
THE

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(UNOFFICIAL REPORT)

PARLIAMENT 1999 – 2003

HOUSE OF ASSEMBLY

Thursday, March 15, 2001

RESUMPTION

Mr. DEPUTY SPEAKER: When the suspension was taken this Honourable House was in Committee of Supply to which it will now revert.

COMMITTEE OF SUPPLY

Mr. CHAIRMAN: This Honourable House is in Committee.

Hon. A. P. WOOD: Mr. Chairman, I would like to take this opportunity this afternoon in what I consider will be the penultimate presentation on the Head, the Ministry of Agricultural and Rural Development to speak on two things: the establishment of the Agricultural Development Trust which I will do briefly and afterward spend the remaining time looking at the Programme of the Rural Development Commission.

Members of this Honourable Chamber will recall that in 1999 when the Prime Minister and Minister of Finance, the Honourable Member for St. Peter presented the Budgetary Proposals, they indicated that it is the intention of this administration to establish an Agricultural Development Trust to provide resources to subsidise the sector and to provide concessional financial funding for technical assistance for the farming community. The Agricultural Development Trust, Mr. Chairman, is a vehicle to channel financing into selected projects and programmes aimed at development, particularly with respect to crops and commodities in which Barbados has some distinct advantage.

This House was told first by the Honourable Prime Member when he introduced the Estimates that the productive sectors in Barbados, those that have a heavy

private sector qualification, should seek to conduct business in substantially different ways if Barbados is to remain competitive in various areas. The agriculture sector, Mr. Chairman, is no exception.

I explained a number of key developments in the international arena and some in the hemispheric arena which will have significant implications for the functioning and operation of the agriculture sector. It became very clear to all and sundry that one of the things the agriculture sector needs to do is to retool and recapitalise and those who function in the agriculture sector must become more technologically competent.

Mr. Chairman, the Agricultural Development Trust has as its genesis an objective which seeks to provide concessional financing and a level of subsidisation which will allow the agriculture sector to retool and recapitalise so that modern approaches and practices can be adopted to take the sector forward. Mr. Chairman, I will not be too long on this initiative now because in the very near future - the legislation has been prepared - the Agriculture Development Fund Bill will speak to this initiative.

Sir, we at the Ministry of Agriculture and Rural Development think that the Agricultural Development Trust should give priority to selected commodities. I should hasten to say that the Agricultural Development Trust will not be everything for all players in the industry. The funds need to be targeted and expended on those activities which we think are worthy of our support because we are placing emphasis on having the agriculture sector receive the greater level of international competitiveness. The sectors that we identified for this targeted concessional financing will be sugar production and marketing.

Mr. Chairman, the Honourable Member for St. Lucy will be happy to know that cotton has been targeted as well, not just to revitalise the interest in the production of cotton but I think we are all resigned to the thought that what is required in Barbados, in respect of cotton, is the

development of an integrated cotton industry. We will be seeking to have an in-depth study done in that area. We have already approached a couple of Governments who have expressed an interest in participating in this venture. The Chinese come to mind and the Indians come to mind.

We will also be focussing on the development of crops for support or for value-added production and here we are thinking about hot peppers, sweet potatoes, yams and floriculture. We have been seeking to utilise some of these funds to further the work which should eventually lead to a strengthening of the linkages between the agricultural sector and the other sectors, in particular the tourism sector. We will also be focussing on the harvesting and processing of fish for export.

Sir, last but not least, funds will be allocated to facilitate the conducting of a feasibility study and/or technical assistance to various areas identified above. As I said earlier, Mr. Chairman, the legislation to give effect to this thrust has been prepared and will very shortly be debated in this House.

Let me turn my attention to the Rural Development Commission. In my first contribution to this debate, Mr. Chairman, I alluded to the establishment of the Rural Development Commission in response to a claim made by the Honourable Member for St. John. He gave the impression about those of us on this side that there has been a deterioration in the delivery of social services in Barbados. I said at the time that the expressed intention of the Prime Minister and his Cabinet colleagues at that time in seeking to create the Rural Development Commission and the Urban Development Commission was to do precisely the opposite - that is, to fast track the delivery of social services.

Mr. Chairman, I think, notwithstanding the bureaucratic nature and one or two other structural deficiencies that might pervade the Rural Development Commission, that the Commission has performed outstandingly. The Commission is not going to be resting on its laurels because it has a very important job to do. We know that at the core of its programme there are plans for the economic, social and infrastructural components of the work and plans for the human resource development component of its work.

Let us look at what the Commission will be doing during the next year. Of course, in order to put things in the proper perspective for the way forward, we must give some facts about what the Commission has been doing to date. I said earlier, when I looked at one of the main aspects of the Ministry's work for the improvement in its marketing structure, that we will be seeking to establish rural marketing facilities and these facilities will be looked after by the Rural Development Commission.

You, Mr. Chairman, know better than anyone else about the importance of such facilities. Your constituency has been the beneficiary of the first such facility provided by the Rural Development Commission and we will be moving with despatch to bring a similar facility to the good people of St. George North. The Glebe, as I said earlier is the hive of economic activity in St. George North and one will be established at the Glebe. Other facilities will be established within well-established communities, like Oistins in Christ Church, Redman Village in St. Thomas and of course, Speightstown in St. Peter.

The Rural Development Commission is responsible, in the areas of infrastructural development, for the construction or rehabilitation of tenantry roads. To date, the Commission has completed as many as 43 roads at a cost of \$17 700. During the financial year 2001-2002, the Commission plans to complete nine roads which are currently in progress and these roads are spread throughout the rural constituencies: Adventist Gap in St. Thomas, Brightons in St. George South, First Avenue, Jackson in St. Michael North East, Lowthers in Christ Church East, Miller Road in St. Peter, Montrose in Christ Church West Central, Ruby Tenantry in St. Philip South, Foster Hall in St. John and Evelyn Road in St. Philip North.

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Hon. A. P. WOOD: In addition to those nine roads which are to be completed, the Rural Development Commission will be looking to bring seven more roads on stream and we will deal with those during the course of the next financial year.

I should say at this stage, if I am at liberty to mention that one of the roads in the constituency of the Honourable Member for St. Lucy, the project at Harmony Hall, is at the top of the list of those projects for next year. It is at the top of the list because it was at the bottom of this year's list. We were not able to start it this year so actually it will come at the top of next year's list.

Asides.

Hon. A. P. WOOD: In respect of the house repairs programme, which is another popular programme of the Rural Development Commission, to date the Commission has repaired 104 houses and constructed 96 bathroom facilities. For the current financial year 13 houses were repaired, 17 bathrooms and five new houses were constructed and 30 wells or septic tanks were dug with the funds provided so far from the poverty alleviation fund. The Rural Development Commission expects to have its final draw down very soon so these figures will be boosted

by those projects which will be undertaken when that draw down is done by the Commission.

The Rural Development Commission is playing a very important role in the area of rural enterprise development. Mr. Chairman, if we were to summarize the work of the Rural Development Commission we would say that it has an infrastructural development role to play but it also has a rural enterprise development role to play. The Rural Development Commission has a responsibility to help with the establishment of small businesses by either having businesses starting from scratch or to facilitate the expansion of already existing small businesses and it has been doing a tremendous job in that regard.

To date, the Rural Development Commission has approved 303 loans totalling \$2.4 million. The major categories have been vegetable production with 68 loans and livestock production with 66 loans. Of course, the figures for the vegetable and livestock productions make me very proud in the same way as it would do for the Honourable Member for St. Lucy because they show that in its rural enterprise drive, agriculture is taking centre stage.

Mr. CHAIRMAN: I would like the Honourable Member to know that he has got one minute.

Hon. A. P. WOOD: Fishing - 70, catering - 15...

Mr. CHAIRMAN: I do not think that you have heard me Honourable Member. I am informing you that you have one minute to go in your first session. I would like to say that your first 15 minutes were your preamble. You have got a lot to say but you may have to come a second time and get through with your business. You have one minute to wind up this first one.

Hon. A. P. WOOD: Okay. For the current financial year 63 loans have been approved, totalling \$505 000.

Finally, Mr. Chairman, I would like to end by informing the Honourable House that one of the programmes which the Rural Development Commission will be putting some emphasis on next year is the integrated rural development programme. I gave statistics which indicate the role of the Rural Development Commission in facilitating businesses either at the family level or at the individual level.

The Rural Development Commission will be paying some attention next year to projects which encourage group participation. They have identified four projects so far and these are very important projects. They are the revitalization of pottery in the Scotland District, provision of irrigation facilities for the farming community at Diamond Valley in St. Philip South, a farming resettlement project at Ebworth in St. Peter and an integrated orchard

project at Haggatts, St. Andrew. In respect of the pottery project, the Rural Development Commission will be working closely with the 4H Foundation and the Inter-American Institute for Cooperation on Agriculture.

Mr. Chairman, I will not abuse your privilege anymore.

Mr. D. St.E. KELLMAN: Mr. Chairman, one would understand why the Honourable Member for St. Philip South will run out of words or run away from the debate on agriculture because he has not been able to deliver a speech to encourage his comrades to reply or to add to anything he had to say. If one looks at what was reported to date, clearly every Honourable Member on the Front Bench and the Back Bench would have devoted their time yesterday replying to the advice given by the Honourable Member for St. Lucy. So much so that the Honourable Member for St. Michael South only knew yesterday that there is a linkage between tourism and agriculture. So at least if we achieved anything, it was to allow the Honourable Member for St. Michael South to know that there is a linkage between tourism and agriculture.

In acknowledging that there was a linkage between tourism and agriculture one would have thought that the Honourable Member for St. Michael South would have used the opportunity to show the Minister of Agriculture and Rural Development how he would have been able to help his Ministry and how he would have been able to use his private sector influence, which is well known to this House, to encourage hoteliers to make sure that they spend enough money on local produce. I hope, now that we are clear in our minds that there is a clear linkage between tourism and agriculture, that we will be able to see some of those benefits coming from the tourism industry to the agriculture industry.

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Mr. D. St.E. KELLMAN: It is easy to allocate \$500 000 for the land for the landless farmers but one must recognise that in the initial stages of developing land the cost is going to be very high and one would have to ask the Minister of Agriculture the acreage that he is expecting to deliver to those farmers. When one looks at a figure of half a million dollars, that is really a token figure and that is why I am going to ask the Minister of Agriculture that instead of giving land to the landless farmers, especially those who are involved in vegetable production and other food crops, to recognise that it might be better to prepare those lands and then deliver those lands to the farmers.

When one considers the cost of pesticides, weedkillers and insecticides, one would acknowledge that

for a small farmer now entering farming to have to contend with this type of cost, what you are actually doing is frustrating that farmer.

When one considers that the lands owned by the Government of Barbados are better known for grass, I do not think that it is fair for Government to pass those lands to landless farmers in that particular state. That is why I am asking the Minister of Agriculture who happens to be a man from rural Barbados to recognise his rural roots and make sure that he does not put a burden on those farmers by giving them lands that are full of weeds and, sometimes, trees.

I also want in this first speech to note that the Minister of Agriculture has acknowledged, and I have to congratulate him for it, that it was a bad error when the Barbados Marketing Corporation (BMC) was closed down and also when the Export Unit at the Barbados Agricultural Development and Marketing Corporation (BADMCM) was closed. I have always said to my comrades that we need not fear giving ideas to the other side because if it is one thing we can be sure about it is that when they are implemented they will be implemented badly. That is why when they came to Government and they saw the BMC they did not understand the relationship between the farmer and the BMC and, instead of looking at that relationship, looked at the loss aspect, which was a serious error. If we are to develop agriculture in this country, we must provide a unit that is better able to market the produce of farmers. It is a myth to believe that you can ask people to farm and be marketeers at the same time.

Government has to understand that it has to have a particular role, and that is why I am saying that we need to reflect on what has occurred at the BMC and also what has occurred at the BADMCM. You cannot get farmers to continue to produce if they are not sure that there are people to market their produce. You cannot ask a farmer to be on the land lease in St. Lucy and at the same time in Bridgetown selling his produce.

That is why I am saying to the Minister of Agriculture that if we are going to continue to feed Barbadians and have the capacity to export, that Government must play that vital role in making sure that the produce is well marketed and the farmer does not have to worry about selling that produce.

I am also saying, Sir, that we also have to be very careful of people who promise us that we could just give up the role of government to them and, as soon as that role has been given up, have it ignored and farmers left with large losses and cannot feed their families. I also want to suggest to the Minister of Agriculture, which I have already said to him in this Honourable Chamber, that the problem at the

land lease project is not as serious as he, the Honourable Member, would want us in here to believe.

I honestly believe that if you have a lease, and this is where sometimes I feel that we are lacking government in this country, if you have a lease in which you gave a man 25 acres of land and you know, as a matter of policy, that the 25 acres are too much for that farmer, you cannot use the excuse that you have a lease with that farmer and that you cannot do anything about it.

I have already suggested to the Minister of Agriculture that there are certain costs that the farmers have to pay the BADMCM and a large number of those farmers owe the BADMCM. I think that is a good point to start negotiating with those farmers. You cannot allow a lease to frustrate the policy of a government and that is why I am saying that if the Democratic Labour Party had had to deal with that particular problem, the production of vegetables in this country would have been served ever since because some farmers who had 25 acres would have been able to give up at least 20 acres. Because the truth is that some of those farmers can only farm five acres and what we are doing, Sir, is depriving poor farmers in some cases of having an opportunity to work and make a living in Barbados because of something called a lease.

I am saying that the Minister must use his good office to make sure, Sir, that something is offered to those farmers to break the lease. A lot of them would be glad, Sir, because a lot of them understand that it is because of the 25 acres that they have been accumulating great losses. If one looks back to when the Democratic Labour Party had the privilege of offering additional leases, one would recognise that we gave five-acre lots, and if you were to check at the Land Lease, you would recognise that the farmers with five acres are the ones that are doing well.

That is why I am saying to the Minister not to allow a lease to stop the progress of Barbados. That is why I feel strongly that in this age of globalization and trade liberalization the Government must play a leading role and I have told this Parliament already that Government must understand the product and the produce that they want to go forward with and be prepared to put their money where it matters.

That is why I am saying that we cannot blame the private sector if the Government is not prepared to set the lead where it matters. Government cannot say that this particular crop has the ability to be an export product and just make a statement and leave it there. Government must show its involvement and be prepared even if it has to come into a joint venture to propel that product so that, instead of its being a product for the local market, it can be a product for the external market and also gain valuable foreign exchange.

It was okay before we had trade liberalization and globalization. Government must understand its role. In the same way that Government sees it is important to raise revenue, it must understand that it is also its role to get involved in those products that bring valuable foreign exchange to this country. That is why I could not allow the Minister, who very cleverly switched the debate to rural development, to get away from this particular issue.

Sir, up to 1994 when we left Government, each individual farmer had a commitment to this country to produce yams, potatoes, et cetera. It was known, Sir, that every time you ploughed your fields that x number of acres had to be planted in food crops.

What is happening now, Sir, is that the farmers recognise that if they reduce the acreage in food crops it creates a scarcity and they get a better price. I heard the Minister say yesterday that Government must move away from growing certain crops. I want to warn the Minister that he must understand that Government must also be used as an agency to produce crops to make sure that the prices are right, because you cannot continue to tell Barbadians that they must eat yams, potatoes and breadfruits when, in truth and in fact, the people who are producing them do not recognise that the farmer overseas is more consumer friendly than the local farmer.

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Mr. D. St.E. KELLMAN: I want you to go on the radio and tell everybody that you are selling your produce at a good price because when there is a scarcity the consumers of Barbados are asked to pay the high price. I have always used the example of the fishermen. When there is a good catch of flying fish you hear on the radio to come to Oistins or Half Moon Fort because the fish supply is good. We sometimes have to take the lead from those people who some people feel are nobody. The best marketeers in Barbados happen to be fishermen because they know how to build a relationship between the consumer and themselves. Mr. Chairman, that is why marketing must be the key to propel the agricultural industry in this country.

Sir, I thank you.

Mr. M. Z. WILLIAMS: Mr. Chairman, I would like to lend my voice to this Head of Agriculture and Fisheries. Sir, one of the important aspects of this debate, as far as I am concerned deals with the area of fisheries. I also want to let the Honourable Member for St. Lucy know that it is the Government's duty to govern and not to be involved in business as such. I think that there are other people more capable of doing business than the Government.

My concern in this debate deals with the problems which face the fishing industry, the auxiliary services of the industry and those people involved in that industry. I realise that fishing seems to be given a second fiddle in terms of the poultry industry. When you look at the development of the fishing industry you realise that people involved in the industry are from the lower echelons of the society. If you look at the development of these people over the years, you will recognise that there is an upward mobility in terms of the people involved in the industry. You will also find that women are involved in boat ownership and fishing. People seem to believe that the fishing industry is centred only around the male domain but women are also involved in industry as well.

Sir, people can also make money from the industry as fish friers or fish producers. I know a young lady who is one the major fish distributors in this country. She distributes fish to hotels and to various sites across Barbados where fish fries are done by way of two vans.

Sir, I believe there should be greater input and some sort of assistance from Government in this regard.

Many years ago when we had what was known as sailboat fishing, it was this Government which introduced power boat fishing to Barbados. I remember in those days people like the late George Fergusson and other people would fish with the sailboat. They would sail from Silver Sands and go fishing with the sailboat. It was the Government of the day who assisted the fisherman with ownership of the powerboat so I do not think that the Opposition has any claim to the fishing industry of Barbados in terms of the development of the industry over the years.

Sir, I would like to give the Honourable Member for St. Lucy some praise here because I believe that the best barbecue fish to be found in Barbados is done at Half Moon Fort opposite the Honourable Member's business.

Asides.

Mr. M. Z. WILLIAMS: I travel across Barbados on Friday nights doing a series of shows and I have become familiar with where these things happen.

Sir, when we look at Oistins over the years, Oistins has been able to pull visitors there. This is an aspect in terms of tourism as well because visitors in hired cars and coaches go to Oistins. I will tell this Honourable Chamber the history if they are not familiar with it. One of the first people who fried fish in Oistins was a young lady name Margaret who fried fish next to Whiteman's shop. Then Oistins was developed to what it is today.

I am told that the people at Oistins have been faced with a situation for almost five years now with the setting up of a gas station there. The technocrats have said that there is a possibility that the people who fry fish at Oistins may have to move.

Sir, the people who are affected are small entrepreneurs who sell as many as 1 000 steaks of fish on Friday and Saturday night. When I am told that they are likely to be disrupted because some conglomerate is going to be operating a business on the other side, these are matters of concern. There are matters of concern because these are small people who are likely to be affected and who depend daily on this for their survival.

I believe that the technocrats in the Ministry of Agriculture, the Town and Country Development Planning Office and the Ministry of Health should do something about it because it is a matter of food handling and of planning, and is also the responsibility of the Ministry of Agriculture. The technocrats should develop some system so that these people at Oistins will not be affected.

Sir, it seems that there is a lackadaisical approach to the idea of fishing in Barbados. The only thing that is recognised as far as fishing is concerned is the treaty between Trinidad and Barbados. Every day we hear that there must be a treaty between Trinidad and Barbados in order for the Barbadian fishermen to catch fish. I believe that is a myth.

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Mr. M. Z. WILLIAMS: I believe that is a myth. Sir, fishermen have been fishing for many years between the Tobago waters and the Caribbean sea and they were able to catch fish and bring them to Barbados before there were ice boats.

Sir, there are a number of small entrepreneurs in Baxters Road on both sides of the street. This is an area where people make a livelihood and visitors to Barbados over the years have been able to say that they have paid a visit to Baxters Road and have tried the fried fish there.

Sir, if you look at Baxters Road, you will realise that it is the only place where you can get indigenous food. Sir, you get fish, breadfruit and things that are Barbadian. I am aware of this and I think that both the Ministry of Tourism and the Ministry of Agriculture should probably look at this as well.

Sir, you must also bear in mind that Baxters Road is not the only place. The Honourable Member for St. James South can tell that about a year ago she started a fish fry in

the little village of Paynes Bay and that is now a standard place on weekends. I am appealing to the Minister of Agriculture, the Ministry of Tourism and the Ministry of Health to understand that here is a business that the average Barbadian who has very little capital can go into and become independent, educate their children, pay their mortgage and survive. This is an area that I am hoping that you can clearly understand, and that needs to be looked at and not seen as a second class situation in terms of the poultry industry in this country.

Sir, if you go farther north of the island, in Holetown there is a lady by the name of Maneva Scantlebury located at Second Street.

Asides.

Mr. M. Z. WILLIAMS: The Honourable Member for St. James North would know because we have limed there on several occasions.

Sir, most of the visitors who go to Holetown will find that there is every kind of restaurant on First and Second Streets. The lady who does the business frying fish on Second Street does a thriving business because the average visitor who goes to Second Street, who goes to that little hamlet, goes there to partake of local fish. This means that there is a movement of upward mobility for this lady. Mr. Chairman, if you go further north you will get Half Moon Fort.

Sir, in my opinion when you look at it, in the same way that the Ministry of Agriculture could look at the plan for landless farmers - the Ministry of Agriculture has a plan for landless farmers which was developed in St. Lucy - I am saying that there should also be a plan to develop the fishing industry in Barbados, not only in terms of assisting boat owners with a loan or grant but to look at the benefits and the spin-offs as far as the fishing industry is concerned.

I would also like to draw to the Minister's attention that Pile Bay Fish Market seems to be a neglected market. Sir, looking at the brief I recognised that several markets will be upgraded. Pile Bay Fish Market was one of those markets which, I am proud to say, the Party to which I belong was responsible for building. The former Government seemed to have forgotten that there was a market there. Sir, now that I am part of a Government that was responsible for putting the market there many years ago, it is my duty to appeal to the Minister of Agriculture to note that Pile Bay is a fishing village. It is a market that needs to be developed; it is a market that needs proper hygienic conditions; it is a market that needs to be expanded and one where people make their livelihood. I am appealing to the Minister not to let Pile Bay be a forgotten fish market. I think that Pile Bay needs to be developed like any other fish market in Barbados.

Sir, it is my plan, as the Parliamentary Representative for that constituency, to introduce the fish fry to the folks of Pile Bay. If a fish fry is introduced to that area, I am sure that persons living in the surrounding area and the persons who are selling the fish would benefit. I am appealing to the Ministry to give Pile Bay a second look.

Mr. Chairman, I am also concerned about several things in that area including the fishing industry. Sir, the area seems to be neglected and I am appealing to the Ministry of Environment to move in and try to assist with the removal of the old boats that are on the beach and which have created an unsightly look at Pile Bay.

In closing, Sir, I would like to know if one of the things the Ministry is also looking at is a cannery which could enhance our foreign exchange and create employment in that area.

Sir, will the people who operate the fish fry at Oistins suffer as a result of the setting up of that new gas station there? I am appealing to the technocrats in the Ministry of Health, the Ministry of Agriculture and the Ministry of Environment to look at it again to see if there is anything that can be done to avoid affecting those people at Oistins.

I thank you, Sir.

Mr. D. J. H. THOMPSON: Mr. Chairman, I want to move onto programme 166 and 168 and ask the Minister some questions under those Heads.

The first one relates to the Rural Development Commission from which, he indicated to the Honourable House, 303 loans totalling 2.4 million dollars have been disbursed to date. Which means, if you do a rough division, that the majority of those loans would be relatively small loans. I think what he needs to do is to give us some more information about the kinds of results that the Rural Development Commission would have seen from those loans.

It is all well and good to speak in very lofty terms about the impact of the work of the Rural Development Commission on rural enterprise as the Minister did. But I could, without being a prophet of doom and gloom, and certainly not to lower, or even retard, the aspirations of the Commission or the Minister, point out several persons who, I know, have accessed loans from the Rural Development Commission and who are back at square one now. There are persons who have accessed loans for poultry, or vegetable production, and some who have accessed loans to buy equipment where they already had some kind of agricultural production in place. Therefore, I think we need to take a look to see what the first set of loans has achieved in terms of rural enterprise and even

analyse whether some people may not need to be refinanced. The Minister of Education, in speaking earlier in the debate, talked about the fact that too often when small businesses are not successful in the first instance, we write them off as failures.

I believe very often, and particularly in the case of the Rural Development Commission, that the circumstances under which you might have conceived the loan programme,

may have been affected by events that have occurred since then. I think that many of these businesses may be small producers supplying a market where they have to wait to be paid or have to incur the expenses of an overdraft, and certainly, the Rural Development Commission is not lending overdraft facilities for businesses.

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Mr. D. J. H. THOMPSON: They may have incurred additional costs in relation to transport as a result of adjustments in the price of petroleum products. There could be a large number of reasons and I do not think that the Ministry should feel that this programme is a one-off programme or that the persons to whom they lend the money should be treated as one-off borrowers. You also need to analyse the impact of it because it is true that many people have benefited from loans from the Rural Development Commission but I would never go as far as to say that I have noticed any revolution in terms of enterprises in Barbados.

If that is what you want to achieve, \$2.4 million would not do it and 303 individual loans will not do it. You have to hold the hands of many of these people and become real partners in their enterprises and I do not think that the Rural Development Commission necessarily has the capacity now to achieve that particular goal. It may only be a clearing house for loans, but it also needs to find a way to bring expertise to help the businesses to grow and to develop. So we need to have an idea of the impact that those 303 loans have truly had and part of that is going to come from your analysis of the recoveries. In other words how many of them are active loans? How many of them are "bad loans"? What are the kinds of businesses that have developed as a result of this money being made available? This is a drop in the bucket and that of the Rural Enterprise will be substantially more. Even the amounts identified for the Agricultural Development Trust that the Honourable Member for St. Philip South spoke about at the beginning, in terms of the enterprises into which you are going to be putting this money - sugar production and marketing, and I assume that we are not talking about production for export

because, by and large, you have already identified research and development resources for the sugar industry per se.

I assume what you are talking about is the identification of other by-products of sugar-cane and other ways of marketing those end-products as part of a new strategy to help sustain the sugar industry in Barbados.

Likewise, in cotton. The initial investment for what was an integrated cotton programme - CARSICOT - you may say that is not the best model on which to design it because of the outcome, but if you look at the initial investment that would have been required to establish an integrated cotton industry in this country, it certainly is about eight times the amount which had been identified as the initial investment to be made available to the Agricultural Development Trust under the new legislation and arising out of the last Budget. Likewise, crops for export. We are not, I assume, involved any more in talking about import substitution and, therefore, what the Minister of Agriculture is looking for is export crops. I still think that it is important for you to consider what kind of benefits, concessions and capital you are going to offer to persons growing food crops and providing vegetable crops and so on to the tourism industry in Barbados, for example, and whether you are going to include those persons as part of your food crop export category, because the amount of money that we save in foreign exchange, the amount of money that we earn in foreign exchange really puts them, in essence, into a food export category and, therefore, it appears to me that it is going to be necessary to offer them some kind of assistance in retooling. They have to be targeted and their activities are certainly worthy of support.

The second aspect of it goes out to the question of the identification of people who should benefit. The Government will run a programme on television for a few months saying that the Rural Development Commission has money for small enterprises. If you watch television or listen to the radio you will go into the Rural Development Commission and borrow money and perhaps save your business. But what is the Rural Development Commission doing to go out there and identify those persons either already in the production of agricultural produce or persons who may want to be involved but who do not have access to land, or to the other factors that may be necessary to undertake the kind of business that they want to be involved in? Who is going to go out there to identify those persons? You have an extension programme, but do you have officers who go out there and scout for talent? What kind of strategy are you identifying?, or are you going to continue to identify people only on the basis of a Public Relations Programme run, as I said, every now and again. That is going to be very critical because, as I said, I believe that there are a lot of persons who miss the boat because they may not be aware of what facilities are made available by the taxpayers of Barbados to assist them in developing

their business enterprises. Who is identifying the idle lands in Barbados that you are going to be bringing back into production? Who is identifying the idle lands that you are going to make available in order to bring them back into production? And one of the things that we recommended, in keeping with the recommendation made by the Honourable Member for St. Lucy, was the question of entering into negotiations with owners of large areas of land, in excess of five acres, to lease the property for a period of five years to be rehabilitated and brought back into agricultural production and made available to farmers who have a track record, or those who have a business plan to bring that land back into agricultural production. That was one of the pledges made by the DLP in its last Manifesto, along with the identification of land presently under the control of the Agricultural Credit Trust, but not in sugar production, which can be leased by farmers in lots ranging from half-an-acre to twenty-five acres as part of a programme to improve land accessibility for those involved in agriculture.

Not much has been said about that and certainly the amount that was identified in the Estimates, \$500,000, for the landless programme would hardly make a dent. I say that because the Honourable Member for St. Philip South knows that already there are farmers in St. Andrew who are in occupation of land and to whom Government has already committed significant resources. I suspect this Budget is barely going to be enough to help them with the incidentals necessary for their programmes, such that very little will be available to bring more land for the landless into full fruition during the course of this fiscal year. What is the \$500,000 for? Is it to purchase land? Is it to lease land? Is it going to be used for the provision of irrigation facilities? What is the Minister's view of how this \$500,000 can be spent? What areas in Barbados are going to be identified beyond those in St. Andrew which are not necessarily the best lands for certain kinds of agriculture? The reason why I ask is that there are large tracks of land, particularly around Gall Hill, St. John and other parts of Barbados, which you can divide into half-acre and two-acre lots and make available; where water is also available for irrigation purposes and where, perhaps, the conditions for small farming of this type are more propitious because the persons can probably put a chattel dwelling or some kind of facility so that they can be close to the land.

Those are some of the points that I would like the Minister to respond to under Programme I66 and I68.

3.00 p.m.

Thursday, March 15, 2001

Rev. J. J. S. ATHERLEY: Mr. Chairman, I am not desiring to add to the burden already laid on the shoulders of the Honourable Minister of Agriculture by the

Honourable Member for St. John. In my brief contribution, I would like to make reference to a rather parochial issue which is the issue of the market facility at Eagle Hall. I do have a few concerns which, perhaps, the Honourable Minister wants to address for public information and also for the information, of course, of the Chamber.

During last year, I think there were about two or three different completion dates which would have been announced with reference to the facility and start up dates, naturally, for the business of market trade. This is yet to materialise. As I understood it from the last information given, March 2001 would have been the new completion date. We are now at mid-March and it does not seem to me as though we are going to be able to make that deadline. Perhaps the Honourable Minister is in a position to speak with reference to that or perhaps the Honourable Minister of Public Works. Certainly, the information must reside with someone as to when this project is likely to come to completion and a start-up date for trade formalised.

I do have further concerns with reference to the facility. The Eagle Hall junction is probably one of the busiest, if not the busiest, four road junctions in Barbados and I have some concerns about the design of this market facility. This facility will be expected to serve some of the largest urban districts in St. Michael, in addition to those who come from beyond. It is at a very critical juncture which brings together the constituencies of St. Michael West Central, St. Michael West, St. Michael Central and St. Michael North West to some extent. Very large residential areas surround this market facility.

In addition, many come from further afield to do their business, especially on the weekend. So we are talking about a large volume of human traffic. In addition, we are at a junction on a main passage way in urban Barbados where the traffic volume is very heavy. We are talking about vehicles such as public service vehicles, Transport Board buses and heavy duty container vehicles coming out of the Port which use the road frequently.

The design of the market is a very open design. My concern has to do therefore with the likely noise impact. It also has to do with the likely impact of heat being generated by these vehicles and with the impact of gases being emitted by this large volume of vehicles. I think that this is a genuine concern. Sir, it is a very attractive design but I would want to suggest that its openness will leave those who will go there for business, on either side of trade, very vulnerable to the negative impact emanating from these sources.

I think the open design of the market also would cause one to have some concerns about the likely impact of rainfall through the roof, as well as through the sides of the market and, of course, the issue of security. I would want to

imagine that those who designed and those who approved the design would have considered these issues but I think I have to raise them because they are likely to be raised by those who will have to go there to pursue their legitimate businesses.

One other issue which I hope could be addressed, at least in brief, is the matter of possible relocation of those who live on the western side of the facility. I think the new height levels of the facility will cause some problems for those who live on the Leeward side of the facility. I think since we are dealing with a facility with foods such as vegetables and fruit that the presence of rodents, in spite of the best efforts, will be an issue which they will have to be addressing.

The area is very congested and therefore the issue of parking also comes into question. I think it would simply add to the aesthetics of the place if a half dozen or so persons who live on the western side of the facility could be relocated. I have raised that issue already and I know it is under consideration but I would want to invite those who have the power perhaps to address it so that public information could be further disseminated at this time.

I would like to make a point about the matter of sectoral linkages. My understanding from the Honourable Member for St. Lucy is that the Honourable Minister of Tourism learned only yesterday of the sectoral linkages between agriculture and tourism. Of course, that understanding might stem from the Honourable Member for St. Lucy's own misperception about the knowledge levels of the Honourable Minister of Tourism with respect to these matters.

I would like to speak about sectoral linkages perhaps from a slightly different perspective and it has to do with the relationship between Ministries such as Agriculture and maybe, Consumer Affairs. I am talking specifically about the matter of quality control with reference to vegetables which are traded, sold and marketed, especially in supermarkets. It is perhaps telling that one could go to hawkers around the market at Cheapside, or even Fairchild Street, and purchase vegetables of a fairly good quality; whereas it is so often the case when you go into the established supermarkets, or megamarkets if you might call them that, that the quality seems to be very, very poor and inferior.

Asides.

Rev. J. J. S. ATHERLEY: I do the shopping in my house, Mr. Chairman. I find that I spend less when I do so and so I go to the supermarket.

Asides.

3.10 p.m.

Thursday, March 15, 2001

Rev. J. J. S. ATHERLEY: I am growing tired of having to purchase vegetables which are of a very poor quality. We know of the existence of the Price Control Unit and of the Inspectorates but I am not too sure if there is a quality control inspectorate or unit. If there none I would like to suggest that some consideration should be given to having one. If there is one, I would like to suggest that perhaps it needs to be more visible, vigilant and vibrant in its efforts because we are being ripped off. At least I feel ripped off when I have to purchase what passes for vegetables in our supermarkets which sometimes are at very high prices.

There is the business of quality control as it relates to value for money but there is also the business of quality control as it relates to human security for health. The Honourable Minister of Finance, in making his presentation, underscored the business of human security as a theme to which he gave prominence. Human security is not only an issue in relation to the fight against AIDS, the fight against jobs or poverty eradication as that relates to that matter. I believe it is also a matter of the quality of food that we are asked to consume.

Not only do we find produce in our supermarkets which it is sometimes very evident is of poor and inferior quality, perhaps from the impact of the presence of rodents, but surely in terms of how the produce is presented. Produce like carrots and stuff like that are very poorly presented and they carry the dirt and all kinds of stuff on them. Surely, when we take the produce away, before we cook them, we wash and clean them.

I am simply trying to say that the issue of quality in terms of the produce offered and marketed for Barbadian consumption is of sufficient importance as it relates to value and to human health and security and if we do not have quality control or quality control inspectorates in place, then that is something which ought to be considered.

Could there not be a linkage to education? I speak with reference to the School Meals Department. The issue of the cola syrup and the controversy surrounding that is well known to us. Perhaps having discussions like that, rather than simply revolving around the controversy, should point us in the direction where we can address our minds to an alternative local supply of food and beverage which would become substantially a component of the menu of the school meals programme.

Barbados still has an abundance of coconut trees and coconuts are available all year round all over the place. We have limes, mangoes and golden apples. When I was

growing up these things were attractive to us as boys. We would eat as many as we could. These days, with all the imports and all of the alternatives, a lot of these things are going to waste.

Asides.

Rev. J. J. S. ATHERLEY: Yes, I used to steal mangoes. I can confess my sins of former times, I would like to suggest to the Honourable Member for Christ Church East.

Asides.

Rev. J. J. S. ATHERLEY: It is in our scope, in our planning and in our thinking to address ourselves to using these types of things to supplement what we offer on the school meals menu and perhaps to reduce the levels of expense to Government. I remember as a boy picking tamarinds and working with those who picked tamarinds to be sold to some company downtown. These days these things are going to waste. Certainly, thought ought to be given to some form of Government incentive to young, perhaps small or not so small entrepreneurs who might want to go into the manufacturing of drinks out of these types of fruits which can be used in the school meals programme. Government does not lose in small poor people.

I will like to close on this particular point. Barbados traditionally has been, and continues to be, highly dependent on food imports and so our food supply has this character of dependency attached to it. We have reached the stage now where we are not only import dependent, but we are becoming labour dependent for support of our agriculture. Our food supply, therefore, is now dependent in terms of labour imports. More and more we are seeing workers coming into the agricultural community from outside to supplement the labour levels needed so that agriculture can be sustained.

I think that this is a matter which creates other issues which have, in themselves, to be addressed because from a certain vantage point I am becoming aware of some injustices which are being perpetrated in that context against those who are brought into Barbados or who come into Barbados legitimately or otherwise and find labour opportunities in the agricultural sector. Perhaps, there is another avenue for collaboration between the Attorney General's Office and the Ministry of Agriculture and Rural Development.

Thank you, Mr. Chairman.

Hon. R. D. MARSHALL: Mr. Chairman, I just rise to answer some concerns which were raised by the Honourable Member for St. Michael West. The Ministry of

Public Works and Transport was commissioned to build the market at Eagle Hall. The first question the Honourable Member asked was when would the market be completed? I want to say to him that the market is behind time. On the last tour of the market by the Minister of Agriculture and Rural Development and other officials, the architect, who is also the project manager, Mr. Stanton Haynes from the Ministry of Public Works and Transport, mentioned to us at that time - that was at the end of January or so - that the market would have been completed at the end of March. On that occasion, I asked him which March because in my estimation it could not have been completed by that time. Now we are hearing that the market would be completed, he said to me, by the end of April and I am holding his feet to the fire.

Looking at the market, I will say it is a state of the art market. The market is replacing the old Eagle Hall Market which was there for over 40 years. I remember going as a boy at that market and buying sweet potatoes at four cents a pound. I see the concerns that he is having about the traffic at the four-cross and so on. It is a very busy intersection. You have the Mapp Shop on the other side which an old landmark at Eagle Hall.

3.20 p.m.

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Hon. R. D. MARSHALL: They are widening the area. Mapp Shop will remain there.

Worrell's Meat Shop will remain there, but the old A. A. Browne Pharmacy at Eagle Hall will be going. The old Smith Pharmacy at Eagle Hall by the road to the Nazarene Church will be going. Some of the vendors at the market have been relocated to that area by Smith Pharmacy until the new market is finished. I understand now that since that shop has to be pushed down very soon they might be thinking about putting some structure in place behind Mapp Shop for those people to use.

Sir, regarding the other concern of the Honourable Member for St. Michael West about the parking facilities and so on, I looked at the area and I saw there was no space for parking. But since the old power house has been removed and the wall has been knocked down, in my estimation there is space for some parking.

Sir, there was also mention of the houses to the west of the market and those people have concerns about being relocated.

Mr. D. J. H. THOMPSON: Mr. Chairman, I am sorry to interrupt the Honourable Member. I am on a point of order because we are trying to follow the Estimates and I see no reference in this year's Estimates at all to any

provision under the Ministry of Agriculture - Head 25 for the Eagle Hall Market. Therefore, I have to ask you to ask the Members to speak to what is in the Estimates. There is no point of giving the public the impression that you are speaking about something that is in the Estimates when it is not there unless somebody can point it out to me. Under Sub-programme 623, it has Consett Bay, Skeetes Bay, Cheapside, Fontabelle, High Street, Palmetto Street, Fairchild Street, Oistins and Paynes Bay. Under Sub-programme 626, it has Consett Bay, Cheapside, Oistins, Fontabelle, Fairchild Street, High Street, Palmetto Street and Paynes Bay. But I have not seen any provision in these Estimates for Eagle Hall.

Hon. R. D. MARSHALL: Thank you very much, the Member for St. John. Mr. Chairman, I just want to draw to the Member's attention that Sub-programme 611 deals with the upkeep of markets and not market.

Mr. D. St.E. KELLMAN: Mr. Chairman, on a point of order. This project cannot come under repairs, Sir. This will have to be a capital project.

Rev. J. J. S. ATHERLEY: Mr. Chairman, if the Honourable Member for St. John is suggesting that I spoke without reference to the Estimates, I would want to suggest that my concern had to do with the conditions under which agricultural produce in Barbados is exposed for trade. In that context, I was making reference to the facility at Eagle Hall.

Mr. D. J. H. THOMPSON: On a point of order, Sir. I have no fault with the Honourable Member's speech. If I had, I would have raised it. The point is that he is on the Back Bench and I certainly would not have put him under pressure to identify for me where in these Estimates the Eagle Hall Market appears. That is all that I am asking. We are required to speak to the Estimates. This is a capital project. It is not ongoing maintenance. So whoever advised you, advised you wrongly. In the past, when older heads were in here debating, you had to speak to what is in the Estimates. If not, the Press would have to report that there is nothing in the Estimates for the Eagle Hall Market. This would answer the Honourable Member's question that there is no provision made and, therefore, the market is unlikely to be finished during this fiscal year.

Mr. CHAIRMAN: At this point, I do not have a book here to see whether you are right or wrong. I will get some technical advice from the Clerk.

Asides.

Mr. CHAIRMAN: I would just like to inform the Honourable Chamber at this point that you have to speak directly to the Estimates. I would advise you to stay away

from the clarification of the Eagle Hall Market and speak directly to the Estimates under Head 25.

Hon. R.D. MARSHALL: When people go to the market to buy produce that is for sale, they want some place to park. So we are talking about parking for these people who go to the market to buy the meat, cabbage, okra, potatoes or whatever they are buying to go home and cook.

Mr. Chairman, as I said, we recognize there were concerns of people living nearby about relocating them. We probably might need the space at some point, but the Minister of Housing was not on the island and we mentioned that very soon, when he is back, we will go and look at it.

The Honourable Member for St. Michael West also spoke about the market being exposed to the elements and sun. The Minister of Agriculture and myself looked at the possibility of putting some shed with roofing to the side to take the sun off of the people. That is being looked at by the architects. I hope that I have answered some of the questions asked by the Honourable Member for St. Michael West.

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

Mr. L. R. TULL: Mr. Chairman, thank you. I just want a few minutes because I shall not be roaming far and wide. The Honourable Member for St. John can get up and make the same submission that he made earlier. I am talking about Bulkeley. I have been hearing a debate over the last few months about the future of sugar and sugar factories in this country. All kinds of uninformed people have been making comments with all the authority of the ignorant. Not even the Honourable Member for St. Lucy would fall in that category.

Sir, I kept talking about this thing concerning Bulkeley for endless number of years both inside and outside of Parliament. I commend the Minister of Agriculture for his grasp of his Ministry in such a short time and also for his forward looking direction in which he has pointed agriculture. I do not know a lot about it, Sir, but I am wise enough when I hear wisdom to recognize it.

Sir, I want him to say on the floor of Parliament what is the position of Bulkeley Factory in the new dispensation. Sir, I am bringing a message from the people of St. George. Bulkeley is not a physical plant as some will have us believe. It is not a big old building with a lot of old engines producing sugar from sugar cane. It is an integral part of the life of the people of St. George.

3.30 p.m.

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Mr. L. R. TULL: To rip Bulkeley out of St. George as an institution, as it is, is to take the heart out of St. George.

Mr. CHAIRMAN: Only St. George?

Mr. L. R. TULL: Over by you too, Sir. Some people come across from Edey Village and we accommodate them in St. George.

It would rip the heart out of St. George because it is not just a factory. It is a way of life. I would like when the Minister of Education and Culture is talking that she talk about some of these things, because... I will give an example, Sir, and they will record that I left a hanging sentence without a full stop. I have to say that the St. George Valley has for centuries fed the people of Barbados. As I say all the time, it has been traditionally the bread basket of the nation. It, therefore, needs a certain serious and circumspect look by the Minister and the Government at what happens in that area.

I am won over by the one-factory option and I am saying that this Government must use its muscle to ensure that the factory is sited in the Bulkeley area along with the co-generation plant that I hear about. I know there is an option in the North.

Mr. D. St.E. KELLMAN: On a point of order. The Honourable Member is misleading the House because the Honourable Member knows well that that plant will be sited next to the Arawak Cement Plant and the Barbados Light & Power is doing the generating plant also in St. Lucy.

It is wrong to give the House the impression that the plant will be sited at Bulkeley when he well knows that certain elements, who have just moved to St. Lucy, have recommended the plant for St. Lucy.

Mr. L. R. TULL: Sir, I always like to listen to the Honourable Member for St. Lucy. He bowls googlies most of the time. I do not quite understand him this time.

I am still asking that this Government... and I know that I have the support of the Honourable Member for St. Lucy in this request. He is my friend and we talk and we know these things and we want the factory to be sited at Bulkeley, a new state-of-the-art factory with a co-generation plant and St. George given back what it has given to this country for centuries. That is all that I want to talk about.

It is always difficult not to go a little further when there is an opportunity. Let me slip to rural development.

The Minister has been given \$16 million for rural development this year, a 70 per cent increase. He got about \$8 million more than he had last year.

My constituency, Sir, as I said, has done Barbados proud over the years. It has not only fed it, but has established itself as an important part of the culture of rural Barbados. We want some of this \$16 million spent in my constituency. We still have the most unpaved roads of any constituency in Barbados. It is always explained away, which I accept, saying that since it was agricultural and sugar plantation land for three centuries that it has more cart roads than any other part of Barbados. The cart roads are now being turned into proper roads in the agricultural tenancies. We started with that disadvantage.

It is because of that very disadvantage that this country thrived, because the more cart roads, the more canes, the more this country benefited over the centuries. Now do not take it out on us because we in St. George have more roads to be done than the others by saying there are so many that you cannot get all the money spent on St. George roads. We need to get something back and we have a lot of roads that are virtually impassable.

I will give you an example of what I am talking about, Sir. Three and a half years ago the Rural Development Commission, which at that time fell under the Honourable Member for St. James North, went and did a survey in Windsor Tenantry, and accepted that it had the worst plantation tenantry roads in rural Barbados. The Honourable Member for St. Michael West-Central, the Minister of Public Works, has now gone there and seen it. I received a letter from the Ministry of Public Works telling me that they were going to start this road and it would take 17 weeks. That is three and a half years ago. They went into a great deal of fanfare and invited me up. I went up and they had television cameras and everything and the people were handed the microphone to say on television how this is the greatest thing since Jesus Christ was on earth, that they were sixty and seventy years old and never thought that they would see a road.

The road is really bad, Sir. I used to get calls in the middle of the night telling me that somebody in the tenantry was sick and they had to put him or her in a box cart and carry them out to the front road 500 yards away so that they could get transportation to the hospital. They went in and dug up the road, started and stopped. Three and a half years later, the promise of 17 weeks on the job and nothing has come to fruition. We are in a position where the people are now calling me and asking if I could arrange for them to get back the old road they had because that was in better condition.

I turned to the Minister of Public Works and he told me that it has nothing to do with his Ministry. I talked to

the Minister of Rural Development and he told me that nobody has given them any money for these roads that were started earlier. I am caught in the middle with neither the Minister of Public Works nor the Minister of Rural Development able to give me an undertaking that this road that was started three and a half years ago will ever be continued. You know that when I speak, I speak as it is. Do you think that I am an outside child? Well, I am.

I want this road done, and there is no indication here. I understand the directions from on high are that any road that was started earlier in the whole arrangement will not be given funds for MPW to complete, nor to the Rural Development Commission. I want these Ministers to get up and tell me something about it today because I have to go back to St. George and speak to these people and they have to tell me what to tell the people.

I understand, Sir, with respect to this question of rural development just as I had established - in fact, it has been established for a long time - a good working relationship with the Minister of Social Transformation, my good friend, to deal with the large number of old houses that pensioners in St. George live in. I do not mean just houses that want a few things done. I am talking about houses that are not fit for human habitation. I have shown them to the Ministers. I have shown them to the Director of the Rural Development Commission who has been very helpful. But, just when I have established this good rapport and believed that I was going to get an inroad, I understand, Sir, that they are now moving the Housing and Welfare Department from that Ministry and giving it to the Ministry of Rural Development, so that I am being driven from pillar to post.

I started off this short intervention, Sir, commending the Honourable Minister of Agriculture for his comprehensive grasp of the Ministry and the forward looking way in which he is moving.

3.40 p.m.

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Mr L. R. TULL: Sir, that is another way of begging. I am saying nice things about him in the hope that I can get through to him. Sir, I am putting the case for St. George South, not for St. George North because the Honourable Member for St. George North is my representative and he is a good representative so he does not need any help from me.

Sir, I do not want to believe that I am being facetious in this submission. I believe it is about time that my constituency gets its fair share of the pie. If I thought it were getting its fair share I would keep quiet because I do not normally talk for the sake of talking, nor am I

unreasonable. I am making a serious case for a redressing of the imbalance. I am glad to see that the Minister of Finance has given his support for the Ministry of Agriculture and Rural Development by doubling the subvention that is being given to the Ministry this year.

Perhaps when the Minister replies he can give me answers to two points - Bulkeley and its future; and that particular road that was started three and a half years ago and is caught between the devil and deep blue sea, and neither one will touch it.

I would like some information from the Minister before he closes this debate as to what will happen with that particular road.

Sir, I am obliged to you.

Hon. A. P. WOOD: Mr. Chairman, I certainly have a lot on my plate and I will deal with these issues swiftly.

I would like to address the concerns of the Honourable Member for St. George South. Sir, I may not have eyes in the back of my head but I got the impression, when the Honourable Member for St. George South was trying to identify who is the devil and where is the deep blue sea, that he pointed at the Honourable Member for St. Michael West Central as the deep blue sea and from a process of simple elimination, the Honourable Member for St. George South is indicating that I am the devil.

Asides.

Hon. A. P. WOOD: Mr. Chairman, I know he does not mean that because he is my good friend.

Sir, with respect to how the Rural Development Commission is dealing with St. George South, one of the things that I have decided on since assuming ministerial responsibility for the Rural Development Commission is to introduce a principle of equity and fairness while at the same time recognising that the amount of funds available for any particular activity might not be enough to spread across the seventeen constituencies in one year. It is my intention to make sure that each constituency benefits in a material way in any one year from the funds available to the Rural Development Commission.

Sir, I will give a simple example. In respect of the funds which come from the Poverty Alleviation vote, what we have done, and it is a deliberate attempt on our part, is to allocate the funds across constituencies at the beginning of the programming period so that officers are left with no doubt about the amount of funds that should be spent on each of the constituencies by activity.

Sir, we have done the same thing in respect to street lights. We have an idea at the beginning of the programming period how many street lights should be installed based on the vote. We also try to redress some of the imbalances which exist up to that point so the Honourable Member for St. George South has nothing to fear.

Sir, I want to say at this time that in next year's Estimates there is a road project plan for St. George South and the cost of that road is a whopping \$1.36 million out of an estimated allocation of \$5 million.

Asides.

Hon. A. P. WOOD: I accept that the road is in very bad condition and we are determined to deliver to the Honourable Member for St. George South.

Drax Hall Tenantry road is another road that is in a terrible condition and in need of repair. This road will go into the concrete road programme. The Honourable Member for St. George South has nothing to fear in respect of funds which will be used for house repairs, provision of septic tanks, wells and electricity poles. His allocation has already been determined and is in no way different from what most of the other constituencies will be getting. The allocation for street lights is already determined and the Honourable Member for St. George South will be getting a reasonable amount of these. Sir, we are determined to be fair in the utilisation of these funds.

Mr. Chairman, we have finalised the Rural Development Commission's programme for next year and all aspects of the programme are as detailed as we could make them. I received word from the Honourable Member for St. Michael West Central that a decision has been taken that five roads which were started under MTW's supervision be handed over to the Rural Development Commission and the Urban Development Commission with a view to getting these agencies to complete these projects.

Sir, as I have said, we have finalised the programme of the Rural Development Commission and the asphalt programme of the Rural Development Commission did not include these road projects. I am quite willing to take on the work but the funds will have to follow. When the funds arrive we will be happy to facilitate the request of the Honourable Member for St. George South.

Nevertheless, I should say that we, as a Cabinet, have not discussed the programmes of the Rural Development Commission so the composition of the programme is still to be decided and there is hope yet for funds to be made available to finish the road identified by the Honourable Member for St. George South.

3.50 p.m.

Thursday, March 15, 2001

Hon. Mr. A. P. WOOD: Let me spend a minute dealing with the concrete roads programme.

The Government has recognised that there are many unpaved roads and narrow strips of rugged unkept roads which impact negatively on the social mobility of households in certain areas of Barbados and have made access to these households by emergency and other public service vehicles virtually a living nightmare. How are we determined to respond?

Sir, next year we will be starting a concrete road programme.

Asides.

Hon. Mr. A. P. WOOD: We anticipate that we will spend \$40 million on this road programme in three years. The first phase of the programme will see \$12 million being expended, seven million by the Rural Development Commission and \$5million by the Urban Development Commission.

Mr. Chairman, once again we have sought to introduce an element of equity and fairness through the use of these funds and all of the constituencies serviced by the Rural Development Commission will figure in the first round of the programme. We are excited about this programme. I have accepted ministerial responsibility to plan this programme; the planned activities are at a very advanced stage; the engineering consultants and those firms have already been identified; the packages of roads have been determined and, once we are able to bring the Resolution to Parliament through which we will be able to finalise negotiations for the loan, then we will get started. Sir, we are excited about the project and look forward to its commencement in the very near future. As I said earlier, the Honourable Member for St. George South has a very important project included in that package.

Asides.

Hon. Mr. A. P. WOOD: Mr. Chairman, I am not in a position at this time to answer the Honourable Member for St. George South on the question of the site of Bulkeley factory. I am in a position to say that we all recognise that if we are to maintain our interest and involvement in the sugar industry, we have to introduce modern techniques in the industry, both at the level of the field and, more so, at the level of the factory. We have three sugar factories and we cannot continue in that vein for much longer. We have to take a conscious decision and we have to take it very soon to determine what is the appropriate factory option for

Barbados. One thing that we are certain about is that the state of these sugar factories renders them inappropriate for a modern sugar factory.

I am not in a position to say anything at this time because the Cabinet has not discussed this issue as yet but we have to do it soon. I have no doubt that we are going to continue with the sugar industry and there are compelling reasons why we should. We have to move away from the three factory operations. It is a waste of time and money to do it this way.

If we go to a one factory option, state of the art where the co-generation facility is next door, it means that the location of this factory is very crucial. The location has to be very crucial and that is an issue to be determined. The task force has spoken to this particular issue and the task force has made a recommendation.

In respect of the future Bulkeley as a sugar factory, I think that the Honourable Member for St. George South knows very well, and he implied, that there is little or no future for the existing Bulkeley sugar factor. In fact, everyone knows that. What the Honourable Member for St. George South should be concerned about is where is the appropriate location for this state of the art sugar factory once the decision is made to go in that direction. There are compelling reasons why the state of the art sugar factory should be located somewhere in the St. George Valley belt and that is all I can say.

Asides.

Hon. Mr. A. P. WOOD: I would like to address some of the concerns for the Honourable Member for St. John. The Honourable Member made a very good point about the Rural Development Commission's loans to the Rural Enterprise Fund. In response to his concern, I would like to inform him that this is an area that officers at the Rural Development Commission think is very important, just as he does. The planned work for a survey which would allow them to do just what the Honourable Member for St. John is asking for, to determine the impact of these loans on the rural enterprise, which will be undertaken shortly. I have been reliably informed that this is the case.

I should also say that the Commission is mindful that most of the persons getting into micro enterprise more often than not do so without the prerequisite training. One of the things that the Commission has been doing as a way of being more impactful on those small businesses has been to provide training for these small business firms.

In next year's programme, the Commission proposes to deliver 10 short courses of six weeks in various areas. I had the benefit of speaking at an award ceremony for one of those courses which was held at the Aberdeen Jones

Centre at Gall Hill in Christ Church. I know the importance of these programmes to those small business persons. The subject areas which we covered were book keeping, costing and pricing techniques, marketing and customer relations, business organisation and legal matters.

I make the point that we need to be able to identify and to evaluate the impact of the loans policy of the Rural Development Commission and the Rural Enterprise Fund.

Mr. Chairman, thank you.

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Hon. A. P. WOOD: So I take the point that we need to be able to identify, at least to evaluate, the impact of the loan policy of the Rural Development Commission and the Rural Enterprises. Mr. Chairman, I will stop there.

MR. CHAIRMAN: The Honourable Member for St. Lucy.

Mr. D. St. E. KELLMAN: Mr. Chairman, I rise to speak to Head 25 and deal with the Rural aspect of that said Head. I want to remind this House, with reference to page 58, that when a Supplementary was brought to this Chamber to set up the Rural Development Commission, the Government of the day came to this House for \$200,000.

I, at the time, said that even though the Government was saying that \$200,000 was required to staff the affairs, in my opinion, we should not just be staffing Rural Development Commission. We should be looking to implement programmes. It was October - and I want to be correct about this Sir, if you have a period from October until March 31 - I said at the time that you should not only be staffing but that programmes should have been started on work to develop constituencies. I, at the time, said in my honest opinion the vote should not be \$200,000. It should have been \$2 million. At page 100 of Hansard 1994, the Estimates for the following year, would you believe that it is clear that the Rural Development Commission would be given \$3,000,000? And I again challenged the Government to recognize that if we are going to be serious about rural development that we cannot be just be tossing \$3,000,000 ...

Aside.

Mr. D. St. E. KELLMAN: I am quoting from Hansard and I said page 860...

Aside.

Mr. D. St. E. KELLMAN: The year is 1995. And the previous one would have been 1994 ... you can look at it. I have them marked. I am not surprised, Sir, that I am hearing the Honourable Member for St. Philip South now agree that his allocation was not enough. The truth is, it had never been enough because, whereas the Urban Development Commission has been able to get an allocation much greater than the Rural Development Commission, no one in this House would believe that the BLP Government came to the people of Barbados in 1994 saying that the Rural Development Commission was behind the Urban Development Commission and that the Government had to do what was necessary to put the Rural Development Commission back on track with the Urban Development Commission. But when one looks at the Estimates for all the following years one would not believe that the Urban Development Commission has always been getting a larger share of the cake than the Rural Commission.

And I am saying, Mr. Deputy Speaker, that no one has to convince me of the importance of the development of rural Barbados. That is why I am saying, as I had asked when we were discussing the White Paper on Education in 1995, how can you have a White Paper on Education without a land use policy, which was a big joke in this House because every body laughed at me. I am not worried about those things.

The truth is, now that we are discussing agriculture, everybody now understands the need for land use policy. The truth is when you are discussing roads, you need to know what you are doing and that is why it is important to have a land use policy to know where you are going. That is why this Government continues to fail because they are implementing programmes and they do not know where they are going because they lack a proper land use policy.

Sir, I will continue to beg them. A land use policy cannot only be used when you are discussing agriculture. It must be used when you are discussing agriculture, education, rural, whatever. Once there is anything dealing with planning you must have a land use policy. In 1995, they asked me to explain that, but why should I have to explain something that I already know? I believe that when I am speaking to this House I am speaking to my equals, but it is clear to me, Sir, that when I am speaking to this House that I am many days ahead of people whom I thought were equal to me and that is why it is also amazing to hear the Honourable Member for St. Philip South saying in this House today that he believes in equity. People hearing the Honourable Member for St. Philip South saying that would believe that that is his concept of allocation in this revenue, but the truth is that the Honourable Member for St. Lucy, whoever he might be, has said on the floor of this House that he cannot support local government the way it used to be because there is an easier solution and

there is no need for local government anymore. All that is required is for a fair allocation in the Ministry's Budget and once you have a fair allocation there is no need for local government. That is why I would find it rather difficult not to support the Honourable Member for St. Philip South on this particular issue because I understand that he very well understands what I said to this House and he has fully implemented what I would call in this House 'the replacement to a local government programme'. As I said, it all has to do with fairness and fairness of allocation to local government but I would hope that, the same way the Honourable Member for St. Philip South would understand how to allocate revenues, the other Ministers who deal with such heads would also carry out the same policies.

Last year Mr. Chairman, I promised this House that I would not vote for another set of Estimates until somebody understands that the Honourable Member for St. Lucy cannot come to this House and continue to vote for Estimates and cannot tell his constituents how much of that money will be spent on that said constituency. I must admit that the Honourable Member has adopted the policy announced by me in this Chamber and I take him at his word and know that this is not the first time I am hearing it. I had gotten it from other people more trustworthy than he is. I have no reason to doubt him and, therefore, I take him at his word that he and I know that once he continues on that track he cannot go wrong. That is why I have always been calling in this House for a governance of fairness. But I do not want one Minister to be fair. I want all of them to recognize that the people of St. Lucy need to feel the impact of what they are helping this country with.

Many people will remember, Sir, that I have reminded this House that if this continues all I have to do is block up the Judge's Gap and Alleynedale's Road and then I would turn Barbados from an island to country because St. Lucy would have to go its own way...

Aside.

Mr. D. St. E. KELLMAN: That was in Hansard and it is obvious that somebody has listened to that threat. And let me tell you something....

Aside.

Mr. D. St. E. KELLMAN: And I have already said that I will have my own port and airport. I am clear in my mind about the development process of my constituency and if there are other Members of Parliament that do not understand the development of their constituencies, I understand the development of mine. But I also want to warn you that the \$40,000,000 that you spend on concrete roads, that \$40,000,000 is going to be generated in St. Lucy, remember that! And if you do not act fairly, that source of income might have to repair all the roads in St.

Lucy. No cement will come out of St. Lucy and you will have to pay a toll to get in too.

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Mr. D. St.E. KELLMAN: I have said that and I am saying my people are serious about it. If you think about it, we are self dependent already. Do not underrate the ability or the capacity of the people of St. Lucy. Sir, since 1994 this Parliament has been abusing the rights of the people of St. Lucy.

Sir, imagine that since 1994 we have not been able to get a single tenantry road to a section in St. Lucy and I cannot blame the Rural Development Commission for this. The truth is that Rural has been starved of funds. I cannot get the Other Side to understand that if we are to fully develop Barbados, we have to empower Rural to do the work for St. Lucy and all over Barbados. We are not asking for all. What we are asking for is our fair share and for the Government to be fair.

I know, Sir, that the Honourable Member for St. Michael West, because of his training, will have to agree with me on this particular principle, if nothing else. That is why I am saying that the Officers of Rural are doing a good job but, the truth is, they do not have the finances to do the jobs they would like to do and their hearts are right. I have listened to them in this House for the simple reason that I believed, at the time when they allocated, even though they did not have the money, they should have remembered that when Rural was started, the person that supported Rural more than anybody else, was the Honourable Member for St. Lucy. At least some gratitude should have been shown. The truth is, I do not have the Chairman to deal with that I dealt with at that time and I can see now some fairness coming from the East and it is no surprise.

Sir, I have already said to the Honourable Member for St. Philip South that there is a likeness between St. Philip and St. Lucy and, if he understands that, he will not go wrong. It is clear to me, Sir, that he has sat at my feet and he understands well what I say.

Asides.

Mr. D. St.E. KELLMAN: No, it has nothing to do with height. He is taller than I in height but not in ideas and you asked for that.

Mr. Chairman, I am saying we recognise that there has been a change and we hope that the Minister of Agriculture and Rural Development will recognise that he also has to influence his comrades into believing that they cannot continue to believe that the houses and all the roads

should be built in their constituencies. They know, Sir, that in order to develop housing lots, sometimes they have to construct roads to get to those housing lots.

Sir, I think that if the Honourable Member for St. George North were to implement the programmes for those agricultural lots, along with housing in St. Lucy, he would understand that there is a way also of getting roads into St. Lucy and it could complement the work of the Rural Development Commission.

In terms of housing, Sir, I would also like the Minister of Finance to understand that the Rural Development Commission has a great demand for housing repairs. And because of the massiveness of the programme, they need to have an increase in their vote so that they, too, can carry out housing repairs.

I am not calling for the National Assistance Board (NAB) to be closed and the work transferred to Rural. I am saying, Sir, that those older folks have worked hard and long in Barbados and there is nothing wrong with having more than one agency to look after the needs of the old persons who have developed Barbados to the stage where it is today.

Sir, that is why I am saying that Rural must also have a department to deal with house building and house repairs but that the NAB must continue to do the work that they have the expertise to do. I want to repeat this. I am not calling for the NAB to be closed and the work transferred to Rural or Urban. The demand is so great for housing repairs that at this stage in time we need all three agencies.

Asides.

Mr. D. St.E. KELLMAN: I am saying that the amount of work to be done on the homes of old people is so great that we cannot just shift that programme to Rural and Urban but that the NAB must continue until that backlog, at least, is removed from the face of Barbados.

Asides.

Mr. D. St.E. KELLMAN: Mr. Chairman, I am saying that I am not at this stage supporting the removal of the NAB but I support an increase of funds for Rural and Urban because I believe that we should look after our old people.

Mr. CHAIRMAN: I think at this point you should close.

Mr. D. St.E. KELLMAN: I thank you, Sir.

Hon. G. A. CLARKE: Mr. Chairman, I would want to compliment the Minister of Agriculture and Rural

Development for the task he has undertaken since he became the Minister.

I also want to make the point that the previous Minister of Rural Development has indeed provided the platform for the present development. When the Honourable Member for St. Lucy talked about fairness, one has to really go back to the statistics to look at the record of the Commission, which shows that the rural communities benefited tremendously from the Government's idea of setting up a Commission to redress the imbalances which took place, not only under this administration previously but also under other administrations.

Mr. Chairman, one can say without a doubt that urban communities received more of the economic cake than rural communities. Rural communities suffered more at the hands of the Democratic Labour Party's administration than under this present administration. The Manifesto of the Barbados Labour Party pointed out and took to the task of setting up a commission that would redress the imbalances.

We saw economic dualism in its fullness when we recognised that there were two Barbadoses. One in which people were moving away from rural areas to urban areas and one in which industries were being set up in the urban areas and rural areas were left out. One in which lights and modernisation took place in urban areas whereas rural areas were left out. One in which recreational facilities were set up in urban Barbados and no facilities were set up in rural Barbados and we set out to address this.

Our Manifesto pointed out that we would provide recreational facilities in every major community in Barbados and the Rural Development Commission was set up to address that. The records will show that when we talk about fairness, if you were to look at the statistics of the Commission, for example, you would find that, from its inception up to the March 2000, St. Lucy got 240 street lights. They got more street lights than Christ Church and they got more than St. Thomas. My records show that St. Thomas got 230 street lights but St. Lucy got its fair share of 240 street lights. St. Lucy also had house repairs, bath facilities, wells and street lights.

The records will also show that already in this financial year 2000-2001 St. Lucy has received an additional 43 street lights.

Aside.

Hon. G. A. CLARKE: Sir, they have been installed already.

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Hon. G. A. CLARKE: In the entire programme, St. Lucy will receive more than 300 street lights from the Rural Development Commission. In terms of roads, St. Lucy will receive roads in this new financial year. Harmony Hall, St. Lucy will receive a road valued at more than \$450 000. That is the cost of the road and that is way above the average cost for roads because if one were to look at the roads in St. Thomas they are costing less than \$200 000.

Asides.

Mr. D. St.E. KELLMAN: On a point of order, Sir.

Mr. CHAIRMAN, What is your point of order?

Mr. D. St.E. KELLMAN: The Honourable Member is misleading the House by giving the impression that the road which is constructed in Harmony, which was started since 1994, cost more than any other roads when the Minister himself said that a road in St. George South cost \$1.3 million. So the Honourable Member should know better than that, Sir.

Asides.

Hon. G. A. CLARKE: Mr. Chairman, I never said the road was costing more than any other road. I said that the road in St. Lucy was costing \$450 000. That is all I said. That is much more than the road in St. Thomas, that is the point I made, and surely more than a road in St. James.

St. Lucy and St. John are well taken care of. I noticed that the Honourable Member for St. John is not quarrelling because St. John has benefited tremendously in that area. St. Lucy did even better than St. John. Does the Honourable Member for St. John realise that his deputy is getting more streetlights than he? The Honourable Member for St. John only got 140 but his deputy got 240, which is 100 more street lights. If he is talking about fairness now why does he not ask the Rural Development Commission to take out some of the ones he got in St. Lucy and give them to his colleague in St. John.

Asides.

Mr. D. St.E. KELLMAN: On a point of clarification. The Honourable Member is not clear on the policy that he is trying to read from the Honourable Member for St. Philip South. The Honourable Member said that he would look at what happened before and what is going to happen from now onward. It is quite clear that the Honourable Member had understood that St. Lucy was terraced and that they had to get those necessary streetlights especially when you consider that from 1994 up to a particular point in time

we were not getting any. So if the Honourable Member understood the policy, he would not make those statements that he is making.

Hon. G. A. CLARKE: I must say, in all fairness, that the Rural Development Commission has been trying to be fair. The Honourable Leader of the Opposition does not complain because he knows that he is getting help.

Asides.

Hon. G. A. CLARKE: I am just confirming to him that his deputy is getting more than he and he is out there plugging away.

Mr. Chairman, I am happy that the Rural Development Commission is trying its best. On this whole question of roads, the Prime Minister is on record as saying that people pay taxes and roads have to be fixed. No Member of Parliament in this era should be getting up complimenting himself, nor should people be voting for any Member of Parliament based on roads. Roads have to be fixed and the Government is committed to fixing all the bad roads because it our view that all people in this country should have roads up to their homes and they should have proper street lighting. There should be proper drainage and this is something that the Rural Development Commission and the Urban Development Commission must do.

We do not want the Urban Development Commission and the Rural Development Commission to think that they are doing any Member of Parliament any favour. The roads have to be fixed and Government is putting funds at their disposal to do these things. If we do all the roads in St. George now, we cannot go back and do all those roads again, we have to go on to something else so that all the roads are done in this country.

The other point I want to make is this. In terms of house repairs, there are still a number of people who live under very bad conditions and these houses have to be repaired. The Rural Development Commission and the Urban Development Commission have started the programme. I know it is going to take some time but we have to put the emphasis on repairs of houses for persons who are in their old age and persons who cannot help themselves. I think that Government has a duty to help these people and more emphasis must be put on house repairs. I know it is a very costly exercise but we have to be able to find the money this financial year and the next financial year to begin our programme to repair some of these homes.

I believe that some people can help themselves. There are a number of people who do not provide for their old age and we have to be telling people in this generation that they should provide for themselves when they become

65 and older. I believe if this is done that future generation would not have this problem that we have now. We have to tackle it and I believe that the Rural Development Commission and the Urban Development Commission are trying their best to do just that.

I also want to compliment the Rural Development Commission not only for streetlights and roads and so on but for the fundamental programme in providing loans to help set up industries within the rural areas. The Minister spoke about the Rural Enterprise Fund which is set up to help sheep farmers, to help persons develop crops and to help persons to develop industries.

Now, if this is done this will help to provide some means of employment generation and that is what we really want. I believe that once loans are provided for young people who really want to help themselves they will do so. There are a number of persons who have come out of school, from the high schools in agricultural science, who want to keep rabbits. In my constituency, there are a lot of persons who are keeping rabbits and they want some funds to help them. They also want to keep chickens. I have a number of persons in my constituency who want to raise chickens and go into sheep farming.

I believe that the funds of the Rural Development Commission should be earmarked for these types of things. Funds should be earmarked for providing loans for persons to be self-employed and for persons who are undertaking cottage industries. I think that it is important that the funds should be earmarked to help industries which were recently created so that persons can look after themselves.

Mr. Chairman, I would want to support the Minister in his drive to provide not only a society in rural areas to complement the urban society but to provide help to rural areas to show that these societies really matter.

I want to thank you.

4.30 p.m.

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On the motion of Hon. D. A. C. SIMMONS, seconded by Hon. R. C. EASTMOND, Mr. CHAIRMAN reported progress to His Honour Mr. DEPUTY SPEAKER and asked for leave to sit again and Mr. DEPUTY SPEAKER resumed the Chair and reported accordingly.

SUSPENSION

Hon. D. A. C. SIMMONS: I beg to move that this sitting be suspended until 1.15 p.m. today.

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

The question that the sitting be suspended until 1.15 p.m. in the afternoon was put and resolved in the affirmative without division and Mr. SPEAKER suspended the Sitting accordingly.

RESUMPTION

Mr. DEPUTY SPEAKER: When the suspension was taken, the House was in Committee of Supply. To that, it should now revert.

Mr. CHAIRMAN: This Honourable House is now in Committee of Supply.

Hon. A. P. WOOD: Mr. Chairman, let me first thank all those Honourable Members who contributed during the course of the debate on Head 25, Ministry of Agriculture and Rural Development. I would like to thank all of them for the confidence they repose in the Ministry of Agriculture and Rural Development's programme and I would also like to thank them for the kind words they said about the importance of agriculture to the future development of this country.

A lot of interesting points were raised by most of the speakers and I will seek to address some of these points. Let me start with those points that are fresh in my head and we will start with the Rural Development Commission and go backwards, and let me take this opportunity to continue my response to some of the points made by the Honourable Member for St. John.

The Honourable Member for St. John alluded to the fact that the Rural Development Commission should seek to evaluate the impact of the Rural Development Commission's loan programme on rural enterprise. As I said earlier, the Rural Development Commission is seeking to do justice. The plans have been completed for a survey to be undertaken to put the Commission in a good position to determine how impactful or otherwise its programmes have been in this regard.

At the beginning of the current financial year, I spoke to senior officers at the Rural Development Commission with a view of getting them to address this issue of the loans recovery and it was clear to me that what was required was a strengthening of the credit administration department. In order to strengthen that section, an internal redeployment took place and it has resulted in an increase in the number of payments being made by recipients of RDC loans. What that has led to is the revolving fund, the Rural Enterprise Fund, to do a bit more in respect of facilitating the start up of small businesses in rural enterprises and the expansion of existing businesses.

I should say at this point that the loans provided by the Rural Development Commission have a four per cent interest rate charge. This is good because the type of enterprises we are talking about, micro enterprises, and the type of individuals and families who benefit in this way are those who otherwise might find it difficult to get a loan at a private commercial bank or other financial institution; or these individuals or families might otherwise find it difficult to gain employment elsewhere.

In respect of agriculture, the Commission will be seeking a closer working relationship with the Barbados Agricultural Development and Marketing Corporation and the Ministry of Agriculture and Rural Development, all with a view to making the Commission more impactful in this area of enterprise development.

The Honourable Member for St. John was correct in that the Commission does not have the requisite technical staff in certain areas which would allow it to do the best possible job in tracking those loans to ensure that the businesses flourish. One way to get around that, Mr. Chairman, is to use the other organ of the Ministry of Agriculture and Rural Development to see how best facilities could be derived which would allow the rural development programme in certain areas to be more impactful.

Within the Integrated Rural Development Programme we are seeking to utilise a more holistic approach to development of rural economies. Gone are the days when the Commission will be responding to requests to put in street lights, fix roads or repair a house. A community should be seen in its totality and the Commission needs to put its officers there in order to see what that community needs in order to develop that community in a holistic way.

When they go into the communities, the officers are going to check to see if there are any employment opportunities that exist there and to what extent the Commission can seek to have those opportunities turned into something that is tangible. This is where these five or so projects I spoke about become important.

I made mention of the training of entrepreneurs. This is vital, because by providing training to those small business persons who are able to access loans from the Commission we are ensuring that their approach to business becomes a little more organised and, in so doing, the chances of their staying in business and expanding their businesses will increase.

The second project is the revitalisation of pottery in the Scotland District. One of the main activities which has driven communities in the Scotland District area, especially those around St. Andrew and St. Joseph and the borders of

St. Thomas and St. Joseph, is the production of ceramics. Even though it appears that there has been an increased interest island-wide in pottery production, in this area there has been a steady decline. We are saying that the employment potential and foreign exchange earning capacity of this industry as well as the cultural significance which it holds to that region of the Scotland District area requires that immediate remedial action be taken to rekindle a modernised production.

This project is being looked after with some degree of seriousness by the officers of the Rural Development Commission because it is an opportunity for an all-embracing project in that area.

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Hon. A. P. WOOD: The Commission will be seeking to mobilise all persons who are interested in pottery in that area. The Commission will be seeking to make available the necessary financial and technical resources for training which will allow for proper display and proper marketing of these products.

Mr. Chairman, what is important is that there are other agencies which recognise the worthiness of this project to the area. The Commission will be working in collaboration with these agencies, which are the 4H Club and the Inter American Institute for Cooperation on Agriculture, to see how best they can bring back this type of activity to an area that is renowned for its pottery.

One of the other projects that encourage group participation is the farming project at Diamond Valley in St. Philip. There are a number of farmers actively involved in the cultivation of vegetables and food crops in this area. However, Diamond Valley is located in the rain shadow region of the island so farmers are at a distinct disadvantage vis-a-vis other farmers because we are not yet beneficiaries of irrigation services. Diamond Valley is an area that is contiguous to the Home Agricultural Station and there is a well at the Home Agricultural Station but the necessary infrastructure has to be put in place for those farmers to benefit from the irrigation service. The Commission recognises the importance of farming to that community. We have people from Crane, Diamond Valley, Lower Union and Sandy Hill who really want to expand the scale of their farming operation but the problem is lack of water. We are seeking to deal with that problem via the provision of irrigation facilities.

Sir, another project which will be undertaken by the Rural Development Commission is an integrated orchard. This will be located at the Haggatts Plantation. This plantation was once used extensively for orchard

production but recently the trees have become overgrown with vines; and the undergrowth consists of dense grasses and shrubs. It is the opinion of the Commission and the Ministry of Agriculture and Rural Development that this orchard project needs to be revitalized.

Sir, the 4H Foundation is keen on a similar project at Bruce Vale plantation which is next door and the two projects will compliment each other. I look forward to the 4H and the Rural Development Commission working hand in hand to restore this area in the Scotland District to its former glory.

I want to deal with some of the concerns of the Honourable Members on the Other Side in respect of the Spring Hall Land Lease project. They raised the concern of the structure of the leases acting as an obstacle to increased production in that area. I take the point made by the Honourable Member for St. Lucy that we need to get around the structure of the lease in order to get persons desirous of farming onto those lands in St. Lucy.

I want to tell the Honourable Member that a subletting arrangement has already been put in place and, instead of one individual being allocated twenty acres, arrangements are being made for those lands to be sublet so that more individuals can get access to the lands in order to increase agricultural production.

I also want to tell the Honourable Member for St. Lucy that the BADMC lawyers have been working assiduously to achieve amendments to the lease. Of course, it will require cooperation from those persons who have access to the lands already.

The programme of the Ministry of Agriculture and the Rural Development Commission, as I stated yesterday, recognises the need, Mr. Chairman, for a modernisation of the agriculture sector in response to the challenges which it faces resulting from developments in the regional and international economies, Mr. Chairman, and in trade and trade arrangements, and those identified included the WTO, the hemispheric initiatives and the FDA FTAA. Within the region, the movement towards the Single Market and Economy, the proposed changes to the ACP new arrangements, all of these will have implications for the agriculture sector. Indeed, it will have implications for the other sectors as well but my primary concern at this time is in providing an adequate response for the agriculture sector. One of the things that the Ministry of Agriculture will have to do is to reposition the sector to ensure that it can remain competitive in the light of these ongoing changes in the regional and international economic environment.

The Ministry of Agriculture and Rural Development will be engaging in a serious public education programme

through which the farmers will have to be sensitised properly about the details of the WTO agreement on agriculture, the regional negotiating stance and what are the likely impacts of these important developments on the domestic agriculture sector. They will have to be told in no uncertain terms what are the roles the sector can play, working in harmony with the Ministry to ensure that commercial agriculture remains alive.

Mr. Chairman, we know that the domestic agriculture sector will have to introduce updated and more modern techniques. The Ministry recognises this and we will be taking a farm management programme to the local farming community.

5.10 p.m.

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Hon. Mr. A. P. WOOD: This farm management programme will speak to the essential techniques in farm management which will be required to drive the sector. Sir, what must be at the centre of this drive to take the sector forward is technology? The farmers must be prepared to accept that there must be different ways of doing business; they must become more technologically efficient; they must be able to utilise updated information in all aspects of agriculture.

Mr. Chairman, the Ministry of Agriculture and Rural Development has a serious responsibility to its farmers to ensure that the information generated at the Ministry from its research effort is relevant information for the agricultural sector. During the course of the next financial year we will be seeking to organise our research work much better. Our research must be targeted; it must be focussed; it must be demand driven and it must have a different culture within the research arm of the Ministry which will result in research being done along strict professional and academic lines. The researchers, Mr. Chairman, will have to make presentations of their findings for their peers and they must seek to publish their work. What is more important, Mr. Chairman, they must find a convenient way of disseminating that information to the farming community in a simplified form.

Mr. Chairman, we also said that for the Ministry to be taken forward, it is very important that a strong linkage be established between agriculture and the other sectors. I maintain that there is no reason why the Government of the day should be putting so much emphasis on tourism, and rightly so, with the tourism product becoming more and more mature and yet the agriculture sector is not moving forward. When we bring the tourists into Barbados, we attract them here and we need to give them more of the things that are Barbadian and agricultural commodities rank among those things.

I said yesterday that I have a passion for this economic linkage prong project that we are undertaking at the Ministry and we will be exploring all avenues which will allow us to move along with tourism, all to the benefit of the farmers. Mr. Chairman, it is not an easy task because it requires a clear identification of the taste and preferences of the tourism industry. That is, on the demand side we must get very detailed information on the quantities required; the quality required of the various agricultural commodities and the timing of those requests. On the supply side we need to make effective use of that information because we want the suppliers to be able to respond positively to what is demanded of them.

This type of approach will force the producers of agricultural commodities to organise themselves better because quantities and quality will have to be assured and the timeliness of the delivery of these commodities will have to be respected.

I am contending that success at this venture will strike at the core of the problems in the agricultural sector. I am appealing to both sides of the fence to put ourselves together and view this as a national exercise. Mr. Chairman, there is a famous quote from an economic text - I cannot remember the title - which says that economic development is a national enterprise. Development begins in the hearts and minds of those who aspire to greater mastery of their own destiny. If as Barbadians we believe in that quote, Mr. Chairman, I am certain that my vision for the agricultural sector will be strengthened and a closer relationship between tourism and agriculture can be realised.

Mr. Chairman, during the last year there has been a proliferation of pests in Barbados. This experience has placed the resources of the Ministry of Agriculture and Rural Development under tremendous pressure. There have been no fewer than seven pests introduced into Barbados.

Asides.

Hon. Mr. A. P. WOOD: Sir, in more recent times, the Ministry's resources have had to be mobilised in order to prevent the introduction of Foot and Mouth disease.

This experience means that the Ministry's resources in the plant protection section will be stretched beyond their acceptable limit during the course of the next financial year. We have to be more vigilant, Mr. Chairman. We see the opportunities that are presented as a result of globalization. They come with a cost and that cost may be fairly high to the agriculture sector. That is why we need to understand that this sector has a very important role to play in the development of Barbadian society. It goes beyond increasing agricultural production and increasing the productivity in agricultural production. We also have a

very important role to play in sections like the entomology and the plant quarantine sections. They have a very important role to play in ensuring these pests are brought under control and the country is rid of them, and they certainly have an important role to play in ensuring that other pests do not enter the country.

Lastly, Mr. Chairman, yesterday I outlined the very elaborate building programme of the Ministry in which we will be seeking to upgrade all the facilities of existing markets. We will also be seeking to establish other community-based marketing facilities in the rural constituencies.

Mr. Chairman, the agriculture sector is a very challenging one. It has to be challenging because the agriculture sector is functioning in a very challenging environment. What is required is that we do have a vision of where the sector should be taken. We also have a clear understanding of the Ministry's role. Sir, what we require is the full support of all workers at the Ministry, and of all Ministries and Government agencies connected in one way or another to the Ministry of Agriculture because at the end of the day, commercial agriculture still has a special place in the development of this Barbadian state. It is my job to make sure that commercial agriculture remains alive.

I thank you. I beg to move that Head 25 stand part.

5.20 p.m.

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HEAD: 21

MINISTRY OF INDUSTRY AND INTERNATIONAL
BUSINESS

PART 1

ESTIMATED AMOUNT REQUIRED FOR YEAR
ENDING 31 MARCH 2001 FOR THE NON-
STATUTORY EXPENDITURE OF THE MINISTRY OF
INDUSTRY AND INTERNATIONAL BUSINESS IN
THE AMOUNT OF

NINETEEN MILLION, SEVEN HUNDRED AND
NINETY-FOUR THOUSAND, TWO HUNDRED
AND FOUR DOLLARS

Hon. R. R. FARLEY: Mr. Chairman, I rise to make contribution in this debate on Head 21. The Item Group:

040: Directions and Policy Formulation Services

070 General Management and Coordination Services

490 International Business and Financial Services
491 Department of Corporate Affairs and Intellectual
Property

492 Telecommunications Unit

460 Investment Industrial and Export Development

462 Barbados Investment & Development
Corporation.

Mr. Chairman, in terms of proceeding with the debate, first of all I propose to take you through the Programme starting with Industrial and Export Development and dealing with a number of the sectors which are under its mandate: manufacturing, information, technology services and the craft sector and then, Mr. Chairman, proceed to deal with the other areas of quality action which fall under the Ministry, namely the Corporate Affairs and Intellectual Property matters, the International Business Sector and the Telecommunications Sector.

First of all, Sir, dealing with matters which relate primarily to Programme 460, I want to report to the Honourable House that the Barbados Investment and Development Corporation, through its business facilitation efforts, was able to facilitate the establishment of 40 new businesses during the course of the year 2000, was able to facilitate the creation of 2 193 jobs during the year 2000 and was able to facilitate the investment of \$67 561 000 in business investment during the course of the year 2000. That basically represents the very broad summary of the contribution which the Barbados Investment Development Corporation would have made towards economic development during the course of that year.

I also want to make the Honourable House aware that in terms of the capital activities of the Corporation during the year and, of course, I must point out that in relation, there is a bit of a different approach for the year 2001-2002 when compared to the year 2000. The Estimates will reflect that there is an allocation of \$100 000 under the capital vote for the Barbados Investment Development Corporation during the course of the year. That is not to indicate, Sir, that this is a cutback, abandonment or oversight with respect to the capital activity in support of the future development in this country. What it reflects, Mr. Chairman, is that during the course of the year major projects to be executed will be done by way of a Bill of Rate Transfer arrangement. Under that arrangement, for which there has already been the Planning Committee, the Cabinet and the Town and Country Planning Department, a new business park will be created at the Newton Industrial Park, east of the existing Park and that, Sir, is located on lands own by the Government of Barbados and wedged between the ABC Highway and the old Newton Road, converging at what I believe is the Henry Forde

Roundabout. That Project will consist of some 61 000 square feet of production space, mainly for high-tech or information services activities and I want to let the Honourable House know that, already before we have even broken ground, that some 25,000 square feet of that 61 000 have already been requested, in fact, demanded. One of our 'higher tech' manufacturing operations located in the old place at Newton which is also in the manufacturing of intra ocular lenses. Those are medical devices that, when the lens in your eye goes bad, the doctor will take it out and insert one of the "made in Barbados" lenses and you will see clearly again...

Aside.

Hon. R. R. FARLEY: Corneal transplant. But, Sir, the fact of the matter is that clean-room type facility has undergone several expansions and has outgrown its present space. In fact, they have just completed another expansion project and have indicated that in terms of their projection they will require this additional projection facility and are working directly with the architects to have the space built to their specifications, even whilst the construction is going on.

In addition, Sir, there are other revenues which the Corporation expects to achieve during the course of the year in those activities which will fund the on-going maintenance and other related capital activity of the Corporation.

During the course of the year 2000 the Capital activity, which would have been undertaken by the Corporation and to which funds of \$2.5 million would have been allocated in the Estimates, was used along with funds raised by loans from the Barbados National Bank to complete a number of projects: the reconstruction of Pelican Village, which is just about complete except for landscaping and paving and a few minor works. We expect that before the mid-year that facility will be opened for business and will be making a great contribution to the craft sector in Barbados.

The Small Business Centre on Fontabelle, between The Barbados Advocate and Branker's, that also is in the final stages of completion and only awaiting the landscaping. The paving has just been done. And again, Sir, that was designed in an effort to consolidate many of the fragmented services provided to the small business sector of Barbados and become the place where small business persons could go to obtain their real assistance.

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Hon. R. R. FARLEY: In addition, Sir, renovations and major retrofitting of several other buildings were undertaken, including Building No. 8 at the Harbour which is the former cluster block. This really represented, Sir, much of the transformation which has gone on in the industrial sector of Barbados.

Sir, cluster block 8, which as you will recall is just behind the Advocate and next to Chefette, would have been a location for many small manufacturers over the years. Those manufactures, Sir, have been relocated to a building which was renovated at Wildey Industrial Park and that building will provide cleaner type facilities for information technology services and related matters. So that is really the capital activity of the Corporation.

As you know, Sir, the Barbados Investment and Development Corporation is responsible for the promotion of investment in productive enterprise in Barbados, as well as the promotion of the export of Barbadian-made products. In fact, Sir, in terms of the export activity I should report for the record, as far as the original figures we have so far indicate, that domestic exports were some \$380 million during the course of the year 2000 and more will be spoken about that as I go into the specific sub sectors which make up the manufacturing sector.

The manufacturing sector in Barbados, Sir, continues to be characterised by a tale of two cities or a tale of two types of manufacturing. One which consists of manufacturing done in Barbados by foreign-owned companies primarily and for markets not related to Barbados or the Caribbean - international manufacturing activity. The principal area in which those firms operate tends to be manufacture of electronic items but there are also firms, Sir, still involved in apparel for international export, as well some leather products. That sector obviously has interests, concerns, dynamics which are very, very different from the issues, concerns and factors which drive the domestic manufacturing sector.

The domestic manufacturing sector accounts for a substantial portion of the manufacturers in Barbados and at the end of the year 2000 there were some three hundred and ninety-four manufacturers registered in Barbados.

Sir, it is interesting that foreign owned companies producing for export represent the single largest employers. They employ the lion's share. Those are the companies that employ two hundred and three hundred people but they represent probably no more than 15 per cent of those three hundred and ninety-four (394) companies which are in operation.

Sir, the sector, in terms of its overall performance experienced a slight decline of 0.5 per cent, or half a percentage point, during the year 2000 and this was largely

as a result of some contraction in the domestic manufacturing sector, inspired by trade liberalisation. As you will recall, there have been two rounds of liberalisation which have impacted on the manufacturing sector of Barbados: trade liberalisation within the context of the Caribbean Single Market and Economy where the few remaining trade barriers, most notably in soft drinks or one or two other products, were removed for our CARICOM neighbours; the other round of trade liberalisation would have been with the lowering of trade barriers which we have established with the rest of the world. So that being able almost to hold its position, I think, under the circumstances was a veritable performance for the sector. The impact of trade liberalisation has varied across the various sectors. Some sectors have held up better than others. Some have expanded, others have contracted.

Furniture, for example, consists of some 38 companies. Interestingly enough, it continues to be a male dominated industry sub-sector so that of the 611 employees at the end of the last year, some 410 were males and that continues to be a pattern with furniture. The furniture industry, as you know, would have been one of the sectors which experienced rapid decline in the early 1980s.

That, along with garments, was the unfortunate subject of the difficulties which Trinidad and Guyana experienced with their balance of payments in the early 1980s and where the bottom of the market literally fell from the furniture and the garment producers. The size of their operations and their productions have therefore tended to hover around the levels which they achieved after that early and unfortunate adjustment.

The challenge which the sector faces is primarily from the low-cost furniture which has been imported. Additionally, because the furniture sector primarily has concentrated over the years on the production of wooden furniture with a small amount of rattan, other items of furniture in terms of metal furniture and other materials which have traditionally been imported also represent competing imports with the wooden furniture.

We have noted, however, that the furniture industry can indeed hold its own and as I would have mentioned in an earlier debate, there are still niche markets, even for exports. Also, I did note in an earlier debate the interest which has been shown by the Bahamas in sourcing wooden furniture out of Barbados.

In terms, Sir, of the electronic sub-sector within manufacturing, the thirteen or so companies which operate in that sector, with the exception of two foreign-owned companies, contributed some \$41 million in exports last year. Again, this sector represents one of the larger opportunities for employment, employing some 1 046 persons at the end of last year. It is one of the areas that has

continued, notwithstanding the predictions of decline in this sector, to hold its own as well as to attract some additional investment. In fact, there has been expansion by a number of companies operating in the electronics sub-sector over the last several years. This is one of the areas, as well as with the general manufacturing sector, in which there is a need for us to continue to migrate towards higher value added and higher skilled products and thereby make better use of our highly trained, highly skilled persons. They also recognise that the construction of Barbados is not one which compares with Haiti or Bangladesh or any of the truly low cost domiciles in the worlds. Certainly, we are also a much lower cost domicile than other medium or high income countries.

So that the matter of our competitiveness, in fact competitiveness generally, is an issue of relativity. You are not competitive with yourself. You are competitive with someone or something else. Therefore, we always have to look to see who we are more competitive than, who we are less competitive than, and so structure our investment promotion and marketing activities.

Mr. Chairman, the food and beverage sector represents the largest single sub sector within the manufacturing sector of Barbados. Some seventy-four companies provided employment for some 3 738 persons at the end of the year 2000 and generated exports of some \$88.8 million of which the rum industry represented some \$24.5 million.

In fact, Sir, we continue to see some good growth in the food and beverage sector generally. In two years in particular, first of all with rum where the volume of exports has increased and the efforts have been made to move the exports of rum from being a general commodity to being specific brands where the value inherent in the brand has paid dividends for Barbados.

5.40 p.m.

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Hon. R. R. FARLEY: It is significant to note as well the strategic alliances which have been struck between two of the main local producers of rum in Barbados and international distributing firms, in the case of Remy Martin and M. V. Distributors, which have resulted in the Barbados Rum being seen in bars in places out west in California; in fact, all across the United States of America, the United Kingdom and Europe where previously you could not, if you wanted to save your life, find a Barbados rum. You are now able to look in any of those bars and find it.

In fact, I normally rate the quality of a bar in any hotel that I may stay at overseas by whether or not they

have Barbados rum on their shelves. I must report that there are many more good hotel bars today than they were previously but that is the nature of the strategic partnerships. When those major distributing firms are distributing other brands that they represent, they insist that Barbados products are in there.

In fact, speaking with the President of Remy Martin when she was in Barbados late last year, it was indicated that one of the old premium brands which is well-known to us - and the Honourable Member for St. Lucy would be pleased to know that this is the St. Lucy brand, Mount Gay Extra Old Rum - has been identified by that company as being their product to receive prime attention during the course of the year. I gave that example to indicate the nature of the dynamic situation in which we operate in Barbados and the importance of product branding which is a strategy that the Government has endorsed and with which we have been working with producers great and small.

The other area of food and beverage which has shown significant promise and which we have very great interest in represents the condiment area such as sauces, spices, pepper and the whole works. There has always been a recognition, although it was not fully exploited, that the things which are unique to us, the things which embody our culture, history and culinary characteristics are the things that separate us from other persons elsewhere. That uniqueness has an inherent value which can add to the price which one is able to obtain in the market.

In fact, one of the greatest challenges which has faced the sector dealing with sauces and spices has been more a case of the inability to supply markets on a continuous basis than being unable to penetrate markets. We have been working through the Barbados Investment and Development Corporation on a project where we sought to provide technical assistance to persons who are producing these products by giving them assistance in package design, labelling, the sourcing of attractive and more user friendly bottles and other containers for their products and generally assisting them in being more attractive to the markets which they attempt to serve. I will get into more detail on that some time later.

Suffice it to say that, in terms of food and beverages, the export promotion activity of the Barbados Investment and Development Corporation has been focussed very heavily on this activity. Business persons operating in the sector have been exposed at a number of international trade shows and to a number of business promotional tours. Food and beverage products will feature prominently on the website 'shopatbarbados.com' which I will speak about a bit more when I speak on the craft sector because the website was established as a craft website. It will also represent a portal by which Barbadian products can be sold

on the net. So we expect to be launching that website very shortly, "shopatbarbados.com", to provide that avenue for our local producers.

In terms of the food and beverage sector, which I can say is the largest sub-sector of manufacturing, there are issues on the local market about which we must be concerned. Within Barbados and the CARICOM region there have been significant mergers, joint ventures and strategic partnerships particularly between Barbadian and Trinidadian companies. For example, our biscuit company is now very much involved with the Trinidadian operations.

Asides.

Hon. R. R. FARLEY: The fact of the matter is that within the CARICOM Single Market and Economy the food and beverage sector of Barbados has had to make significant adjustments. The other issue that we face is that this administration has had to ensure that we improve our standards with respect to product labelling. We have been very clear in our minds and very clear as well in our actions about the need, and we have taken action in that direction, to have clearer sanitary standards to ensure that the competition which local food and beverage producers face from imports which, in several cases, we are not able to block is fair competition.

So that whereas once upon a time it was not unheard of to find some food products labelled in languages other than English, those issues have been taken care of by strengthening the labelling legislation. If any slips through, it will be certainly against the law as it stands now. In short, Mr. Chairman, we have tightened up on our standards for food products to ensure that our producers are able to compete on fairly even ground.

Sir, moving on quickly to give an overview of the performance of the various sectors within manufacturing, in terms of paper products and printing, some 43 companies operated in that sector up to the end of December last year. This is an area in which, for some of the companies, there has been something of a conflict between the goals of different manufacturing enterprises. We have seen this in the issue of metal cans particularly and in the issue of producing cardboard packaging for food where we have manufacturers of those intermediate inputs and finished inputs.

We have a situation, for example, where prior to liberalization the local dairy would have purchased its supply of cans for packaging evaporated milk from the local producer of cans. With liberalization, and notwithstanding the fact that there is bond rate protection on evaporated milk, the dairy opted to import its supply of cans from overseas.

Sir, clearly this is a case where you have two manufacturers. One manufacturer is dependent upon another manufacturer to be his market for his product but the Government, of course, has an interest in ensuring that we maintain both manufacturing enterprises. Sir, you will find that over this process of liberalization we would have taken some action in order to restrict the rights of manufacturers to duty-free inputs in order to ensure that where there is another local manufacturer who sells to another local manufacturer that both of them will be able to survive.

5.50 p.m.

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Mr. CHAIRMAN: The Honourable Member has five minutes to conclude.

Hon. R. R. FARLEY: Sir, I have only just begun but I will come again. I should mention that companies like Ensopak, which have been involved in providing cartons for local dairy and other producers, face that challenge. It really calls for the private sector to exercise some greater social responsibility. Because here it is, Sir, that while in the face of liberalization we are focussing on providing protection against the import of finished products to protect some aspects of the manufacturing sector, Sir, they do not believe that they have responsibility to give other manufacturers who depend on them for a market some opportunity to remain in business. I really have to call on the private sector to exercise some more responsibility in that regard.

In terms of garments in the apparel industry, this again is one of the sectors which experienced a dramatic decline many years ago and have not really recovered since. Up until the early 1980s, Sir, we exported more garments than we imported. Since the 1980s, when the Trinidad market collapsed, that pattern has been reversed. As it stands now, Sir, the 34 companies which are involved in garments export their \$6 million in items. We as a country, Sir, are importing some \$35 million per year. That is a source of concern for my Ministry and the markets which have been the source of these products have primarily been the United States and Trinidad and Tobago.

Sir, I have already spoken to some of the concerns which we have about the labelling of products and unfair competition to this sector. We have taken appropriate action by way of notifying the Council for Trade and Economic Development (COTED) which has to deal with this matter as it relates to fair trade within CARICOM.

Sir, the last two sectors on which I want to update the Honourable House in terms of their performance relate to the craft sector and the information technology sector by

way of a general overview over the year. The craft sector continues to be an available source of employment and a means of livelihood for a number of people. There are some 171 persons that we are aware of who are employed in this sector who produce craft items mainly serving as gift items.

As you know, Sir, we have contributed significantly to a resurgence in the craft sector by way of the investment that we have made in the Pelican Village project but more particularly in terms of the investment we have made in Island Crafts Barbados Inc., which is a trading company. It is designed to ensure that independent small craft producers have an opportunity and an outlet to sell their products. In the craft sector, Sir, we had noticed a consolidation of own brand trading facilities where two or three persons who are craft producers established their own shops to sell their own products leaving a number of independent craft producers out in the cold.

Therefore, Mr. Chairman, we set up Island Crafts Barbados Inc. to take care of that void. In our second year of operation, Sir, we have cleared the \$1 million dollar sales mark, we have also turned a profit and we are continuing to grow by leaps and bounds. I believe my time is up...

Mr. CHAIRMAN: At this point, I cannot let you go to the third year. I think that you should stop now.

Hon. R. R. FARLEY: I will return to deal with the information technology sector and several others again.

Mr. CHAIRMAN: The Honourable Member for St. John.

Hon. R. R. FARLEY: I beg to move that Head 21 stand part.

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

Mr. D. J. H. THOMPSON: Mr. Chairman, at the end of the day, the Estimates Debate is about expenditure and revenue and the programmes which the Government intends to implement in a given fiscal year. Though we are often treated to what amounts to second reading presentations even when we get into Committee, the point is that the Minister of International Business and Industry needs to make contact with the money that his Ministry has been allocated and how that money is spent.

Sir, if I were in his position, I would be very reluctant to do that too and, therefore, I will excuse him. If I look, for example, at the overall Ministry and we were to extract from it the expenditure on the BIDC, what is left of his Ministry is a mere fraction and a very small fraction at that. It would be a fraction of one per cent of the Ministry

of Finance which then ran along with all of the other responsibilities including energy and so on and so forth of the International Business and Financial Services Unit. The Budget of 1994 was \$406,000 and at that time the expenditure on Personal Emoluments was about \$100 000 and Professional Services \$100 000 and the other expenditure was in the normal heads of recurring expenditure.

Sir, in the space of six years, this Government has created a Ministry and moved expenditure from \$406,000, having it climb significantly in 1995-96 to \$1.5 million and come back down to about \$1.2 million. But it has moved right back up in this year's allocation to \$2.1 million. Last year it was at its highest at \$2.4 million dollars in expenditure. Overall total expenditure of Government would have doubled but the expenditure in this Ministry would have increased five times in the space of six years.

Sir, now while expenditure on Personal Emoluments in the Ministry has kept in line with the increases registered in overall Government expenditure, which means that you can see some correlation, what has been added to the expenditure of this Ministry is Operating Expenses. This rose to \$1 million dollars last year and just over one half million dollars this year. Professional Services were over three-quarter million dollars last year and half million dollars this year. Rental of Property was \$203 000 which is half of the entire International Business Services budget in 1994 and then Professional Services - \$143 000.

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Mr. D. J. H. THOMPSON: That would be justifiable if, when you looked at the statistics, there had been a commensurate doubling, or quadrupling, of the registrations of international business companies, not incrementally but yearly. If you are spending five times more in a given year, you should have five times more registrations. Even if you put it at three times, I would be happy.

While all of this expenditure was ballooning, despite warnings from the Opposition, what has been happening is that you had a slow down in 1999. We have no figures for the year 2000 and there is no great optimism about the development of the sector. This Government has basically spent millions of dollars on the international business and financial services sector but has not seen the commensurate returns in terms of registration of entities, nor have you had returns in many of the areas where new legislation was promised. That has not been forthcoming, despite the increased expenditure. You have not had any significant product development, despite the increase in expenditure.

So where have been the tax benefits to the taxpayers of Barbados?

In 1993, we brought the entire offshore sector together into a unit. Foreign sales corporations were done out of the Ministry of Trade and some of the other licensing was done in other parts - the Corporate Registry. We brought it all under the Ministry of Finance. The private sector in those days was injecting most of the money into the promotion. At the end of the day, they were also getting the significant benefits.

This Government came to office with this grandiose plan to inject hundreds of thousands of dollars of taxpayers' money, simply to duplicate what the private sector was already doing with great success. We warned then that the private sector would pull back from what they were doing, that it was more efficient than Government at doing it and that we would not get a commensurate increase in registrations simply by increasing the allocation to the Ministry. So this has basically been a failed policy because in almost every other area of Government, even where you see a natural increase in expenditure in relation to the dollar value, 1994-2001 the results have been slightly more impressive, even in crime, according to the Honourable Member for St. Thomas.

Asides.

Mr. D. J. H. THOMPSON: The Ministry of Foreign Affairs, the Ministry of Social Transformation all will be able to say that they have had a little more money in these areas, not a five-fold increase in their budget. But this Ministry has seen one single Minister doing the job which, in those days, I, as Minister of Finance, and others before me, with seven permanent secretaries and a budget of \$73 million, was able to do. Check the registrations and check to see what Government was putting out and what it got in return!

If you can tell me that we were getting less for spending less then I would agree with you, but the only thing you can tell me is that you spent five times the amount and in some cases you have actually recorded a slowdown in the sector as in 1999. We do not have accurate figures for the year 2000 and, even if there is a blip, part of that may come from some of the changes that may have occurred in relation to the legislation which would have made it attractive for Barbadians to use one of the vehicles more than they would have previously. So where are the results? I would like the Minister to tell me. He cannot take the full blame but he can take some of it, because it is under his watch that the rent has gone up from zero to \$203 208. That should be explained to me. He can probably explain what kind of professional services could cost \$756 000 from zero in 1994. It was not necessary.

We were able to have White and Case come here to do a study for the offshore sector, paid for by the private sector. The study that was done to design the international business and financial services unit and to bring it together was paid for by the private sector, because they recognised that it was important. We said, "Fine. You carry out the study. Go and analyse the Bahamas and the other jurisdictions and help us to design the administrative reform that would take place".

Basically, all that was happening was that that model was extracted and you moved from having a unit to having a Ministry. If you took out the BIDC and the administrative expenditure in relation to the Ministry as a whole, this Ministry would be the smallest Ministry in Government. In fact, the Honourable Member for St. Michael North would now be happy to know that he has galloped past the Honourable Member, and with some justification. I may not get justification from the Honourable Member for Christ Church East because it is not his fault. It is a case of misplaced priorities and the Government, if it gets up and argues that it is because of the threat of the OECD, can use that as an excuse. I would like to hear that as an excuse because last year, the year 2000, my recollection is that if it was not the Minister, then some official in the Ministry said that despite what was happening in relation to the OECD they registered an increase in the registration of certain of the International Business Companies (IBCs) or whatever it was. I heard that publicly said.

Some explanations need to be forthcoming in this regard and in relation particularly to my comments at the outset about the informatics sector. It cannot be the OECD that has caused CBS, CDS, PRT and all of those other offshore companies in Barbados to move away, ensuring a net reduction from about 3 000 workers in 1994 to about 1200 to 1500 now.

Even with all of the figures that the Honourable Member for Christ Church East would have recorded in the other areas, you will see that they do not offset the job losses that would have occurred in the informatics sector. That was a sector that was supposed to be growing by creating 2 000 jobs a year in the Barbados economy by the projections of the Minister of Finance in 1994.

6.10 p.m.

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Mr. D. J. H. THOMPSON: He said that we could create 2 000 jobs a year both when he was Shadow Minister of Finance and when the Government came to office. But, despite the increased resources being made available by the taxpayers of Barbados, we are not seeing commensurate results in terms of the performance in the international business and financial services sector and, to a

lesser extent, in terms of attracting new kinds of foreign investment in Barbados in the export manufacturing sectors.

I believe that the Minister needs to go a bit further than his explanation in relation to figures for manufacturing and explain why there might be some correlation between the non-expenditure of additional money in investment promotion, exclusive of the international business and financial services sector for which he said he has seen some results but we are not seeing commensurate results with a fivefold increase in the budget of the international business and financial services sector.

I also believe that the Minister still needs to correct the long-standing position erroneously put out by the Deputy Prime Minister, who was then Minister responsible for International Business and Financial Services, which I spoke about in the Second Reading, pointing out that I felt that the Government of Barbados had actually responded at that time to a scenario which, in itself, may have done some damage to Barbados' reputation as a low-tax jurisdiction. I want to know whether the position of the Government remains the same as that outlined by the Deputy Prime Minister back in 1995.

Asides.

Mr. D. J. H. THOMPSON: It was an occasion when the Deputy Prime Minister said that she read that Mr. Jerome Schneider had criticized Barbados. There was a lot of jumping up and righteous indignation on the Other Side in relation to the fact that he had said in a document that Barbados was an over-regulated jurisdiction and the Minister wrote to him to complain. We all know that he is an expert in relation to tax havens and that he would seek to view a jurisdiction like Barbados, in which there is significant regulation, in a negative way. I want to know whether the Government is still seeking to have a reversal of that position such that somebody who promotes tax havens and some shady jurisdictions would wish to speak favourably of Barbados.

The point is, at the end of the day, that it showed from 1994 that the Government was extremely confused about the direction in which it wanted to take Barbados' international business and financial services sector.

I believe that the Minister, as part of his responsibility to this Parliament, needs to reiterate the Government's view in relation to Barbados as a domicile for people who want to engage in registration of entities and benefit from lower rates of taxation. I do not think that the Minister himself, outside of what was said at the beginning of the debate today, was able to confirm that his position is consistent with the position which had been

developed by Barbados long before 1994 and which has been assiduously pursued by successive Governments.

Hon. Sir HENRY FORDE: Mr. Chairman, the Honourable Member for St. John has been pretty restrained although he could not resist the obvious remarks that he normally makes, which is an implied stricture, saying that the Government's policy since 1994 has been a position of confusion on the international business sector.

I do not believe that is a fair reflection of what the Government has sought to do in relation to the international business sector. As a matter of fact, one has to recall, for the purposes of this debate, that although the Democratic Labour Party in the late sixties had passed some legislation to deal with what is referred to as the offshore financial sector, nothing happened to that legislation to activate it until 1979 when we passed new legislation which gave a fillip to the development of the offshore financial sector.

It is not unusual in an area that, to some people, is foreign, esoteric and archaic for private sector persons to take the lead in developing this type of sector, particularly accountants who have benefited most. The fact that lawyers have not benefited is to the shame of the legal profession because the legal profession must come together and understand that it has to put up the finance in order to develop the business relationship that it wants. It has not got the clout of the big six international accounting firms behind it here but there is a strong case for lawyers in the Caribbean to form competing firms, if necessary, to compete with the law firms that are now springing up out of the accounting offices. Alternatively, I would support the Honourable Member if he says that the Government should look at the manner in which the main professions are now organised in order to give them some protection from unlimited liability and to help them come together, particularly the legal profession, to finance an arrangement by which they can compete with the overseas firms to give a multi-disciplinary type of service.

Sir, make no mistake about it, the Honourable Member, like myself, renders advice in this field and I can find nothing that tells me that the tax experts are any better than those of us who practise in that area, whether at the level of the legal profession, management or indeed, at the level of the accounting firms. We must get rid of the idea that because something is foreign that it is much better.

Sir, I think that the Government has to position itself by increasing the number of persons available to it in order to regulate the industry.

6.20 p.m.

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Hon. Sir HENRY FORDE: We must get rid of this idea that because something is foreign, that it is much better. Sir, I would think that the Government has to position itself by increasing the number of persons that are available to it in order to regulate the industry. There has to be some regulation in order to give policy direction - when I say regulate, I do not mean over regulate - and in order to deal with the attacks that we are getting. I think the Honourable Member agrees with this. The tax that we are getting from jurisdictions that resent the idea that these small territories and nations are competing with them in relation to attracting business in a difficult area of saving tax and managing money.

One of the things that has happened is that Barbados has come out under both Governments as a low tax but clean jurisdiction. There is no doubt about that. If you ask the OECD countries to point to the instances, in which Barbados has encouraged money laundering and harmful tax practices they can hardly give you two or three cases that have occurred within our jurisdiction.

Sir, that is because we have had to provide the supervision necessary to do it. We could not do it only through the Central Bank. In fact, even now we are lacking in our own resources to completely police and do the things that we want to do, not what the OECD wants us to do, because we do not want to get the reputation of being a money laundering centre. We want to get a reputation for being an efficient, international financial sector that can compete with London, Manhattan, Zurich and Hong Kong. That is the policy which both Parties have to follow, Sir.

Obviously, in developing that policy, we need the resources to do it. We cannot always rely on the private sector to do some of this, with respect and I really mean this. Although the private sector has an interest, this applies both to the lawyers and accountants in particular who are the managers of trust companies, they also have conflicting positions. Therefore, at times when people are putting forward tax experts to the Government, they are putting forward the case of particular clients and not necessarily their case that is conducive to the overall interest of the development of the offshore sector or, indeed, to the overall interest of the country as a whole.

I think that the Minister has to concede that we have to move beyond the mere fragmented manner in which this subject was dealt with before. It fell under various Ministries. It was fragmented, as the Honourable Member quite rightly said, under the Ministry of Finance, some of it done by the Central Bank and some of it done in corporate services. What I think the new policy has sought to do is to bring together the corporate services that deal with these subjects, as well as international business, and to have some general management.

I said, Sir, that I do not believe that we have developed enough human resources to deal with this subject and I feel that I am right on this, Sir, because we are being attacked from various angles. We are being attacked by the 30 richest countries in the world, the OECD countries.

Let me try to read out the names of what I call rogue nations because they are more rogue nations than we are. They are a hypocritical set of nations who believe that their sovereignty means more than ours. Listen to the countries that are attacking us; Australia, Austria, and if you talk about Austria, you have to talk about Germany. We must realise that those countries have not even completely gotten out of hating a different type or colour of people. Austria is still fighting, in its Opposition Party, a certain feeling about a people of a certain race. We are talking about that type of country. Belgium and Canada. Canada has recently joined the bandwagon in some respects although it tries to play 'softy-softy'. Czech Republic, Denmark, Finland, France, Germany, Hungary, Iceland and Ireland. I do not know what Ireland is doing in that group because they are a typical example of a tax haven jurisdiction. Italy, the home of outstanding gambling establishments. Japan, the rogue nation that goes through the world stealing everybody's fish. Korea, Luxemburg, Mexico, the Netherlands, New Zealand, Norway and Portugal.

All of these former colonial powers that robbed the whole Caribbean and Latin America of its gold and silver to build up Europe and elsewhere. These are the same rogue people that we are talking about. Spain, Sweden, Switzerland and Turkey. Do you remember the Roman Empire? Read your history. The United Kingdom and the United States of America. Those are the countries that we have to deal with and that we have to resist.

I am glad that there is a bi-partisan policy which the Honourable Member very eruditely enunciated, in his weekly column, on the issue of how we face these people. We are not going to face them only with the Minister and one Member. We have to have tax experts. If ever I have a criticism of the Government, it will be this. It is about time that we try to recruit out of the university some of the best people we can, and send them on special scholarships and training so that we have a whole body of human resources to understand the tax laws and trade laws of these foreign countries. We can then point out to them their anomalies and argue with them from conviction. Sir, not attacking them verbally, but because we understand their position.

Sir, let us be serious. The United States has all of the features of a tax haven in many respects. The United States, probably for the last 80 years, has attracted into the United States foreign money and deposits from all countries and they do not tax you on the interest. It is reckoned that one third of all deposits, for example, in Florida, in the United

States banks down to Latin America, is one of the biggest tax havens you have.

When you deal with their portfolio, bonds and what not, the interest which they pay you on this, if you are a foreigner, is not taxed. So why are they attacking us? It is because the small nations have been able to compete with them and all of a sudden they have changed their attitude, Sir. Formerly, you would understand, the British Common Law was such. In a famous British case, Government of India vs. Taylor, the British would not help a foreign country enforce its revenue laws. That is fundamentally part of the Common Law of Britain, in the conflict of laws.

I learnt that ever since 1959 when I was at the University of Cambridge, Sir. One thing that Professor Lipstene and Professor Parry would put in your head was that they would not help you to enforce your tax laws. Sir, now they are changing because we have competed successfully with Luxemburg, Belgium, Manhattan, Florida and with the city of London. I will say to the Honourable Member that this is a matter on which we should get the full support of the Opposition to build up the expertise, both in the private sector and the public sector, to help us answer these criticisms and to do more. To help us come to a competitive edge, the cutting thrust that we are ahead of them in the products which we develop.

Sometimes, I too would like to see us develop products more quickly but once again there are a limited number of us, even in the private sector, who are willing to give freely of our time. The Honourable Member should know that when you call a meeting of these people you cannot get them together. That is one of the reasons why we find delays, for instance, in the legislation and in the regulations dealing with mutual funds and the securities exchange. Those are the difficulties that we have. A lot of the private sector, including myself and others, give of our time freely but we cannot always rely on that.

Therefore, Government must have a core of people who understand how to develop the product mix; who understand the competitive provisions in other jurisdictions. Not merely to copy them, but to devise schemes and to move ahead, and this will cost money. That, in my view, is one of the explanations for the Government spending money on professional services.

I hope that it will not spend only on professional services overseas, because we do have within the Caribbean some, not all, of the expertise which we, therefore, need.

I want to say that we should be congratulating Barbados, and the Honourable Prime Minister in particular and other members of his team including the Honourable

Member for St. Thomas, who have been able to put up a strong case to resist the onslaught of the OECD on us, Sir.

6.30 p.m.

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Hon. Sir HENRY FORDE: I want to sound one warning to ourselves in this House, to the Government and to the Opposition. We have to take another look at the money-laundering legislation that they are foisting on us.

Recently I have been reading a lot of the text books that are coming out on money-laundering and I am doubtful that the United States of America, which has passed some pretty stringent money-laundering laws - never mind money-laundering still thrives there, the United Kingdom and even Canada intend that merely for criminal activities.

In fact, their own experts in the field of the off-shore industry have warned that money-laundering legislation is only intended to get behind us on what they call tax avoidance - not tax evasion, but people who are legitimately avoiding tax - and to attack those of us who are tax planners. And indeed, when the Canadians passed their Bill some time in the 1990s, their Bar Association objected to the Bill on the grounds that it was unconstitutional, and also on the cost benefits that you would get from that type of legislation. And they were able to assemble the information to show what a dastardly failure the United States' legislation on money-laundering had proven to be. That is a fact.

So that the Canadians, themselves, you will see are doubtful as to whether they needed legislation of such stringency because it really was attacking the whole aspect of the privacy of the individual. The Bill has gone through, but I hope the Attorney-General would keep it under consideration. We would not want criminals in Barbados and we do not want money-laundering connected with criminal activity. We must be careful in the process, if we follow the OECD and those countries, that we are not at the same time breaking the law of privacy confidentiality and privilege that allows people to carry on their business legitimately and properly, which is part of our Constitution.

MR. CHAIRMAN: Honourable Member, I am sorry to break your concentration and your flow, but you have one minute to conclude.

Hon. Sir HENRY FORDE: I will wind up in that minute, Sir, because I am going to come back and speak on some other aspects of those matters.

I would hope that we can get a bi-partisan approach. This is an area in which we need to continue a bi-partisan

approach and I believe that the Government should have no secrets on this. I honestly feel that it is an area in which the Ministry must, when it goes to Conferences, take the Opposition as part of the Conference, particularly against the OECD, to show them that we are united. Make the information available to the Opposition and to Members of Parliament so that we can lend our voices on it. This is not an area to hide. If you have a draft Bill, send it to the Opposition and to the Private Sector - I do not understand why we would want any secrecy in Government in areas such as this - so that we can develop a policy that is acceptable to our country and one that preserves our competitive edge in the field of international business because, make no mistake about it, Sir, and I am going to end on this note that I keep sounding in this country. Globalization as conceived by the rich countries of the world is not really to get completely liberalized and free trade. It is to turn us again into the hewers of wood, and that is about it. That is what they want.

It is a different form of resenting the fact that these small countries and new nations who have broken away from colonialism can stand on their feet and compete in manufacturing and other fields. And I really dread every time that I see the manufacturing industry taking the blows that it has to take because of WTO. I dread when I see my colleagues in St. Lucia, Grenada and St. Vincent having to go and plant marijuana because they cannot get their bananas sold. And I note with interest that the Canadian Government has given money for the development of the hemp trade, saying that they are doing experiments on it; and the biggest centre for growing marijuana is now California. If you have been following the George W. Bush Administration you would have heard them discussing whether the time has not come for them to change their drug policy to legalize marijuana, et cetera, so that they can get ahead with their business and leave us down here stranded, merely being servants for ourselves.

MR. CHAIRMAN: The Honourable Member for St. Thomas.

Hon. D. A. C. SIMMONS: Mr. Chairman, I would like to congratulate the Honourable Member for Christ Church West for his contributions. I was not sure on Monday that I would have been able to participate in this Debate this week, which would have been a tragic, personal experience because it would have been the first time in twenty-five years in Parliament that I would not have been able to participate in an Estimates debate.

My voice is improving and the contractions from the kidney stones on the left are receding. I must say that I feel in a lot better shape today than I did on Monday.

I would like to follow on from where the Honourable Member for Christ Church West finished. Yesterday I said

to the Leader of the Opposition that the article he wrote in the Nation publication was one of great maturity - and I put that on record. There are certain things that go beyond partisan politics. The off-shore financial sector, an international business, is now a very significant contributor to Barbados' economy and the quality of life which we all desire to have in this country. When there is a threat aimed at destroying that sector, it is an attempt to destroy the quality of life that we have become accustomed to and to interfere with our legitimate expectations of the future.

Secondly, we have to be united - that is what brings us together because the previous Government saw the necessity to maintain and try to develop that sector - but the Honourable Member made a point which I think is being lost in the Debate, not in here but outside, and which I had to emphasise in Parliament two days ago. The Prime Minister spoke to the country about what I had to say and I repeated it and told the OECD about their behaviour which is very much like the behaviour of neo-economic interference, and we have passed that stage.

From the time the United Nations, in 1948, made it clear that countries had the rights of determination and the Movement for independence started in India and Africa, and then in the Caribbean in the early 1960s, we were then prepared to stand up to the worst and, even though we are small, we can still have principles and were given an equal voice in the United Nations.

Gradually, we have put the Colonial experience behind us and we are not now, after so many years of running our own affairs... Look where Barbados has come from since 1966! That is why I am putting on the Caribbean Broadcasting Corporation (CBC), from next month, that series of programmes from the 1950s and 1960s so that people can see what Barbados was like when I was growing up and where we are now. We are not prepared, ever, to go back to those days and I had that made very clear to the OECD. So they are in for a fight, not only on facts, not only on law, but also on emotion. Get it clear. I have a special interest in this...

Aside.

Hon. D. A. C. SIMMONS: The first Barbadian who drew this issue to the world's attention was I. June 9, 1998, at the United Nations Special Session on Drugs. My speech

was shown on television at the time and Barbados benefited just the same...

Aside.

Hon. D. A. C. SIMMONS: Sir, in this publication of GIS which Honourable Members have, the second edition of "Going Public", what I said is quoted on page 27:

“It seems that the developed world has considered penalizing those of our countries which have diversified our economies to promote off-shore financial services as legitimate international businesses. Countries of the Caribbean, which promote such business, all appreciate and understand that our jurisdiction must gain and maintain reputations as centres of keen business. The opening of markets and the liberalization of trade will bring you challenges. The appropriate response is not to seek to outlaw off-shore financial business but rather to strengthen its regulations, for all of us to be committed when it is strong, to waging war against narco-trafficking and money laundering. But our financial and technical resources are weak. The more affluent countries of the North, especially those whose major cities are, in fact, centres for large scale money laundering, can usefully support the efforts of developing countries by the provision of financial, technical and technological assistance and the provision of increase opportunity for training”.

6.40 p.m.

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Hon. D. A. C. SIMMONS: I had a tip off in April from friends in London that, at the level of the IMF and the UN, efforts were being made to clamp down on offshore jurisdictions. I told the Cabinet I was going to raise this matter in the speech and they told me to go ahead.

The day after I had spoken, they produced a study on bank secrecy and tax havens. The study was done by a number of academics and formed the basis of discussion on the second day in some of the breakout sessions.

People forget that in February 1998, about four months before I spoke, Michel Camdessus, who was the then the Managing Director of the IMF, at the Financial Action Task Force (FATF) meeting in Paris said that the question was whether the rest of the world could any longer tolerate - hear me - tolerate offshore jurisdictions. I am happy to say that the IMF, now no longer under Michel Camdessus, has changed its approach and both the IMF and the World Bank have expressed the desire to work with us in the fight against the OECD, to such an extent that the OECD refused to allow the IMF and the World Bank to come to the for the Paris meeting. But that will be dealt with otherwise.

Sir, part of the reason for the behaviour of the OECD is the simple emotion of envy. It does not sit well with them that people from their jurisdictions can be seeking to move funds out of those jurisdictions which they would like to retain for their own development. They moved funds from their jurisdictions into a jurisdiction such as ours. Sir, nobody has spoken about race elements yet but I am going to say it because I am not afraid.

There is racism in this too. It is very, very incongruous that many, not all, of the countries which have been blacklisted, happen to be poor, developing and black. Many of those who are putting the pressure on us happen to be developed, rich and white. Let that issue now be ventilated.

The OECD and the FATF are two sides of the same coin. The FATF's premises are near to the OECD's premises in Paris. The makeup of the two is similar...

Aside.

Hon. D. A. C. SIMMONS: ...Last June, I believe it was, or July the FATF published 25 criteria to which they said countries should aspire and should, in fact, attain, otherwise they would be blacklisted and held out as being uncooperative jurisdictions and jurisdictions which would have been characterised as promoting money laundering.

You had the 25 criteria. There was a long list of countries, including Israel, Russia, Barbados and others, and against each criterion, you had an 'x' if you were compliant with that particular criterion. In respect of Barbados, I think there were five blanks and this is subject to correction. They were alleging that we did not comply with five of the criteria. They published this and they tried to smear us, internationally.

An old lawyer like me will have learnt some old tricks and manoeuvres too. From the time I saw it, I checked and I found that in three of the cases they had erroneously and incorrectly - or as I put it in my correspondence to them - made complete untruths about Barbados. I did not use the word 'lie'. I took an affront that I am not going to let this take root so I asked the Prime Minister one Thursday at Cabinet, if he would give me the Friday off from attendance at PPC so that I could go through those criteria and prepare the response. He said to let it go. I did it the same day and faxed them in the afternoon and I was able to point out that where they were saying that we were deficient in three of the criteria was, in fact, a total untruth.

For example, they were saying that we did not have All Crimes Money Laundering legislation. This is not true and if you read section 3, of the Act you will see. It is clear and it applies to all. It is a serious crime.

I have the letter and I can make it a document of the House. Tomorrow, I will get it from the office. Sir, we have to be careful when large, powerful countries will take the step of smearing, when in fact the basis of that smear has no legality or factual accuracy.

We will probably be able to speak tomorrow about the specific problems with the OECD. I am glad that the

Honourable Member for Christ Church West mentioned that we need to embrace the Opposition on this. I shared some of the documentation from the Paris meeting with the Leader of the Opposition last week.

Sir, the Honourable Member also warned that we should not be too hasty in developing legislation that was fashioned after the models of the OECD. I agree but he can check the Money Laundering and Controls Act, 1998 and I will give you the history of that.

6.50 p.m.

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Hon. D. A. C. SIMMONS: The history of that came out of the Commonwealth Heads of Government Meeting in Harare. It was a model that was developed by the Commonwealth Secretariat which was approved by Commonwealth Law Ministers at our meeting at Malaysia in April 1996 and was commended for enactment subject to adaptation in Commonwealth States, and we adapted ours.

Money laundering is a developing area of international criminality. I am not going to pretend that the legislation is absolutely perfect. Experiences, typologies and so on can create or indicate loopholes and legislation has to be dynamic and hence be amended from time to time to deal with those matters.

The Anti-Money Laundering Authority which we established on September 1, 2000 has, in fact, been looking at the legislation. I confidently expect, from my reading of the Minutes, that within the next month I should have before me a set of recommendations for amendments to the Act. They have picked up one or two anomalies and so on and I will be delighted to bring the amendments to tighten the Act even further.

Mr. CHAIRMAN: Honourable Member, you may have to use a second 15 minutes not this 15 minutes here now. Dinner is at 7 o'clock and I believe all...

Hon. D. A. C. SIMMONS: But you never gave me a warning, Sir.

Mr. CHAIRMAN: No, I never gave you a warning. You were going so smoothly that I thought that I should just listen attentively and carefully.

Hon. D. A. C. SIMMONS: Can I have one minute more, Sir?

Mr. CHAIRMAN: Yes, I can give you that one minute.

Hon. D. A. C. SIMMONS: Thank you, Sir, and then I will stay on my feet and suspend for dinner.

I wish to say that from 1979 it has been a cardinal principle of all the Governments that the offshore sector should be closely regulated. I went to a meeting in Vanuatu in 1985 and heard that Barbados would never go anywhere in the offshore business because we were too tight a jurisdiction. I had to disabuse the minds of those other members of the Commonwealth who were saying that by saying to them that we have never been in any monkey business or shady business and we intend to keep it so. There will be fly-by-night regimes which will come up but as soon as it is realized by the international community that they are dirty they will collapse and it will happen right in the region just north of us within months of my saying that.

We are not going to make any apology to anybody, particularly to potential investors with hot money, for the stringency and the quality of our regulation. Let me make that clear. I said in the speech that we intend to maintain a reputation for cleanliness in financial matters. In fact, reputation really is all one has in this business or in anything else.

Sir, later on, or tomorrow, I will address the question of limited liability partnership, multi-disciplinary practices involving lawyers and other disciplines and perhaps deal with the suite of intellectual property legislation that will be coming this year, particularly by way of an amendment to existing legislation, to ensure that Barbados remains compliant with its TRIPS obligations.

On that note, Sir, at exactly at 7 o'clock, I am moving that you report progress and ask for leave to sit again.

On the motion of Hon. D. A. C. SIMMONS, seconded by Hon. G. A. CLARKE, Mr. CHAIRMAN reported progress to His Honour the DEPUTY SPEAKER and asked for leave to sit again and Mr. Deputy Speaker resumed the Chair and reported accordingly.

SUSPENSION OF SITTING

Hon. D. A. C. SIMMONS: Mr. Speaker, I beg, I move that this Sitting be suspending until 7.45 p.m.

Hon. G. A. CLARKE: I beg to second that.

The question that the Sitting do now suspend until 7.45 p.m. was put and resolved in the affirmative without division and Mr. DEPUTY SPEAKER suspended the Sitting accordingly.

7.00 p.m.

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RESUMPTION

Mr. DEPUTY SPEAKER: This Sitting is resumed. When the suspension was taken, the House was in Committee of Supply. To that, it will now revert.

Mr. DEPUTY SPEAKER left the Chair and Mr. CHAIRMAN resumed the Chair.

COMMITTEE OF SUPPLY (Resumed)

Mr. CHAIRMAN: This Honourable House is now in Committee of Supply.

Hon. R. R. FARLEY: Mr. Chairman, I rise at this point in the debate to respond to some issues raised by the Leader of the Opposition and to provide, for his benefit, some answers to the questions which his heart so fervently seeks.

The Honourable Member proceeded on the basis of incorrect information and an incorrect assessment. First of all, he read the Estimates, as he rightly should and I am pleased to see that he took the trouble to do so this time, and he raised a question. Implied in the question was a suggestion that the Ministry is incurring expenditure because of lush and lavish living and that the line item about rental of property, 608: expenditure item of \$203 000 does not relate to the premises in which the Ministry of Industry and International Business operates. We, like the other Government departments, have our premises provided by the Ministry of Housing which acts as the superior landlord on behalf of the Government.

The figure under that particular capital head relates to the provision of what is known as a managed service contract for the supply of a computerised solution through a project which is called an Enabling Environment for Private Sector Investment (EEPSI) Project.

That project, Sir, involves the linkage by computers and the internet of some 15 or so Ministries and Departments which have an impact on private sector investment. In the project to which that \$203 000 relate, there is a means of procuring computerised solutions which is used in private sector and Government and where there are large installations. One can either buy computers and, of course, run the risk of buying obsolescence where, if you have computers and the technology changes and your needs change, you are stuck with what you have bought. On the other hand, you could buy the services so that a company comes in and provides the computers, the software, the technical support and the telecommunications infrastructure, and as part of your contract they are required to maintain a solution that is constantly on the cutting edge.

When the technology changes, you automatically get an upgrade to allow you to provide a solution.

Sir, that project involves a number of Ministries and includes, for example, the Town Planning Department, the Customs Department, the Attorney General's Office, the Ministry of Commerce, the Ministry of Industry and International Business, the Ministry of Finance and several other departments, the Corporate Registry and I can go on and on. That, Sir, relates to the rental of property.

Part of the mandate of the Ministry is the facilitation of investment, not just as promotion. Part of what is required in encouraging investment in Barbados is to ensure that there is a fairly smooth transition from initial interest to tying and closing the deal. That, Sir, relates to that particular expenditure item.

The larger question, and the most grave accusation, was one in which the Government was accused of injecting what the Honourable Member considered to be massive sums into this Ministry without being able to see the results. I shall share with the Honourable Member what the results have been.

In 1994, the year in which the Honourable Member chooses to glory - he seems somewhat stuck in that particular year. I believe it was his moment in time. In 1994, when he would have departed the Ministry of Finance, there were only some 3005 international business entities of any kind established in Barbados. If one wants to speak about rates of growth and how quickly things happened, consider, Sir, that the Barbados Labour Party would have started the very focussed push towards the offshore sector in 1979.

The Democratic Labour Party would have continued in 1986 so that from 1986 to 1994 they only would have been able, along with what we had to live with, to come up with a grand total of 3 005. In six years, Sir, 1994 to 2000, the total amount was more than doubled. We were able to add more than was originally there. The figure, Sir, is now 7 467 international business entities registered in Barbados. IBCs, foreign sales corporations, exempt insurance companies, offshore banks, societies with restricted liabilities - 3005 versus 7 467.

The Honourable Member, the Leader of the Opposition, suggested that there had been less than spectacular performance in the year 2000 and he claimed not to have had these figures although I had already given them. In the year 2000, 456 international business companies were registered, the highest amount ever in a single year since we had an international business sector. With foreign sales corporations, as expected, the numbers declined because of the EU/US dispute in which the WTO ruled against the United States on foreign sales

corporations. It was not a Barbados entity. It is a United States entity for which we provide registration but still we were able to register 118 new foreign sales corporations and this in a framework in which many persons felt that that particular sector would have been totally wiped out by that ruling.

We were able to add some nine exempt insurance companies, one exempt insurance management company, 47 societies with restricted liability and seven offshore banks. That has been the performance of the sector in the year 2000. A particularly outstanding performance in international business companies and societies with restricted liability. That is what the expenditure under this Head goes towards.

Sir, the Honourable Member, stuck in pre-1994 times as he is, attempted to compare the duties, responsibilities and the challenges which the sector faces now with what they were then. There was no OECD challenge. There was no Financial Action Task Force drive. There were not even as many competitors in the market; there was no WTO. What we face now, Sir, and where we have had to commit resources is in the fight for our right to earn a living through this sector. We have invested sums in order to ensure that we are aware and that we take the right course of action. It is that kind of visionary approach which has characterised this administration's approach to the offshore sector.

The Honourable Member also sought to suggest that there was some confusion over our policy on the sector. From 1979, the Barbados Labour Party had always been clear that, in seeking to build this international business sector, we would pursue quality above quantity.

7.55 p.m.

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Hon. R. R. FARLEY: Sir, we did not set about to play a mere numbers game in terms of attracting any and all sorts to Barbados. In fact, it was the Democratic Labour Party of the day that said that we were going to bring in gangsters and all kind of shady people and that they did not want the offshore sector. I am glad to see the maturity which has allowed us now to adopt a bipartisan approach to this national sector.

Sir, the reality is that we had the strategy that proper supervision and having regulation of this international business and financial services sector was the best way for sustainable growth. Sir, it was also the best way to make sure that the benefits of this sector were more widely spread in the economy.

Those countries that have thousands upon thousands of brass plate companies only benefit by way of annual registration. The companies in Barbados, because they are largely companies of substance, employ staff, buy legal services, buy accounting services, rent properties, have annual general meetings here and their friends and families come to visit them. Therefore, the benefits of Barbados' international business company presence are better than in many other locations.

Sir, this is why this administration has taken with great seriousness the threats which have been raised by the OECD and related companies. The simple, very plain and naked intentions of the OECD countries are to keep the business for themselves. Their 1998 report indicates that international mobile services are the fastest growing in the world. They have indicated that their interest in that particular report at that time was only limited to financial services, which is a very clear indication that they have their eyes firmly fixed on those aspects of what we call the new economy.

If you follow all the other things that the OECD is doing, their decisions and ruling concerning electronic commerce, the question of taxing e-commerce and the like, you will see that they recognise that the changes in information and communication technology have allowed businesses to find the best possible location for the activity, that one could as easily be on Accra Beach and trading on the stock market as the person who is on Wall Street. There are attempts to either keep their business within their borders or, if it is not within their borders, enlist foreign tax jurisdictions to help them collect their taxes.

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

Hon. R. R. FARLEY: Sir, Barbados was one of the first countries to raise this as an international concern. The Attorney-General, the Prime Minister and I have been making calls internationally, which I am pleased to say have received attention and a momentum is building.

I want to share with this Honourable Chamber, in the two minutes that I have left, the indication from the United States Senate that their lawmakers are now realising the implications of OECD actions not only for us, but for them. For example, Sir, Senator Jesse Helms writes on February 14, 2001 to the Honourable Paul O'Neill, United States Secretary of the Treasury.

Sir, I will make this letter a document of the House:

"Dear Mr. Secretary:

Inasmuch as the State Department authorisation legislation includes appropriations to the Organization for

Economic Cooperation and Development (OECD) the Senate Foreign Relations Committee therefore has an interest in what the OECD accomplishes and in the efficient functioning of this international organization. However, I have great concern that the OECD may be seeking to undermine the ability of nations to adopt market-based tax regimes. With the encouragement of your predecessor, Secretary Summers, the OECD has been pursuing a project to fight allegedly 'harmful tax competition'. This project produced, for example, the perverse January 26, 2000, report 'Toward World Tax Cooperation' strongly critical of so-called 'tax havens.' But, Mr. Secretary, I find troubling that the OECD threatens many low-tax countries simply because they are luring investment away for high-tax nations. I believe this to be economically unwise and morally questionable. I am especially troubled by the foreign policy implications of the OECD's campaign (e.g. that the U.S. has supported an international effort to stigmatize low taxes). I am confident that you share my view that nations should have the right to choose the tax and the privacy laws that are most likely to promote economic development. If high-tax countries are worried that they are losing their tax base, the proper response is their lowering their tax burdens rather than trying to force low-tax nations to raise tax rates or to serve as vessel tax collectors. Most importantly, lower tax rates and pro-growth tax reforms are key determinants of a developing economy's performance. A modest tax burden obviously rewards entrepreneurial initiative and attracts investment, leading to rising income levels and broadly-shared prosperity. Such economic policies lead to growth in developing nations (and they can become less reliant on foreign aid). I hope you will address this misguided OECD policy, perhaps including it at upcoming international meetings. In any event, America should not be bound by misguided decisions of the previous administration to all such wrong-headed OECD initiatives to continue.

Kindest regards.

Sincerely,

JESSE HELMS"

There is also a strong letter by Judd Gregg who is also a United States Senator. I will make both letters documents of the House.

Mr. D. St.E. KELLMAN: Mr. Chairman, I rise to speak on Head 21 and to say that small developing countries must acknowledge that they have a place in the world to operate. I have on many occasions in this Parliament outlined that we, as a Parliament, cannot continue to accept laws that are passed by the G7 countries, bring them to our Parliament and accept them lock stock and barrel.

I have been pleading with this Parliament to recognise that we, as small independent countries, must be able to pass laws that suit our people. I am happy to recognise that if there is one good coming out of the OECD debate, it is that the small developing countries have suddenly recognised that they cannot any longer accept laws passed by the larger countries because those laws are normally passed in their interest.

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Mr. D. St. E. KELLMAN: In the Conference in The Bahamas, and prior to that in this Parliament, I took the opportunity, when we were raising the US\$100 million loan, to advise the Government of Barbados to be very careful from whom they take advice. I said at that time, Sir, that we have to recognise that as long as our economy is developing there are going to be countries and organisations who are going to lend us money. Also that we are going to be judged by the amount of money being borrowed and must be prepared to recognise that we will also find ourselves caught in certain traps.

Sir, I said that we should be very careful to make sure that any future borrowings should be in currencies that are high, and that we should not go on any capital market to borrow fluctuating currencies when they are low. I also went on to say that we have to recognise that international politics dictate that those who have a lot will continue to keep it and they would do everything in their power to make sure that small developing nations do not share in what they have.

Sir, I warned the Government that we have to take a tough stance against the OECD. It was regrettable, Sir, that the Government at the time did not accept that advice. Instead of taking the advice, there was a broadside on me and I was accused of bad talking international organisations.

Asides.

Mr. D. St. E. KELLMAN: Sir, I would not lie to this Parliament. Also, Sir, I was advised that I should stop bad talking international organisations because I am always bad talking the Caribbean Development Bank (CDB), the Inter-American Development Bank (IDB) and the World Bank.

Mr. Chairman, I do not have too much respect for those organisations. I am in Hansard as saying that, because of those Japanese loans previously borrowed and the advice given by the World Bank, small developing nations must understand that, when they have substantial reserves, they have to be very careful from whom they borrow because one day you can have substantial reserves

but people can put bad loans on you to destroy your reserves and to have you coming begging for pittances.

Asides.

Mr. D. St. E. KELLMAN: The Chairman fully understands what is going on, so, do not try to trick the Chairman. This is all about international business and the Chairman is very au fait with these matters. Do not judge the intelligence of the Chairman because he is fully aware of this, having traded on the US Stock Exchange and the London Stock Exchange.

Mr. Chairman, we as a people must understand that as long as we appear to be having the upper hand in the offshore banking field...

Asides.

Mr. D. St. E. KELLMAN: As long as we appear to have an advantage, you are going to have a situation in the international world where people are going to do everything in their power to make sure that they continue to dictate to the rest of world. If anyone doubts what I am saying, all they have to do is to get a copy of the United Nations Human Development Report of 1999. It is clearly stated there that the developed countries have always taken 71 per cent of the trade.

Asides.

Mr. D. St. E. KELLMAN: Mr. Chairman, we are faced with a situation where, everything that we do, we have to recognise that we are now part of the world and that we are being monitored. Wherever we appear to have the advantage, those international organisations are going to operate in the interest of their shareholders.

Sir, we have to recognise that once we can offer better tax rates that lure capital that previously would have been held in New York and other places in the world, those people will make sure - because they cannot operate at the same efficiencies that we are operating at - they will use organisations like the OECD to ensure that they unfair small developing countries like Barbados to get back that share of the market that we have taken from them. Sir, it is a situation like David and Goliath. They see us like the David and they see themselves as the Goliath. Who are these small developing countries to fly in the face of the G7 and the other countries?

Sir, I personally believe that even though we are now looking at this particular issue as a Caribbean issue, this issue should now be taken from a Caribbean issue to a G77 issue. I have always argued that a place like Barbados has to be very careful and understand the problem the OPEC countries are also suffering. Sometimes when we hear

about high oil prices, we criticise. But we do not recognise that the same policy that OPEC uses on the Caribbean countries and the G77 countries, sometimes that same policy is used on the OPEC countries where these developed countries feel that, because of their power, they can influence small countries to give them the prices that they want.

Sir, I would say that it is better for the Caribbean countries not to look at it as a Caribbean problem but as a G77 grouping problem where we come together and understand the problems that we are having, and broaden the base and get more countries in support to help fight the G7 and all other countries involved in the OECD.

Mr. Chairman, I do not have any problem in supporting the Government on this issue. I think that it is an error to say that I am supporting the Government. What I should really say is that I am glad to see that the Government has finally accepted the advice from the Democratic Labour Party and that they have taken a tough stance on this particular matter.

Asides.

Mr. D. St. E. KELLMAN: Sir, we have to recognise that since 1994, I have been asking this Parliament to make some bold changes in relation to the local Companies Act. Every time that I have made that request, I have been told by this Parliament that we cannot do it because other countries have not done it. I am saying that if we want to develop our capital market, there is at least one significant change that has to be made in our Companies Act. I will continue to repeat this point as long as I am in here, Sir. Sir, you cannot ask me to buy shares and then a Board of Directors can still sit down, even though a company is making profits, and dictate when to issue dividends.

Asides.

Mr. D. St. E. KELLMAN: I am aware that companies can issue shares to improve their cash flow and as soon as they have the cash flow and have developed the company the way that they want, they then use the Companies Act to abuse the shareholders. This is why I will continue to ask the Honourable Attorney General to speak to the accountants and ask them what effect this can have on developing our capital market,

Sir, I am clear in my mind now, that the Government fully understands what I am talking about. If one looks at the share issue from the Barbados National Bank (BNB), one would see that is the closest that any company in Barbados went to giving shareholders a guarantee on dividends.

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Mr. D. St.E. KELLMAN: If you were to look at their Prospectus, you would see that the BNB said that they may guarantee their shareholders 50 per cent of profits.

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

Mr. D. St.E. KELLMAN: So I am saying, Mr. Deputy Speaker, that if we want to encourage people to get involved in our capital markets in Barbados and to buy shares, we must realize that the company, as at it stands, does not encourage people to buy shares. If we had made that amendment, I can say the Insurance Corporation of Barbados (ICB) and the BNB shares would have been fully taken. That is why I hope that I do not have to come back five years from now and repeat this, this is good advice...

Aside.

Mr. D. St. E. KELLMAN: No, not from that position, but from the whole of Barbados. And if you do not change it, Sir...

Aside.

Mr. D. St. E. KELLMAN: It is all right. You can laugh at it. Sir, but nobody with \$10 000 to spend will buy shares when they know that at least if they leave it in the bank, they will get five per cent interest on their money, whereas if you buy \$10 000 in shares they cannot guarantee anyone that they will get any dividends, because it is all at the discretion of the directors, even though the company is making a profit. I will be back.

MR. DEPUTY SPEAKER: Thank you. The Honourable Member for St. Michael North East.

Hon. Miss M. A. MOTTLEY: Sir, I rise to this debate to support the programme of the Honourable Minister who has led the debate on this head.

In spite of the allegations made by the Leader of the Opposition, I think that it is clear for all to see that the work by the BLP, and in particular the Honourable Member for Christ Church East, has resulted in the more than doubling of the number of registrations in international business entities over the course of the last six years. And we have to put that in context, Mr. Deputy Speaker.

This is six years that we have had a whole range of challenges. Not only challenges relating to the OECD, but this Parliament may not remember that sometime before January 1999 we had to come before Parliament and change the Insurance Act, as well as other elements of our

legislation, because of difficulties arising out of our relationship with Canada and their Ministry of Finance, largely because of the large volume of business between Canadian investors and Barbados. In spite of those challenges we were able to meet them and were still able to see the kind of growth that we are seeing, resulting in more than 100 per cent increase since 1994. So that in six years we have more than doubled that investment. When the DLP came in, it took more than 15 years for them to reach 3 000 registrations, but in six years this Government has secured over 4 000.

Now, in those circumstances, one has to say that the only reason the Leader of the Opposition spent so much time going through how much money was being spent on the rental of properties was that he had no fundamental difficulty with the policy being pursued by this Administration, or indeed with the results of the policies being pursued in respect of the growth of this sector.

Now, there is absolutely no one, in any part of the globe, who can doubt the commitment of this Administration to protect this sector, led as it is by the Prime Minister in his fight against the challenges of the OECD countries and ably assisted, as the Honourable Minister of Industry and International Business said, by the Attorney-General and Minister of Home Affairs himself.

In those circumstances you would have to recognize that, even though tourism is our primary foreign exchange earner, we recognize that we must fight as if this is the last battle. If we fail in this battle, you can rest assured... as already the signs have been showing that those persons will be coming after tourism because they believe that the concessions which we are offering in tourism create an 'unlevel' and unfair economic advantage for us.

And Sir, this is in the context of countries who know what it is. They are the ones who create developmental programmes that were based on fiscal incentives. If you go within the United States of America you will hear people talking about Delaware all the time. You can see them on television now that there is cable. States are now advertising the kinds of fiscal incentives that they have over other States and simply because these countries have become successful in the level of business that they are attracting, they decide that they want to restrict - not all financial services, not a large range of financial services but - one small category called 'geographically mobile financial services'.

The Prime Minister in his second reading speech made the point that since 1923 the Americans have been giving tax exemptions on interest for saving accounts and, in spite of that fact, they feel that we are offering unfair advantage. But had they included interest on savings and bonds as part of the purview of the OECD? No, they had

not and therefore one can only draw a logical conclusion that it is the intention that the twelve or so countries - all of whom are small, the majority of whom are former colonies - that there is a deliberate attempt to undermine the development of these countries. But I have confidence that the rule of law is on our side. The Attorney-General has already spoken on this matter and indeed he has done critical work to date, of which other persons may not be aware, in clearly outlining where our legal rights fall in this matter. I can only say, at this stage, that whether or not it is through an international court of justice or through the WTO disputes settlement mechanism, I have every confidence that we are not only on the right side morally, but we are also on the right side of the law.

Mr. Deputy Speaker, I want to speak to our general investment development and I believe that we, as a country, have to recognize that manufacturing is a critical component of this Government's development programme.

Before we came into the Government in 1994, the DLP had commissioned a study by Maxwell Stamp that had more or less written off the manufacturing sector in Barbados. I actually blame the DLP for a large part of the decline in manufacturing in this country. Not only would they not give the manufacturers the concessions that they were properly asking for at the time, and which we gave within three months of coming into Government. That study - if my memory serves me correctly because it has been a long time now - put at its centre an objective of earning foreign exchange alone. That was at the time when the Leader of the Opposition was pursuing a development policy called 'jobless growth' - and I am glad that he is coming back into Chamber, Sir. That policy of 'jobless growth' is what led to unemployment being at 23 per cent when we took over.

Now, this Government has always been clear, from the time it was an Opposition, that manufacturing serves a dual objective, and must continue to serve a dual objective, in Barbados. Not only must we seek to earn foreign exchange, we must recognize that within the context of the economic structure of Barbados there were no entities that could provide the level of jobs in other sectors and that, if for no other reason, we also had to recognize that manufacturing must be a major provider of jobs in this country.

Now, Sir, in those circumstances, it becomes absolutely necessary for there to be a national effort to recommit to the fight to save manufacturing. The Government has pledged to put all that it can put in place in terms of legislative, fiscal and technical support to the manufacturing sector.

Sir, as we all know, there also has to be a commitment on the part of the manufacturers themselves,

as well as the consumers in this country. And what do I mean by that, Sir? I feel that it is nothing short of a national disgrace that we, as a country, produce no more than \$6 000 000 in clothing but import more than \$44 000 000 in clothing with the majority coming from the United States and Trinidad.

I feel that it is a national disgrace; that in this country which has had such a strong legacy in furniture manufacturing, so much so that some of the classic antiques have been faded out of this country over the last few decades, we have a situation where last year we were producing no more than \$14.9 million in furniture and were importing \$49.2 million in furniture.

Now, Sir, something has to be fundamentally wrong and we have to stop and ask ourselves, at what point do we build a national commitment to protect the jobs as well as the quality of life of the people of Barbados?

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Hon. Miss M. A. MOTTLEY: Sir, because, yes, I can go and buy a shirt for \$5.00 cheaper but do I want to do that and continue to put money in another man's hands outside of Barbados? Or do I pay the extra \$3.00, or \$4.00 sometimes, or sometimes the same price and ensure that my sister, my brother, my neighbour, whoever, has a job when the day comes in this country.

I believe, Sir, just as we talked about in agriculture, we must develop strong, inter- sectorial linkages, not just between Ministries now, but at the national level and that there must be...

Aside.

Hon. Miss M. A. MOTTLEY: ...yes, we have had things in the past about 'Buy Bajan', and whatever, but we are at the brink. We can no longer use the mechanisms that we used to use to protect our industry. The one mechanism that we have that neither the World Trade Organisation or any other country in the world can stop us from using is the will of the Barbadian people.

I want to suggest, Mr. Deputy Speaker, that in the same way the will of the Barbadian people could be used to galvanise us against a devaluation, that there must be a national effort for the will of the Barbadian people to protect jobs in this country in the manufacturing sector. And the circumstances outlined by the Honourable Minister, where two companies previously produced and worked with one another, one buying tins from the other, and that company now, all of a sudden, is buying tins from a second country. Those things are a national disgrace.

While the law allows us to do certain things, licence to do it is sometimes not enough and we must go to another level and start to examine whether this, in the long run, will protect the quality of life, or the investment in my company.

Because, at the end of the day, if there is a major downturn in the economy or there is massive unemployment everybody then stands to suffer by reason of the reduction in purchasing power.

I therefore support very strongly, the \$5 million that the Ministry now has to spend in a targeted way, through the BIDC, with those manufacturing entities to make them more competitive. But I am saying that part and parcel of what the BIDC must do must be to work with other interested agencies in having a national effort that bombards the psyche of Barbadians, reminding them of the inextricable link between their buying local and their capacity to maintain their standard of living and their quality of life.

Sir, I want to say that we, as a nation, also have to recognise that there are certain types of manufacturing that will always be difficult for us, ever, to return to. The garment manufacturing that, for so many women in the 1960s, 1970s and 1980s, was able to provide a viable living is not really an option at that level. We have therefore to look at those elements that allow us to add value - and real value - to what people want, recognising that our basic cost, whether in terms of the exchange rate, whether in terms of the labour cost, whether in terms of the energy cost, requires us to compete at a higher level and to concentrate on quality and service.

In those circumstances, the future of manufacturing is inextricably linked to two things: the quality of the education sector, and the attitude of the average Barbadian.

We have, Sir, to recognise that the word, Barbados, must be branded to associate itself with excellence in manufacturing, excellence in service and excellence in what we stand for. That can only happen if the constituent elements of those who make up the manufacturing sector, or those who make up the tourism sector, or those who stand to represent Barbados in any format, recognise the duty placed on their shoulders.

Sir, we have been fortunate to inherit the legacy of excellence in terms of a reputation for the production of rum, for the production of sugar, hitherto for the playing of cricket, for the provision of education, for the provision of Parliamentary stability and good democracy and upmarket tourism.

We have to find a way of building on the platform of those things which previous generations, by dint of their

efforts and their investments, have left for us to ensure that those who come after us have a platform from which they can continue. Part and parcel of that is therefore a new attitude and a new ethos. There is absolutely no way, Sir, that we can adequately survive in this world without having a global focus.

The Prime Minister, in his second reading speech, spoke of it in terms of the fact that we can have no learning curve and that we have to hit the ground running. But part of the reason that we have no learning curve, Sir, comes from the fact that over the course of the last decade, and I made this point in fairness to the Opposition and in fairness to the Government, both sides have been speaking to the manufacturing sector in this country and saying to them that you have to change your focus, you have to change your perspective, you have to change your ethos, and they have been slow to respond.

Those women who traditionally would have been able to leave school without certification and go into the garment sector do not have that option today. Therefore, there has to be a recognition that you have to prepare yourself properly in terms of education.

Sir, we also have to deal with the issue of attitudes

and we have to deal with it at two levels.

Believe that we can produce and do anything that we set our sights on and, in that, recognise that there must be that global focus. We have to remove the negative elements that lead us to being the country in the Caribbean with the highest incidence of sick rates, or that lead us to believe that we do not have to give an honest day's work for an honest day's pay. Those things undermine the competitiveness of our companies and then we wonder why we cannot succeed.

We have also to recognise, Sir, that those who are charged within the management of these companies must recognise that they have to know all of the rules of the game. They have to know, not just the local legislation and the local rules but, indeed, all of the free trade agreements that we have entered, all of the protocols that we have signed in the CARICOM Single Market and Economy and all of the other agreements that we have on a bilateral basis whether with the Dominican Republic, Columbia or Venezuela. Sir, we also have to see, within the framework of those rules, how we can build an architecture within our company that allows our company to exploit, in terms of making a profit, the way these rules are drafted.

Unless and until that is done, until there is a commitment to research and development, until there is a commitment to greater participation for the workers so that the workers can enhance productivity because they feel

they have a vested stake in the firm, and until we change the ethos and what we find is possible to achieve, we will continue to have challenges in this sector. Not only by reason of the liberalised process, but by those things which we can control locally.

Our greatest asset in the building of manufacturing must be the buy-in of the average Barbadian to support what is made here and what their family, their friends or colleagues have been a part of making by reason of their involvement in the exercise as employees.

Mr. CHAIRMAN: Thank you.

Hon. Miss M. A. MOTTLEY: I will come back, Sir.

Hon. R.C. EASTMOND: Mr. Chairman, there is no doubt that I have been contemplating Head 21, Sub-programme 490, Code 21040490.

8.35 p.m.

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Hon. R. C. EASTMOND: Let me look at the concept of Empire as we Caribbean people would have known it, especially in the period after 1640. Time was, Mr. Chairman, when metropolitan countries arranged for the economies of colonies to be so structured that they were so integrated with the economies of metropolitan countries that they were colonial outposts producing primary products for sale in the metropolitan world. The metropolitan world would convert these to secondary stages and send them back to the economies which were used as markets both for their own goods and imperial goods, and which were used as a part of the economy of the bigger world.

For years, classical mercantilism, triggered by imperialism, saw an economic structure that clearly favoured the First World. After 1900 when times were changing, mercantilism took a new twist where, rather than directly integrate colonial outposts, the new thrust was to exploit the economies in such a way that the economies would become the base where investment from the Metropolitan areas would have been creating, and then their resources would have been used and profits repatriated to the Metropole.

Mr. Chairman, as time has progressed, the former colonies of the Third World have not necessarily set out to so restructure as to exclude metropolitan investments. Indeed, one of the problems that progressive thinkers would be faced with would be how to strike a balance between foreign investment from metropolitan areas to former colonies and the aspirations of former colonies to be truly independent.

I say this, Mr. Chairman, to posit a particular background to all that I am going to say over the next 13 minutes or so. There is no question when it comes to the whole matter of international business - I am using the term international business generically - that it includes foreign sales corporations, exempt insurance companies, offshore companies, offshore insurance companies and such.

When one looks at what actually transpired, there is a particular irony to matters. Wherever these former colonies attracted offshore companies and associated agencies to invest there, it almost always started with something known as a double taxation agreement. The reason why I say so is that, to facilitate the process, it had become essential to have these double taxation agreements. It would, therefore, be smacking of the highest form of injustice where countries that have freely and voluntarily signed double taxation agreements with these former colonies were now part of a process to erode the very economies which would have so adjusted the way they operated as to incorporate new forms of business based very much on bilateral arrangements. I hope I am making sense, Mr. Chairman.

The position is this, Mr. Chairman. If you have a double taxation agreement - working both ways of course - and there are countries whose investors invest here, those very countries whose investors come here - and the countries at the governmental level having been part of the process of the double taxation treaties - cannot, in my view, now belong to a grouping that turns loose on the very countries in which the investment has occurred. I hope the point is clear now.

Let me provide further background. I raise that point deliberately and I think that the Honourable Member for St. John, who is very fair on this matter, understands it. Mr. Chairman, more background is also pertinent. There is no question that Barbados made moves to so regulate affairs way ahead of any attempts by the OECD and others to question our standards. I will come directly to the point. Barbados has for a while, especially after the drug culture became well established, been concerned about the proceeds of crime. This Parliament passed legislation to deal with the proceeds of crime long before it became fashionable to see these places as probable areas where money was being laundered. In time, this Parliament went on to pass anti-money laundering legislation which had an impact on the very Proceeds of Crime Act, overlapping with it so significantly that parts of the Proceeds of Crime Act had to be repealed in the process so as to make for tidy legislation.

When the OECD started talking about money laundering, as it would have applied to Barbados, we had not only asserted ourselves as a clean jurisdiction but we had put the type of regulation in place, notwithstanding the

fact that we were clean, to ensure that the types of concerns that they were to raise in the future would have been addressed. They then shifted course and started to talk about the question of the extent to which we may have been withholding information from them.

Believe you me, Mr. Chairman, when they were talking about things like our allowing people to run international businesses secretly, some of the very participants in the OECD were themselves encouraging secrecy in their financial institutions. So how can Switzerland, for example, insist that it will continue to observe the tenets of secrecy and the OECD insist that non-OECD countries reveal and so liberalize things as to more or less abolish the tenets of secrecy. So they continue to shift and when they realised that Barbados had been clean and transparent they then came to the whole question of the extent to which Barbados' taxation policy was so soft as to defeat the aspirations.

The Honourable Member for St. Michael North East, in her contribution, could have said that the United States of America and the United Kingdom and other metropolitan countries have been soft on how they attract savings and the movement of capital and finance into their economies, often not taxing them to the same extent as they tax their own people.

Let me put it another way, Mr. Chairman. The point that is being made is that in the interest of attracting financial inflows, the United Kingdom and the United States of America have often given foreigners more on what the foreigners were saving in the United Kingdom and the United States of America than they were giving Britons and Yankees in their own countries. So how, if they are prepared to attract financial inflows by going soft on foreigners and denizens, can they now say that we are attracting investments by a low tax regime in such a way that they would want to classify us as a tax haven. The irony of it is this. These very OECD countries are willing participants in the World Trade Organisation and in the process of globalization. If globalization is going to mean an integration of the world economy, and that every country is an equal trading partner, and that the economy itself is to be a global entity, then Helms, I suspect, has to be right.

8.45 p.m.

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Hon. R. C. EASTMOND: Because what Helms is saying is that if the proponents and procapitalist of globalization and trade liberalization have a conscience, they would automatically recognize that in the same way they want to liberalize in their own favour, they have to be

prepared to do justice and allow these small countries to be on the same level field as them.

Sir, much as trade liberalization and globalization are taken up with not using tariffs and such like, we have to see what other expedients there may be in the whole process. I cannot see, if we are going to be expected not to use tariffs to promote protectionism, how we can be stopped from using legitimate taxation policies to attract investment here in the same way, Mr. Chairman, that they have used incentives to pull savings and capital into the metropolitan economies. That cannot be fair and there must be some kind of stopple in this. What do I mean by a stopple? It is that they cannot both give and take from a place, having built up in us the expectation that if we are modernizing we are permitted to pursue lawful activity, assert our sovereignty by our fiscal policies and such like. So I do understand what they are getting at, Mr. Chairman. They are being unfair.

Sir, this point also has to be mentioned. Traditional mercantilism and even neo-mercantilism gave them the whole hog. They exploited the former colonies of their primary products, and they made money off them and made them feel that the colonial economies were absolutely dependent on them. But, Mr. Chairman, a close examination will show that if we encourage their investors here by giving them concessionary taxation arrangements, we should also say that when their investors come here on soft fiscal programmes or through soft taxation policies they are still free to make profit and repatriate the profit. Can the country escape the capital? What is the big deal, Mr. Chairman? Their investors who are investing here are not compelled, as some countries would do with them, to reserve a certain amount of profit here and to keep it here for our benefit. What they offer to us is the opportunity, Mr. Chairman, to provide some work for our people. In some cases, we do earn some foreign exchange. But their own investors are allowed to make profit and repatriate their profit to the metropolitan countries.

Sir, Helms must be right when he said that in an era of trade liberalization every country must be treated as equals. We have to try to work out whether many of the persons who advise the OECD, having looked at the extent to which we have diversified our economies and in the process strengthened our economies, are taken aback that we have achieved a measure of economic progress and material well-being for our people in a situation where we Barbadians are at times the envy of the whole world. It may very well be that.

So let me put the point again, Mr. Chairman. It can very well be that there are persons who are advising the OECD and there are policy-makers within the OECD who cannot stand our efforts to diversify our economy, who cannot believe that a former colony like Barbados can

achieve so much progress and who, given their own way, would once again want to restrict us to mono-culture in a situation where there is no question that if Barbados had to return to mono-culture it would be the end of Barbados as we know it.

Mr. Chairman, there could be some envy. If one would say there is no definite envy when one looks at how they continue shifting, asking more questions and raising more issues, one must wonder whether they are not determined to destroy our economies or whether, Mr. Chairman, they have an agenda to re-colonize us and put us in a position of absolute dependence on them. They would then be able to dictate to us the tempo, control our lives and return us to that unfortunate era of 350 or 400 years ago.

Mr. Chairman, I thank you.

Mr. CHAIRMAN: The Honourable Member for St. John.

Mr. D. J. H. THOMPSON: Mr. Chairman, I assume that we are getting to the end and I just want to reiterate the point that I made from the outset about the question of diminishing returns on the investment that is being made by Government.

Aside.

Mr. D. J. H. THOMPSON: No, that answer cannot stand up.

Certain remarks made by the Honourable Member of St. John were asked to be expunged from the record by Mr. CHAIRMAN.

Mr. D. J. H. THOMPSON: The Honourable Member knows that there was a year when, because of a change in the law, all of the IBCs were required to be registered again so that the inactive IBCs would come off the books and the active IBCs would be given a grace period in which to register.

That is a well-known fact. If you take total numbers of registrations between 1994 and the year 2001, you are in fact double counting in respect of international business companies. That is well known to anybody who has been aware of what has been happening in that sector for a long time. I am not dealing with absolute numbers. What I am saying is that Government is putting out more to get less in terms of the number of registrations taking place in any fiscal, or if you want to say, calendar year. That is the first point.

Sir, I also made the point, and I want the Minister to answer to that allegation, Sir, that commensurate with Government's increased expenditure on promotion and its

increase in expenditure on consultants fees and professional services and so on, there has been a commensurate reduction in the proportion of investment by the private sector in promotion in the International and Financial Services sector. I recall several debates in here. You were not in here yet. We insisted that if the Government increased its promotional budget, knowing the Barbadian private sector as we knew then, that they would significantly reduce their contribution. I have a strong feeling that at the end of the day Government is picking up the entire tab in relation to promotion, product development and all of the other work.

8.55 p.m.

Thursday, March 15, 2001

Mr. D. J. H. THOMPSON: All I am trying to say is that there was a time when, in terms of qualitative development of the sector, the costs of the studies were being picked up by the private sector. It was, therefore, a dangerous development because once Government steps in, the private sector will never recover in terms of its contribution to promotion. Those are incontrovertible facts. I know the Minister may not want to accept that, because politicians like to deal in absolute numbers. There was a politician years ago who would tell you how Barbados was growing and developing by the number of houses that had in telephones. Every year he would get into a Budget debate and tell you how many electrical connections there were, how many housing starts there were, and he would go through a long list and that would be his way of demonstrating the kind of development that was taking place in the society.

You cannot apply that kind of raw statistics to what is happening in a sector like the international business and financial services sector for even another reason, of which the Honourable Member for Christ Church East is well aware, and that is that you still have to make some distinction between active business and business that is not active.

The absolute numbers are not important. Estimates are about value for money. What Ministers are to do in the Estimates debate, as I understand it, is to demonstrate to the taxpayers of Barbados - you do not have to satisfy me beyond what you feel is necessary in here but you certainly have to be accountable to the taxpayers - and explain to them, where you have carried your budget up in certain areas and introduced new kinds of expenditure, what it is that you are doing within your Ministry or your department to justify this phenomenal increase in expenditure. That is all that is being asked for.

The Honourable Member for Christ Church West, I believe, assumed, or was speaking from the point of view

of conjecture, that you are involved in recruiting a tax expert. I do not know if that is correct or whether he was just flying a few kites.

Aside.

Mr. D. J. H. THOMPSON: Should I put you to the test and identify who they are? Local tax experts.

Then he went on to say that, in his view, policing of the sector is not a private sector role. Nobody ever said that it was a private sector role. There is some responsibility that private operatives - attorneys, accountants, the banks and so on - have in relation to money laundering and matters like that, but the regulation of the sector has to come by and large from what the public sector provides both in terms of the entities - are they actually doing the registration or the oversight? - and those that are involved in the enforcement of the rules and regulations that may apply, like the tax authorities or the law enforcement agencies. Nobody has argued that that is a private sector role and I doubt very much that this additional expenditure, particularly in the regulatory arrangements, could be in professional services. I am assuming that what you are trying to do is to build a domicile of integrity where the people who are regulators are full-time public officers, not temporary consultants or persons whom you pay on contract for a fixed period of time. I do not think that lends to the independence or the integrity of the system.

It is those kinds of questions that, at the end of the day, become extremely relevant in trying to determine what the Ministry is doing. If you match it against what the Ministry has promised since the Mutual Fund Legislation... I had experience in inviting a client about the formation of mutual funds and we waited patiently on the regulations. They could not wait any longer and eventually what the Securities Exchange did was to forward the draft regulations and ask the Mutual Fund to comply as much as possible with the terms of the draft regulations.

The draft regulations, to my mind, have taken an inordinate amount of time to be disposed of and brought before Parliament and that is something for which the people of Barbados, particularly those persons who felt that the development of mutual funds was one of the products that they wanted to get involved in, were interested in hearing about.

Then there was also the question of research and development. The Economic Report pointed out that we were expecting legislation for exempt limited partnerships and other legislation which I think was to follow on that. The Minister needs to indicate to us what is happening in terms of the drafting of any new pieces of legislation, what work is being done on any double taxation treaties which the Honourable Member for St. James North said were very

important in the context of the development of this sector, what is happening in the area of product development and what is being done in Barbados in terms of seeking to involve more professionals in practice in the offshore sector.

That is something over which we have had many debates in this Chamber and people would believe, if they did not read the debates, that there were never occasions in here when we discussed the disproportionate role that lawyers play as compared with accountants in the offshore sector. After a while I got fed up myself with pleading on behalf of the lawyers because I went to promotional activities, as does the Minister. You will see all the lawyers, who would have spent money to go to these conferences, at cocktail parties standing up talking to each other and only one or two of the Barbadian lawyers would be actually working the room seeking to meet people and to arrange for the Minister to meet with the foreign investors. Basically, they wasted golden opportunities to promote themselves.

I have always felt that part of the problem related to our culture as Barbadians and the fact that we are not good at selling ourselves. I just made the point earlier to the Honourable Member for St. Lucy that you would get on an aeroplane from Miami and sit next to an American businessman and, before the plane even leaves the Miami Airport, he tells you if his parents were Polish or Irish or Latin American and gives you a business card. He tells you what he is about and he is basically selling himself.

9.05 p.m.

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Mr. D. J. H. THOMPSON: Black Barbadian professionals who have to work with white foreigners are often frowned upon and criticised. I would not seek to use the kinds of expression that people use to characterise them. People believe that they are sellouts and are pandering to white people; and a whole set of other epithets are thrown at them. It does not only come from persons in the private sector. There are people in the public sector who also express such views. There is one prominent lawyer in the offshore sector who for years was frowned upon and you would hear professionals in Barbados say that they could never do the things he did to encourage business to Barbados, that all he was interested in was promoting himself and that he was selfish with his work. He was to go out there and promote himself and Barbados and, when the business came in, he was to share it with the rest of them who never went anywhere. So they accused him of being selfish. A lot of scorn and opprobrium are heaped on professionals who seek to get themselves involved in the offshore sector. If you make an option as a lawyer to be involved in business law or offshore sector

law, rather than to go into the Magistrates Court, it was looked upon with scorn. People view you as somebody who wanted to detach himself from the people and who you wanted to work in a sanitised environment. I believe that in a society where the middle class has grown as large as ours has, perhaps the two points that need to be stressed are the need for training for people in the professional class, especially lawyers, to be able to market and sell their services. It is difficult to achieve in an environment that frowns upon advertising and which is very archaic and rigid in some of the rules. The second thing is also to spend some time explaining the role that the international business and financial services sector has played, identifying the kinds of jobs that it has created for Barbadians, and the linkages between the international business and financial services sector and other sectors of the Barbados economy.

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

Mr. D. J. H. THOMPSON: This kind of focus by the Ministry, to my mind, would encourage a lot more interest from and involvement by new players and build the kind of offshore sector in which Barbadians feel that they truly have a role to play.

We do not divide with you on the question of the OECD but I still have some strong feeling about the extent to which the offshore sector in Barbados has not provided the kind of contact with a larger number of professionals that I think it was designed in the 1980s and 1990s to provide.

It is the kind of skilled work that I think Barbadians are well suited to perform. It is in keeping with the aspirations of young professionals and we should see more people being involved and not allow the accountants to make people believe that the question of cost is only relevant when you are paying Barbadian labourers but that people can come here, earn CAN\$300 000 a year, live in a villa in Westmoreland, enjoy golf every day and yet Barbadians have to be there slogging it out for low wages, as has been happening.

There are a lot of those kinds of issues that will also militate against people feeling that the problem with the OECD is a problem that affects them because, at the end of the day, "it does not have any impact on me personally".

These are some of the things that the Minister needs to address in terms of the relationship of this sector to the people of Barbados.

On the motion of Hon. D. A. C. SIMMONS, seconded by Hon. R. C. EASTMOND, Mr. CHAIRMAN reported progress to His Honour the DEPUTY SPEAKER and asked

for leave to sit again and Mr. DEPUTY SPEAKER resumed the Chair and reported accordingly.

SUSPENSION

Hon. D. A. C. SIMMONS: Mr. Deputy Speaker, Sir, I beg to move that this House be suspended until 10.00 a.m. on Friday, March 16, 2001.

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

The question that the House be suspended until 10.00 a.m. was put and resolved in the affirmative without division and Mr. DEPUTY SPEAKER suspended the House accordingly.

9.15 p.m.

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EDITORIAL NOTES — NOT PART OF THE REPORT

Prepared with the transcript; for checking against the recording and the Minutes.

EDITORIAL QUERIES

Points noted while preparing this report from the edited transcript. The text has not been altered except where stated.

Q1. Masthead. The session is not stated in the source, so no session line is printed.

Q2. Opening. The source opens without the convening sentence (Pursuant to the adjournment ... met at ...). The date is taken from the heading of the source.

Q3. Start of record. The source begins at a resumption, with the House reverting to Committee of Supply; Hon. A. P. Wood then speaks of 'this afternoon', yet the House is later suspended until 1.15 p.m. and resumed. No earlier proceedings of the day, PRESENT list or prayers appear. Printed as in the source.

Q4. First suspension. The Deputy Speaker was in the Chair, but the procedural note reads 'Mr. SPEAKER suspended the Sitting accordingly'. Printed as in the source.

Q5. Head 25, end of debate. Hon. A. P. Wood moved 'that Head 25 stand part', but no procedural note records the question being put; the source passes straight to Head 21 after the take-slip of 5.20 p.m. Printed as in the source.

Q6. Head 21, speech of Hon. R. R. Farley. The closing line of Senator Jesse Helms's letter, 'JESSE HELMS"', has been set as a heading in the markup, so it prints as a heading within Mr. Farley's speech. Printed as in the source.

Q7. Head 21, speech of Mr. D. St. E. Kellman. Late in the speech the Chair's one-minute warning carries the label 'Mr. Deputy Speaker', and Mr. Kellman replies to 'Mr. Deputy Speaker', although the House was in Committee of Supply. Printed as in the source.

Q8. Heads 21 and 25, figures. Several figures are typed with the letter 'l' for the numeral 1 ('Head 2l', 'l995', '\$l0 000'). Printed as in the source.

DEBATE SUMMARY

(Editorial summary — not part of the record.)

The record of Thursday, 15th March, 2001 opens with the House of Assembly resuming in Committee of Supply on the Estimates, the Deputy Speaker in the Chair of the House. The debate on Head 25, Ministry of

Agriculture and Rural Development, was continued by the Minister, Hon. A. P. Wood, who described the Agricultural Development Trust announced in the 1999 Budget and the programme of the Rural Development Commission: rural roads, house repairs and small business loans, 63 of them totalling \$505 000 approved in the current financial year.

Mr. D. St. E. Kellman said that \$500 000 for land for landless farmers was a token sum given the cost of developing land, pesticides and weedkillers. Mr. M. Z. Williams spoke on the problems of the fishing industry. The Leader of the Opposition, Mr. D. J. H. Thompson, said that the 303 loans totalling \$2.4 million from the Rural Development Commission would not achieve the Government's aims unless borrowers were helped as partners. Rev. J. J. S. Atherley asked about the delayed market at Eagle Hall, and Hon. R. D. Marshall, whose Ministry of Public Works and Transport was building it, admitted it was behind time; several points of order followed on whether the remarks related to the Estimates. Mr. L. R. Tull spoke for keeping Bulkeley factory in St. George, and Hon. G. A. Clarke defended the Commission's record, saying St. Lucy would receive more than 300 street lights. Mr. Wood said \$40 million would be spent on the concrete roads programme over three years, \$12 million in the first phase.

After progress was reported and the sitting suspended until 1.15 p.m., Mr. Wood replied on Head 25, covering farm management, pottery and the efforts to keep out Foot and Mouth disease, and moved that the Head stand part.

Hon. R. R. Farley then opened Head 21, Ministry of Industry and International Business, for which \$19 794 204 was sought, describing the work of the Barbados Investment and Development Corporation, factory renovations and the food and beverage sector within the CARICOM Single Market and Economy. Mr. D. J. H. Thompson argued that the increased spending had not brought commensurate results in international business and recalled the promise of 2 000 jobs a year. Hon. Sir Henry Forde defended the Government's record on the sector since 1994, and Hon. D. A. C. Simmons recounted how he had raised the IMF and UN moves against offshore jurisdictions at the United Nations Special Session of June 1998 and described the 25 FATF criteria. The House was suspended for dinner until 7.45 p.m.

On resumption Mr. Farley answered the Leader of the Opposition and read a letter of 14th February, 2001 from Senator Jesse Helms to the United States Secretary of the Treasury on the OECD, which he made a document of the House together with a letter from Senator Judd Gregg.

Mr. Kellman said small countries should not accept the G7's laws 'lock stock and barrel' and urged changes to encourage investment in the capital market. Hon. Miss M. A. Mottley said registrations of international business entities had more than doubled in six years and called on Barbadians to support local products; Hon. R. C. Eastmond traced the colonial economy and argued for the right to use

legitimate tax policy to attract investment. Mr. Thompson spoke again on diminishing returns and on the regulation of the sector.

Progress was reported on the motion of Hon. D. A. C. Simmons, and the House was suspended until 10.00 a.m. on Friday, 16th March, 2001.