
THE House of Assembly Debates

(OFFICIAL REPORT)

FIRST SESSION 1994 – 99

HOUSE OF ASSEMBLY

Wednesday, March 27, 1996

Pursuant to the adjournment, the House of Assembly met at 11.15 **a.m.** on Wednesday, March 27, 1996.

PRESENT

His Honour I. A. ROE'IT, B.A., Dip. Ed., (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. B. M. TAI'IT, B.A. (Hons.), M.P.A., **LL.B.** (Hons.)

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

Mr. D. J. H. THOMPSON, LL.B. (Hons.) (Leader of the Opposition)

Hon. Sir HAROLD St. JOHN, Q.C., **LL.B.**

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

Hon. Miss B. A. MILLER (Deputy Prime Minister, Minister of Foreign Affairs, Tourism and International Transport) (Leader of the House)

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

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

Hon. R. C. **EASTMOND**, J.P., B.A. (Hons.), Dip. Ed., **LL.B.** (Hons.), **L.E.C.**, (Minister of Agriculture and Rural Development)

Mr. D. CARTER

Hon. R. N. GREENIDGE, B.A., **LL.B.**, (Minister of Labour, Community Development and Sports)

Mr. G. A. CLARKE, **B.Sc.**, Dip. Ed., (Parliamentary Secretary, Ministry of Public Works, Transport and Housing)

Mr. J. M. EDGHILL

Mr. F. J. STUART, B.A., **LL.M.**

Mr. W. C. C. CALLENDER, J.P., B.A., Dip. Ed., **B.Sc.** (Chairman of Committees)

Mr. H. F. LASHLEY

Hon. R. St. C. **TOPPIN, LL.B.** (Minister of State, Ministry of Foreign Affairs, Tourism and International Transport)

Mr. D. St. E. KELLMAN

Hon. Miss H. E. THOMPSON, **LL.B.** (Minister of Health and the Environment)

Prayers were taken by Rev. Father Ivan Harewood.

Mr. SPEAKER: The House is now in session.

MINUTES

Mr. SPEAKER: The Minutes of Monday, March 18, 1996.

Hon. Miss B. A. MILLER: Mr. Speaker, I **beg** to move that the Minutes of proceedings of the Honourable the House of Assembly for its meeting of Monday, March 18, 1996, which Minutes have been circulated, albeit today, be taken as read.

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:

"Message from the Honourable the Senate to the Honourable the House of Assembly.

The Honourable the Senate has the honour to inform the Honourable the House of Assembly that on February 21, 1996 the Honourable the Senate appointed the following members to serve on the Joint Committee on the Insurance Bill, 1996:— Senator T. E. Barker, Senator Mrs. A. P. Thompson, Senator J. A. Workman.

Dated March 26, 1996."

PAPERS

Hon. Miss B. A. MILLER: Mr. Speaker, I am commanded to lay the following:—

1. The Duties, Taxes and Other Payments (Exemption) (No. 2) Order, 1996.

GOVERNMENT NOTICES

Hon. Miss B. A. MILLER: Mr. Speaker, I give notice of the following:—

1. Resolution to approve the rescission of Resolution No. 53 of 1988 and to approve the vesting of land at "Valery," St. Michael in the National Housing Corporation for housing development.

SUSPENSION OF STANDING ORDERS

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

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

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

GOVERNMENT BUSINESS

Mr. SPEAKER: Government Business is now the order of the day. Order No. 1.

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

COMMITTEE OF SUPPLY

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

RESOLUTION TO GRANT THE SUM OF \$22 443 866 FROM THE CONSOLIDATED FUND TO SUPPLEMENT THE ESTIMATES 1995-96 AS SHOWN IN THE SUPPLEMENTARY ESTIMATES 1995-96, No. 15.

HEAD 43 - MINISTRY OF TOURISM, INTERNATIONAL TRANSPORT AND THE ENVIRONMENT \$5 885 099

Hon. D. A. C. SIMMONS: Mr. Chairman, at the outset let me tell Honourable Members that all of these matters which are here identified by Head number as constituting the Resolution are to enable Government's accounting procedures to be tidied up before the end of the financial year. It is bringing to book various matters which have been outstanding, some more recent than others.

I also wish to tell Honourable Members that the effect of the \$22 million sought in the Supplementary will not in anyway adversely affect Government's ability to stay within the range of its target of a deficit of 1 per cent of GDP as calculated by the international institutions.

Asides.

Hon. D. A. C. SIMMONS: Honourable Members seem not to hear. We are dealing with Head 43 - Ministry of Tourism, International Transport and the Environment, Programme 07: Environmental and Recreational, Sub-programme 02: National Conservation Commission \$5.8 million approximately. The very last Head. Is the Honourable Member for St. Michael West following?

Aside.

Hon. D. A. C. SIMMONS: Now, Sir, the reason for the Supplementary of \$5.8 million shown to be a grant to the National Conservation Commission as a public institution is to enable Government to tidy up and bring to account arrears of National Insurance and Income Tax which have been outstanding for some considerable time. Of course, Honourable Members on the other side will appreciate that certainly in respect of the National Insurance contributions some persons who were displaced were not able to recover certain benefits because National Insurance contributions may not have been paid. 11.25 a.m.

Mr. Chairman, the \$5 885 099 is calculated in this fashion. National Insurance contributions from July 1991 to June 1993, principal \$1 818 097.43, interest

\$308 390.41, total for that period \$2 126 487.84. For the period July 1993 to March 1995, principal \$2 427 982.50, interest \$501 757.34, giving a total for the period July 1993 to March 1995 of \$2 929 749.84. That gives a grand total for National Insurance of \$5 056 237.68.

Income **Tax** liabilities for the same period, July 1991 to March 1995, \$828 860.89, and that gives a grand total shown in the margin under Other Expenditure of \$5 885 099.

Mr. Chairman, it is the opinion of the substantive Minister of Finance that these debts to the National Insurance and the Commissioner of Inland Revenue should be cleared in the fiscal year 1995/1996. It can be **accommodated** without violence to the Government stated position on the level of deficit, and the National Insurance office has indicated that it is willing to accept the payment of \$5 056 237 in the form of Government Securities. The **sum** to the Inland Revenue, of course, will have to be paid in cash, but that will not lead to any increase in the deficit **because** there will be an inflow for that **money** and an outflow for the same. So, it will just be, as far as their **revenue** is concern, essentially, a book transfer.

The Government is asking therefore, Mr. Chairman, that the House approves the Supplementary sum of \$5.8 million under Head 43. I thought, just to tell **Honourable** Members, there seems to be an error in the **Addendum**. The Addendum speaks about December. It is not December. We are hearing to March 1995. I have had that checked with the Budget Analyst and the brief to me is **that** we are clearing until March 1995 and that since **March** 1995 the department has been keeping current in its payments to NIS and the Commissioner of Inland Revenue.

I beg to move, Sir, that Head 43 in the sum of \$5 885 099.89 stand part.

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

The question that Head 43 stand part was put and resolved in the affirmative without division.

HEAD 34 – MINISTRY OF EDUCATION, YOUTH AFFAIRS AND **CULTURE** \$300 000

HON. D. A. C. **SIMMONS**: Mr. Chairman, Sir, Honourable Members will recall, a few weeks ago, I think it was around February 27, we passed a series of Orders, the Civil Establishment Orders, to provide for increases of salaries pursuant to wage negotiations for **all** workers in the public sector, Sir. By inadvertence, School Meals Workers, were left out, Sir, and none of us spotted it and if we do not vote the \$300 000, Sir, then they would be disadvantaged being the only workers who would not have

gotten any extra dollars in their hands. It was omitted from the Omnibus Resolution and we need a Supplementary of \$300 000 to pay them, Sir.

Let me tell this Honourable House how it is computed. **Arrears** of salaries would amount to \$276 000 and National Insurance contributions \$24 000. I am **asking**, therefore, for the Committee's approval for **these** sums to pay these workers who have been rendering **yeoman service** and who are not to be discriminated against when pay packets **are** being shared out for the increases.

I beg to move that Head 34 **stand part** in the sum of \$300 000.

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

The question that Head 34 now do stand part was put and resolved in the affirmative without division.

HEAD 30 – MINISTRY OF THE ATTORNEY GENERAL – \$3 335 000

HON. D. A. C. **SIMMONS**: Mr. **Chairman**, we are seeking here a Supplementary provision of \$3, 335 000 to settle legal claims made against the Government of Barbados by a company called Caribbean Shores Limited. Honourable Members on the other side, may be familiar with this matter and they ought to be. It is a lot of **money** and it has a history that is rooted in litigation. The money that we are **seeking** today is as a consequence of a settlement **arrived** at between the lawyers for Caribbean Shores Limited and the Solicitor **General**.

Let me refresh Honourable Members on the other side **as** to the facts of this. An action was started in 1990 by Caribbean Shores Limited against the Attorney General and Chief Town Planner. It related to the refusal by the Ministry of Housing and Lands on the 29th June 1990 to grant permission to develop a site at **Batts Rock** in the St. **James/St.** Michael area, that is when the Court **case** started. To get an understanding of this **matter** we have to go back to the year 1981 and the Town Planning Laws **as** they then stood.
11.35 a.m.

On the 5th of June 1981, Caribbean Tours – I will call them interchangeably – the Plaintiffs, were **granted** permission to develop 166 472 square feet of land at **Batts Rock**. **That** permission included permission for the erection of a hotel complex of 66 **two-bedroom** units with ancillary services **as** well **as** the relocation **of** the **access road** to avoid interruption of the development area. With effect from the 29th October, 1981, the Town Planning Act **was** amended to provide as follows in section 32(E):

" 32E. (1) **Where** 5 or more years expire **before** any development in respect of which a planning

permission was granted takes place, that planning permission shall be deemed to have been revoked by the Chief Town Planner.

(2) Nothing in this section affects any entitlement to compensation under this Act."

So the effect of the two subsections is that after 5 years, planning permission was deemed to have been revoked if no development took place. Even though permission was deemed to have been revoked the applicant may still have been entitled to compensation under section 2 because it says, nothing in this section affects any entitlement to compensation under the Act. The Act provides for compensation as I will show later.

Now, no development took place at Batts Rock pursuant to the permission which was granted in June 1981 and accordingly the permission was deemed to have been revoked as at June 5th 1986, five years after. In September 1988 ...

You do not follow. June 5th, 1981, they got permission. Under the law nothing was done and that permission was deemed to have been revoked June 5th, 1986. In the meantime at the end of October 1981 the law had been passed to that effect. The Plaintiff applied in September 1988, that is the next day, for permission to erect the hotel complex on the land. The Minister at the time did not even try to modify the former permission but he refused it outright. They had a permission, it lapsed. It was for the whole area and from that Minister's perspective, since he was the Minister who represented the area he wanted the road, he had promised the people the road, so he refused the whole permission. I think that is an error of judgement. It is left to us now perhaps with \$3 million.

Aside.

Hon. D. A. C. SIMMONS: The Minister was the former Member for St. James South. Sir, that is where it stood in 1988 and any application for planning permission denied outright.

Section 61 of the Town and Country Planning Act provides for compensation in cases of revocation. Where a person has an interest in land and where he has incurred expenditure in carrying out work, this is the language of the statute, rendered aborted by the revocation or modification or secondly has otherwise sustained loss or damage that is directly attributable to the revocation of modification. Sir, the law was anticipating that a permission could have been modified and if it was modified to your detriment you could be compensated. That one was totally knocked out.

Section 61(2) goes on to provide:

"For the purposes of this section, any expenditure incurred in the preparation of the plans for the purposes of any work, or upon any similar matters preparatory thereto, shall be taken to be included in the expenditure incurred in carrying out that work.

(3) Except as is provided in subsection (2) no compensation is payable under this section in respect of any work carried out before the grant of the permission which is revoked or modified or in respect of any loss or damage (not being loss or damage consisting of depreciation of the value of an interest in land) arising out of anything done or omitted to be done before the grant of that permission."

Now, in addition section 66 of the Act provides the basis for the assessment of compensation and the Act also provides for statutory award of interest at 6%. So we have got a plaintiff who has been denied, who has rights to compensation under the Act and rights to interest. So he pursues his matter and in June 1991 he took out a summons under section 15 of the Land Acquisition Act pursuant to section 67 of the Town and Country Planning Act and he claimed compensation for depreciation in the value of the land due to the revocation of planning permission, that is to say the difference in the value of the land with planning permission and the value of the land without planning permission as at the 5th June, 1986 when it was deemed to have been revoked. He also used the language of the Act. He claimed compensation for abortive expenditure and the other loss and damage attributable to revocation.

The matter came before Mr. Justice Belgrave in June 1992 and he dismissed the claim and he held on a limitation point. He found that the Plaintiff was entitled to all these things but the limitation operated against him. The lawyers for the Plaintiff did not agree, they appealed to the Court of Appeal and in April 1994 the Court of Appeal allowed the appeal. I have the judgment of the Court of Appeal here. The Chief Justice in delivering the Judgment of the Court said, *inter alia*, "In my opinion what the Court needs in order to make a fair assessment of the plaintiffs claim for depreciation is criminal evidence as to the value of the land with as well as without the permission attached but related to the date of the revocation not to any subsequent date when a further application for permission turned out to be unsuccessful. So he was saying, go and do your calculations and valuations as at June 1986 when the thing was deemed to have been revoked. He said, in my opinion the Plaintiffs claim and the evidence in support must be related to the revocation that had effect in June 1986 and section 61 requires that in making the calculation it is to be assumed that any subsequent application for permission in respect of the land would be refused.

11.45 a.m

Now the Court sent away the lawyers to prepare their affidavit evidence and to compute what really was special damage, and affidavits were filed. Mr. Bill Mallalieu estimated the value of the land with Town and Planning permission at \$5 million and without Town and Planning permission at \$2 million. So he was showing depreciation of \$3 million. On behalf of the Crown, Mr. Bradshaw of the Land Tax Department valued the land with Planning permission at \$1 997 664 and without permission at \$832 360. So he had a devaluation of \$1.1 million. So they are \$2 million apart. However, they seem to have prevailed and the matter went back to Court last year. The Solicitor General and Mr. St. John were on opposing sides, with Mr. St. John for the plaintiff and the Solicitor General for the Attorney General.

In respect of the devaluation, they agreed with a settlement of \$1.3 million. So it was somewhere between Bradshaw and Mallalieu. For abortive expenditure or expenses, they agreed on \$100 000. Bills were produced to support claims for architectural expenses for all the drawings and various plans for \$730 150, giving a total of \$2 130 150.

Aside.

Hon. D. A. C. SIMMONS: So much for the computation of the damages. You are dealing with U.S. currency now. The Honourable Member for St. Michael North East – do not forget that these were U.S. people or Canadians. The \$2.1 million did not look too bad but then the Act allows interest at 6 per cent. Hear the interest – \$1 150 281. You see it goes back to the date of revocation of June 1986. Now I have been trying to impress on the officers in the Ministry of the Attorney General that when they have these matters which are straight forward or where in this case the Court gives an indication to go and settle the matter and get it over and done with because the interest will murder you. He does not sleep – that is the fellow called interest does not sleep every day and every night. So we have a classic example here. The McAlpine case that I did some years ago was another one. It started out at \$2 million and ended up at \$7 million because of the interest and in building contracts you can pay compound interest too. Even though those figures came to \$3 280 431, the parties have finally agreed to settle for the round figure of \$3 million. I gave the cost of \$185 000 which I think the Honourable Members on the other side will have to say is reasonable on a \$3 million claim and there is some interest accruing which brings it to the other \$305 million. In the meantime, the owners of the land, Caribbean Shores, have not been paying their land taxes and those land taxes have accrued interest and penalties and we are insisting that they pay them in the amount of \$308 037. In the circumstances, Mr. Chairman, I beg to move that Head 30 stand part.

Hon. G. W. PAYNE: I beg to second that, Sir.

Mr. F. J. STUART: Mr. Chairman, I listened to the Honourable Member for St. Thomas. I am familiar with the facts of the case to which he referred. In fact, I read the Court of Appeals decision and I am correct in saying that the Court of Appeals basically advised the parties to go away and settle the matter. It gave leave for both sides to file affidavits. It is a kind of situation in which Government finds itself from time to time where official or Ministerial acts sometimes result in cost to the taxpayers. The best that we can do in these circumstances is to try to keep these situations down to a minimum. But they will happen because we are not dealing with persons who lay any claim to infallibility and from time to time these matters will arise.

Aside.

Mr. F. J. STUART: It is in this context, Mr. Chairman, of issues of this kind that I should like to just ask the Minister this. It is now being noised abroad and I have seen it published that the Government also intends to settle the C. O. Williams case.

Hon. D. A. C. SIMMONS: I am glad that the Honourable Member raised that, Sir, just to say that I do not know anything about the C.O. Williams matter against the Attorney General. I have not dealt with the file since October, 1994 or November when the Privy Council's decision came. I wrote on the file firm instructions that I do not wish to have to deal with this matter or to see this file at all. It is out of my hands because I had an interest in it. It would be wrong for me to even see the file. I know that Mr. Turney has been negotiating with the Solicitor General. I cannot tell you the terms of the Solicitor General. I have begged him never to approach me on the matter. Where I have had matters from private practice, I have given them to other lawyers to deal with and I ask that the Honourable Member for St. Michael North deal with any matters in which I may have had an interest, because he acts for me when I am absent as Attorney General. So I do not know if the facts that are in yesterday's paper are true or otherwise. I know that negotiations were taking place between Archie Mandeville, Mr. Turney and the Solicitor General. But as to what stage they have reached, I cannot tell you. I can also say that nothing has come to Cabinet.

Mr. F. J. STUART: I am grateful to the Minister for that information, but his explanation seems to suggest that there is a plan to settle the matter. Has a decision been taken by the Government that the matter should be settled? How soon do you think that we may know for certain? We saw this thing noised abroad and we thought that the person who may be able to give us some answers would be the Minister responsible for that.

11.55 a.m.

Aside.

Mr. F. J. STUART: Well, Mr. Chairman, I hope that some time in the very near future we might be able to hear more of this and get some details on it, because I know that we on this side, the predecessor Government, had felt very strongly about this matter and had determined that it should be bought. If there has been a shift in position on that issue, we on this side would certainly like to know.

Aside.

Mr. F. J. STUART: It has to come to the House. In those circumstances, Mr. Chairman, we can find no particular fault with what is now before the House and we cannot credibly object to the sums being sought in this supplementary.

The question that Head 30 stand part was put and resolved in the affirmative without division.

HEAD 36 - MINISTRY OF HEALTH - \$2 080 467

Hon. D. A. C. SIMMONS: Sir, the matter before the House under Head 36 is for approval for supplementary provision in the sum of \$2 080 467, and the Addendum shows that it is to complete the accounting in respect of the angiographic suite. I expect the Honourable Member for St. Michael West to speak on this.

Aside.

Hon. D. A. C. SIMMONS: I thought the angiographic suite was his baby. Sir.

Again, this is Government's accounting being regularised before the end of the financial year. In the Estimates for fiscal year 1992-93 provision was made for the purchase of one angiographic suite under the appropriate Head. That suite was purchased by the Crown Agents under the third Crown Agents' Loan Agreement and it was received at the QEH in September, 1992, but provision was never made in the Estimates subsequently to bring to account the funds for this. The Crown Agents were paid but no proper line item followed thereafter to account publicly for the payment. That is according to the instructions I have, the brief that I have. It is not that the monies have not been paid, the monies have been paid, but according to the Accountant General's method of accounting the appropriate line items have not appeared and the fact that we have paid the Crown Agents has not properly appeared.

The matter was raised with the Prime Minister and Minister of Finance, who has determined if as it appears the suite is unaccounted for, everything should be done to

regularise it. This is what is being done here, to include this sum in the projected expenditure for 1995-96. As I indicated at the outset, Sir, the sum which we are presently voting will not adversely affect Government's fiscal projections.

That is the brief I have on this matter, Sir. I made sure that I checked it yesterday and they told me that this is purely an accounting matter for the Accountant General. I can let the Honourable Member look at this, but that is what I understand.

I beg to move, therefore, Sir, that Head 36 stand part.

Mr. D. J. H. THOMPSON: Mr. Chairman, I shall be very short, but I want to make sure that there is absolute clarity in relation to this matter. What I understand the Honourable Member for St. Thomas, who it is true is not the substantive Minister of Health... Perhaps I should begin again, Mr. Chairman.

I should like to congratulate the Honourable Member for St. Thomas for the way in which he has handled all of the matters which have come to the House so far this morning, but, Mr. Chairman, even in the presence of the substantive Ministers he has taken on the responsibility of dealing very effectively and cogently with their various items of expenditure, meaning that if I were to draw an analogy like the one drawn about me last week, that even when the Ministers are in their seats it falls to the account of the Honourable Member for St. Thomas, the *de facto* Leader of the Barbados Labour Party, to bring light and sense to what is...

Hon. D. A. C. SIMMONS: On a point of order, Sir. He has carried the congratulations and the flatteries too far. He knows that I will not fall for it, but *de facto* Leader of the Barbados Labour Party? I have never wanted to lead the Barbados Labour Party, Sir.

Mr. J. O. TUDOR: Mr. Chairman, on a point of order. I think we should set the record straight and maybe we should understand that the Leader has fled again and they are now completely leaderless. They have no leader at all.

Mr. D. J. H. THOMPSON: Not only the leader, the Acting Leader herself, the pontificator, the *ad hominem* expert. She just put her bag on her shoulder in the middle of this and fled through the doors of Parliament, and she has the temerity to criticise people like me, and by implication my namesake, the Honourable Member for St. James South, for being out of the island when important matters are being debated.

I still want to end my congratulations by attributing to the Honourable Member for St. Thomas in this debate the level of maturity which his leaders do not possess, and to congratulate him for demonstrating that level of maturity in this debate.

Aside.

Mr. D. J. H. THOMPSON: Yes, I am reflecting. Others reflect on me, I am reflecting, not on the Chair, I am reflecting on the level of leadership, and the reason why I am entitled to reflect, Mr. Chairman, is this. The fiscal year before the last we had supplementaries which amounted - and that was during part of the time I was Minister of Finance - to about \$85 million. Last year the Right Honourable Member for St. Peter, as Minister of Finance, who said supplementaries would be a thing of the past, had about \$54 million in supplementaries. Mr. Chairman, would you believe that this Chamber is now on Supplementary No. 15 and that the supplementaries in this fiscal year have amounted to more than \$100 million?
12.05 p.m.

It is a shameful scenario which demonstrates a level of fiscal imprudence, which demonstrates a level of financial incompetence and indifference, which represents fiscal recklessness, intellectual somersaults by a government which pledged at the outset that large supplementaries were a thing of the past and that the new level of fiscal management, using the brilliant forecasting skills of the former director of research at the bauxite institute, who rejoices under the title, the Rt. Honourable Member for St. Peter now, would put all of that to an end in this country. I am shocked that the level of supplementaries far exceed any, Mr. Chairman, that I have any recollection of in my time as a member of this Chamber.

Mr Chairman, they are not coming for new projects. The supplementaries have not come to build a fish market at Weston. They have not come to pay for major new creative and imaginative projects which the Honourable Member for St. Peter said he was going to be bringing to the country. He said he preferred small capital programmes. He is fixing up the infrastructure, cleaning wells, no monuments to his ego, and in a year in which his forecasting skills have been brought to the task and he can take full credit for this year's financial administration we have had supplementaries of \$101 million. It is true that some of them today relate to the payments of charges incurred by the Democratic Labour Party, but not all \$101 million. Those who can count - and I don't number all of the Honourable Members on that side least of all the junior ministers in that category - and can forecast would know...

Mr. CHAIRMAN: The Honourable Member, are you saying that Honourable Members on this side cannot count?

Mr. D. J. H. THOMPSON: No. I am saying I don't count them which means I can't count because I don't count them among the people who can count. It is I who have the problem with counting.

I credit the Honourable Member for St. Thomas, I want to say that we should sit in awe of the Honourable Member for St. Thomas today that his leaders have fled and left him to clean up the fiscal mess which the Government has brought to the affairs of this country while boasting at the same time to be prudent managers bringing all of their forecasting and accounting skills. So the *de facto* leadership always has to rescue those who fled and flee and probably will continue to flee and yet can cast aspersions on everybody else.

Mr. Chairman, this is an important debate. Two weeks ago, Mr. Chairman, we had a debate involving the Ministry of Foreign Affairs in which the Honourable Member for St. Michael West was advised by the Honourable Member for Christ Church South to take it easy because the Minister was not present. We took it easy because she was on another of her jaunts outside of the island, not jousts. I want the language to be very clear.

When I travel as alleged to Bermuda, if it is true, the Inland Revenue Department will get some of the money. There are some other people who when they go to Bermuda go to remain outside of the island and leave a lot of money owing to the Inland Revenue Department. So those who know I am in Bermuda better clean up their own backyard. I am not a fugitive from the Inland Revenue Department. I owe nothing to Inland Revenue, land tax, national insurance, nor am I a fugitive from justice. When I leave this country I leave to return and serve my people. There are some people who when they leave, leave a lot behind them and they should be the last to wonder where I am because I will always return, unshackled and free. That is why I admire the Honourable Member for St. Thomas because he is in that category too. He would not get into that kind of debate.

I was able to enter and egress from Barbados. Wherever else I went, there is no problem. I didn't leave any debts here and when I came back I was unmolested either by my creditors or anybody else. Mr. Speaker, Sir, those who wish to judge us on this side are going to find they will come in for a judging as well. I didn't trouble anybody last week when I was here. I spoke to the Heads as I am doing now and yet as soon as I turn my back Tah-la La-la and Goot, Pooch-Mout, Barracuda and Shabby, everybody, the Marrish and the Parrish jump on the Opposition. And such fiscal disarray facing the Government. Such confusion in the financial affairs has not told wiser heads, has not told the leaders of the Barbados Labour Party to focus on the major issues that affect

this country. Instead of that, we finish Estimates in one week in which the Minister of Finance pats himself on the back for his fiscal prudence, for bringing down unemployment and for a whole host of other achievements and the following week a supplementary is brought to this Chamber in his absence and in the absence of the Acting Prime Minister who is shirking her responsibilities today.

Mr. CHAIRMAN: The Honourable Member is asked to withdraw the remarks "is shirking".

Mr. D. J. H. THOMPSON: I withdraw it. ...who, as I said, has fled.

This supplementary is important. Now the Honourable Member for St. Thomas made a remark which may very well **affect** people's interpretation about the angiographic suite and he made it unwittingly. The impression may be given that the suite is not accounted for which means that it does not exist. I know the English language and I know how people think out there. When you say something is not accounted for, when somebody is not accounted for, it means they are not around.

Hon. D. A. C. SIMMONS: On a point of order. I am glad that the Honourable Member has in fact made the point that the words "accounted for" are capable of more than one definition or connotation. What we are talking about there is that nobody has said that it has been stolen. You cannot steal an angiographic suite. People get their hearts open every day. We are talking in the sense of financial accounting.

Mr. D. J. H. THOMPSON: The Honourable Member for St. Thomas knows I would take his word on those kinds of things. I wouldn't take anybody else's easily. As acting Minister of Finance? What is the Honourable Member's post today? De facto Leader? Anyway, Mr. Chairman, let me make sure that there is no confusion. We want to make sure that the public understands that an angiographic suite exists. The reason why I say that is because yesterday in another place people were circulating photographs of an elevator which apparently exists but which has not yet been put together and installed, as if an elevator has been stolen or if an elevator is perishable like a carton of milk and when you put down an elevator it suddenly becomes non-usable.

12.15 p.m

Mr. Chairman, I only want to make the point that the angiographic suite exists, that its purchase has already been financed by another institution, therefore, it is being financed technically until it is brought to account here off budget by whatever means, and that this is merely bringing to account so that Government's inventory and accounting

procedures will show that the angiographic suite exists and that it has been paid for. I hope that in due course efforts will be made to have it fully operational.

Aside.

Mr. D. J. H. THOMPSON: It is working? If it is working let me go on to say that I want to compliment the Honourable Member for St. Michael West for his foresight and diligence. It is true that the Honourable Member for St. Michael West was a big spender in Health. He never denies that. He believes he should get the best for his Ministry and always believes that. The Barbados Labour Party only worries about expenditure in Health when the vote book does not coincide. That is when the Prime Minister rushes to action, when he reads the vote book. Now, people could be dying at the door of the Casualty, as they were, falling off beds, being denied bed pans and not having operations. None of that spurred the Barbados Labour Party into action. It was when the vote book did not coincide with the level of expenditure that was required to the end of the fiscal year that the Prime Minister rushed to decapitate the Queen Elizabeth Hospital and to apply surgery.

What is important to the Barbados Labour Party is not the development of services which impact positively on the health of this country. What is important is the bottom line.

Mr. CHAIRMAN: The Honourable Member is asked to wind up.

Mr. D. J. H. THOMPSON: I am saying that if we want to have modern effective health care, we have to make advances and major advances within our resources and the Honourable Member for St. Michael West should be complimented for making this facility available to the people of Barbados and for his stewardship in that regard in the Ministry of Health.

Thank you.

Hon. Sir HAROLD St. JOHN: Mr. Chairman, the speech of the Honourable Leader of the Opposition in relation to the conduct of the fiscal affairs of the Ministry of Finance is one which I feel some clear definitive and authoritative statement **thereon** should be made in the interest of letting the public know that in truth and in fact the Ministers of Finance have little control over the...

Mr. D. J. H. THOMPSON: Mr. Chairman, on a point of order. I just want to enquire whether the Honourable Member is winding up this debate as acting Minister of Finance or in what capacity, whether I will have a chance to speak again. I am not sure who is the acting Minister of Finance and who is presently running the financial affairs of the country.

Hon. Sir HAROLD St. JOHN: ...so that a misleading impression is not given with respect to the stewardship of the Minister of Finance. These Supplementaries, as has been explained, to a very large extent derive from activities which took place prior to the assumption of office of the present Minister of Finance.

The first point I would like to make is that it is not fair for the Honourable Member to suggest that the predictive skills of the present Minister of Finance should be under scrutiny because none of these things were votes that were created and conceived by the Minister of Finance in his Estimates of Expenditure. In truth and in fact, the Honourable Member for St. John should really say to this House that these Supplementary Resolutions illustrate what an important role he has to play in his capacity, not as the Honourable Member for St. John, but in his capacity as Chairman of the Public Accounts Committee in ensuring that post haste the Financial Administration and Audit Act and the Rules under which we operate are immediately rectified.

As has been seen on many occasions because of the way how we vote our expenditure on a cash basis with no possible understanding except at Estimates time when a presentation is made to a Minister of Finance – well this year we need \$1 million. We will spend three quarters of one million dollars but really and truly we have half a million dollars owed to us, or a quarter million dollars owed by us to outsiders. Repeatedly that estimate of arrears due to suppliers of goods and services by a Ministry is totally underestimated so that a Minister can ask in all good faith accepting the figures that come to him by the spokesman at Estimate Committees and he feels that he is paying off all the bills that are due and owing.

Aside.

Hon. Sir HAROLD St. JOHN: Every forecaster must act upon assumptions. He has to say that he believes the people when they come to him and tell him they only need \$1 million.

The basic position is that we have a very serious problem in a number of Ministries. Some, unfortunately, are worse than others. The Ministry of Health in Barbados is notorious for not being able to say with any accuracy how much it spends in any year. That is a fact, Sir. I, in my capacity as Member of Parliament have had to make representations to that Ministry in respect of previous financial years and you cannot blame the Minister of Finance because when the Minister asks for information he is very often assured that there are no bills owing. Sooner or later when you persist on it and you issue a writ the truth comes out that somebody goes back and say, "We have not paid this and therefore we are really in truth and in fact owing."

Now, Sir, this is not a peculiar problem to Barbados because our Financial Administration and Audit Act was patterned after legislation which was in vogue all over the Commonwealth. But other countries have found it necessary to change the basis of the accounting and insisting that the Government accounts must be kept in a manner similar to how private businesses keep their accounts, that is, that after your cash situation you know what is due to you, your receivables as well as you know what your payables are. That is what we need here.

The Honourable Member knows that in this respect there is no divide in this House. We have been trying in Committee to get the suggestions from the person who is responsible for the administration of the Financial Administration and Audit Act. He is not a politician. He is the Director of Finance and Planning. That is his responsibility. We have been trying in the last 18 months to ensure that the suggested amendments and the Auditor General of Barbados, his successive Auditor General Reports have suggested that these matters have to be dealt with by way of amendments of the Financial Administration and Audit Act. Every Auditor General's report has suggested this but they have not come forward yet.

Aside.

HON. Sir HAROLD St. JOHN: Now, that is a different matter. I am saying that in the 1995/96 fiscal year you see bills coming up from 1992. This angiographic suite was financed, obviously, by part of the loan that the Government of Barbados, which it is entitled to do, obtained from the Crown Agents. It obviously was purchased in England or somewhere. It was probably manufactured in England.

12.25 p.m.

Now that was the source of financing. But before you can expend Government money you still have to have a vote. In the olden days I remember when I first was a Member of this House that it used to be a number of votes of \$1. Every year the Estimates would contain a number of votes of \$1 in relation to various departments and the note was, "It is intended in this Financial Year to purchase so and so. The exact cost is not known now. It will be financed by a loan. Supplementaries will come when the amount is finally determined." According to the accounting procedures there was a vote for \$1, a token vote they used to call it. Now that no longer obtains. I do not see token votes any more. The truth of the matter is, Sir, I want to say this, Sir. I have been a member of the Public Accounts Committee on more than one session of Parliament. I once heard a civil servant come before the Public Accounts Committee and tell the Public Accounts Committee when he was reminded that he was the man, as the Permanent

Secretary, responsible for accounting. He said, accounts I have never studied that, I have no interest in it, and he was the chief accounting officer. That is a fact.

A theory has grown up in the public service in Barbados that despite the onerous responsibility placed upon Permanent Secretaries and others as chief accounting officers that in truth and in fact they do not regard it seriously. It is our duty to ensure that our Financial Administration and Audit Act and the Rules made thereunder is brought up-to-date so that we modernise completely. There are computers today and computer accounting. No doubt there will have to be drastic modifications to our system but let us get on with it. As I constantly point out, from my reading the country that has taken this most seriously and has carried out the greatest reform in this area is New Zealand. They are held up as a model and I believe now what they do is only vote annually the amount that the department itself says it is not going to collect from its own revenue collecting activities. In short you are voted the balance. It has a very important effect on the various departments because if they do not collect they do not have any money to spend and also in their Estimates they have to have a clear statement annually and next to their request for appropriations of what is due to them and what is payable by them. So we need these reforms. The Honourable Leader of the Opposition knows that today he is only firing a few salvos because smarting under the blows that some Honourable Members on this side have obviously put on him while he was abroad but he should be big enough to understand that in politics people always take opportunity behind your back to put a few blows on you. So he must not try to treat the Right Honourable Prime Minister and Minister of Finance in the same way his Honourable Members may happen to treat him and that is all that prompted his speech but he knows that every Minister of Finance, for he was one, and he confessed to having to bring a \$84 million... Maybe when he brought that \$84 million he should have brought \$120 million because these were within his time so he should really have tidied up this. Thank you, Sir.

Mr. B. M. TAITT: Mr. Chairman, first of all I would like to thank the Honourable Member for St. John for his congratulatory statements concerning my stewardship in the Ministry of Health but I would also like to thank the Honourable Member who just sat down, the Member for Christ Church South, one of the longest serving Parliamentarians in this country who by virtue of his utterances has assisted, in fact I would say he has vindicated me in relation to certain utterances made during the heat of political invective over the last few years and sustained by a coterie of blessed persons who wish constantly to maintain their privileged positions with the powers that be in this country.

I am grateful to him for the kind of statement he made and I think that more and more as we talk in this country about the accounting procedures that some truths will come out that will allow people to rest themselves in peace. But on the angiographic suite in particular, I think there is a slight misunderstanding and/or misrepresentation perhaps by the public officials in the briefs and I think it is necessary to put the record straight. The angiographic suite which costs in excess of \$2 million is a basic piece of equipment that was the precursor to the beginning of open heart surgery in Barbados. The correct name for it is the cardiac catheterisation and angiography suite. It is called an angiographic suite because basically what is done in this massive construction is **angiograms** and similar things.

Now, Mr. Chairman, in 1989 Professor Walrond prepared a paper for the Heart Foundation in Barbados. The name of the paper was the Feasibility of Doing Open Heart Surgery in Barbados and that paper for the Heart Foundation was presented to me in my capacity as Minister of Health by the Chairman of the Heart Foundation who at the time was Dr. Hassell. Arising out of that paper which proved the feasibility of doing open heart surgery in Barbados a decision was made that we should begin the process of having open heart surgery. The problem was that Dr. Ishmael who had functioned outside of Barbados at North Shore Hospital and some other hospitals connected with Cornell University, had managed to arrange a programme by which they, having started at North Shore Hospital their open heart surgery, we in the Caribbean, Barbados and certain countries in the Eastern Caribbean, were allowed to send our patients to North Shore Hospital, partly as guinea pigs, (we came in as first patients but the point is our patients were sent to North Shore Hospital) and we paid a nominal fee to North Shore Hospital of \$20 000 a year as a contribution and they did all of our open heart surgeries of a certain kind. I think it is fair to say that up until then and even after then, persons who had certain kinds of heart disease in Barbados just simply died. It is as simple as that. Arising out of the coming to fruition of their programme it became obvious that within a relatively short time we would not be able to send our patients to North Shore Hospital and soon we would have to pay US\$40 000 approximately per patient which is the market cost of doing an open heart surgery and that is without reference to the cost of sending them up and the cost of accommodation etc.

12.35 p.m.

Sir, it is necessary for us to look at two things: how we were going to improve our own capacity and how we were going to save the vast amount of money which we were spending at that time and which would as far as I could see be spent. To cut the story short, Sir, in 1989 after we got this report we looked to getting the beginnings of open heart surgery which would be an angiographic

Hon. Sir HAROLD St. JOHN: ...so that a misleading impression is not given with respect to the stewardship of the Minister of Finance. These Supplementaries, as has been explained, to a very large extent derive from activities which took place prior to the assumption of office of the present Minister of Finance.

The first point I would like to make is that it is not fair for the Honourable Member to suggest that the predictive skills of the present Minister of Finance should be under scrutiny because none of these things were votes that were created and conceived by the Minister of Finance in his Estimates of Expenditure. In truth and in fact, the Honourable Member for St. John should really say to this House that these Supplementary Resolutions illustrate what an important role he has to play in his capacity, not as the Honourable Member for St. John, but in his capacity as Chairman of the Public Accounts Committee in ensuring that post haste the Financial Administration and Audit Act and the Rules under which we operate are immediately rectified.

As has been seen on many occasions because of the way how we vote our expenditure on a cash basis with no possible understanding except at Estimates time when a presentation is made to a Minister of Finance – well this year we need \$1 million. We will spend three quarters of one million dollars but really and truly we have half a million dollars owed to us, or a quarter million dollars owed by us to outsiders. Repeatedly that estimate of arrears due to suppliers of goods and services by a Ministry is totally underestimated so that a Minister can ask in all good faith accepting the figures that come to him by the spokesman at Estimate Committees and he feels that he is paying off all the bills that are due and owing.

Aside.

Hon. Sir HAROLD St. JOHN: Every forecaster must act upon assumptions. He has to say that he believes the people when they come to him and tell him they only need \$1 million.

The basic position is that we have a very serious problem in a number of Ministries. Some, unfortunately, are worse than others. The Ministry of Health in Barbados is notorious for not being able to say with any accuracy how much it spends in any year. That is a fact, Sir. I, in my capacity as Member of Parliament have had to make representations to that Ministry in respect of previous financial years and you cannot blame the Minister of Finance because when the Minister asks for information he is very often assured that there are no bills owing. Sooner or later when you persist on it and you issue a writ the truth comes out that somebody goes back and say, "We have not paid this and therefore we are really in truth and in fact owing."

Now, Sir, this is not a peculiar problem to Barbados because our Financial Administration and Audit Act was patterned after legislation which was in vogue all over the Commonwealth. But other countries have found it necessary to change the basis of the accounting and insisting that the Government accounts must be kept in a manner similar to how private businesses keep their accounts, that is, that after your cash situation you know what is due to you, your receivables as well as you know what your payables are. That is what we need here.

The Honourable Member knows that in this respect there is no divide in this House. We have been trying in Committee to get the suggestions from the person who is responsible for the administration of the Financial Administration and Audit Act. He is not a politician. He is the Director of Finance and Planning. That is his responsibility. We have been trying in the last 18 months to ensure that the suggested amendments and the Auditor General of Barbados, his successive Auditor General Reports have suggested that these matters have to be dealt with by way of amendments of the Financial Administration and Audit Act. Every Auditor General's report has suggested this but they have not come forward yet.

Aside.

HON. Sir HAROLD St. JOHN: Now, that is a different matter. I am saying that in the 1995/96 fiscal year you see bills coming up from 1992. This angiographic suite was financed, obviously, by part of the loan that the Government of Barbados, which it is entitled to do, obtained from the Crown Agents. It obviously was purchased in England or somewhere. It was probably manufactured in England.

12.25 p.m.

Now that was the source of financing. But before you can expend Government money you still have to have a vote. In the olden days I remember when I first was a Member of this House that it used to be a number of votes of \$1. Every year the Estimates would contain a number of votes of \$1 in relation to various departments and the note was, "It is intended in this Financial Year to purchase so and so. The exact cost is not known now. It will be financed by a loan. Supplementaries will come when the amount is finally determined." According to the accounting procedures there was a vote for \$1, a token vote they used to call it. Now that no longer obtains. I do not see token votes any more. The truth of the matter is, Sir, I want to say this, Sir. I have been a member of the Public Accounts Committee on more than one session of Parliament. I once heard a civil servant come before the Public Accounts Committee and tell the Public Accounts Committee when he was reminded that he was the man, as the Permanent

Secretary, responsible for accounting. He said, **accounts** I have never studied that, I have no interest in it, and he was the chief accounting officer. That is a fact.

A theory has grown up in the public service in Barbados that despite the onerous responsibility placed upon Permanent Secretaries and others as chief accounting officers that in truth and in fact they do not regard it seriously. It is our duty to ensure that our Financial Administration and Audit Act and the Rules made thereunder is brought up-to-date so that we modernise completely. There are computers today and computer accounting. No doubt there will have to be drastic modifications to our system but let us get on with it. As I constantly point out, **from** my reading the country that has taken this most seriously and has carried out the greatest reform in this area is New Zealand. They are held up as a model and I believe now what they do is only vote annually the amount that the department itself says it is not going to collect from its own revenue collecting activities. In short you are voted the balance. It has a very important effect on the various departments because if they do not collect they do not have any money to spend and also in their Estimates they have to have a clear statement annually and next to their request for appropriations of what is due to them and what is payable by them. So we need these reforms. The Honourable Leader of the Opposition knows that today he is only firing a few salvos because smarting under the blows that some Honourable Members on this side have obviously put on him while he was abroad but he should be big enough to understand that in politics people always take opportunity behind your back to put a few blows on you. So he must not try to treat the Right Honourable Prime Minister and Minister of Finance in the same way his Honourable Members may happen to treat him and that is all that prompted his speech but he knows that every **Minister** of Finance, for he was one, and he confessed to having to bring a \$84 million... Maybe when he brought that **\$84** million he should have brought **\$120** million because these were within his time so he should really have tidied up this. Thank you, Sir.

Mr. B. M. TAITT: Mr. Chairman, first of all I would like to thank the Honourable Member for St. John for his congratulatory statements concerning my stewardship in the Ministry of Health but I would also like to thank the Honourable Member who just **sac** down, the Member for Christ **Church** South, one of the longest serving Parliamentarians in this country who by virtue of his utterances has assisted, in fact I would say he has vindicated me in relation to certain utterances made during the heat of political invective over the last few years and sustained by a coterie of blessed persons who wish constantly to maintain their privileged positions with the powers that be in this country.

I am grateful to him for the kind of statement he made and I think that more and more as we talk in this country about the accounting procedures that some truths will come out that will allow people to rest themselves in peace. But on the angiographic suite in particular, I think there is a slight misunderstanding **and/or** misrepresentation perhaps by the public officials in the briefs and I think it is necessary to put the record straight. The angiographic suite which costs in excess of \$2 million is a basic piece of equipment that was the precursor to the beginning of open heart surgery in Barbados. The correct name for it is the cardiac catheterisation and angiography suite. It is called an angiographic suite because basically what is done in this massive construction is angiograms and similar things.

Now, Mr. Chairman, in **1989** Professor Walrond prepared a paper for the Heart Foundation in Barbados. The name of the paper was the Feasibility of Doing Open Heart Surgery in Barbados and that paper for the Heart Foundation was **presented** to me in my capacity as Minister of Health by the Chairman of the Heart Foundation who at the time was Dr. Hassell. Arising out of that paper which proved the feasibility of doing open heart surgery in Barbados a decision was made that we should begin the process of having open heart surgery. The problem was that Dr. Ishmael who had functioned outside of Barbados at North Shore Hospital and some other hospitals connected with Cornell University, had managed to arrange a programme by which they, having started at North Shore Hospital their open heart surgery, we in the Caribbean, Barbados and certain countries in the Eastern Caribbean, were allowed to send our patients to North Shore Hospital, partly as guinea pigs, (we came in as first patients but the point is our patients were sent to North Shore Hospital) and we paid a nominal fee to North Shore Hospital of **\$20 000** a year as a contribution and they did all of our open heart surgeries of a certain kind. I think it is fair to say that up until then and even after then, persons who had certain kinds of heart disease in Barbados just simply died. It is as simple as that. Arising out of the **coming** to fruition of their programme it became obvious that within a relatively short time we would not be able to send our patients to North Shore Hospital and soon we would have to pay **US\$40 000** approximately per patient which is the market cost of doing an open heart surgery and that is without reference to the cost of sending them up and the cost of accommodation etc.

12.35 p.m.

Sir, it is necessary for us to look at two things: how we were going to improve our own capacity and how we were going to save the vast amount of money which we were spending at that time and which would as far as I could see be spent. To cut the story short, Sir, in **1989** after we got this report we looked to getting the beginnings of open heart surgery which would be an angiographic

suite. Two million U. S. dollars was the cost but in actual fact it was about 5 million Barbados dollars. Soon after the Minister of Finance of the day agreed, we went into structural adjustment and one of the constrictions was that we could not spend capital in excess of a certain amount. So that the angiographic suite was in danger because we could not spend the \$5 million on the angiographic suite even though we had agreed in principle. We had ordered the **suite** from General Electric in the United States. It was built by General Electric in the United States. During 1990, they called and indicated that a country that had ordered an angiographic suite of a higher quality than the one we had ordered had subsequently determined that they had ordered 3 but they only wanted 2. So that they would let us have the angiographic suite but we would have to purchase it 'now'. After discussion between myself and the Minister of Finance, we agreed that we could not afford to buy it. But **then** I had a discussion with the principals at General **Electric** in the United States and I put it to them that we needed the angiographic suite that they could not use and that **they** should finance it themselves.

Now having lived in the United States and having functioned at that level for sometime, I knew that this was the methodology which was employed by those companies. The problem was that we had no mechanism in Barbados to allow us to take advantage of that situation. Our Financial Administration and Audit Act made no provision for us to have General Electric sell something to us on hire-purchase or anything. The Government cannot buy anything, pay down and pay for it later which would make a lot of sense in **terms** of the amount of money we have to spend. So we went through a mechanism by which the financing of the angiographic suite was done under the aegis, on the face of it, of the Crown agents, but it was in fact financed by General **Electric**. So the books show that the Crown agents were financing the angiographic suite but General Electric financed the angiographic suite for \$5 million up front and then we would include an amount every year in the Estimates to pay the amount. However, you will recall that the stabilization and structural **adjustment** period ran for about 18 months and after that there was a continuation of the adjustment programme. The amount has been whittling down through the Crown agents until it reached this **\$2** million, So it would have been brought to book. I do not understand what the Minister of Finance has said because in essence there is no need to have a supplementary now; but you can have it now if you want to bring it to book. But it would have to come to book at the point when the last payment was due. So it was not necessary to bring it to book until then. It is not the question of the money not being allocated. It was not necessary to allocate the money because the **Crown** agents are paying and it is coming from the loan over time. But at the end of the period which would be sometime next year it would then be brought to book in the fullness of time.

Sir, basically that is what this is about and obviously we will not disagree. I do not know if the substantive Minister is going about her business to date and whether the Minister will let the people of Barbados know to what extent our having an angiographic suite and our bringing open heart surgery to Barbados has changed and made a shift in the quality of health care which the people of Barbados are receiving.

The **Angiographic** Lab was opened in 1993. Since then other equipment was added in 1994. I had to do a lecture outside of Barbados recently and I got some statistics. I did not know that this was going to come up. But the information that I have is that in the open heart programme up until the end of December 1995 there were 71 open heart operations. There were 9 closed heart procedures, 5 abdominal aortal aneurysm repairs, **18** preparatory by-pass surgeries, 27 thoracic surgeries – a total of 130 open heart programmes requiring this kind of equipment. Although there were 71 open heart operations, there were only 2 persons who died subsequently, which gives a rate of 2.8 per cent which is among the best rates you will find in open heart surgery around the world.

Now, Sir, that alone makes the Unit worthwhile. But as if that is not enough, the actual angiographic work that was done comprised some 895 procedures – There must be over 900 by now – which would have been done in the angiographic suite. Incidentally, it applies to two departments not only the new department which was established, cardiac invasive cardiology and cardiac surgery unit but also the department of radiology uses the unit. Among the things they do there are cardiac catheterization angiography, pacemaker implantations, peripheral and angiography and up to December they had done 242 catheterizations of which 172 were for public patients. I think that I should go back and say that of the 71 open heart surgeries which they had, and I need to tell you this, Mr. Chairman, because I think that it is important that the people of Barbados understand what we are doing: There were 71 and more than 50 of them were public patients. I think the import of that has not fully been realized. Up to December there were 242 catheterizations and 172 were public patients. There were only 70 private patients and 15 of them were non-Barbadians. There were 170 angiographies done in the radiology department of which **140** were for public patients. There were 48 pacemaker implants of which 40 were for public patients. But, do you know, what is more interesting, Mr. Chairman, is that this department has raised over \$1 million from the private sector. The angiographic information that we have been dealing with shows that over \$1 million has been donated by the private sector up to the end of December 1995. 12.45 p.m.

When I have heard some of the things that have been said I smile. I **try** to avoid getting involved in a public debate about some of the matters at the Queen Elizabeth

Hospital because, as I have said in here, I believe verily that health ought not to be treated like a political football. The health of the people of Barbados is too sacred and too important for us to be spending time trying to score political points, and that is why I do not get involved in the debate, much. It does not help. When I became Minister of Health, and just before me the then Minister, we had come into a situation where the doctors and BAMP and the Government were at loggerheads, and we tried very hard to reduce the amount of tension between the public sector and especially the consultant levels. I do not intend ever to participate in any football tossing of health care in this country back and forth. If the time comes, when the time comes, I will defend my position, because some of the positions I have taken are different from some of the positions of other people.

I want to tell you finally, Mr. Chairman, that as a result of having this angiographic suite the Government of Barbados would have saved in excess of \$3 million since it went into operation in about two years' time. They have raised in the Department over \$1 million, they have raised money from Varieties International, I myself received the first cheque for \$240 000 to establish a paediatric ICU as soon as it is feasible. They have all of the equipment, all they need now is the building. I am sure when I tell you that they have made in excess of \$100 000 from doing catheterisations in that unit and they have made over \$160 000 in profit from open heart surgery, none of this is information in the public place, because as I said I was doing a lecture and they were kind enough to give me information which I have said to people outside of Barbados to show that we still have, and will continue for some time to have, the best health care system in the Caribbean, if not the hemisphere.

Mr. Chairman, I am therefore very glad that the two Honourable Members who sat down before me were able to speak. My friend, the Honourable Member for St. John, has said before and he continues to say that I spent money in the Ministry of Health and I have no regrets whatsoever at making sure that only the best will do for the people of Barbados. Whenever that opportunity presents itself again, especially in regard to the public sector, the public people, the ordinary people, we cannot give them any almshouse treatment, we have to give them high quality treatment within the capacity of our resources.

I am grateful to Your Honour.

Mr. D. St. E. KELLMAN: Mr. Chairman, I am very grateful to be able to speak on this Head. Some time last year, as a new MP to this Assembly, one got the impression that supplementaries were something you would not expect to see in this Assembly again. The impression was given, Sir, that supplementaries were wrong, they were wicked and it showed that the Minister of Finance at that time was not capable of accounting figures.

Mr. CHAIRMAN: The Honourable Member is asked to withdraw his remarks. His remarks are deemed as being offensive.

Mr. D. St. E. KELLMAN: Pardon me, Sir?

Mr. CHAIRMAN: Your remarks that the Honourable Member for St. Peter is incapable of dealing with figures.

Mr. D. St. E. KELLMAN: I said "impression", Sir.

Mr. CHAIRMAN: No, I consider the remarks to be offensive. Would you please withdraw the remarks and restate your case?

Mr. D. St. E. KELLMAN: Okay, Sir, I withdraw the remarks, but I would say that the impression I got is that there was something wrong in coming to this Assembly for supplementaries. I also got the impression that last year would have been the last time we would have been seeing supplementaries like these. One would recall the supplementary on the University of the West Indies, and the impression that was given at that time was that you could not wait until the last moment to bring a supplementary to this House and that there was something wrong on that.

Mr. Chairman, I am extremely grateful to the Honourable Member for Christ Church South for repeating something in this Assembly that I have repeated three times, and I am about to repeat it for the fourth time. If we had adopted the accrual system of accounting, we would not be in this predicament today, because we would account for all the expenses of Government and we would not have to come back here every year asking this House to account for supplementaries. All I am saying is that at the beginning of the year all the finance officers would account for the total expenditure and at the end of March people will not hide expenditure in their desks to present at the beginning of the following year. At the end of March the outstanding bills would be accounted for and then the public of Barbados would know the true deficit, but what we are getting now is a situation where we in Barbados do not know the true deficit of this country. We do not know the amount of money we owe, and I am calling for a stop to this system. It is time that when we pick up documents in this Assembly we know that the deficit is 1% and not 3%, because somebody is hiding 2% of the deficit. I am saying that the system must be changed. You should not have a Ministry where when you feel that all your bills have been paid the civil servants tell you that you have bills going forward. This must stop, Sir, the time is right and I am calling on the Barbados Labour Party to stop it. They have said in their Manifesto that they will carry out changes like this and I am calling on them to make these necessary changes.

Thank you very much, Mr. Chairman.

Hon. Miss H. E. THOMPSON: I want, Mr. Chairman, to make one very brief point in this debate in looking at the angiographic suite and all its benefits. I think that some of the figures given by the Honourable Member for St. Michael West now have to be carefully scrutinised by an independent agency and it is going to be part of the mandate of the Health Services Rationalisation Scheme to review the Unit, its profitability, its real cost. There is a lot of information out there, some of which is very inaccurate, about how much money the Unit is making and so on. I do not deny that the doctors who work in that area are doing excellent work and that tremendous benefits in terms of health care are derived by the people of Barbados who are treated in this area. Nonetheless, I would wish to make one point, and it is that it is regrettable that while this Unit was being developed at such high cost that the rest of the QEHL plant was allowed to go into such decline to the point where old ladies with cataracts had to go on long waiting lists and people with hernias and so on, and as a developing country I think we have to ask ourselves the fundamental question, how much new technology we are going to buy and pursue in various areas.

12.55 p.m.

Every time new technology comes out, there is not only the cost of the purchase of the technology but the cost of the maintenance of that technology. We have while we buy and develop the new technology to be sure that we do not sacrifice the delivery of good quality, basic health care and I think that the public will agree that when you look at what has happened at the Q.E.H there is no denying that a lot of sophisticated high tech systems have gone in place but, regrettably, the basic health care was allowed to decline in many respects. That is something which we have to guard against. I would just want to make that point.

Mr. B. M. TAITT: I do not wish to get into a big thing but the Honourable Member in pursuit of her point spoke about old ladies with cataracts and I would only say that it was precisely that concern which led to our seeking in conjunction with the Lions of Barbados the creation of the Eye Care Centre. At some point, I am sure that the Minister and/or the Government will explain to the population why an old woman who is going to go blind from St. Lucy or Christ Church, which blindness is preventable, will be allowed to go blind while a programme that arguably would have stopped her from going blind has been halted in its tracks for no reason other than that apparently persons have been given bad information about the recurrent costs of running the Eye Care Centre.

I do not wish to go into that in any great detail now here Sir, because this Head does not allow for, as I understand, debate in this House. Saying that it is going to

cost \$5 million to run that institution could only have been information submitted by the most inferiorised public accounting system because there is no way that it would be any \$5 million if we integrate the current services for eye care at the Queen Elizabeth Hospital into the programme. It was designed precisely and in all of these programmes - I made the point when I was putting forward my information - the public patients are the major beneficiaries of these programmes. The private patients don't have a problem because they have insurance and they can be whisked away to Miami or to New York or to Venezuela for their care. It is the persons who come out of the fields in St. George and St. Thomas and Fairfield and Alkins and Licorish Village, Bayville and St. Philip, those are the people that we have to cater for. Any moneys that we spend from the taxpayers must start off with them as the focal point. Every decision that you make cannot be the best decision.

One of the things which I really take strong objection to is any suggestion that we have a lot of high tech equipment in the Queen Elizabeth Hospital which is running wild and is any indication of squandermania or any indication of bad spending or that spending elsewhere deprived the Hospital of any amount of money. There is not a cent that the Queen Elizabeth Hospital could have got other than what it got in any estimates which were brought during the 8 years I was a Minister.

There was not a single cent spent anywhere else that could have gone to the Queen Elizabeth Hospital when I was the Minister for 8 years, because the estimates stood on their own. They were not dependent on anybody's coming in and offering any additional amount. We were precluded from making capital spending during the time of structural adjustment. We were able notwithstanding that, to find mechanisms and it is the point I was making. We found mechanisms to get the angiographic suite during the time when we were not able to spend the millions. We were able to find mechanisms in getting the Lions to donate \$75 million for an Eye Care Centre and then US\$750 000 for the equipment. It is not that they gave us the Centre. They gave us all the equipment. It is there and in the meantime we were able to train 7 ophthalmologists where before there were 2. They are all on their way back. Three of them are in the department and four more are on their way. This is the kind of forward planning that has to be done.

Right now, Sir, the angiographic suite, we should be discussing the second team. The heart team is a single team. All of them were trained together. I would like the Minister instead of making the kind of comments she made, to get up and tell us what programme she has for implementing a second team to relieve these because if you had 100 open heart surgeries, if you read BAMP's

presentation, the BAMP publication this month, the Editor said in his editorial that the angiographic suite and cardiac surgery programme cannot meet the demand. It means that somebody is dying who ought not to die. That is what BAMP says not what I said. BAMP's editor in the editorial in this last publication of the magazine said, and it is there to be read, that the demand exceeds the supply. It also means that we have one surgeon. The second surgeon should by now be out training. We have a vascular surgeon in St. Lucia who only went to St. Lucia because no provision was made for him in Barbados. That is the kind of person who should be out training to be the second person relieving the current cardiac surgeon. A whole second team because if the profusionist is sick no operations can go on. So heart surgery in Barbados is dependent upon the wellness of all of the people who are currently in the team. The Minister should tell us when she proposes to have some forward planning so that we can have a second team.

The Minister should tell us where in the hospital we have one single surgeon off the heart surgery. There is one single person who has graduate training. All the Honourable Members over there know him very well and a few of us over here. He is the only young surgeon of high quality at the Queen Elizabeth Hospital. All the others have an average age of 55 or over. You need to make provision for another 5 or 6 Barbadians who are young and who have the quality to be proceeding to become the persons to relieve the Walronds and all of those people.

Mr. Chairman, I try not to get into it, but I challenge anybody to show in detail any of the equipment at the Queen Elizabeth Hospital which is high tech that is useless or unnecessary. As a matter of fact, the Minister inadvertently made a statement – I say inadvertently because I think if she had been advised she would not have made that statement – in New York about the Bums Unit. In this same document, which the Honourable Minister made a document of the House it will show that there were 148 bums in Barbados and of those 62% were inside the home and more than 50% were children. No one who has a conscience would say that we didn't need a Burns Unit. What was more, the Bums Unit was not something that emanated from the bowels of the Democratic Labour Party. It had been ordered by the Barbados Labour Party.

Hon. Miss H. E. THOMPSON: I do not wish to interrupt the Honourable Member but in terms of the comments on the Bums Unit I think the Honourable Member for St. Michael West would have to concede that he is relying on a newspaper report in which I have said that many of the comments attributed to me really did not happen.

Mr. B. M. TAITT: I am glad to hear that, Sir. Because the Honourable Member knows that this is the

first time I have ever alluded to it because I did not wish to discuss that because I could not believe possibly that the Honourable Member would have said that and therefore the Honourable Member ought to have had her people say that what they said about her in the newspaper report is not true.

I see that in the Other Place it is said that the Government Information Service is now making some money, so somebody up there should have been able to say that that erstwhile journalist in New York was misrepresenting the Minister when he suggested that the Bums Unit was a white elephant because the Bums Unit is nothing more than a glorified bath-tub. In Barbados, everybody who gets burned should have the opportunity to get reasonable treatment. We had sent about 17 people up to the Bums Unit in Boston to be trained under this project which I have in my hand here and which I recommend that Honourable Members should read. We will have a time to discuss this.. I am sorry that the circumstances did not allow the Minister to debate Health, but we will get to this some time.

1.05 p.m.

The point is, there is nothing in the Queen Elizabeth Hospital – do not mind some of the clap trap that is written – which constitutes an unwanted piece of equipment. If there is any quarrel about the Queen Elizabeth Hospital, it is that the programmes which have been repeatedly put in place have not always been carried out, but that happens with the best laid plans of mice and men.

The Honourable Member for Christ Church South today was making the point. You can only programme. The Attorney General said that you cannot go and settle every piece of litigation between somebody out there and the Government. You have to rely on somebody else to do it and when subsequently it costs \$7 million instead of \$2 million, or \$3 million instead of \$1.4 million, the Minister has to take the responsibility because that is the system we are alleged to have, but it is not always the Minister's fault. On the other hand, if the system applies to one Minister it has to apply to all Ministers for all time. You cannot have some Ministers taking the blame when something goes wrong and other Ministers having Teflon. Nothing sticks to them. But that is another debate.

Mr. J. O. TUDOR: Mr. Chairman, I think I would want to place in the record my deep appreciation of the work that was done by the Honourable Member for St. Michael West during his term as Minister of Health in this country. The record of this House should reflect that the Honourable Member was indeed one of the best, if not the best ever Minister of Health we have ever had in this country. That is what the nurses say. That is what the doctors say and that is what several people have said. It is sad in this country that we certainly have had the kind

of political debate that took away from the quality representation that the people of Barbados had from the Honourable Member for St. Michael West when he was Minister of Health in this country.

I am glad that day by day we are starting to realize in this country that many of the political issues that were debated in this country were below the belt, unnecessary, provocative, cheap, wicked, whatever you want to call it. It caused confusion and sought to defuse the significant planning health care that was conducted by the Democratic Labour Party and in particular the Honourable Member for St. Michael West who did an outstanding job and should be highly commended in this country. Yet we had a process, as we have had with the Minister of Finance, which made a hue and cry about the fact that he is this type of economist, he is a planner and budgeter.

When we all sat in the Public Accounts Committee we all noted that there were breaches year after year that were identified in the Auditor General's Report which sought to identify that public servants were ignoring the fact that money was not voted by Parliament yet they were committing Government to expenditure outside of the warrant that was issued by the Minister of Finance from time to time, a process that has gone on year in and year out up until 1995 and I believe even up into 1996.

We have to understand, Sir, that as we now get deeper into the new administration that we are starting to realize that all the policies and programmes that were left in place by the Democratic Labour Party were sound, above board and in the interest of the people of this country. The record of this House must reflect and congratulate the Honourable Member for St. Michael West for his outstanding tenure as a Minister. I thought I would want to put that in the record.

Hon. D. A. C. SIMMONS: Mr. Chairman, I rise to wind up under this Head and respond to some of the comments which were made. Not only I, Mr. Chairman, but a reputable publication called "The Institutional Investor" credits Barbados today, March 27...

Aside.

Hon. D. A. C. SIMMONS: Not "The Constituent." It is definitely not a paper called "The Constituent" issued by the Honourable Member for St. Michael South.

"The Institutional Investor" credits Barbados today as being under prudent financial management and attributes Barbados' creditworthiness over the past six months to sound financial management and prudent fiscal discipline. That would be at variance with the criticisms levelled by the Honourable Leader of the Opposition who spoke of

fiscal disarray in Government. I really have to set the record straight for the time being. I am sure that the Honourable Prime Minister in due course when he brings the Budget will deal with the question of the supplementaries.

I have here recorded that the Honourable Leader of the Opposition in his contribution complained about the number of supplementaries and the level of supplementaries. I just refer Honourable Members to page 19 of the Financial Statement and Budgetary Proposals delivered on April 25 last year where the Prime Minister was at pains to point out that the present Government found itself having to pay "\$44.3 million to settle the unpaid bills and other arrears left by the former Minister of Finance and his colleagues of the Democratic Labour Party." It says \$4.6 million to the Welfare Department, \$6.4 million to the Transport Board...

Mr. D. J. H. THOMPSON: Mr. Chairman, on a point of order. Not only has that Budget misled this House but the Honourable Member is now compounding it by misleading the House. Those could not be considered to be arrears. What the Minister of Finance was referring to was essentially a situation where the House had not met since June and therefore there was no way they could be paid. It could not have meant that supplementaries could have been brought between June and September. So to use the word "arrears" simply is misleading the House.

I never got up on a point of order then because the level of imprecision for which the Honourable Member for St. Peter is renowned is something I just accept as normal par for the course but I want to make it clear that it could not be arrears. Arrears is something that you run up from year to year by non-payment of something. What happened in 1994 was that Government was paralysed because we could not come back to Parliament for supplementaries, so it is misleading. As I said, it is the usual thing from the Honourable Member for St. Peter.

Mr. CHAIRMAN: I am hearing the Honourable Member for St. John saying that it was usual for the Honourable Member for St. Peter to mislead.

Hon. D. A. C. SIMMONS: He said imprecision.

Mr. CHAIRMAN: Okay. Go ahead.

Hon. D. A. C. SIMMONS: I am pointing out, Mr. Chairman, that I was quoting from the language of the Budgetary Proposals last year. I was giving a breakdown where the Minister deliberately used the word "arrears" at some parts and "bills" at others. He said "\$4.6 million to the Welfare Department, \$6.4 million for arrears to the Transport Board for the travelling of old people on

the buses of the Transport Board." I wish to suggest that they could not have accrued in a three-month period when we were out campaigning.

"\$6.4 million - To the Transport Board to pay arrears to the Inland Revenue and the National Insurance Department. \$23.8 million to the University of The West Indies to pay arrears to the University, \$3.8 million to pay outstanding bills on the Sherbourne Complex, \$2 million to pay for land acquired in the past, \$158 000 to settle the unpaid bills of the Hometown Complex and \$1.1 million to settle the debts of the other institutions on behalf of the agricultural sector." So, that with respect to, if we are going to be engaged in a battle of semantics, the Minister of Finance in 1995 was choosing his words carefully to make the distinction between arrears and outstanding bills, bills falling current.

1.15 p.m.

Be that as it may, the Honourable Member for St. Michael West gave the House a wealth of information about the angiographic suite, Sir. He has steepened my knowledge about that, Sir. If he goes down in history, Sir, as the one who brought open heart surgery to Barbados, it is all to his credit. He is already in the annals of this Parliament, Sir, as Minister of garbage and the one who was unable to get Mount Stinkeroo under control. If in his long parliamentary career, he has one good thing to show, Sir, do not let us discredit him, Sir.

I will never say, Sir, that he had to build the angiographic suite to take care of those people from Arch Hall who had chest pains as a result of what was happening at Mount Stinkeroo. I will never say that, Sir.

Mr. B. M. TAITT: On a point of order, Sir. I am glad that he did not say it, Sir, because I know him to be a man of truth and honour. He knows that there is not a single person in Arch Hall who had any problems that were, necessarily, treated in the angiographic suite. I know, Sir, that he is a man of learning and would have known that you do not get open heart surgery for respiratory diseases.

Hon. D. A. C. SIMMONS: Mr. Chairman, Sir, the Honourable Member for St. Lucy, I believe calling upon the statements of the Honourable Member for Christ Church South, drew attention to the weaknesses of the present Financial Administration and Audit Act and the Financial Rules. I can tell Honourable Members that there will be substantial amendment to the Financial Administration and Audit Act and the Rules. We have received submission from the Auditor General, within the last month, and we will start redrafting fairly shortly, Sir, after the Ministry of Finance has sent other submissions. We will modernise the Financial Administration and Audit Act and the Rules.

With those comments I beg to move that Head 36 in the sum of \$2 080 467 stand part.

Hon. R. C. EASTMOND: I beg to second that, Sir.

The question that Head 36 do now stand part was put and resolved in the affirmative without division.

HEAD 19 - MINISTRY OF FINANCE AND ECONOMIC AFFAIRS - \$ 10 843 300.

Hon. D. A. C. SIMMONS: Mr. Chairman, Sir, this Supplementary for \$10.8 million for the Barbados Development Bank is required to enable the Bank to honour the redemption of its sixth issue of National Development Bonds on March 31, this year, Sir. This is not the first time that this has happened. The previous Government, Sir, in 1994, as a result of a downturn in the Barbados Development Bank's operation, the Government was forced to honour its guarantee on two Bond issues, then Sir, redeeming \$17 million in National Development Bonds which became due in 1994.

Honourable Members are aware that all the credit operations of the Barbados Development Bank have ceased and provisions are in place for the management of all of the Bank's performing assets, and there are proposals made for reorganisation. In fact a company has been formed to deal with other aspects of the Bank's portfolio.

The legal and institutional arrangements for the disposition of management of the non-performing assets of the BDB are, virtually, in place and the bank is engaged in making arrangements to settle the \$22 million in outstanding liabilities and some of the short-term debt that was owed to financial institutions and others, Sir, has been rolled over at various dates. I do not think I will bother Honourable Members with that because this Resolution concentrates on \$10 million of the \$22 million that was owing, Sir.

In regard to the \$10.8 million which is due at the end of March this year, Sir, Honourable Members must be aware that approximately \$5 million, \$5 009 000, is owed to private individuals and \$5 834 000 is owed to various other institutions, largely representing Government or quasi Governmental agencies. For example, Port Authority \$400 000, Central Bank Staff Pension Scheme \$1 040 000, Central Bank Trust \$1 044 000, Insurance Corporation of Barbados \$1.3 million, exactly, National Insurance Board \$2 050 000. That gives a total of \$5 834 000 that is owed to institutions. The other \$5 million, as I said, is owed to individuals.

The Prime Minister and Minister of Finance has determined that the \$5 million that is owed to individuals should be settled and paid on a cash basis. That \$5.8 million, which I enumerated just now, that is owed to institutions and quasi Governmental bodies, the Minister p-poses that should be settled by giving long-term Government Securities to the Statutory Corporations to effect a roll-over of that portion of the public deficit. The Government will then float a large Security Issue to absorb the \$5 million which would appear in private sector liquidity, Sir, at the end of March.

So, what is proposed is that Government will, from a new Market Issue of Debentures, amounting to \$24 million, Sir, at 9% maturing in the year 2007 cover those liabilities. Really, this is merely, Sir, to ensure that we are able to redeem the \$10 million in National Development Bonds that will come up for redemption on March 31. As I said the private individuals to whom part of that \$10 million is owed will be settled in cash, others will be the institutions which are related to Government and will get Government long-term papers.

I beg to move, Sir, that Head 19 stand part.

Hon. G. W. PAYNE: I beg to second that, Sir.

Mr. D. J. H. THOMPSON: On a point of order, Sir. Mr. Chairman, we have had a long debate in here, on the BDB before. We debated during the Estimates. I did not have time at that point to do the full research on the positions that have been adopted relative to BDB over the years. Obviously, contrary to the impressions which the Government wishes to give, the IADB found a very receptive ear in the Honourable Member for St. Peter when they pursued the recommendation to close the Barbados Development Bank.

I want to make it clear, Mr. Chairman, that up to when the Democratic Labour Party left office, there was absolutely no agreement with the Inter American Development Bank for an investment sector loan. There wert discussions taking place, there was a Structural Adjustment Committee in place and the discussions were of a preliminary nature.

Mr. Chairman, Sir, a few short months after the Barbados Labour Party took office, the Honourable Member for St. Peter launched a critical attack on the Democratic Labour Party for the very conditions in the IADB loan which he has now agreed to. At that time he said that he did not realise that there were project loans which would be ensuing from the IADB loan, and that when he found out that there was another 200 and something million dollars, that his criticism of the IADB

loan became muted and that he saw the potential and would agree to conditionalities which the IADB imposed on this country. He has not been consistent on the issue.

In particular, the Democratic Labour Party feels very strongly about the BDB and its role. Now you can call a Development Bank **anything**. The fact that it is called the BDB is not the issue. So if you say the Government is going to close the BDB tomorrow, the Government is entitled to say that. But the message that the Government must not send out to the people of Barbados, and the message which we have resisted, very clearly, is that there will be no development window available, particularly, to do the kinds of things which the Barbados Development Bank has done, over the years in this country.

If you look at the debate in the House on February 18, 1986, when the Honourable Member for Christ Church South was then Prime Minister, and he levelled some very bitter criticisms at the Democratic Labour Party – I am not going to touch him up too much today, directly, but his view of a development institution, when he is in Government, does not seem to be the same view he has when he is in Opposition and when he is functioning in another capacity. As I said I am not going to deal with that today – but nobody is going to accuse the Democratic Labour **Party** of not discharging its obligation to the public and to point out, even potential areas of conflict of interest. Even when there was no conflict of interest, Members on that side fabricated and distorted the public record to give the impression that Members of the Democratic Labour Party were engaging in corrupt practices.

Mr. CHAIRMAN: Honourable Member, I think you are really...

Mr. D. J. H. THOMPSON: If you wish me to withdraw that. I will withdraw that. I withdraw that. Members of the Barbados Labour **Party** would be the adequate substitution for that, Mr. Chairman.

In 1986 the then Member for St. Peter, who was Parliamentary Secretary in the Ministry of Finance, said he gives his support to the Resolution which was then brought, because the Barbados Development Bank promised, from its inception, had played such a very important role in providing venture capital for Barbadian enterprises, that we have a responsibility to ensure that it is kept in funds so that we may continue to be a source of long-term capital for potential investors in this country.

What has changed between 1986 and 1996? Is that need not filled, apparent, to the Honourable Member for St. Peter? It is not even more apparent in terms of the attempts to restructure the economy and to boost small business and, in particular as he said in this Chamber, the development of black business in this country.

He went on, on page 3382,

"The Bank was set up, as we know, to be a source of venture capital to enterprises operating in Barbados. In that capacity it is a valuable source of long-term relatively low interest rate capital to enterprises and projects which might otherwise have difficulty securing long-term capital at easy rates of interest from our traditional banking system."

What has changed between 1986 and 1996, to such, that the Minister of Finance could in full mind, body, soul and conscience, agree to the closure of the Barbados Development Bank without, at the same time, putting in place an institution which is going to cater for those long-term, relatively low interest rate capital which enterprises in Barbados require?

It is these kinds of explanations that we have been trying to elicit from the Government, what has changed in their perspective to the Development Bank, that could permit them, so callously, to close the Barbados Development Bank without, at the same time, putting in place the alternate mechanism?

Now the Prime Minister will tell us that in the last Budget he set all of these things that were going to happen. All of them still remain on paper. Meanwhile, contrary to what the Government is saying, there are owners of supermarket businesses and other kinds of businesses in this country who are being required to settle their entire indebtedness to the Barbados Development Bank by March 31, 1996.

There is a supermarket in Bush Hall and I can list them, nobody cannot tell me that it is not true. While the Prime Minister was telling me that, I had in my possession, I should declare an interest. Several documents issued from the Board of the Barbados Development Bank, setting deadlines, as short as six weeks, for a man almost age sixty to go to the commercial banking system in this country to refinance a Barbados Development Bank loan which in the first place the Barbados Development Bank was negligent in putting together his financial packages.

At the same time, in the hotel sector, properties have been identified. I will make this a document of the House if the Honourable Member of St. Michael East does not. A document called GEMS of Barbados, recommendations to rationalise the small hotel portfolio of the Barbados Development Bank.

Since the last Budget I asked the Honourable Member for St. Peter to make it available to the Members of this House and to the public, so that people believe that there is the level of transparency in public affairs in this country.

Now we all know that many of these hotels for which refurbishment is going to be offered are hotels in which Honourable Members of this House have shares, and I am not saying that there is anything wrong with that. What I am saying, however is this, that the public must not have the impression that our task in restructuring this economy and this country, is to give preferment to one set of people over another. That is why the highest level of **transparency** is desirable.

Now I remember a lot of people got hot under the collar and uncomfortable when I said what I said. I said it out of our self-interest, not out of any attempt to criticise anybody. If anybody picks up this document without more and saw some of the properties for which... For example, I would ask the Honourable Member for Christ Church South, I do not want to be invidious but it must come out, because the reason why it must come out is because in the context of what the Barbados Labour Party has constantly said about transparency and clarity we need to understand up front what the terms of this arrangement are. The reason why I have to feel strongly about it is this. I was responsible for the privatisation unit that sold the assets and left nearly **\$38** million available to this Government to spend on small businesses, hotels and a whole range of **other** activities and I demand the highest level of transparency because when I brought the legislation in here the **same** Honourable Member for Christ Church South accused the Democratic Labour Party of establishing a slush **fund**. That was the accusation levelled at me as I sat in that seat in which the Honourable Member for Christ Church **South** now sits.

1.35 p.m.

I want therefore to know what are the guiding principles in relation to the slush fund? Now is it being **slushed** out now? If they said it is a slush fund and that slush fund is going to be used in programmes to refurbish **hotels** in which Members on that side may have interest, then the **Barbados Labour Party** has a duty, and if I did not respond to it I would be negligent in my responsibility because of the criticism that was levelled at me, That is the only reason why I raised it. I want the Honourable Member for Christ Church South to know that if he is a successful business man in this country I am happy because he is a black **man** and he should have **opportunity** to go and develop and so should his children.

I want the Honourable Member for St. Thomas to know **that** if he **has** taken his resources **and** invested to employ people and to create opportunities in this country he **will** have my support across the political divide but I also want to **make** it clear that because of the kinds of allegations that were levelled at the Democratic Labour **Party**, we sold **Heywoods** to Barbados Shipping and Trading. We were criticised for selling it to the

white corporate sector. The same money which we sold it for is now being utilised to boost and develop and refurbish some of the hotels in this country.

Aside.

Mr. D. J. H. THOMPSON: Well, maybe you did not make that criticism but the lady who sits next to you, who is not now in her seat, maybe she is in Bermuda too.

Aside.

Mr. D. J. H. THOMPSON: Well she said I was in Bermuda so she must be there. They walked all over Barbados and said that we sold it to the white people and made very searing criticisms of the Democratic Labour Party – sold the family silver. Sir, the proceeds of those same transactions are now being made available and in one case a recommendation is that a hotel in which the Honourable Member for Christ Church South has an interest – should be able to access, if this is accepted, nearly \$4 million. I am not saying you have accessed it. Let us make the point that I believe it to be out now than for months down the road for anybody to believe that I acquiesced to any arrangement because the Prime Minister has a habit of coming back to this Chamber saying that he said it already and he revealed everything and the opposition has no right to quarrel and what they are holding a press conference for, he put everything before the House. He did not put this before the House and I must say it must come before this Chamber because the law requires under the Public Enterprise Investment Fund, full accountability. I will settle for nothing less and I have no interest in any of those properties either which form part of the GEMS or any other business arrangement which involves the Barbados Development Bank. But I want to make it clear.

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

Aside.

Mr. D. J. H. THOMPSON: Do not mind, I have to get angry about it because I sat over there and was pilloried. I never went to anybody to humbug them. You had better keep quiet because you know me and you. I am not any old lady living in St. James and therefore you had better be careful because you are not going to put me off my property in St. Philip. Relax because we want accountability. Miss Nola and I are not family.

Mr. CHAIRMAN: Order, please. Please address the Chair.

Mr. D. J. H. THOMPSON: Mr. Chairman, the Honourable Member for Christ Church South and the

Honourable Member for St. Thomas have both declared an interest, I believe, on previous occasions in this matter but as I say because of the criticisms levelled at the Democratic Labour Party do not let anybody say that I sold Heywoods to put money in an account for any arrangement to be made for any transaction that is not above board. That is the point that needs to be made and I am saying, yes we agree that that money should be used. I think the first person who came up with such a proposal was Senator Clyde Mascoll who, together with the owner of Dover Beach, as President of the BHTA, and somebody else put together a proposal and came to me and said, as soon as you start getting this money from Heywoods we feel this money should be directed to a programme to refurbish hotels on the South Coast and the Manifesto of the Democratic Labour Party endorses it. So do not let there be any doubt. As I see it, based on the kind of public commentary and the approach which some Members on that side and in particular the attitude of the Honourable Member of St. Andrew who should be the least person to talk and probably would not talk on this, one has to be clear because you never know what will issue from the mouth of any given Member on that side when it comes to the action of the Democratic Labour Party.

We acted in good faith in setting up the Private Enterprise Investment Fund and we left office without spending a single cent of the money that was in that Public Enterprise Investment Fund because until we had put in place transparent arrangements for the disbursement of that money we felt that that money should not be spent.

Mr. CHAIRMAN: Honourable Member is asked to wind up.

Mr. D. J. H. THOMPSON: Therefore, Mr. Chairman, I will finalise by saying that I want to know what has changed in the philosophy of the Barbados Labour Party now that says that the BDB should be shut down, which would put several black business people in this country on the bread line almost immediately if we are not careful. I also want to know the rationale and the background and the procedures which have been put in place relative to this proposal for GEMS of Barbados and any other proposals to disburse funds out of the Public Enterprise Investment Fund for the record. Thank you, Sir.

Hon. Sir HAROLD St. JOHN: Mr. Chairman, Sir, as is well known, I have repeatedly in here, in relation to this matter, indicated that I am a shareholder in respect of one of the companies whose portfolio is among the portfolios of the Barbados Development Bank, a hotel development in Silver Sands in Christ Church. I want it to be clearly understood that that company has never been offered any debt relief. Let us get that straight. There has never been any application for, nor any offer of any debt relief by that company.

Secondly that company is one of the companies that a group of Canadian consultants visited and expressed the view that it could come within the purview of the so-called GEMS of Barbados programme.
1.45 p.m

The consultants from Canada were appointed, as I understand it, by the Barbados Development Bank in conjunction with a local firm of consultants Peat Marwick and Mitchell. As far as I know, Sir, from information received they had a meeting at the Barbados Development Bank in the Central Bank building relating to the proposals that are put. The proposals are remarkably similar to the proposals that for over 2 years lawyers in Bridgetown were dealing with in respect of restructuring of the sugar industry portfolio. They involved the grouping together of a number of rooms to be managed centrally by a new company and the marketing under a brand name. I want to make it clear that from the very outset there were problems with respect to the brand name. I would like to say this very carefully. The problems are obvious. Had anybody locally picked that name, they would have known that they were picking a name to carry on a business in an area of activity in which there were already people carrying on a business for which it can be confused.

Sir, I just want to make it clear. The suggestion is that the Government has taken decisions and decisions have been taken in which these matters are already in place. There is no agreement between any hotelier in Barbados to operate under GEMS of Barbados. There is an agreement in principle that it is believed that the small hoteliers, particularly on the South Coast and it is not only South Coast hoteliers, would have advantages of economies of skill if they grouped together for the purpose of marketing and management. There has never been any agreement or any discussion so far. Up to today, there has never been any discussion and the Honourable Member could check very carefully because all of the meetings have been presided over by a gentleman whose name the Honourable Member just called. No agreement has ever been reached as to how the central management and central marketing...

Aside.

Mr. D. J. H. THOMPSON: On a point of order, Sir. I would want those remarks withdrawn because it is an implication of a group...

Hon. Sir HAROLD St. JOHN: I have not made any implication. There has been no agreement made with any hotelier as far as I know concerning the central management company and its relationship with the hoteliers. Nothing. As to the source of the funds of the BDB, I have absolutely no knowledge. I am not a member of the BDB. I have no knowledge as to what funds are

there. As far as I am aware, Sir, from the documents supplied to me, that there is absolutely no...

Mr. D. J. H. THOMPSON: Sir, on a point of elucidation.

Hon. Sir HAROLD St. JOHN: What is he talking about? What elucidation is he talking about now?

Mr. D. J. H. THOMPSON: The Budget makes it clear that the Prime Minister is putting aside \$10 000 out of the Public Enterprise Investment Fund, the "DLP Slush Fund", which is to be used to assist in the development of South Coast properties. I want to know if it is still a Slush Fund.

Hon. Sir HAROLD St. JOHN: Sir, that is not a point of order nor an elucidation. The position is very clear. When the Minister of Finance comes, the Minister of Finance will be able to answer that. As far as I am aware from the public documents laid in here in accordance with the legislation setting up...

Aside.

Hon. Sir HAROLD St. JOHN: Sir, can I be heard in accordance with the rules? Nobody interrupted the Honourable Member when he was speaking.

Mr. CHAIRMAN: Order please.

Hon. Sir HAROLD St. JOHN: Sir, I have to have a problem because you left the impression in here that Honourable Members of this side, mainly the Honourable Member for St. Thomas and myself, were using our influence to be able to get access to the files. That is what you did. That is the impression that you left.

Mr. D. J. H. THOMPSON: If the Honourable Member has a problem now, it is the interpretation. But at no point in my presentation did I say that either the Honourable Member for St. Thomas or the Honourable Member for Christ Church South sought to use their influence to access a slush fund. I said that the Honourable Member for Christ Church South accused me of establishing a slush fund and it is that slush fund which is going to be used to assist in refurbishing properties in which he and the Honourable Member for St. Thomas have interest. The simple answer to it is to withdraw the nasty implication that I set up a slush fund and we can move ahead from there. That is all that I am asking. But you cannot have it both ways. You cannot take money from what you said is a slush fund or even have people saying you should rake it without saying that I am not accepting it because it is a slush fund. If you are saying that now, fine. I want that clarity because I am not going to live with the memory of those dirty allegations being made against me and the Democratic Labour Party.

white corporate sector. The same money which we sold it for is now being utilised to boost and develop and refurbish some of the hotels in this country.

Aside.

Mr. D. J. H. THOMPSON: Well, maybe you did not make that criticism but the lady who sits next to you, who is not now in her seat, maybe she is in Bermuda too.

Aside.

Mr. D. J. H. THOMPSON: Well she said I was in Bermuda so she must be there. They walked all over Barbados and said that we sold it to the white people and made very searing criticisms of the Democratic Labour Party – sold the family silver. Sir, the proceeds of those same transactions are now being made available and in one case a recommendation is that a hotel in which the Honourable Member for Christ Church South has an interest – should be able to access, if this is accepted, nearly \$4 million. I am not saying you have accessed it. Let us make the point that I believe it to be out now than for months down the road for anybody to believe that I acquiesced to any arrangement because the Prime Minister has a habit of coming back to this Chamber saying that he said it already and he revealed everything and the opposition has no right to quarrel and what they are holding a press conference for, he put everything before the House. He did not put this before the House and I must say it must come before this Chamber because the law requires under the Public Enterprise Investment Fund, full accountability. I will settle for nothing less and I have no interest in any of those properties either which form part of the GEMS or any other business arrangement which involves the Barbados Development Bank. But I want to make it clear.

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

Aside.

Mr. D. J. H. THOMPSON: Do not mind, I have to get angry about it because I sat over there and was pilloried. I never went to anybody to humbug them. You had better keep quiet because you know me and you. I am not any old lady living in St. James and therefore you had better be careful because you are not going to put me off my property in St. Philip. Relax because we want accountability. Miss Nola and I are not family.

Mr. CHAIRMAN: Order, please. Please address the Chair.

Mr. D. J. H. THOMPSON: Mr. Chairman, the Honourable Member for Christ Church South and the

Honourable Member for St. Thomas have both declared an interest, I believe, on previous occasions in this matter but as I say because of the criticisms levelled at the Democratic Labour Party do not let anybody say that I sold Heywoods to put money in an account for any arrangement to be made for any transaction that is not above board. That is the point that needs to be made and I am saying, yes we agree that that money should be used. I think the first person who came up with such a proposal was Senator Clyde Mascoll who, together with the owner of Dover Beach, as President of the BHTA, and somebody else put together a proposal and came to me and said, as soon as you start getting this money from Heywoods we feel this money should be directed to a programme to refurbish hotels on the South Coast and the Manifesto of the Democratic Labour Party endorses it. So do not let there be any doubt. As I see it, based on the kind of public commentary and the approach which some Members on that side and in particular the attitude of the Honourable Member of St. Andrew who should be the least person to talk and probably would not talk on this, one has to be clear because you never know what will issue from the mouth of any given Member on that side when it comes to the action of the Democratic Labour Party.

We acted in good faith in setting up the Private Enterprise Investment Fund and we left office without spending a single cent of the money that was in that Public Enterprise Investment Fund because until we had put in place transparent arrangements for the disbursement of that money we felt that that money should not be spent.

Mr. CHAIRMAN: Honourable Member is asked to wind up.

Mr. D. J. H. THOMPSON: Therefore, Mr. Chairman, I will finalise by saying that I want to know what has changed in the philosophy of the Barbados Labour Party now that says that the BDB should be shut down, which would put several black business people in this country on the bread line almost immediately if we are not careful. I also want to know the rationale and the background and the procedures which have been put in place relative to this proposal for GEMS of Barbados and any other proposals to disburse funds out of the Public Enterprise Investment Fund for the record. Thank you, Sir.

Hon. Sir HAROLD St. JOHN: Mr. Chairman, Sir, as is well known, I have repeatedly in here, in relation to this matter, indicated that I am a shareholder in respect of one of the companies whose portfolio is among the portfolios of the Barbados Development Bank, a hotel development in Silver Sands in Christ Church. I want it to be clearly understood that that company has never been offered any debt relief. Let us get that straight. There has never been any application for, nor any offer of any debt relief by that company.

Secondly that company is one of the companies that a group of Canadian consultants visited and expressed the view that it could come within the purview of the so-called GEMS of Barbados programme.

1.45 p.m

The consultants from Canada were appointed, as I understand it, by the Barbados Development Bank in conjunction with a local firm of consultants Peat Marwick and Mitchell. As far as I know, Sir, from information received they had a meeting at the Barbados Development Bank in the Central Bank building relating to the proposals that are put. The proposals are remarkably similar to the proposals that for over 2 years lawyers in Bridgetown were dealing with in respect of restructuring of the sugar industry portfolio. They involved the grouping together of a number of rooms to be managed centrally by a new company and the marketing under a brand name. I want to make it clear that from the very outset there were problems with respect to the brand name. I would like to say this very carefully. The problems are obvious. Had anybody locally picked that name, they would have known that they were picking a name to carry on a business in an area of activity in which there were already people carrying on a business for which it can be confused.

Sir, I just want to make it clear. The suggestion is that the Government has taken decisions and decisions have been taken in which these matters are already in place. There is no agreement between any hotelier in Barbados to operate under GEMS of Barbados. There is an agreement in principle that it is believed that the small hoteliers, particularly on the South Coast and it is not only South Coast hoteliers, would have advantages of economies of skill if they grouped together for the purpose of marketing and management. There has never been any agreement or any discussion so far. Up to today, there has never been any discussion and the Honourable Member could check very carefully because all of the meetings have been presided over by a gentleman whose name the Honourable Member just called. No agreement has ever been reached as to how the central management and central marketing...

Aside.

Mr. D. J. H. THOMPSON: On a point of order, Sir. I would want those remarks withdrawn because it is an implication of a group...

Hon. Sir HAROLD St. JOHN: I have not made any implication. There has been no agreement made with any hotelier as far as I know concerning the central management company and its relationship with the hoteliers. Nothing. As to the source of the funds of the BDB, I have absolutely no knowledge. I am not a member of the BDB. I have no knowledge as to what funds are

there. As far as I am aware, Sir, from the documents supplied to me, that there is absolutely no..

Mr. D. J. H. THOMPSON: Sir, on a point of elucidation.

Hon. Sir HAROLD St. JOHN: What is he talking about! What elucidation is he talking about now?

Mr. D. J. H. THOMPSON: The Budget makes it clear that the Prime Minister is putting aside \$10 000 out of the Public Enterprise Investment Fund, the "DLP Slush Fund", which is to be used to assist in the development of South Coast properties. I want to know if it is still a Slush Fund.

Hon. Sir HAROLD St. JOHN: Sir, that is not a point of order nor an elucidation. The position is very clear. When the Minister of Finance comes, the Minister of Finance will be able to answer that. As far as I am aware from the public documents laid in here in accordance with the legislation setting up...

Aside.

Hon. Sir HAROLD St. JOHN: Sir, can I be heard in accordance with the rules? Nobody interrupted the Honourable Member when he was speaking.

Mr. CHAIRMAN: Order please.

Hon. Sir HAROLD St. JOHN: Sir, I have to have a problem because you left the impression in here that Honourable Members of this side, mainly the Honourable Member for St. Thomas and myself, were using our influence to be able to get access to the files. That is what you did. That is the impression that you left.

Mr. D. J. H. THOMPSON: If the Honourable Member has a problem now, it is the interpretation. But at no point in my presentation did I say that either the Honourable Member for St. Thomas or the Honourable Member for Christ Church South sought to use their influence to access a slush fund. I said that the Honourable Member for Christ Church South accused me of establishing a slush fund and it is that slush fund which is going to be used to assist in refurbishing properties in which he and the Honourable Member for St. Thomas have interest. The simple answer to it is to withdraw the nasty implication that I set up a slush fund and we can move ahead from there. That is all that I am asking. But you cannot have it both ways. You cannot take money from what you said is a slush fund or even have people saying you should take it without saying that I am not accepting it because it is a slush fund. If you are saying that now, fine. I want that clarity because I am not going to live with the memory of those dirty allegations being made against me and the Democratic Labour Party.

Hon. Sir HAROLD St. JOHN: Sir, I take it that the Honourable Member is asking me to withdraw the statement that I made a dirty allegation against him. That is why I rise on a point of order because that is a reflection on the Presiding Officer because obviously the Presiding Officer would not allow a Member in this Parliament to use those words in relation to another Member because it is contrary to the rules.

Mr. CHAIRMAN: This was in a previous session.

Hon. Sir HAROLD St. JOHN: Yes. We are dealing with 1996. I do not care what the Honourable Member said, Sir. The reality is that the Honourable Member when he spoke in here gave the distinct impression to anyone hearing him that advantage was being taken by the Honourable Member for St. Thomas and myself of our position to get access directly or indirectly to the Barbados Private Investment Fund. That is precisely what the Honourable Member is saying and I want to say, Sir, very clearly that the investment in a hotel is a business proposition and all business propositions stand and fall on their own inherent merits. The Honourable Member would know what the remedies are with respect to mortgages. Now the Honourable Member is saying again from his seat and he is trying to give the impression again that there is one law for Peter, one law for Paul. In other words, the people on this side are using their influence to ensure that they receive preference. That can only be the interpretation. Now the Honourable Member would know that he would have to be able to justify that. It is very simple. One law for Peter and one law for Paul. What is the meaning to that?

Aside.

Hon. Sir HAROLD St. JOHN: I just want to make it very clear, Sir. The GEMS of Barbados concept is still in formation as far as I understand it and I want to make it very clear, Sir, that nobody with any company that I am connected with has ever applied to the Development Bank for any form of debt release. I want to make that abundantly clear, Sir, and I want to say very clearly that so long as I am a director or a member of any company no such application will be made. I want you to put that in your pipe and smoke it. Put that in your pipe and smoke it!

As far as the Privatization Fund, Sir, and as far as I am aware the statements that are required by the terms of the Act are brought before this House and if they are not brought before this House, Sir, it is the duty of the Honourable Leader of the Opposition particularly in his capacity as shadow Minister of Finance and as Chairman of the Public Accounts Committee to ensure that they are brought before the House if there are delinquencies. Regarding those statements, one has come already and if those statements are inaccurate with his access to

information, Sir, he must ferret it out by Parliamentary Questions, Resolutions and by whatever means he has.
1.55 p.m.

I want it very, very clearly understood, Sir,...

Aside

Hon. Sir HAROLD St. JOHN: I want to make it abundantly clear, I have never sought any preference nor any special consideration. None of that. The company will continue to employ the 33 people it employs, the company will continue to pay its National Insurance and its PAYE, which is up to date, the company will continue to do everything in its power to move from one stage to another stage. If the Honourable Member has some problem with previous debates and he is trying to use this debate to cast slurs and to suggest that preferences are sought, I just want to make the record very clear. No such preferences are sought and none will be either.

Mr. H. DeB. FORDE: Mr. Chairman, I think one has to try to get back to the basics of the Resolution before the House. The Government is seeking to honour the redemption of bonds where people have made loans to the Barbados Development Bank and it is obviously coming to the House to use public funds, to some extent, to help the Barbados Development Bank out of its predicament. I believe that everybody in this House is going to vote for the Resolution.

We have a tradition in Barbados of honouring our commitments and not resiling on debt. Half million dollars of this debt belongs to private investors, private citizens of Barbados, and obviously the intention is to pay them out in full and to issue a bond which would be taken up by institutional investors, including the National Insurance Fund, so that we will have Government paper for some time, and from what I have seen of the notification of the bond, it is a good yield, it is to 2007 and the yield is 9%. You are not going to do better than that, particularly as the last information I have is that Treasury Bill rates are coming down to about 7.3%, which shows that interest rates are to some extent decreasing for the Government paper for Government borrowing, and that is a good signal for the economy.

Sir, the proposal here has generated some side issues in which the Honourable Member has taken the opportunity of his presence, in the absence of the Right Honourable Member for St. Peter, to revert to a discussion on whether or not the Barbados Development Bank could have been kept going, and for how long, before replacement institutions are in place.

The position is that the Barbados Development Bank was insolvent and every day that it continued to do business it was costing the same man in the street, the same black man we are talking about, because whenever we have to pay the debt it is going to come out of the pockets of the same poor black man we are talking about in this House. Therefore, Government has to take a decision at some stage that it is not going to continue allowing us to be financing whoever it is, whether it is a small hotelier, a small shopkeeper, a small supermarket owner in Bank Hall or a plantation owner, because we cannot continue invariably carrying them at any cost unless they are able to do business on a certain basis. We must get that into the psyche of Barbadians. We politicians sometimes believe that we are doing the public a service by saying to them they must have everything and a free ride at any cost and do not recognise that we are cutting those very public people's noses off, because eventually they are paying for it.

The reality of the Development Bank is that it is \$76 million in debt and cannot honour its commitments. Some of the people who borrowed from the Development Bank have not repaid or kept the terms of the repayment, and Governments have been afraid for too long to deal with the problem. I am not one against financing venture capital deals, because we have to create a business class in Barbados, particularly among the small businessmen, but at the same time, politicians have a public duty to say that if you are getting into a business you must run the business properly, at whatever level you are getting into a business. It does not mean you must harshly get rid of people and close them down, but it is a fallacy and a mistake to believe that we are buying votes and getting votes in this country by giving people the wrong public attitude towards how they should carry on business and investment in Barbados.

Aside.

Mr. H. deB. FORDE: I am not going off on the St. Joseph Hospital, I am sticking to this particular debate, because it is too important. I can say with 25 years of public life behind me, that I have always been very careful in seeking votes, to go to people and speak to them honestly and truthfully and they respect me for it. I am appealing to the political parties to face up to the reality of the situation and stop raiding taxpayers' pockets by believing that we are cuddling up to a few people rather than making the position absolutely clear.

Now, Sir, South Coast Hotels. It is obvious that the south coast hotels have to be put back on some proper standard in relation to the room service and the quality of their service. They have to be helped in terms of their marketing strategy, *et cetera*. I have not had the benefit of

reading the Peat Marwick Study on this matter, but what I do know is that refurbishment and changes in the south coast have started among some hotels outside of any suggestion that is being made for a special project. Private investors have gone in and recognised that there is a future for the south coast hotels and a very important part which they will have to play in the future development of tourism.

I represent a south coast constituency, Sir, in which there are several hotels, some of which are being refurbished because Barbadians – some small Barbadian investors, some medium sized, some bigger ones, black people as well – have restored confidence in the Government and are prepared to take some of their savings now and deal with the refurbishment of the hotel Plant and invest in the hotel Plant, and I hope soon as well that the Durants' Golf Course project will get going as part of the whole exercise of trying to get the south coast going, because a lot of people depend on it. A lot of my constituents depend on it, a lot of Barbadians depend on it for employment and I would hope that rather than spend the whole time bothering at the moment about matters that obviously have disturbed the Honourable Member, because somebody said something about the slush fund or something of the sort, we heard about that... I have heard worse about me in public life and the Democratic Labour Party has no virtue when it comes to criticising people like me, they have been merciless from the first day I came into public life, giving people the impression I was a white man and all that foolish nonsense. So all of that I do not bother about, Sir, I have survived it, but what I want to say, is that we as politicians now have a duty to get beyond that point and deal with the essential restructuring of Barbados to put us on the right path for growth, so that the small businessman – black, white, brown or blue – so that the small person who is not in business would have an opportunity to work and earn and so that the standard of living of each one of us will grow. I appeal to the Government to get on with the job of the restructuring exercise of those institutions which will flow out of the Development Bank. It is obvious that the Government will have to write off some of the debt, because there are some people who cannot pay. The Honourable Member spoke of a gentleman who has to restructure and who has to raise the money in 6 months.

2.05 p.m.

Aside.

Mr. H. deB. FORDE: There are 2 companies. There are companies in which you can recover and there are some in which you are not going to be able to recover. Now in that company...

Mr. D. J. H. THOMPSON: On a point of order, if the Honourable Member is referring to what I said, he

cannot impute things that have not happened. I met with the Deputy General Manager of the BDB and the Secretary. The man came himself. It was followed up with a letter saying with a note... No recover company. The company that is being dealt with is the BDB and there are other people who are facing exactly the same problem. It is a major problem.

Mr. H.deB. FORDE: Mr. Chairman, Sir, I am not in here dealing with the Honourable Member's client. I said that his client is one of those people who no doubt if he can't pay will get some of his debt.... There are 2 different companies. One company deals with those debts that are collectible and there are some debts that are not fully collectible and obviously there are a large number of persons at different economic levels, including that second category who regardless whether the Government likes it or not will have some debt written off. If you haven't got the assets to meet your liabilities, invariably the Government is going to get whatever asset is there and then the liability will have to be written off as a bad debt. That is as simple as anything. So I don't know what the Honourable Member is taking about.

What we have to try to do in the public's interest is to minimise the position of loss. The Honourable Member apparently would like to wind up so I am going to stop but I hope we will get the opportunity to revert to this subject because the public must not go away with the impression that the Barbados Development Bank has performed all that well, where the public is now being asked to pay back \$76 million out of the taxpayers money. Nor must the public go away with the impression that this Government is doing anything at all to give any preference to any persons on this side.

I had once a proposal to develop my mother's property and I approached a commercial bank in town. I had just become a Minister and I heard from the Democratic Labour Party's platform at the time that I had gone in to borrow money from the Development Bank. I removed the accounts of my children and myself, anything that we had from the National Bank, because if people are going to talk and give out information that is untrue I give an arm's length to any Government institution since I am in public life. I have never done otherwise because the danger is that those of us in public life use the opportunity in order to destroy reputations that have been built on very firm and transparent grounds.

I am satisfied in my mind that both the Honourable Member for St. Thomas and the Honourable Member for Christ Church South are two of the most decent people in this country with the highest integrity and no question of any lack of transparency should go out of this House tainting their reputation.

Mr. CHAIRMAN: The House should note that this debate will wind-up at 2.25 p.m., but I believe that the Honourable Member will want to make some wind-up comments. So I would want to bear it in mind. Maybe you can speak for 2 minutes or so.

Mr. J. O. TUDOR: All right. I will have to precis then, Sir. The point we are trying to convey is a very simple point. You have a situation where several companies have forfeited their rights to their businesses by defaulting on payment to the Barbados Development Bank and as a result of that some \$76 million is owed to the Bank which includes property on the south coast of Barbados. I have no problem with that. Nobody is challenging the integrity of the two Honourable gentlemen who have connections to it. The point we are conveying is that whereas small black businesses are being thrown on the headline in an uncereemonious manner the public perception out there is that there are Members of Parliament who have an association and are being accommodated under a programme under the Public Enterprise and Investment Fund. It is as simple as that. Small black business people are kicked around, yet Members of the Barbados Labour Party or the big-ups in politics can be accommodated at the end of the day.

Nobody is challenging the integrity; because I am an advocate and I have said in this Honourable House that there is a need for refurbishment of those hotels. They have to be given a chance because they are an integral part of the system, but you cannot stop the talk that Members of the Barbados Labour Party have interests in those properties and are being accommodated. Very few people would be able to benefit with an injection of funds of some \$3 or \$4 million into a business that has technically failed. If you had to examine the same hotels you would have to conclude that they have failed. So to take the point from the Honourable Member for Christ Church West you have to look people in the eye and tell them when businesses have failed. We have to accept that those south coast properties have failed and there is a significant reason why they are failing because – I argued about it when we had that lengthy tourism debate – we can find as much money as we want propping up these hotels on refurbishing them but unless we are able to take control of the tour operators who are dominating the network we are throwing away good money behind bad money.

We have to look at the external marketing problems of Barbados and not necessarily get caught up in worrying. The point is that these are companies that have failed to some extent and they have failed because they have been undercapitalised. The interest rates that have been applied to them kills them off. All of us are aware of the interest rates that have literally shut down these businesses. Honourable Members must understand that the Barbados

Development Bank lends at a rate that makes it almost impossible to earn money at the kind of monkey returns that you will get on rental of your rooms.

These businesses have failed, and you are going to take \$3 or \$4 million or \$10 million as is the case in this programme and throw into a group of hotels that have literally failed. I am saying that the public perception where you **are** shutting down black businesses, racing them out in an unceremonious manner out of this country, is a problem **that** we have to deal with. It is a genuine concern. We in this Parliament must be conscious that the public is very concerned about it.

I don't think that we could allow the debate to go to even suggest that we are imputing improper motives against the two Honourable gentlemen. I don't think we should allow that to pass.

Hon. D. A. C. SIMMONS: Mr. Chairman, Sir, I am grateful to all Honourable Members who spoke and those who have been in here long with me will know that I take a lot of these things and I store them on one side of my head until one day I will explode and a lot of people will get hurt.

2.15 p.m.

Hon. D. A. C. SIMMONS: I am grateful to all the Honourable Members who spoke. Those who have been in here long with me would know that I take a lot of these things and store them in my head until one day I will explode. A lot of people will get hurt when people **try** to insinuate the wrong thing about me. I am abiding my time, Sir.

I want to make a **couple** of things clear, Sir. In the fullness of time I will answer a lot of people. I think it is unfortunate that the concept which has been developed by the consultants and their local counterparts has attracted the name "GEMS of Barbados." I resigned as a Director of GEM Travel, GEM Tours and GEM Investments on September 7, 1994. I am no longer Director. I do not even have much to do with the companies but I would not be surprised if those three companies might have a right of action for passing off. I am not sure. But I would just ask those who are putting together the project to find a new name because Gem Travel started in 1972, Gem Tours and Gem Investments came later, all part of a group. Barbadians have since 1972, for 24 years associated the word "Gem," I believe, with the travel agency and more recently a tour company. But it is worse.

Aside.

Hon. D. A. C. SIMMONS: I am aware of many, many things. I have been in politics long enough to know that one attracts envy both within your own party and

outside the party and I know about in and out. I say I have it all stored. I have a habit of writing down things. I can tell you of things that were said this year and you would be surprised to know the sources where they came from. I am going along. I have a public duty to do what I have to do for the time being.

I would encourage the people who are promoting this concept of Gems of Barbados – they have them now into turquoise, pearl and diamond. I would encourage them to change the name because if you think it through, there is more to it than that. There is more that the Honourable Member for St. John wanted to say today and he has not said that in the Gems business I am also a shareholder of Worthing Court which is a family business. I am no longer a Director of that either, and who wants to be wicked and suggest collateral purposes and ulterior motives can easily in a place like Barbados spread the perception as they have started to spread since December 1994 at a party in Christ Church. They started to spread these rumours about the Honourable Member for Christ Church South and myself. I am aware of that, and I took the precaution of asking the present Chairman of Worthing Court to write to the Development Bank to ask...

Aside.

Hon. D. A. C. SIMMONS: You would know the present Chairman. He was your Deputy. I asked him to write to the management of the Development Bank for a statement up to December 31, 1995 of what sums Worthing Court borrowed from the Development Bank and what they have paid back up to December 31, 1995 because I was hearing it said that we borrowed and we did not pay back. I believe at least one Honourable Member on the other side has seen the written reply from the management of the BDB pointing out that in 1982 when the hotel **was** built, a sum of \$1.2 million was borrowed **and** as at December 31, 1995 a sum of \$1.5 million had **been** paid back to the Barbados Development Bank. **It** is in writing. Ask Philip Greaves to get a copy of it.

Aside.

Hon. D. A. C. SIMMONS: Mr. Chairman, I do not think that Honourable Members quite understand what...

Aside.

Hon. D. A. C. SIMMONS: The interest? It is murderous. You pay back what you borrowed and you still owe a lot more. You never stop.

Sir, at December 31 when the Bank's operations were **terminated**, the loan portfolio amounted to \$70 million and liabilities were \$76 million as the Honourable Member **said**. The Bank's loan portfolio was divided into three sections.

Mr. CHAIRMAN: The Honourable Member is asked to wind-up. Your time has expired.

Hon. D. A. C. SIMMONS: I am winding up. There are three types of loans, the performing loans, the south coast Hotel loans and the one called unsalvageable loans. It is intended that those three types of loans will be transferred to three different types of companies. The unsalvageable loans to a company called C.L.R. Limited for liquidation, the South Coast Hotel loans to Hotel and Resorts Limited for rehabilitation and the performing loans are being administered by the BDB pending a decision on a new development finance corporation. So you have three different types of companies. That is the proposal.

My time is up, Sir? The Prime Minister will adequately answer the concerns of the Leader of the Opposition in due course on the matters raised but he knows that the Prime Minister himself recently signed an authority for the Small Business Association to get \$2 million. I am not going to go into that now, Sir.

I beg to move that Head 19 stand part.

Hon. G. W. PAYNE: I beg to second that.

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

On the motion of Hon. D. A. C. SIMMONS, seconded by Hon. G. W. PAYNE, Mr. CHAIRMAN reported to His Honour the Speaker the passing of one Money Resolution in Committee of Supply, and Mr. SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Hon. D. A. C. SIMMONS, seconded by HON. G. W. PAYNE, the Resolution was read a first and second time, and agreed to.
2.25 p.m.

ADJOURNMENT

HON. D. A. C. SIMMONS: Mr. Speaker, Sir, I beg to move that this Honourable House be now adjourned until Tuesday, April 16, 1996 until 11.00 o'clock in the morning.

HON. G. W. PAYNE: I beg to second that.

Mr. D. J. H. THOMPSON: Speaking on the adjournment, Sir, I should like to extend my congratulations to the Honourable Member for St. Thomas for the outstanding way in which he handled today's business in the absence of the Leader of the House.

Mr. Speaker, Sir, the Leader of the House who is not off the island and who arrived in here this morning and purported to tell people which Heads to call, subsequently fled the House with her handbag on her shoulder very early in the course of today's proceedings. In her very studied absence from today's activity, I should like to congratulate the Honourable Member for St. Thomas who demonstrated a level of maturity in leading both his Party and the House which his seniors do not yet possess, and which I hope he will try to pass on to them.

He was cooperative, he took each of the Ministries, including those that are not his own, and he spoke with great passion and the spirit of the Barbados Labour Party was revived in today's sitting.

So, Mr. Speaker, Sir, I believe that when somebody performs as well as the Honourable Member for St. Thomas performed, it is necessary for us to single out that contribution. If he were acting Prime Minister, I probably would have avoided it, but to have to fill in to shoes which were warmly left on the floor as the Honourable Leader of the House fled, and filling them with such tenacity, I believe that the serious business which we did today was well done and that the Honourable Member for St. Thomas should be warmly, highly congratulated. That is no exaggeration on our part.

Hon. D. A. C. SIMMONS: Sir, that is worse than if he had cursed me.

The question was put and resolved in the affirmative without division and Mr. SPEAKER adjourned the House accordingly.
2.29 p.m.

CONTENTS

MINUTES

Hon. Miss B. A. MILLER 2896

Confirmation of Minutes of **Monday**, 18th March, 1996.

ANNOUNCEMENTS BY HIS HONOUR
THE SPEAKER

Mr. SPEAKER 2897

Message from the Honourable the Senate informing that the Senate had appointed three Members, namely: Senator T. E. Barker, Senator Mrs. A. P. Thompson and Senator J. A. Workman to serve on the Joint Committee on the Insurance Bill, 1996.

PAPERS

Hon. Miss B. A. MILLER 2897

The Duties, Taxes and Other Payments (Exemption) (No. 2) Order, 1996.

GOVERNMENT NOTICES

Hon. Miss B. A. MILLER 2897

Resolution to approve the rescission of Resolution No. 53 of 1988 and to approve the vesting of land at "**Valery**", St. Michael in the National Housing Corporation for housing development.

SUSPENSION OF STANDING ORDERS

Hon. Miss B. A. MILLER 2897

Suspension of Standing Orders Nos. 6, 16, 18, 20, 42(5), 43 and 44 for the remainder of the sitting.

GOVERNMENT BUSINESS

ORDER NO. 1 - **COMMITTEE OF SUPPLY** . . . 2897

ORDER **NO.** 1(a) - **SUPPLEMENTARY ESTIMATES 1995-96 NO. 15**

HEAD 43 - MINISTRY OF TOURISM, INTERNATIONAL TRANSPORT AND THE ENVIRONMENT - \$5 885 099 2897

Hon. D. A. C. Simmons, 2897.

HEAD 34 - MINISTRY OF EDUCATION, YOUTH AFFAIRS AND CULTURE - \$300 000 2898

Hon. D. A. C. Simmons, 2898.

HEAD 30 - MINISTRY OF THE ATTORNEY GENERAL - \$3 335 000 2898

Hon. D. A. C. Simmons, 2898; Mr. F. J. **Stuart**, 2900.

HEAD 36 - MINISTRY OF HEALTH - \$2080467 2901

Hon. D. A. C. Simmons, 2901, 2910; Mr. D. J. H. Thompson, 2901; Mr. J. O. Tudor, 2901, 2909; Hon. Sir Harold St. John, 2903; Mr. B. M. Taitt, 2905; Mr. D. St. E. Kellman, 2907; Hon. Miss H. E. Thompson, 2909.

HEAD 19 - MINISTRY OF FINANCE AND ECONOMIC AFFAIRS - \$10 843 300 2911

Hon. D. A. C. Simmons, 2911; Mr. D. J. H. Thompson, 2912; Hon. Sir Harold St. John, 2914; Mr. H. **deB.** Forde, 2916; Mr. J. O. Tudor, 2918.

ADJOURNMENT 2920

Hon. D. A. C. Simmons, 2920; Mr. D. J. H. Thompson, 2920.

SPEAKERS IN THIS ISSUE

FORDE, Mr. H. deB. (Christ Church West)
KELLMAN, Mr. D. St. E. (St. Lucy)
MILLER, Hon. Miss B. A. (City of Bridgetown)
St. JOHN, Hon. Sir HAROLD (Christ Church South)
SIMMONS, Hon. D. A. C. (St. **Thomas**)
STUART, Mr. F. J. (St. **Philip** South)
TAITT, Mr. B. M. (St. Michael West)
THOMPSON, Mr. D. J. H. (St. John)
THOMPSON, Hon. Miss H. E. (St. **James** South)
TUDOR, Mr. J. O. (St. Michael East)