agricultural industry must go. When I say the agricultural industry, Sir, I am not just talking about the sugar industry. 6.05 p.m.

Sir, if you have a weekend, you can take a drive in the nice constituency of St. Lucy and you can see two processing plants. The Honourable Member of St. Peter knows that. You can see small farmers growing vegetables and you name it I can argue, Sir, that the most vegetables produced in Barbados are coming from the nice constituency of St. Lucy. Is that not true, Sir? Well, you have not had the opportunity to travel through St. Lucy. You are not aware that in each backyard people are growing vegetables.

Aside.

Mr. D. St. E. KELLMAN: I am speaking to the Honourable Member for Christ Church South. If St. Philip and Christ Church are joining on the bandwagon, I do not have a problem with that because that is why you agree with me that we need to have an agro-processing plant under the BAMC. He is also agreeing that we need to can vegetables.

Sir, even though the sugar industry will not be profitable, I am not sure that we will ever be able to get rid of it because the industry complements the other sectors of the agricultural industry. I am saying that it also provides a very valuable source of foreign exchange and, even though we may feel that we are getting enough foreign exchange from the tourism industry and informatics industry, Sir, if we are to keep a stable dollar we need as much as possible. I am saying that, even though the sugar industry cannot maintain itself, I am saying that agriculture in total can maintain the sugar industry.

On the question of Bulkeley, Sir, I have a strong opinion on Bulkeley also. I have always had a strong opinion on closing down a factory because history has

proven that, whenever you close a factory, you close out small farmers and you close down some plantations. I am saying that, if the BAMC is serious about bringing the sugar production up to 75 000 tonnes of sugar per year, I cannot see how they can realistically close down Bulkeley. But we have to ask ourselves a serious question. Is Bulkeley in condition to continue much longer? That is a serious question.

Aside.

Mr. SPEAKER: Could you address the Chair and stop taking on the Asides please.

Mr. D. St. E. KELLMAN: Mr. Speaker, you call that honest debating. I honestly believe, Mr. President, that Bulkeley should be in sugar production and I honestly feel that instead of criticising me that the Honourable Members on the other side should make sure to bring in equipment to put Bulkeley in condition to be able to reap some cane and grind some cane next year, especially now that it is in St. George. You see, Mr. Speaker...

Aside.

Mr. SPEAKER: Order please.

Mr. D. St. E. KELLMAN: Let me explain something. There are some people who might feel that closing Bulkeley would not have an affect on them, Sir. But let me educate them on another matter. The closure of Bulkeley can have an affect on the Honourable Members for St. Peter, St. Lucy, St. James North, St. James South, etcetera. Previously, when you close a factory, you got rid of all the workers. But now with the Barbados Agricultural Management Company running the industry, Sir, you do not necessarily sever all the people working at that particular factory. What you can do is to sever the workers that you want to get rid of and transfer the workers to the other factories. I know that I have to educate some Members and I will continue to do that because when it comes to agriculture, I have spent all of my life in agriculture. I was born in an agricultural district and I know exactly of what I am speaking. I can tell you exactly when sugar cane is ready. When I speak about the closure of Bulkeley even though it is not in my constituency, I am quite aware that it might have an effect on the northerners. It is my role also to help look at the northerners because I expect them to look after me too.

Aside.

Mr. D. St. E. KELLMAN: Sir, if we are to look after our rum industry...

Mr. SPEAKER: Do not mind the Asides. You continue please.

Mr. D. St. E. KELLMAN: We must also look after our sugar industry, Sir. There is a lot of interlocking when it comes to the sugar industry. That is why we in the Democratic Labour Party took a stand to restructure the sugar industry. It is true that we got a lot of criticism but we had to do it. The Honourable Member for St Peter said that that is the last time. I do not have a problem with that, Sir, because I do not want to hear in this House anymore that the agricultural industry or the sugar industry has been neglected by any Government. Because in 1982, Sir, they gave them support. In 1992, we gave them support. So I am saying that they cannot complain that they have not been taken care of. But I will put out one last challenge to the Minister of Finance and that is to make sure that if he is to give budget support to the private owners that that support must be tied to control.

Thank you very much, Sir.

Mr. SPEAKER: The Honourable Member for Christ Church East.

Mr. W. C. C. CALLENDER: Mr. Speaker, it gives me pleasure to rise on this occasion. I grew up in an agricultural area at a time when Barbados was producing a lot of sugar 204 000 tonnes, when you ran in the playing fields and flew kites, when the canes were cut and Barbados was filled with a lot of cane. But then we find in 1993 sugar production dropped to 48 000 tonnes. We are hearing now that it is dropping to 36 000 tonnes. Would you believe that a Government seeing such a drastic decline taking place which has happened over the last eight years would sit by and do nothing about making sure that agriculture survives in this country. What we got were two Ministers of Agriculture during that period of time none of whom knew what they were doing, one trying to get cotton going or growing or whatever and the other supervising him. Then we had another one who was removed from working with the Workers Union and it was thought expedient to involve him in agriculture as if agriculture was left as an underdog to be taken up by a reject, and this is how agriculture was treated. Now we are faced with a situation where we are looking for all of these millions of dollars when they tell us that we have no money when we cannot fix schools and we cannot give the children clothes. We cannot do any of these things. But we are being asked to give all of this money to sugar producers at a point in time when we can least afford to do it. 6.15 p.m.

The question is, what do we do? Do we have a choice? Do we allow them to suffer? Do we back away? Or do we say give them one last chance? There comes a time when you have to say enough is enough and I have to give you a chance, but while I am giving you a chance I have to look for other options. I know a lot of gentlemen have done this, they have given the ladies a last chance but

yet still they have their eyes open wide for what other possibilities exist.

On a serious note, I believe, Sir, that seeing the decline of agriculture I felt that the Government owed it to the country to make sure that we would not be in the state we are in. Having said that, I am not one who is going to look back. I do not believe in history for history's sake, I believe that history should be a guide to the future but that we need vision. Where there is no vision, the people perish. In this country there are too many people who know too much history. The last Parliament was filled with a lot of historians, and I must say that the Opposition was filled with too many historians, who will tell you about the past, who will tell you about 300 years of this and that, but this is a modern age, an age in which if this country is to survive we have to be proactive. We have to have vision and we have to get things done.

Sir, we have been hearing about food promotion for many, many years but we are seeing one project started and then we have seen it flounder, and then we are seeing a hiatus and then we are seeing nothing being done about that. I believe that the time for action has come and that we need to focus on getting things done so that after five years when we see that sugar is not saying anything, as they say in Barbados, we will have recourse to something else. That is why I believe there will be a greater role for an organisation such as the Barbados Agricultural Development and Marketing Corporation. That is why I feel proud to have been asked to be the Chairman of that organisation. That is why, as a man who believes in having vision, who believes in looking to the future and not looking back, I believe that myself and our team have a great responsibility to this country and we will not be deterred from doing what has to be done in order to make sure that the country is in safe hands.

Agriculture needs to have a serious focus, this is no time for fooling around. It requires the co-operation of both sides, it requires the co-operation of all sectors in Barbados, because as we are seeing now we are putting money into an industry which is failing and we need to put all hands to the plough, whether it is figuratively or literally. I believe that a country which has educated its people so well should not be in a state now where we find we are still groping for answers. We have more questions than answers and it is about time that we as educated people find answers to these questions.

I want Honourable Members to be fair to this country and to decide what are the answers, if not for now but for the next five years. That is where the focus lies, Sir, and I believe that we have to decide what we are going to do with all that idle land we are seeing around this country. The practice of putting good land into other structures

has to stop. We have to determine what is best for this country and not what is best for a few people. When it comes to the use of land, I believe land has to be used for purposes of agriculture, especially at this point in time. I reserve further comment on that. The land needs to be utilised in a way so that our people can be fed so that we can export as well to earn foreign exchange. This is what we need to look at, Sir, so that when we are talking about projects which involve the use of land, we should look at it in the interest of this country, not in the interest of a few people, but meaningfully in the interest of our people. This is what we have to concentrate on.

Sir, I speak with a feeling of emotion, because I do not think we should be looking at spending all of this money and knowing that most of it will be thrown away. I want Members to concentrate on what is good for us as a people, what can we do to diversify, what fish farming projects can we get into, all the food promotion we are talking about, how are we going to get into that? What are we going to do about cotton? What are we going to do about agro-processing? What are we going to do about the livestock people? These are the things we have to look at and we therefore have to make a search wherever it takes us, and people who believe that it is just a matter of being functional, just looking back into old files, agriculture is not about looking back into files, it is about researching in other parts of the world to see what we can do here, to see what is feasible for this country and making sure that five years down the road when sugar is dead that we do not throw our hands up in the air and say, where do we go from here? At that time we will have the answer, Sir.

I do not have all the answers, but I will search for the answers and when I find the answers and I can make my contribution I will propose the answers. I will not be one of those people who will back away. If I have to make a suggestion I will do it. I believe that we have to stand up fearlessly if it is a matter of looking in the interest of our people and especially in the interest of our children to come after us. Some are on their way out, some of us are on our way in and our children are yet to come, and I speak on behalf of this generation and the children to come. I hope that those of us of the younger generation, whether they be on this side or on that side, will understand that when it comes to issues of agriculture we have to stand up together and make sure that the issue of sugar is not the issue, the issue is one of the protection of our people. The issue is, where do we go from here? That is the question. Where do we go from here? Not what the Democratic Labour Party has done, not what the Barbados Labour Party has done, but what we of this administration with vision can do. The Democratic Labour Party has had eight years of trifling with agriculture. They have shown it no regard. This is our time to rescue Barbados.

I thank you, Sir.

Dr. R. L. CHELTENHAM: Mr. Speaker, the issue before this Parliament is grave and the implications are very far-reaching indeed. In fact, in terms of this modern life it has to do with the survival of the sugar industry itself.

I would like to begin by congratulating the Honourable Prime Minister for the restrained and clear-headed way in which he presented this matter.

Aside.

Dr. R. L. CHELTENHAM: Yes, very carefully chosen and very well meant, Sir, It would have been easy for him to have been distracted and to have been emotional, but I thought that he was clinical and analytical and he set the issue before the Parliament and before the country very clearly indeed.

I want, Sir, before commenting on the implications of the Bill, to make a few comments which would put this matter in some context. We on this side have long recognised, even when we were in office in the period 1976-86, that the sugar industry was going through a very critical period indeed and the price support which we introduced in 1982 was really a direct response to the movement and fluctuation in currency whereby the currency in which we were paid, the ECUs, from the European Economic Community virtually was devalued against the United States dollar and we lost overnight some \$40 million, and that forced us to give price support to the industry. It was an attempt to ensure that production levels were maintained at viable levels, it was an attempt on our part to give the industry a breathing space and to make sure that it was not plunged into further crisis at the time. It was not an attempt on our part to mask the fact that serious restructuring efforts were needed and, in fact, during that period some restructuring efforts were initiated. 6.25 p.m.

What I think the Opposition has to explain to this Parliament and through this Parliament to the country is why it is, if indeed it recognised, that restructuring was necessary when it assumed office in 1986, that the Barbados Labour Party having got production levels as high as 111 000 tonnes, having restored morale in the industry to the extent that we did, that it felt that the restructuring could only have proceeded in the context of an industry virtually brought to its knees and now producing only 48 000 tonnes in circumstances in which morale has been destroyed and in circumstances in which the small farmers' contribution has been reduced from some 10% of sugar production to 4% today.

It seems to me, Mr. Speaker, that there was no reason why the restructuring exercise could not have continued

or been carried out against a backdrop of production at viable levels, morale high and a general air of confidence pervading in the industry. I am very serious in saying that I think the Democratic Labour Party Opposition owes it to Parliament and to the country to explain what happened that the legacy of 111 000 tonnes in 1986 was squandered in 8 short years to the point that today we are carrying out a restructuring in the worst possible circumstances. It is as though you have run down the health of the patient when you know that you have to give him a serious operation. A patient in run-down health is in no position to undergo a serious operation such as we have got to carry out in the sugar industry at this time.

The real truth, Mr. Speaker, is that their support of sugar has been inconsistent in the last 8 years. They have deliberately destroyed the morale of the...

Certain remarks made by the Honourable Member for St. Lucy were ordered to be expunged from the record by Mr. SPEAKER.

Hon. Dr. R. L. CHELTENHAM: I am serious, Mr. Speaker, that it was the failure of the Democratic Labour Party to have a policy that made good agricultural lands sacrosanct that was part of the destruction of the morale in the sector and the loss of faith in agriculture by the Barbadian people when in the heartland of the sugar belt we could have agricultural lands being diverted to housing and other purposes in circumstance in which we had over 12 000 unused house spots in Barbados.

There can be no justification for what was done in the last 8 years by the Democratic Labour Party while in office. I don't want to refer to the scandal-ridden days when the Ministry of Agriculture was forced to have two Ministers spying on one another. I don't want to refer to those matters, but that is part of the history of run-down in the last 8 years that did so much damage to the morale in the industry and to production levels in this country.

I want to say that sugar continues, in my view, to be important and I think that the Government is right to give it its last chance. It is important not only because it is still in Barbados a serious earner of foreign exchange, but it is important too because even with the retirement of employees it can still be an employer of 4 000 people at least even with retirement. It is important because we know of no other crop that can cover the soil and meet the peculiar ecological circumstances of Barbados. It is important because it is the foundation of the rum industry, which was a point that was rightly made by the Honourable Member for St. Lucy, which is an expanded industry in Barbados and it is damaging to our national pride and psyche that Barbados has to import the molasses which is the foundation of the rum industry from the wider

Caribbean and from farther afield. It is important too for environmental reasons, for without sugar, Barbados can and will become a virtual wasteland so that that, in a nutshell, is the case for the continuation of the sugar industry.

I believe, however, Sir, that if we are to spend the money that we are doing - the administrative and other costs per lot in Barbados have been far too high and the tactic of making sure that the units are amalgamated, particularly those that have been indebted, I think is correct. Added to that, the further tactic of ensuring there will be bulk purchasing of fertilisers, of weedicides of the sharing of expensive equipment and of the pooling of labour, I think that that is the path through which we may yet restore viability in the sugar industry.

It seems to me, Sir, that if we are to succeed, however, that the restructuring exercise must be linked to certain specific goals and targets and certain strategies. I do not accept and it seems to me to be a very ill-considered position that we can target only 66 000 tonnes and expect to have a viable industry. We must be able to meet the obligations of our contractual markets, the EEC, also the United States of America. We must be able once again to consume sugar that we produce in Barbados and we must always aim for surplus because given the rainfall pattern in Barbados in any one year you can suffer a loss of 30% resulting from rain or absence of rain.

It seems to me that our target has got to be 80 000 to 90 000 tonnes and not 66 000 tonnes. Speaking for myself, Mr. Speaker, I would not wish to support an expensive restructuring and reorganisational exercise unless to begin with it is linked to a target of about 80 000 to 90 000 tonnes of sugar.

My second point is that the restructuring must be linked to the return of the idle lands across the country to production. I do not accept that the piece of legislation which we had on the Statute Book, really a carrot and stick policy, whereby if you didn't do some minimal activity on your agricultural land you were penalised and, if you did it, you were given an incentive by way of tax break. I still think that that, among other mechanisms, is the way to go. I am very serious that the restructuring exercise must be linked to the return of our idle lands to full production. That means, thirdly, that the restructuring exercise must be tied to a land use policy in which we must turn our faces like flint against the continued alienation of good arable land in this country.

Ever since I walked out the Ministry of Agriculture on the orders of the people in May 1986, all sorts of land speculators were going to that Ministry under the Democratic Labour Party and getting permission to take good arable land in the heartland of the sugar belt in

this country out of agriculture. That must stop. It must be known to all and sundry, a transparent policy, where what forms of activity can be carried on. The idea that because of access to the governors of the day you can take good arable land in St. John or in St. George - Cottage being the most recent illustration - out of agriculture, is a scandal and a disgrace which we must bring to an abrupt end in this country. 6.35 p.m

It seems to me, Sir, that the restructuring exercise must also be tied to a policy which does no longer accommodate any further closure of factories. I agree with the Honourable Member for St. Lucy that every time we have closed a factory, particularly the ones in the last 10 years, we have a falling out of both plantation sugar lands and small fanner sugar lands. I saw that with Searles. I saw it with Foursquare. I* saw it with Carrington and in my view, it would be madness to close Bulkeley at this stage. You would be sending the wrong signals to the farming community and there would be a feeling that you have gone to the point of no return.

I do not accept too that Andrews, located as it is, and with the water situation and the road situation in St. Joseph as it is, that that makes sense to have only Portvale and Andrews for the future. Bulkeley is strategically located, in the middle of the St George Valley and I think it is important if we are to have any prospect of a return to viability in the sugar industry, we must have Bulkeley remaining open.

There was much laughter when the Honourable Member for St. Lucy spoke about the state of the machinery at Bulkeley but, perhaps, he knew more than he cared to say. The truth is that there are two boilers in Bulkeley. One dates back to 1901 and the other dates back to 1936 so unless we move immediately to repair and replace them we are talking about a factory really that is on the verge of collapse. The machinery is obsolescent and in a very serious state and calls really for immediate replacement and repair.

I am glad that the Government has not closed its mind on the issue. I hope that not only will all members of this Parliament speak but that the wider public would comment because it is important that we make the right choices and decisions or else we might foreclose certain vital options and we may add to a worsening of the situation rather than lay the proper foundation and give the hope which is necessary if the money being spent is not to be lost and the whole restructuring exercise not to be in vain.

I am concerned too, Sir, about the relationship that needs to exist in the future between the 40% of the owners

who are coming under the Agricultural Management Company and those who are outside of the Agricultural Management Company because of some minimal financial help still. They are already saying that if the Government is helping the other plantations that are in distress that they too need some form of help. Well, that is a human cry and is understandable that if something is sharing everybody wants some, those who have and those who have not. I am not particularly worried about that cry because I think that can be answered in a sensible way.

What I am concerned about is the relationship. It seems to me that everything has to be done in harmony here after. There must be a practice being followed, worked out by every one, the indebted estates and the non-indebted estates so that good sense prevails rather than some conflict and contradiction. I think that only a united approach to the future will ensure the survival and the likely prosperity of the industry down the road.

I am not sure, Sir, what are the terms under which Booker Tate is here. That has never been told to the public of Barbados. The B AMC is a Management Company in its own right. It has chosen them as its agent to carry out the restructuring exercise but I think we need to be reminded once again. I hear the Honourable Member for St. John in a *sotto voce* remark suggesting that this Parliament has been told in the past.

Mr. D. J. H. THOMPSON: The Honourable Member is misleading the House on this matter and certainly should not seek to do so because I know he knows much better. The contract...

Mr. SPEAKER: What is your point of order, Sir?

Mr. D. J. H. THOMPSON: The point of order is that the Honourable Member is misleading the House. The public was informed by way of Press Conferences and also by way of speeches in this House in the last session of the terms of the contract with Booker Tate.

Hon. Dr. R. L. CHELTENHAM: The House can have the assurance, Sir, that there is no intention on my part to mislead. I think perhaps I misquoted him in so far as I did not indicate as specifically as I wish to do now and that is that this House has never seen the terms of that contract. I think it is proper that the terms of that relationship should be laid before this Parliament and made known to all of us in here and through us to the people of Barbados.

Aside.

Hon. Dr. R. L. CHELTENHAM: If in truth and in fact no document has been signed, as is being hinted, I think that too should be made known.

I am concerned too, Sir, about one other matter. It has to do with Booker Tate's policy and the whole policy with respect to the non-sugar production for the future. Booker Tate has been almost single focus. They have made it clear that they are only concerned with sugar. The truth is that as soon as we are talking about sugar in the Barbadian context we are also talking about non-sugar. They go together. There is a symbiotic relationship between the two of them. You do not talk about sugar unless you talk about non-sugar and in all of this restructuring we are hearing nothing about what is going to happen to the non-sugar which rotates around sugar. I think that is important and that is the total view that must be taken if we are to be seeing the industry in the realistic sense in which it must be seen.

Mr. Speaker, I am happy to give my support to this continuation of initiatives by our side. The initiatives were started by the other side a year or two ago in relation to this restructuring exercise. I think the restructuring must be linked to very specific conditions, some of which I have indicated.

I am anxious to hear other Honourable Members in what they have to say about the terms and conditions under which we can go forward and I look forward to the continuation of this debate. I think it is important that the public be brought along with us. Enormous pressure is going to be put on the Treasury down the road. It is not going to be an inexpensive exercise. I think the public should be fully aware that every attempt should be made to have an informed discussion, not only in this Parliament, but by members of the general public.

Dr. R. C. HAYNES: Mr. Speaker, when I listened to the Honourable Prime Minister introducing this matter, I remained as unconvinced as he was as to the course in which he was taking because it seems to me that he recognised that he was playing, in a sense, a game of Russian roulette in this matter. Perhaps the biggest tragedy surrounding this is the fact that the people of Barbados, having become confused with all sorts of corporate names, do not clearly understand what the bottom line is for them and the bottom line for the people of Barbados, forget the BNB, forget bonds, forget BAMC, forget BACT, all of this. The bottom line is that the taxpayers have taken on board well over \$200 million in debt as a result of what has happened to the sugar industry over recent times. That is what we have to pay, so there is no way, even if you get up to 85 000 or 90 000 tonnes that the sugar industry will be able to service that debt in the future; so you can forget that. That is buried and we will have to pay it as taxpayers. Let us get to the core of this. 6.45 p.m.

What we are being asked here to do today is to add another \$60 million. This is a new tranche. You start now

drawing down a further debt for the future. So you start off now with a \$60 million debt for the future and this is what bothers me in the context of the whole rearrangement and restructuring process for the sugar industry.

I have no doubt whatsoever that it is a major national scandal to have allowed the sugar industry to arrive at a situation where it is producing 48 000 tonnes and probably looking at less than that next year.

Long ago it was recognised in this House that there was a critical level of production, some where around 70 000 to 80 000 tonnes, below which the sugar industry would go into continuous involution at the expense of the taxpayers of this country. This debate did not take place today. It took place over the period 1981 to 1985 in this Honourable House and it boggles the mind that people could have sat down in charge of this country and allowed this to happen.

The question now is, where do we go from here? Everybody knows my view about the Booker Tate deal. Not only because they are foreigners and I don't think we need any foreigners around the sugar industry in Barbados to start off with. As the industry goes into further involution they are making their money up front, in terms of the management contracts, in terms of the commissions they are making on supplies to the industry. They will make their money up front no matter what happens to the sugar industry in this country and I have fundamental and deep and profound objection to that. I have stated it before. It has nothing to do with class, colour, nothing to do with being antagonistic towards foreign investment but this is not foreign investment. This is a situation where you do not need people like that to look after the sugar industry in this country. We were a country exporting know how and technology in the sugar industry and now to find ourselves in this position.

The second thing that I have a very fundamental objection to and that is why I started off by pointing out that it is the people of this country that would be assuming the historic debt and the debt that we are now entering into and I am quite sure we are going to see more and more requests for support for sugar over the next 5 years coming to this Parliament.

My own view is that we should never have wasted the million of dollars in the way in which BSIL was brought to an end or the transfer has taken place, or in this business of leasing plantations without control over the operations and so on. They were bankrupt. They were *de facto* owned by the Barbados National Bank which is totally owned by the people of this country. There is a straightforward way of dealing with those problems to transfer the ownership to those to whom they owe

the money when they take control of the situation and you would not have to be wasting time, wasting money. Do you know the amount of money that has been wasted between receivers, lawyers, accountants, all kinds of people? Millions of dollars have been wasted on Booker Tate. Enough money to give the industry a subsidy for 2 years or put 20 000 acres under cane production. All that nonsense has gone on over the past two years and we have to deal with these problems and we must not try to evade them, nor try to avoid them. They must be faced and they must be confronted.

What do the taxpayers get in exchange for the commitments to the past and the commitment to the future? Looking at the projections of Booker Tate the answer is very likely to be nothing. I will tell you why. That programme does not even take into consideration the small cane farmers in this country and small cane farmers in this country once produced up to 20 000 tonnes of sugar. When we were producing 240 000 tonnes the small producers were producing 20 000 tonnes. So we are making no provision for them, but we are coming to the House, committing ourselves to massive debt. We have a large number of small people out there looking for a productive grass to cover most of their lands in order that their lands can once again become viable to them and no provision is made for them.

What is the provision made for the workers down the road? The provision made for the workers in the context of this agreement is a progressive reduction in their real wages and as far as Booker Tate is concerned better yet if a devaluation had come along and over 50% of them going home. This is what we are supporting and we have to try and find some concept that somehow or other balances with commitment of public funds from the people of Barbados.

Then what is going to be the ownership at the end of 12 years? Do you know what will happen? Do you know what the Booker Tate thing envisages? That these estates will be taken out of their indebtedness at the public expense and handed back to the previous owners.

I do not care "what would happen and what would not happen;" we are making a decision now about committing public money and we should see what at the end of the road is going to be the result. It is my certain knowledge from the Booker proposals that at the end of a 12-year period those estates will revert to their previous owners. Booker also says that it is hoped that they would remain in the present arrangement.

Let me tell you something. If I had confidence that this would succeed I would go and buy one of the heavily indebted estates now and let somebody else get it out of

debt for me. That is the point I am underlining. The point I am underlining is this. There is no way ...

Aside.

Dr. R. C. HAYNES: I do not have any heavily indebted estate because I know exactly when to get in and out. Never mind. The point I am making is this. When you are committing public funds, you have to see at the end of the road what the public will be getting back for that And what is in store for the factories; the factories would be sold out to the private sector at the end of the period. The shares would be made available.

Now, I do not know who in this House can buy shares. In 12 years time how many ordinary people in Barbados you would see buying shares? My own feeling is that those assets should have been taken over. Adequate provisions should be made under a corporate umbrella for the workers to be shareholders, for the Government to be shareholders, for the previous plantation owners to be shareholders and as I have said before I believe some compromise should be made so we do not put them out of their homes on the estates and that kind of thing. So you start off with a firm controllable asset and then you look for solid Barbadian management and then you proceed from there. All this business about Booker Tate will get the finance that you cannot get and all this kind of thing, at the end of the day what is happening? At the end of the day, do you know where the financing is coming from? From inside here by way of a guarantee. And all Booker Tate and lot of them will do, they will make sure they get commissions off this. Check with the people in the sugar industry and see what is happening to the purchases where the commissions are going and how various things are being replaced at one or two of the factories and so on. You will get some very interesting information, but it is not for me to deal with that here. I think that I have been around long enough to have a clear understanding of where the public interest should stand in relation to the people of Barbados and how public financing should relate to the people of this country. It is against those plantations today and whatever residual value there is in the factories that we should be looking to borrow this money. I think the Honourable Prime Minister said that the net assets of BAG is \$2 million or something like that. It was somewhere in that region. We should be talking about substantial assets. 6.55 p.m.

Basically, what is happening here is that we are being used to facilitate a process which at the end of the road will not in any way change the fundamental course of ownership or the fundamental course of the industry. These are the facts that are presented to me in the agreements. These are the facts as I see them. Do you know what bothers me about this? Over the past 30 or 40

years, debates in this House in relation to sugar have been primarily concerned with what this House can do in order to better the lot of the workers in this country, to make sure that there is a better share of the pie. What is happening now is the reverse. It is how public funds can be used and in the long term you will have small farmers not participating; half of the workers having been sent home; drastic reduction in wages overtime; and ownership reverting to the previous owner. That is what we are doing. We are doing exactly the reverse. From time to time it is a good thing to be away from Parliament for a while where you can look and take a global view at these things and see what is happening. It is a matter of grave concern to me.

Aside.

Dr. R. C. HAYNES: You can say what you like, but I know where I stand on these matters. Now let me give you an example. We have a problem of trying to get sugar production back up to 75 000 to 85 000 tonnes or whatever. We just have a different philosophy about public financing. It is as simple as that. I do not believe in taking up public finances and giving them away. That is my position. It is as simple as that.

Take the small fanners in Barbados. I have spoken to small farmers up and down this country. There are many small farmers in Barbados today who will gladly put their land under canes at their own expense - not at the expense of Parliament, not requiring any guarantee for any loan; they themselves will put their lands under cane. What is their problem? Their problem is that they need assistance in reaping those canes and in transporting those canes. You go through St. George or any of the rural areas. It is costing some people more to keep their land clean because of bush than planting a fresh crop of canes and then reaping the benefit in subsequent crops. Do you not think that somewhere along the line that it should have dawned on somebody that if you really want to get sugar production back up that one should look again and see what the small farmers can contribute? Offer them a deal, for example, where you will pay them for their canes in the ground and you make provision to reap the canes for them and transport them.

Aside.

Dr. R. C. HAYNES: Nobody is stopping that. It is not being done and, if you link that to the Extension Services, you will see that could be the cheapest way, as far as the public purse is concerned, in getting 5 000 to 10 000 tonnes of sugar through the small farmer exercise. Let us say 5 000 over the next two years with a gradual build-up. It will build up over-time. There is no question about it. But I cannot see myself getting involved in any restructuring exercise that does not give some consideration

to the problems facing small cane farmers. What is going to happen to the workers in the sugar industry? Already you see the problems that are happening at management level. I can understand that the Prime Minister was appropriately incensed over the treatment of some managers especially as the original complaint came from St. Peter.

Aside.

Dr. R. C. HAYNES: But the point that I am trying to make is this. It is not only at management level that you are going to have this problem. We are going to have this problem right through the industry. As I said earlier last week, it bothers me about all of this restructuring of Barbados, throwing people out of work in a situation where you have these high levels of unemployment. We have to find ways and means of dealing with the whole process of restructuring whilst at the same time maximizing the human resources available to us.

Sir, the closure of Bulkeley Factory is an example. How can anyone even begin to think of closing Bulkeley? Just imagine what would happen during the tourist season if all of those canes from St. Philip, St. George and all over the place had to be transported to Andrews. Are you aware of the condition of Andrews? When that kind of pressure is put consistently on Andrews Factory, do you know what is going to happen? What is going to happen if you have a break-down at Andrews during the crop season, as you had this year I think, and Portvale has had its problem from time to time? I think it would be a grave error even to think that you can close down Bulkeley Factory and continue to expand the sugar industry. It is not only a matter of the losses in terms of cane production and other agricultural production in the areas immediately adjacent to a factory. But when a factory is closed for any length of time, the cost of rehabilitation is just horrendous. If you look at the cost of a new sugar factory today, then you will begin to realize the kinds of risks that you will be taking in even contemplating any kind of reduction from 3 to 2 of the number of factories here in Barbados.

Sir, there are one or two other matters that I want to deal with and I really believe that the Honourable Prime Minister had a duty to give a more comprehensive statement to this House, and I hope that it will be done at sometime, as to exactly what is the state of the commitment in dollar terms of the people of Barbados to the sugar industry right now. I do not know whether the total debt at BNB has been taken over or not, how much outstanding debt there is, the total outlay on the restructuring process...

Aside.

Dr. R. C. HAYNES: No, no. This is \$60 million for the future. I am talking about the amount that has been taken over. It cannot be \$115 million. It has to be a lot more than that.

Aside.

Dr. R. C. HAYNES: Approximately how much? Over \$230 million. What I would be very interested in is the cost so far of this restructuring process, how much money has been paid out to people who have never cut a cane, grown a cane or know nothing about the sugar industry. It is those kinds of costs that would constitute a significant part... 7.05 p.m.

Aside.

Dr. R. C. HAYNES: No, I have planted canes and I have cut canes and reaped canes. It is not an easy job, it is a very technical thing that is involved in cutting a cane top and stripping the trash and cutting at the bottom.

Now, Sir, in relation to the actual Bill, one or two things bother me. Clause 3(2) sets out -

"Where the Minister is satisfied that there has been a default in the repayment of any principal and interest guaranteed under this section and the default is not likely to be remedied, the Minister shall..."

There is no reference to Parliament here. The Minister can go and settle without seeking the approval of Parliament, if I understand this and read this correctly. I do not know whether or not that is what is intended.

Then this whole business of having funds operating outside of the Consolidated Fund - this, I think, is in 6(2) - and audited statements coming before Parliament. We have passed a lot of legislation of this nature before, placing the onus on various corporations in this country to lay audited statements before Parliament, and very often years pass and no audited statements come before Parliament.

With respect to Clause 3, it looks to me as though this directs the Minister to pay the amount in the default, even if he is not happy about the circumstances under which the default took place. I wonder whether or not we should not be seeking parliamentary approval in order to give the Minister the authority to do that and let us hope that it would not arise.

Aside.

Dr. R. C. HAYNES: I accept that, but what I am saying is that if an occasion arises where the Minister has

to deal with a question of default, then I think it should be an obligation placed on him in legislation to come to the Parliament and so report in order to achieve it.

Aside.

Dr. R. C. HAYNES: I have seen...

Mr. SPEAKER: The Honourable Member for St. Michael South Central...

Dr. R. C. HAYNES: I will break in a couple of minutes.

Mr. SPEAKER: Could the Honourable Member for St. Michael South Central raise the specifics of this Bill at Committee?

Dr. R. C. HAYNES: I am dealing with the principle of the Bill.

Mr. SPEAKER: We are dealing with the principle of the Bill. You are referring to some specifics of the Bill which could be clarified at Committee.

Dr. R. C. HAYNES: Let me clarify, Sir.

Mr. SPEAKER: If you do necessarily have to raise an amendment, you are free to do so.

Dr. R. C. HAYNES: One principle relating to a Bill is that you can look at any defects in the principle behind the legislation. I am not seeking to reword the legislation, I am dealing with the principle. I think the Minister should have to come to Parliament and get Parliament's approval if he has to pay money out of the Consolidated Fund in the event of a default.

Aside.

Dr. R. C. HAYNES: The guarantee gives you the authority to borrow. What this is saying is that if you default, then the Minister... He should come to Parliament on each occasion, as far as I am concerned. There should be no blanket guarantee like that given. I will never be happy with that kind of blanket guarantee. We have had too many problems in the past with blanket guarantees being given to people to pay money out of the Treasury in this manner, especially where the matter is funded outside of Parliament and does not come under the purview of the constitutional arrangements for this country.

Thank you very much.

SUSPENSION OF SITTING

Hon. Miss B. A. MILLER: Mr. Speaker, I beg to move that this sitting be now suspended until 8 o'clock.

Hon. D. A. C. SIMMONS: I beg to second that, Sir.

The question was put and resolved in the affirmative without division, and Mr. SPEAKER suspended the sitting accordingly. 7.10 p.m.

RESUMPTION

Mr. SPEAKER: This sitting is now resumed. The Honourable Member for St. George South.

Mr. L. R. TULL: Mr. Speaker, I had really intended to make a very strong, vitriolic statement in this debate - that is before the debate started - and it related primarily to the proposed closure of the sugar factory at Bulkeley, but as the debate has evolved Honourable Members of all persuasions seem to share the view that it would be a minor tragedy if the factory at Bulkeley were closed. I feel reassured in hearing the words of the Honourable Prime Minister, who says that these things were still under review and therefore there was no need to think that a final decision had been taken in that regard.

Aside.

Mr. L. R. TULL: Let me say, Mr. Speaker, that Bulkeley Factory is more than a sugar factory, it is an integral part of the culture of agricultural Barbados, and it is like lopping off the hand or the foot of a human being by knocking off Bulkeley Factory out of St. George.

I want to make the point that was alluded to very briefly by the Honourable Prime Minister in his introduction of this matter, that this transcends merely a restructuring of the sugar industry. This has vital and critical importance for the people of St. George and I only need to remind the Government that St. George on September 6 gave the Barbados Labour Party a majority of 3500 and change. They have dealt so generously with the Barbados Labour Party that they expect in due course some reciprocity and I really cannot countenance the proposal that Bulkeley be closed.

I do not want to be unreasonable. I accept that with the restructuring of the sugar industry certain limitations must exist, that money must be saved in certain areas, but I am troubled. Every time there are external agencies that are making recommendations to Barbados in recent times, and I have said this on two or three occasions in the former House, I see recommendations that are geared to structures and a vague thing called the economy - and I do not use that in a pejorative sense - but too often there is not along with it recommendations for social development.

When the IMF documents came in we saw there was to be an economic structural adjustment programme and

one looked in vain for a social restructuring programme to go hand in hand. These recommendations from the Booker Tate people and people from the industry in general - I should say the people in general make peripheral references to the human aspect of this kind of change - but it troubles me every time I see these recommendations to shut a factory, reinvest here, do this, and there is no concern at all about the trauma that certain changes will have on important areas of the rural community in Barbados. I heard the debate all afternoon and I would have thought this was a debate that was so linked with what was the centrepiece of the Barbados Labour Party's election campaign, rural development, but I have not heard anything about rural development so far in this debate, and inherent in rural development is not only structures but people. The society that we are talking about is one that has taken a very savage beating in recent times and a lot of dislocation has taken place and if there is to be further dislocation and displacement people will not be satisfied with easy promises such as have been heard in the past I will give an example, Sir. 8.10 p.m.

When the International Monetary Fund prevailed on the past Administration to inflict certain social and economic hardships on the people of Barbados, they recommended *inter alia* that they send home large numbers of people from the Transport Board. The Government, at the time, in the Budget suggested and proposed that there would be retraining of the people who were severed from the Transport Board to give them a new chance, but that never worked. That is the easy way we are hearing all the time. "Okay, we'll send them home and retrain them"¹¹. Hold out to them some kind of palliative. It hasn't been working, Sir.

I notice that in the recommendations of the people in the Barbados Agricultural Management Company that they too are talking about sending home people from the sugar factories. I am talking now more specifically about Bulkeley. Send them home and retrain them. Look at the profile of the people who work at Bulkeley factory. Do you feel we should be talking about retraining those people? To do what? That is the easy way to say we will retrain them. Having said that, they feel that they have not been forgotten.

I believe what this Bill needs - and I am not blaming this Administration. It has just won the Government and has to do something drastically - is a little companion legislation along with this to deal with restructuring as it affects the workers and the communities that are affected by the changes.

We have a situation where in Barbados there are vast tracts of idle lands. We also have a situation where

there are large numbers of idle hands, people who are unemployed, and it would strike me as passing strange that an intelligent and creative government - and I am talking about the past Administration because we are still in those times. We are just a few weeks old - that they were unable to marry it. The 30 000 idle hands with the many hundreds of acres of idle lands.

We have a situation where, as everybody has been saying, the sugar production is falling dramatically and I see here there is a projection of 36 000 tonnes next year which is about 18 000 tonnes below the amount of sugar that is required to meet external requirements. The European Economic Community quota and the 8 000 or so tonnes that is required for the United States market.

Asides.

Mr. L. R. TOLL: Nor would we have to be importing Guatemala sugar. This is the situation that we have where we have a lot of idle land and a lot of unemployed people. We in Barbados do not have the creativity to be able to work out something to get us out of the predicament in which we are finding ourselves.

I want to say one or two things very quickly about small farmers. The Honourable Member for St. Michael South Central with whom I hardly ever agree on anything was spot-on in dealing with the problem of the small farmers. We have a situation where they are excluded from the plans for this restructuring. I have read a summary of the plans and they too are being given some vague hope of something in the future; but if we go back a little bit we will see that they have been going through the type of experience that they cannot take any more. Small farmers now - and I speak principally to the ones in St. George which I deal with on a regular basis - don't plant sugar. The cost of their planting sugar is higher. In fact, if they plant sugar they would experience losses.

I, too, used to be a sugar planter, a small sugar farmer.

Asides.

Mr. L. R. TOLL: ... for tax purposes. I used to plant sugar so that I could declare a massive loss to ease up on the income tax. That was not any getting around the tax system. That was using what the tax system allowed me.

A lot of people in St. George, small farmers, do not any longer plant sugar. I will tell you, Mr. Speaker, Sir, what is the problem with them. They don't want any incentives from the Government to start planting any sugar. If you have an acre or two, they don't want any incentives. They don't want anybody to pay to transport the canes to

the factory for them. They want to do exactly what the Democratic Labour Party Government has allowed the big plantation landowners to do. They want to cut up the land, sell it in house spots and they feel the money they will get from the house spots will be enough to tide them over in the remaining years they have on this planet. They are principally older people.

They cannot get that permission. They do not qualify by some subjective criteria that I hear is applied at the Town Planning Department. In the meantime, while they cannot get the permission to cut up their land in three or four house spots and sell at \$3 or \$4 a square foot and have some money to put in the bank and live off the interest. The big plantations - and some in St. George too - can cut up theirs, sell house spots and make large sums of money and people down the road from them and quite often adjacent to them with very small lots cannot enjoy the same benefit.

So the question here is not bringing these small landowners back into the stream for sugar cultivation. There are vast acres of plantation land in Barbados that are idle and those are the ones that are needed to be brought back into cultivation. It surprises me to see that the Government of Barbados has to prepare a case of force majeure for the European Economic Community to make up for the shortfall in the sugar they are sending the European Economic Community to meet their quota.

Asides.

Mr. L. R. TOLL: What force majeure are you talking about? That there was a drought one year. What I see, Sir, is very poor pre-planning as the cause buttressed by very low morale of the workers in the industry because of the way they have been treated. I went to Bulkeley Factory twice in the last year. Once was when the Honourable Member for St. John...

Asides.

Mr. SPEAKER: Could we hear the Member, please.

Mr. L. R. TOLL: I will deal with him. I like to hear him. When the Rt. Honourable Member... You will never be Right Honourable. When the Honourable Member for St. John as Minister of Finance had a hand in the delay in the payment of severance pay to workers of that factory they summoned me to come and help sort out a number of...

Asides.

Mr. SPEAKER: Let us hear the Honourable Member for St. George South.

Mr. L. R. TOLL: ... and the Honourable Member for St John telephoned me and thanked me for taking the heat off him. There was a certain insensitivity showed to those workers at that time. 8.20 p.m.

The second occasion on which I was at Bulkeley in the past year was at the Ceremonial Delivery of the Last Canes. Can you think of anything more cynical than that, Sir? The Government is aware that they have in their hands recommendations for the closure of Bulkeley Factory, much to the annoyance and distress of the people who work there, and for the first time since we have renewed Crop-Over activities, as the Honourable Member for St. John usually gives me so many accolades for restarting, go to do the Ceremonial Delivery of the Canes at Bulkeley Factory. That is cynicism that is typical of some people who plan things and that is why the Minister of Culture was so badly booed when he turned up to this ceremony and it turned out that they were looking up. They really were looking up.

I want, Mr. Speaker, very quickly again to mention the question of one recommendation in relation to the small farmers from the report that is before us. They recommend that the redundancy payment of the small farmers be put in lease arrangements such as the Prime Minister spoke about for the formation of these little villages of production.

I cannot think of anything more totalitarian than that. That thing caused riots and the burning down of Georgetown and riots all over the world where you are going to use muscle to get people to use their money and force it into an investment that does not come from them spontaneously. I am not happy with that recommendation and I do hope that the Government will look at it in the same way that I am looking at it that any effort to coerce people to use the money that they get as severance and put into an enterprise as a pre-condition for their involvement is something that cannot and will not be supported by me.

We have also a situation, Sir, in which the question of these villages which I think the Honourable Member for St. Lucy referred to as certain extensions of the Spring Hall Lease Project which really has never worked well. I think it has been a bit of a disaster. It is one project that was full of promise but the promise was never fulfilled. We have to be very careful that we do not mislead people into the kind of arrangements that have not worked in the past.

People who work in the sugar industry are not farmers.' They are straight labourers working for people who have land and the transition from working for the people who own the plantations to having your own farming unit going is a big movement. It is not as easy as some people may think. It is therefore important that those

of us who have seen people try to make that transition and the results of it warn that it is fraught with peril and although I would not be so irresponsible to suggest that something not be done, that we approach it with a measure of caution.

Mr. Speaker, I want to make one final plea in relation to this business of closing the factory at Bulkeley. Bulkeley has a good water supply. That was in the newspaper. The water, for instance, at Andrews is brackish, not that I am suggesting that you close Andrews because you need that too, but there is an excellent supply of good water at Bulkeley. We also have at Bulkeley a fine road system that makes the delivery of canes to Bulkeley a very easy matter. The recommendation to close Bulkeley also appends the need for massive work on the road system from Bulkeley to Andrews. You would have to put a lot of capital expenditure on redoing the road system between Andrews and Bulkeley if the Bulkeley plant is closed down. I would think that rather than embarking on that kind, in my view, of unnecessary capital expenditure at this time, that a case for the retention of Bulkeley as an operating factory be kept.

I want to say one thing very quickly too about this question of people because we started to talk about the human element involved in these things. In most capital plans they say they want an environmental impact assessment. I wonder if in this particular case there has been such an assessment done and if so can it remain available so that one can draw one's own conclusion and judgement how it would affect the environmental factors in that part of the country.

I remember some years ago, Sir, not many, there was a study done by the National Institute of Occupational Safety and Health in the United States. I think they are based somewhere in Georgia. They did a study in Barbados about the health hazards of asbestos in public and private buildings in Barbados. One of the places where the study was carried out was at Bulkeley Factory because there was a lot of asbestos in the structure of that particular plant. They came to the conclusion that there were certain perils - they tried to minimize them - that the workers at Bulkeley Factory faced as a result of the incidence of asbestos in much of the building. But nothing, as far as I know has been done to remove the threat of asbestos disease to the people who work in that factory. That is why I keep mentioning the human element because in all these plans it seems not to matter that there are people involved.

I would certainly urge on the Government, while I am sure that it will insist that Bulkeley remains open, that the Agricultural Management Company consider it as a matter of the utmost priority that the offending asbestos in the Bulkeley Factory be removed so that the dangers that

they get from the boiling vats and the machinery would be the only ones they have to face to their health but not the carcinosis ones that they say are associated with the asbestos in structures in Barbados.

Thank you, Sir.

Mr. D. J. H. THOMPSON: Mr. Speaker, I do not intend to be very long but there were a few things that were said in this debate which need some response and there are also some things that should be said for the record.

The first thing I want to say is that in view of the indication from the Minister, who I believe is responsible for the Company, of some changes he is contemplating, I should like to say that Barbados as a whole should be indebted to those persons who agreed to serve on the respective Boards, whether or not they are retained, for the contribution which they made to the restructuring of the sugar industry, initially for no reward, and certainly with an enthusiasm and commitment which went far beyond what I had in the initial stages anticipated from them. I think they should be congratulated for taking a very difficult task, a task in which there was certainly no national consensus, on which there was no legal consensus and for which the entire structure of production and management of an industry which was over 300 years old had to be assessed, redirected and changed.

I agree with the Prime Minister that this should be the last restructuring of the sugar industry. I do not want to say why I feel that way largely because I do not think it would be necessary to do it again anyway. 8.30 p.m.

Because my own optimism about the long term for the sugar-sector, and I mean the long term, not the long term that is here but the long term, is not significant. I believe what we are doing essentially is seeking to save this industry for a number of reasons, many of which have less to do with the financial picture than they have to do with ecological and other, even sociological, factors. But even on the financial front, and the Honourable Member for St. Joseph, is very optimistic, in my view much too optimistic, about the future of the sugar sector. I have heard the speech over and over again and he is living quite frankly in a time warp. What you think will happen, will not happen or how you dream about it will not happen again in Barbados and therefore to view the sugar industry as reaching that potential again is simply misplaced.

The sugar industry in Barbados is in a holding pattern and the question of its future viability is very much in the air. What we are doing essentially therefore is financing the operations of the sugar sector because it is a guaranteed

source of foreign exchange. It still creates substantial seasonal employment in Barbados. It is a factor that is responsible for some rural prosperity. There are still people who are rising out of their employment in the sugar sector to develop their houses and go to Courts and take out a living room suite and other things and so on. And there are valid ecological reasons.

On the financial picture, the scenario was that the Barbados National Bank was carrying this very heavy debt, it was not being serviced. The financial picture for the Barbados National Bank was grim and it is a bank after all. It is not a development institution. It is a commercial bank, chartered to function in the commercial sector and it could not effectively compete, in my view, unless something was done to remove that sugar industry debt.

It is idiocy for anybody, least of all a former Minister of Finance, to come in this House and give the impression, assuming that that was done, that taxpayers have suddenly taken on board \$200 million in debt, because the prospect of that debt saddling the taxpayers of Barbados or remaining around their necks was always there because the operations of the BNB, if you want to put it that way, are essentially guaranteed by the taxpayers of Barbados. That is idiocy and I have heard that foolishness before on public platforms and now I have witnessed it today in this Chamber. Then somebody will write tomorrow and give the impression that the great "I am" who had all the solutions to the structuring of the sugar industry, knew how to do it, but for some reason he could not summon that ingenuity when the opportunity presented itself to him. And all of a sudden the taxpayers of Barbados would believe that some \$200 million in debt suddenly emerged from nowhere. That we took up money that could have been better spent on other things, saddled the taxpayers with it and that we are giving back valuable plantations to owners - and he was very careful to say that he does not attribute race to them, creed or class, so I would not do it either. To owners of plantations who, a couple of years ago, he was in this Chamber excoriating for buying race horses, making trips to South Africa and frittering away support which Government was giving to it.

This is the kind of foolishness that one has to face. It is not any kith and kin because I picked up my cue very early when it came to his approach to politics. I do not endorse it and those who wish to be in bed with him, they will do so at their own peril because I know him better. You know him well too. I know him very, very well and I know the ...

Aside.

Mr. D. J. H. THOMPSON: I have not referred to any Honourable Member in this Chamber at all. I know

exactly how he functions. So the BNB was at the heart of the problem and the reason why it was a matter that had to be dealt with in that way was essentially because of the BNB.

Furthermore, if you had lawyers with the brilliance of the Honourable Member for Christ Church South and others who could not find an easy way, and I am challenging the Honourable Member for Christ Church South to tell me that there was an easy way to deal with the problem other than acquisition of those plantations, that there was an easy way, a swift way for the BNB to foreclose on all of those plantations.

The BNB tried to go through the foreclosure procedure on a plantation in St. Philip called Vineyard. The owner of that plantation cannot even be found. And to this day, thirteen years after they commenced the proceedings that foreclosure suit has not been completed. I do not even think they have got past the stage of determining the priorities before the Registrar. Do you know the problem we would have had? And the issue is this, that because of his allowing mismanagement at the BNB and previous Ministers of Finance allowing mismanagement, and some others allowing mismanagement, the actual debt of the sugar industry and the debt of individual plantations is still uncertain because the BNB in many cases did not do what it was supposed to do in relation to the security for the sums advanced in respect of the plantation.

Even though the Honourable Member for St. Peter said that the debt is in the range of \$230 million that is what we took out initially until the Government could actually agree with the owners of the plantation on the valuation of the debt for each individual plantation. Until that is done the security for the debt cannot be transferred to the B ACT. But he would not understand any of that. So he will come in this Chamber and give you the impression, Mr. Speaker...

Mr. SPEAKER: The Honourable Member for St. John, I take it you are referring to one of the Honourable Members of the House. Could you accord him the due respect, please?

Mr. D. J. H. THOMPSON: The Honourable Member for St. Michael South Central would not know about that and would seek to give the impression to this Chamber that there was some easy way to effect the restructuring of the sugar industry and that for some reason there should be no cost involved. That for some reason all of the benefits would accrue to the workers, which would have been impossible.

Aside.

Mr. D. J. H. THOMPSON: That is the problem but I am almost certain he would not return for that debate. So, Mr. Speaker, Sir, there is no way that those things could have been achieved in the way that has been suggested by some persons, or one particular individual in this debate.

On the question of Booker Tate, the sugar industry went out to tender in Barbados and internationally there were 2 tendering companies, Booker Tate and AIMS. The AIMS Group were affiliated with a Barbadian Group and I do not remember what the problem was with their proposal but it was certainly not viable. The Booker Tate proposal was acceptable. Booker Tate, also through the BAMC, employs Barbadians. Let us be frank about it I do not know how many consultants they have there. Maybe there are a few. But those consultants are not exploiters and plunderers who are walking across Barbados plundering this country. They are people who are knowledgeable and who have ability and I know, based on the speech of the Honourable Member for Christ Church East, there will be people who in future, who will be sufficiently knowledgeable and have ability to run the sugar industry.

As a result of that one should feel confident that Booker Tate or any other foreign management company, coming to Barbados is going to be able to do things which are not in the interest of the people of Barbados.

The mere fact that those decisions which are so critical to the future of the sugar industry, including the question of closure of Bulkeley Factory, is still a matter for policy determination, means that we still have control over the kind of structure that we want to put in place for the sugar sector. 8.40 p.m.

It is not true to say or give the impression that Booker Tate as a company has *carte blanche* to do anything in Barbados under the terms of the contract which it has. That is simply not true. The way in which the management of the industry was configured was such that Booker Tate are employed as managers only. There is a management contract which is performance related and also based on fees for consultancy. But the policy decisions are made by the Board of the Barbados Agricultural Management Company. We went the route, probably more as an experiment than anything else, of establishing private companies. In one case, one is run by an Executive Chairman and in another the B ACT by a normal board and has staff and so on. I think that the concept of having the Executive Chairman worked exceptionally well because, when he had to negotiate and still has to negotiate with some of those people out there to whom I will not apply any epithet on this occasion, he has full authority essentially to put his position without having to refer back to the Minister and have the Minister intervening and so on.

Sir, I know why the Honourable Prime Minister intervened on this occasion. But my own approach was not to get into those things at all unless they required direct policy decision, because I know exactly how the other side works and I know the good intent of the persons who we put on the board, and I know the kind of approach that is adopted of back-stabbing among those persons who are the owners of the indebted plantations and the managers in the sugar industry. They are not easy people to work for. The Honourable Member for Christ Church South can tell you that they are not easy and if he wanted to but he would not say it in this debate because they may still owe him some fees or something like that. But they are not easy people to work for. A lot of them should not be managing anything. So that is the point that needs to be made and I congratulate those boards for working so hard in seeking to restructure the sector.

Sir, I do not think that any money has been wasted in the way the companies were taken over. I think the issue of the receiver's fees which is still a matter before the Court is something that was very regrettable and it is something that perhaps was handled badly and could have been handled better. Other than that, all of the other arrangements for the restructuring, putting the companies in place and so on have gone satisfactorily. The same issues which the Honourable Minister of Finance agonizes over now we have had to agonize over. They will not be solved by you either. The sugar industry is not sufficiently viable in my view for you to even want to start to solve those problems. I regret having to put it that way, but I will tell you if I were giving you advice, which I do not give, that I would not even get an additional grey hair from it. The arrangements that have been put in place even as loose as they may appear are entirely satisfactory for a sugar industry like the one we have in Barbados. It does not make sense to invest all of this administrative time and effort in feeling that you are going to get much more out of the restructuring exercise. It is an exercise essentially to cover the medium to long term while other solutions have to be looked at whether in the context of sugar or other land use scenarios. I heard the Honourable Member for St. Joseph speak very rigidly about issues relating to land use. I have heard it from that side before, but it is something that is going to be contemplated because the question of reducing that debt by way of asset stripping, which is the word the Honourable Prime Minister used and I think it is quite a correct word to use in this sense, is also going to have to contemplate some of that land, and in particular the rab land initially being used for other purposes. You can think about it for a while and you will see what the real implications for that because the debt is significant. It is not a small debt.

Aside.

Mr. D. J. H. THOMPSON: Well, that is something which the future really holds. I do not know but it has a value. The value may be considerable in respect to even those which are in the agricultural context in ecologically poor areas. The land use values are much higher. So it is something that the Government has to determine and the land use policy has to be worked on. Regrettably, the one that we finally came up with, I think more under pressure than under the kind of detachment that was necessary, was one which said no more agricultural land would be approved for other purposes. So in recent times, that is the policy adopted by the Government which the Minister of Lands will find on the books. But that is not a sensible policy in that context because eventually the taxpayers of Barbados are going to ask the question which the Honourable Member for St. Michael South Central asked. They will really want to know whether they are in fact saddled with this debt and what real solutions we have. But that is something that we cannot answer now and will take the medium to long term to resolve.

Provisions had been made for the workers with respect to the payment of severance. I do not even know how that got to be the kind of issue that it did way back when it did. But it provided an opportunity for the Honourable Member for St. George South to visit Bulkeley Factory for the first time in your life and another time thereafter. If I were representing St. George South and only went to Bulkeley Factory twice in my life, something will have to be wrong. But I praise you.

Aside.

Mr. D. J. H. THOMPSON: You said twice in your life.

Aside.

Mr. D. J. H. THOMPSON: Sorry, I did not pick up that part. But I am still glad that it caused you to go back to Bulkeley Factory and to make contact with the workers. There has never been any contemplation by Government of severing workers without provision for the severance. In that particular case, the question was a determination as to whether they were entitled to it and how much. Once that is determined, the Government meets those obligations as would have happened in any other entity in which I know other Governments will support.

I empathize with the concerns which the Prime Minister has raised. I salute him for his frankness. You want the graciousness which you said was absent earlier. I salute that. In the context however of his former criticisms, I commiserate now with him that it falls to him. He certainly will not find me ever in this House in a mode to give anybody hell, as the saying goes, on the sugar

industry because I know what it was like to find that industry in the condition which it was in and try to beg people to seek to find solutions over a very long period of time. I know that there was not a lot of co-operation. There was not a lot of understanding and, in the attempt to sensitize the public more, the Honourable Member for St. Joseph would have known that there would have been even more confusion because we were not sure and still are not sure. This is the point your leader is putting before you now. So it does not make sense going to the public - to tell them what? That you do not know what you are doing? There is no one person in Barbados other than the Honourable Member for St. Michael South Central who knows how the sugar industry should have been restructured at no cost to the taxpayers of Barbados. But there is no other sensible, intelligent professional trained or untrained experienced person who could tell you that there is a simple solution to the restructuring of the sugar industry. So to go to the public on that basis does not make sense and this exercise therefore is one of treading water and perhaps in that time the Ministry of Agriculture will reassert itself in relation to the future of agriculture in Barbados and in particular the sugar industry and let us have that integration restored. But it is partly the responsibility of the Honourable Member for St. Joseph that the Ministry of Agriculture in the end lost complete control and that a successor Government was unable to get that relationship together. 8.50 p.m.

But he has now gone to another Ministry in which he will find that the Ministry itself had lost control of policy making and that had evolved into a Statutory Board which was making policy for tourism and glorifying...

Mr. SPEAKER: I believe the Honourable Member will stick to the topic.

Mr. D. J. H. THOMPSON: The point is that the Ministry of Agriculture needs to reassert itself. It does not presently have the expertise nor the will to get that sugar sector moving again. Those people in there have abandoned the sugar industry, and abandoned it a long time ago, and I wish the Honourable Member for St. James North luck in trying to get them to help the Ministry of Finance in refocussing on the sugar sector. They can find every conceivable reason in there why the owners of sugar plantations should get nothing, and that is a logical position for somebody who has been trained overseas and may have an idealistic view of agriculture, but when you are coming to the restructuring of a 300-year old industry with interlocking interests, debt and a whole set of other problems, you cannot adopt that kind of approach, so I wish the Government luck in doing that and in particular, as I have said in this, would give my support to any initiatives which would maintain the levels of production or improve on them to the extent possible and to ensure that

the sugar industry persists until such time as we can have some consensus in Barbados on that question of alternative land use scenarios and methods of agricultural production, even crops, whatever we are going to do. Until such time we will support initiatives like this in respect of the sugar industry without the kind of controversy or arrogance which has sometimes been displayed by others.

Thank you.

Hon. O. S. ARTHUR: Mr. Speaker, I wish to thank all those who spoke in this debate for their contributions.

Sir, when I was a sixth form student at Harrison College we studied E.M. Foster's *Howard End*. That novel was based on the theme that the time for telegrams and anger had passed and that we had to connect the prose and the passion of life. I think that this debate could really be written by Foster, because the time for telegrams and anger has passed where the sugar industry is concerned and we have to connect the passion and the prose.

A lot of the debate about the sugar industry, moreso than for any other industry in Barbados, has been wrapped in a lot of social philosophy, a lot of romanticism, a lot of misplaced social theory good and bad, among which, if I may say so, is the continued romanticism about the role of the peasantry in the future of Barbados' sugar. The old peasantry as we knew it when I was a boy does not have a present, nor will not have a future, in Barbados' sugar and the sooner that we accept that, Mr. Speaker, the better. The old peasantry class that was interested in sugar production in this country has gone.

I make that point to make the larger point that the sugar industry of the future, to the extent that we can conceptualise our sugar industry of the future, will be an industry that is no different from any other industry. That is to say, it will be a place in which people will make investments in the expectation of being able to realise their capital and to make a reasonable rate of return on that capital. That kind of dispassion has to engross our thoughts as we in this Parliament deal with one of the more difficult financial issues that have ever engrossed the attention of a Parliament in this country. We are dealing with a problem that is multimillion dollars in its dimensions and we have to focus it, we have to strip it of a lot of the romanticism and a lot of the bad sociology which has hitherto prevented the sugar industry from attracting the same kind of clear policy direction that has been the good fortune of other sectors in Barbados.

I give this House the assurance, Mr. Speaker, that in all of the presentations I will give on this matter as it evolves, and it is a matter that is going to continue to exercise the attention of this Parliament, that I will

be trying to focus on the essentials, which are how we are going to deal with the \$200 million debt that somebody has either to pay for or to write off; how we are going to deal with the medium term and long term capital requirements of the industry; how we are going to source its short term pre-shipment financing; how we are going to deal with the emerging problems of the independent producers who still feel that the industry is one worthy of their investment.

In this debate, Sir, I sense that the mood of the House is that the sugar industry should be given one last chance to see if we can evolve a new class of modern farmer who is farming a farm of economical size, who is paying for professional management, who is employing management only in relation to the need for management, who is using capital with reference to criteria of efficiency and who is using a trained and mobile labour force. If we perceive the sugar industry's present and its future in that clear context, I believe that the House will assist the country in making very sensible decisions about the fundamental financial problems that confront us at this time.

Mr. Speaker, I really could not close this debate without putting on record my objection to the way in which the Member for St. Michael South Central plays fast and loose with this particular matter. In his contribution today he drew from one of his many set speeches that he makes where the sugar industry is concerned, depending, I suspect, Sir, on the phase of the moon. His contribution today was to say that the sugar industry should not receive any form of public support, any form of on-budget financing. But I go back to Hansard of 1985, page 1864, which sets the context, and then 2959. On page 1864 'of Hansard for 1985, Sir, Dr. R. C. Haynes, the Member for St Michael South Central, is quoted as having said:

"When you look at the *modus operandi* in Barbados, I would say that the managers are now the best businessmen in this country, and I know what I am talking about."

This was in the context of a situation where he had three years previously lambasted them for having taken the funds of the sugar industry and invested it in race horses and all other kinds of non-sugar related activities. But the sugar men were in the House on that day and he waxed eloquently by saying that "they are now the best businessmen in the country". 9.00 p.m.

And then, Sir, he went on record on page 2959 and said:

'I believe that I was the first person to call for a grant to the sugar industry on the floor of this House. I recall that during the sugar debate earlier this year,

the Honourable Member for St. Peter got up, not having come to this House until very recently, although welcomed as a Member of course, and claimed that I was taken captive by the sugar producers on that day."

So he has gone on record that he was the first person in the history of Barbados on the Floor of the Parliament of Barbados to call for a grant to the sugar industry on budget financing. He comes to this House today...

Mr. SPEAKER: The Honourable Member, please. You are referring to an Honourable Member.

Hon. O. S. ARTHUR: The Member for St. Michael South Central who has unfortunately, Sir, as is his wont, fled when one has to respond to unwarranted comments that he has made.

At a time when we are faced with very difficult, delicate decisions of a financial character that we must simply debate, the Honourable Member who has gone on record as giving categorical support to on-budget financing to the sugar industry, comes to pour cold water on a matter that requires, as he said, "the taking of serious financial decisions." I want to say for the record that I found his speech unfortunate because, as I said, this House will have a responsibility, as no other Parliament before it, in truly deciding whether or not there will be a sugar industry in this country. It has come down to that and we cannot approach the matter of deciding upon the fate of an industry in the kind of cavalier manner that the Member for St Michael South Central has displayed on this particular occasion.

I would urge all Members of this Parliament to be focussed on the complex and very delicate issues that the continued functioning of this industry creates. We cannot walk away from our responsibilities. The financial problem is large. We are giving the industry one last chance. Let us deal with it in a constructive fashion and in a fashion that future generations will feel that serious people had a hand in helping decide the kind of society in which they live.

Against that background, I beg to move that this Bill be read a second time.

Hon. Dr. R. L. CHELTENHAM: I beg to second that.

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

On the motion of Honourable O. S. ARTHUR seconded by Honourable Dr. R. L. CHELTENHAM, Mr. SPEAKER left the Chair and the House went into committee on the Bill, Mr. W. C. C. CALLENDER in the Chair.

COMMITTEE

Mr. CHAIRMAN: The House is in committee.

Clauses 1 to 6 were called and passed.

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

On separate motions of Hon. O. S. ARTHUR, seconded by Hon. Dr. R. L. CHELTENHAM the Bill was read a third time and passed.

ADJOURNMENT

Hon. Miss B. A. MILLER: Mr. Speaker, I beg to move that this House be now adjourned until Tuesday, the first day of November at 11 o'clock in the morning.

Hon. Dr. R. L. CHELTENHAM: I beg to second that

The question was put and resolved in the affirmative without division, and Mr. Speaker adjourned the House accordingly. 9.10 p.m.

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Mr. F. J. (St. Philip South) THOMPSON, Mr. D. J.
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