
THE

House of Assembly Debates

(UNOFFICIAL REPORT)

PARLIAMENT 1999 – 2003

HOUSE OF ASSEMBLY

Wednesday, March 19, 2003

RESUMPTION

Mr. SPEAKER: This sitting is resumed.

Hon. Sir. HENRY FORDE: Mr. Speaker, this is the 32nd year that I have been continuously in this House. I am correct, I believe, in predicting that it will be the last occasion on which I will have the honour to address the House on the Annual Estimates. This occasion has always been special to me for several reasons and I will only mention two today.

The first occasion has been the exceptional opportunity which the people of Christ Church West have provided for me to make a contribution to the public life of our great nation Barbados. I am, indeed, even after 32 years, humbled by that experience. I have never ceased to learn from the many people of Christ Church West in Barbados, who have so much to offer to those of us who serve in public life. I do hope that as I leave public life at the level of Parliamentarian, that I have upheld the high principles which the people of Barbados and particularly the people of Christ Church West required of me as a person in public life.

I thank them profoundly from the bottom of my heart. I have not always been known to win by large majorities but I have won majorities from the inception and I am, indeed pleased, as my time in Parliament passed, those majorities increased. Sir, I think that I was able to go across party lines and have people vote for me who were Barbadians first and not necessarily members of a particular political party. That too I appreciated.

Mr. Speaker, I also wish to place on record the fact that my constituency is in many respects a microcosm of

Barbados. We have the poor, middle class and the rich. We also have people of all classes, religions and I believe that I am correct in saying that I have the highest percentage of the white population of Barbados in my constituency. It has been a challenging constituency to manage in that context. We are probably a cohesive example of how a multi-racial community should function.

I have been able to bring the managing director alongside the port worker, teacher and the clerk to work in harmony in Christ Church West. I do hope that is one of the legacies that will remain and will set the example for Barbados to go forward.

There is no place in my heart, there is no room in this country, there should be no room in the world for divisions based on race, class or religion. It is a philosophy to which the Barbados Labour Party has subscribed and, therefore, it is one to which I have faithfully adhered.

Mr. Speaker, during those 32 years, I have also seen Barbados progress economically, socially and politically. I came in this House in 1971 and I have in my hand the Estimates for the financial year 1971-1972. Mr. Speaker, when we look back, the estimated revenue in that year was \$97.4 million, the estimated expenditure was \$98.9 million and the capital expenditure was \$31.2 million.

Sir, after I had spent 10 years in this House, the estimated revenue for the period 1981-1982 was \$483 786 736 and the expenditure was \$469 161 361. In fact, in that year, the Barbados Labour Party's estimated an excess of current revenue over current expenditure of \$14.5. The Barbados Labour Party has always had the reputation for harnessing the resources of this country well, using them effectively and distributing them in order to benefit people across the whole spectrum of our society.

Sir, when you look at the notes to the Estimates you will see that the Barbados Labour Party, as usual, placed a great deal of emphasis on the promotion of the education,

health and the social welfare of our people, including community and social services.

Mr. Speaker, by 1991-1992, the revenue had gone to \$977.5 million, expenditure to \$1.35 billion and we anticipated current account surplus of \$372 million. We have come a long way in those 32 years. During the time that Barbados Labour Party has handled the affairs of this country, we have seen progress. Sir, let me use some concrete examples because people sometimes make broad statements and cannot back them by facts.

Mr. Speaker, when I came into this House there were no Spring Garden Highway or ABC Highway. I want to make the point non the ABC Highway. The Democratic Labour Party stoutly resisted the construction of the ABC Highway. They said that it was unnecessary. The foresight of the Barbados Labour Party recognised that people would get wealthier, healthier and that there would be more vehicles as the standard of living of people rose. We also recognised that we had to provide for the commercial movement of goods and services very quickly between our two main ports and we constructed the ABC Highway. Today, the Barbados Labour Party is planning for the expansion of that Highway into a four-lane highway. Mr. Speaker, the feasibility study is currently being done and the Democratic Labour Party could not foresee that.

I can give you many examples and it goes back to the Deep Water Harbour. In the older Barbados Labour Party, under Sir Grantley Adams, when once again there was opposition to the construction of the Deep Water Harbour but this Barbados Labour Party had the vision and the foresight to move forward. I have seen the changes.

Mr. Speaker, within my own constituencies I have seen the changes and I am grateful to my colleagues with whom I have worked all through the years for helping me to make those changes and to the people of Christ Church West, in particular.

Sir, let me take the two schools in my constituency that were established. The Luther Thorne School: The Honourable Member for the City, when she was Minister of Education, accompanied me physically, to find a location for that school.

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Continuation of: Hon. Sir HENRY FORDE:

Sir, if you take the Arthur Smith Primary School, the Honourable Member for the City did the same and we provided the money for that improvement. If I take roads, when I went the Christ Church West, there was a place

called Dogs Ally on Fordes Road as you come down Flag Staff. Dogs Ally had no facilities and it was the first tenantry road that I was able to get constructed. It is now called Thomas Gap.

Sir, when I went to Christ Church West, there was no Bonnetts or there was no Simmons Land and I can go on and on to show the changes that were made but what I want to emphasize is that those changes were made, almost inevitably and invariably during the time that the Barbados Labour Party formed the Government of this country. This is why Christ Church West has been so faithful to the Party and will be on the next election.

Sir, I want to say, quite clearly, that in good times and in bad times, the Barbados Labour Party has managed the economy of this country in a wise, sensible and responsible manner. It comes as no surprise to me that the Right Honourable Member for St. Peter should follow the precept that has always been at the heart of the Barbados Labour Party's approach to the management of this country's affairs. He is making sure, Sir, that we are not buying our way into by spending public funds into another term in office.

Sir, if we are to win our way, we will win it because of the policies which we are pursuing and the fact that they are better than any that the Democratic Labour Party can offer to the people of this country. If we are to win our way, we will win it by the outstanding example of leadership and management that we have provided to this country throughout the years. The Right Honourable Member for St. Peter is an outstanding example of the type of leadership that Barbados has always provided. We have provided it internally and we have provided it in the Caribbean.

I heard today, Sir, a lot of discussion concerning the common market and the single market and the necessity to bring it into existence, in order to improve the economic conditions of small states such as ours. Some of it get miscued and the argument is about how freely people should move, whether we should allow artisans and craftsmen - and not only people qualified at the University of the West Indies - to move from country to country where there are possible jobs.

Sir, that argument was placed by the Barbados Labour Party since 1948. We had the common sense then to tell our Caribbean people that if our countries came together, we would be stronger than if we remained singly. Now, the Jamaicans voted against it. The late Right Excellent Sir, Alexander Bustamante broke up the Federation on the basis of the very freedom of movement. The Barbados Labour Party has never moved from the principles that are fundamental to it and we were right.

I say this to, Mr. Prime Minister, you are the right person at the right time, in the right place for the right job in our country, as well as in the Caribbean. Sir, it is recognised. I trust that in this election year, the next 12 months, people will not be misled by the misinformation which is being spewed out by some Members of the Democratic Labour Party. Sir, it has been a hard year for him because it was a year that came when the global economy was going into recession.

Germany is a vast country compared to us, with vast natural resources and there are tremendous problems in unemployment. The figure for unemployment in Germany was higher than the figure for unemployment in Barbados. Germany has more resources than us. Germany's deficit was higher than that in Barbados.

Sir, it has been a hard year for us but under the astute leadership of the Barbados Labour Party, the Prime Minister, Members of the Cabinet, Members of the Parliamentary Group who are consulted from time to time, and the wider people, because we have established a manner of wider consultation, in order to source whatever information there is to help us to guide the country properly, we were able to minimise the tough economic circumstances that exist and prepare us for those that are ahead.

Sir, when we borrowed on the international market and said we were putting aside, I think it was US\$300 million, we got criticisms from the Democratic Labour Party for borrowing at that time. If we had not borrowed then, we would have had the high unemployment and sent home public workers as the Democratic Labour Party did in 1993.

I am pleased to say, Sir, that last year, despite the problems that we were having, unemployment has not skyrocketed.

Asides.

Hon. Sir HENRY FORDE: On an average of 10.6 per cent.

Sir, I would like to see it lower. I can report from the National Insurance Fund that there was actually a 9 per cent decrease in unemployment claims received during the year 2002, as compared with the year 2001, despite the fact that we are in a recession. This was partly because of the deliberate policy of this Government and, particularly, the Minister of Finance gave an undertaking to the social partners that wherever possible, we were not going to lay-off in the public service.

Asides.

Sir HENRY FORDE: Compare his stance with that of a former Prime Minister who was then the Right Honourable Member for St. Michael South. He sent home 5 000 people, reduced the Civil Service salaries by 8 per cent, brought on special levies, reduced severance pay and we had people who were losing their homes and unable to buy land.

I tell the people of Barbados today, keep your thinking caps on. We are providing, Sir, not only for the present but that same vision which has inspired our forefathers, continue to inspire this Party. When I heard the Right Honourable Member for St. Peter speaks of expansion of the Bridgetown Port by \$60 million, I know that he is looking towards the future.

When I see that we are providing for an upgraded Grantley Adams International Airport, I know that we are spending the people's money correctly. From the Social Investment Fund and the Public Investment Fund, we took \$13 million out because we are providing to be competitive in services in tourism and unless we have the airport ready, we cannot do this. Then, what do I get from the Leader of the Opposition the Honourable Member for St. John, criticism of the fact that we are using the receipts from the sales of our assets in such a proper manner, in order to provide for the future.

When I see the redevelopment of the Hilton Project, Sir, I know that this Government is on the right path of planning correctly for the future economic development of Barbados. Sir, that whole peninsula has a potential for development, in order to shore up and build up the resources necessary to accommodate a larger number of visitors to our island.

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Hon. Sir Henry FORDE: When I see that we use the funds from the sale of shares for upgrading St. Lawrence Gap, I know that the people of Barbados in quiet moments would recognise that is proper economic planning for the future.

When I see us planning to build a marina in order to make use of the opportunity for expansion of the tourist product, I have to ask Barbadians if they would reject a Government that has the foresight to look to the future in order to build for the survival of our country and its improvement.

Sir, that is why, as I come to the end of my time as a parliamentarian, I feel that the country is in safe and good hands. My view is not clouded by the fact that I am a member of this party. As an intellectual, I have to analyse -

I am not boasting here, this is not a statement of a man lacking humility but as a person trained in university education - the facts and come to a conclusion. It is not only me, the man at the corner of Dayrells Road and the man at the corner of Fordes Road has also the capacity to analyse these facts and I am absolutely certain that these people too have come to the conclusion that this Government has done well in bad times and in good times. So it is a figment of the imagination of the people in the Democratic Labour Party to say that there has been no passing on of the wealth of this country to other people.

Mr. Speaker, I live in the parish of St. John, I have been living there now for 15 to 16 years, and I have seen the transformation in housing that has taken place in the parish of St. John. One of the measures that led to that is the implementation by this Government, the Barbados Labour Party, of the Tenancies Freehold Purchase Act and the many opportunities being given under the Housing Credit Fund and the Barbados Mortgage Finance Company for people to own their homes.

Mr. Speaker, tell me what country in the world could a government passed legislation allowing people to buy land at 10 cents per square foot. Mr. Speaker, there are people living in St. John, the constituency of the Honourable Member for St. John and the Leader of the Opposition, and in other rural constituencies on plantation tenancies who can purchase the land at 10 cents per square foot.

When you hear us being pilloried by the Democratic Labour Party in emotional and emotive terms and saying that we are preventing the poor man from owning land, what party has done more than the Barbados Labour Party to give the poor man, they like to talk about the poor black man, the opportunity to improve himself.

Sir, those acts were not approved by the Democratic Labour Party. Places like Zimbabwe are today leading the revolution but we made that social transformation in a constitutional manner and in accordance with the good governance that this party is well known for.

Sir, I asked the Democratic Labour Party, when they are misleading people about investments, to recall that the Democratic Labour Party in its cupboards has wasted more money than we can think of.

Sir, I am pleased to see how well the Honourable Member for St. Michael North East as well as the Honourable Member for St. James South have both grown in political stature and I want to say to them that they were young children when the Democratic Labour Party was spending millions of dollars on International Seafoods Limited. Nothing ever came out of it. They tell me that the GEMS of Barbados is a waste of money but I say to them

today that the GEMS of Barbados is providing direct jobs for 309 people most of whom are from my constituency or from the constituency of Christ Church South. Asides.

Hon. Sir Henry FORDE: The Honourable Member for St. Lucy has never told me so.

I thought better of the Honourable Member for St. John who got up in this House and said that \$113 million has been lost on the GEMS of Barbados. Why did he not go and look at the assets that are represented there and recognise that there is always a period for investment and that they will be problems.

Sir, let me make this quite clear. I believe that this Government has to be transparent when it is dealing with public funds and I believe it has been. We answered several questions in here relating to the GEMS Project but when you listens to the call-in programmes you would recognise that most people have taken no opportunity to see that the information requested has been provided but this Government must not be deterred.

We are not perfect men and women. I do not know of any country where there are perfect men and women and a government will not err from time to time. We have never come to the people of Barbados and said that we have not erred from time to time but we have not been corrupt. I resent very strongly the allegation, and there are mere allegations and rumours, of corruption which the Democratic Labour Party and their people are trying to pervade against the Barbados Labour Party and some of us who are in public life, so I think that is unworthy of a party such as the Democratic Labour Party.

They have their duty to do, to criticise, but they must come and bring facts like when I brought the facts to show that they had dope in the diplomatic bag; that is what they should bring. They must come and bring facts like when I told them that within three months of buying their way back in an election in 1991 we would be in the hands of the International Monetary Fund (IMF) and they asked me where I got the document from and said that I was telling lies.

Asides.

Hon. Sir Henry FORDE: I honoured a commitment given to the person who passed the information onto me and although it cost me being Prime Minister of Barbados, I am sure that the country learnt from the example. Sir, I go out of public life feeling that I have kept my integrity intact. I have no regrets, none at all. As a matter of fact I feel at peace with myself and I say to the country that all is well, continue with this party and all will be well.

May God bless the people of Barbados as we are challenged by a war, as we are challenged by a global economic contraction and as we are challenged even by some of our own people in the Democratic Labour Party who have not got the foresight to look into the future. I say to the people of Barbados to continue. God is on your side and you will continue to make the sensible and wise choice that you have made. May God bless you all and I hope whenever the election is called, I would be in a position to say you have done well. I say to my colleagues as well, take the burden, you are capable of leading this country.

10.30 a.m.

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Dr. the Hon. R. L. CHELTENHAM: Mr. Speaker, like the learned and distinguished Honourable Member for Christ Church West who has just spoken, it is no secret that I too, shall not be seeking re-election to this Chamber. For that reason you will permit me to thank the electorate of Christ Church East and of St. Joseph who, for five terms, have provided me with the opportunity to serve in this Chamber.

Mr. Speaker, I wish to say that it has been an incomparably uplifting experience and I leave competitive politics in full praise of public service through that group. I would urge all young persons who are aware of the downside of competitive politics, who have readied and equipped themselves and who have a love for people and an interest in their country, to come forward and to serve. Every generation must have men and women who are prepared to make the sacrifice and to serve their country at this level.

Notwithstanding all that is said about politics, how nasty it is, et cetera, there are few avenues for service that are more rewarding and more fulfilling.

This year's Estimates are being discussed in an atmosphere of great uncertainty. Within a matter of days, we are almost certain to be in the midst of a war with the United States, its allies and Iraq. Depending on how long this war lasts, the figures indicated in these Estimates might turn out to be academic only because the Honourable Minister of Tourism, in his contribution to this debate, has indicated that if the war lasts for any appreciable time, we could witness a drying up of our visitor arrivals from the North Atlantic - Canada, United States, the United Kingdom and other parts of Europe.

Equally, we might see the price of oil moved to beyond \$15 per barrel or more. If that happens, it means that the price of running our households, public transportation and doing business, would increase dramatically.

Equally, we are in a position in the world where the major engines of growth have slowed down. America itself is in recession. The Japanese economies are in a similar state and so too is the economy of Germany. The economies of Argentina and many of the Latin American countries, are in shambles. Therefore, this war could have the effect of plunging the world into a depression. There can be no doubt that all of the countries of the Caribbean, many of which are experiencing a crisis in their public finance, will be severely and adversely affected. It is for that reason that it could readily be understood why it is that all the governments in this region would have liked to see this particular crisis being resolved through dialogue and negotiations rather than through war and violence.

The Right Honourable Prime Minister and Minister of Finance took the elements of uncertainty into account as he fashioned these Estimates. Mr. Speaker, before going further, I would like to add my own quota of commendation to him for once again treating the House to a very lucid and professional analysis of the state of the Barbadian economy and of the forces, both regional and external, that are at work and are impacting on our economy.

The Prime Minister was also good enough, in his usual tradition, to identify the opportunities that remain available to us in Barbados if we take the right decisions and do the right things and identify some of the constraints. Once again, there has been an outstanding performance on his part which has laid the foundation for the debate which we are having.

Mr. Speaker, in my view the events in the coming weeks or months in this country would provide us with an opportunity to remind the Barbadian public of the many outstanding achievements of this Barbados Labour Party administration over the last eight years. To that extent, we must be careful not to turn this debate into a hymn of praise for the Barbados Labour Party for its Ministers or administration. However, having said that, I cannot resist the opportunity to identify at least three elements of the economic management of this administration in recent years which set us apart from previous administrations and which is responsible for the relatively good economic health which we are still enjoying in this country.

The first element has already been alluded to but needs to be repeated. We have a platform of foreign reserves in this country which was the result of a conscious and deliberate decision on the part of the Minister of Finance and this Government. Two years ago, when the climate was good, in the face of criticism from the Members in the House and outside, we took a decision to borrow to build up our reserves when our credit rating and borrowing capacity were at their highest. We had learnt the lessons of the past. This is a stop/go economy. All of us

who have come to maturity in the last 40 years know that. In every ten years we have five or six years of prosperity and four years of slow down of recession and we have to prepare for it. One of the lessons that we have learnt in the last ten years is that, in a small open economy like ours, it is the management of the balance of payments and the provision of foreign reserves that will determine whether we can go forward economically or whether the absence of foreign reserves will act as a brake on our progress on our economic activity.

Therefore, we made sure we have our reserves in place. In our days of plenty we ensured that, so that now our economic activity has slowed down, we are still able to emerge as the most buoyant of the economies in the Caribbean. We have been able to fortify our image in the world as one of the best run small economies, if not the best, and as the best managed black society in the world.

10.40 a.m.

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Dr. the Hon. R.L. CHELTENHAM: The second emphasis of recent years which is worthy of comment is what the Honourable Minister of Finance calls the counter-cyclical economic measures put in place two years ago. The experience of the past has been that whenever we are faced with hard times to tighten our belts and cut back on expenditure. In a way it is like having a cold and feeding it whereby it becomes worse and you go into a crisis. This occasion, we decided in the face of falling expenditure abroad, reduction in services and slackening of international trade that we would spend more money and increase our expenditure. This has had the direct result of making sure that we were able to maintain the numbers of employment in the public sector.

All of us who have lived through that grim period of 1991 to 1994 know how important it is that this country must never, if at all possible, undergo that experience again. We saw situations where all the breadwinners in a family were out of work, people were not able to pay basic expenditure like water and electricity and children could not go to school because there was no lunch money.

This was the direct result of the mismanagement of the country.

We must never again, if that sort of situation could be avoided, allow it to happen in this country. Those counter-cyclical measures represent a clear learning of the lessons of the past and creative policy and planning on the part of the Prime Minister and his Government.

As I said earlier, without turning this debate into a hymn of praise, we have to remind ourselves and the

country of the innovative measures that were taken by this administration to ensure that we were able to withstand the shock of the recession. Sir, in a short period of 12 months we were able to bring this economy out of the recession and restore growth.

We do not know what the weeks and months ahead hold for us but I have no doubt that this administration will respond creatively if we are faced with the worst consequences of the war which is almost certain about to break out.

Mr. Speaker, I want to turn to the productive sectors and what will happen down the road. The Prime Minister was correct when he said that we need to do something about the sugar industry because it has been in a crisis for a long time and it cannot continue this way. It is suffocating under its own debt burden and to the extent that we have a protected market in the EU, that protection is about to fall away. The sugar Protocol which we have enjoyed ever since the Commonwealth Sugar Agreement came to an end and which we thought was of indefinite duration in the face of the ruling of the WTO and in the clamour for sugar from Brazil and Argentina, the two major sugar producing countries in the world, it is now clear that the sugar Protocol will go the same way as the banana Protocol and that Europe will not be able to offer us a protected market.

I am of the view that we will continue to have a sugar industry for domestic needs, special sugars and for any protected markets we may yet get because it must not be forgotten that only 12 per cent of the world's sugar is traded on the world market so there may yet be some form of protection available to us. I do not think it will be realistic to plan for more than 40 000 tons. This means we will still have about ten to twelve acres of arable land that we have to account for otherwise Barbados will become a wasteland and in many respects that would be detrimental to the environment and to our appeal as a tourism resort.

Mr. Speaker, I feel, therefore, that if the investigation reveals that cotton offers our best prospect we, ought to move with dispatch in making sure that we reintroduce the cotton culture because, we must not fool ourselves that the cotton culture is lost in this country. Most people under 21 years old still know how to plant and reap cane but they do not know how to plant cotton Sir, they are not interested in reaping it. We must restore and reintroduce the cotton culture. We will have to determine where our markets will be. It will have to be a mechanised operation to the extent that we have not been able to get workers to reap the cotton. Whether we import labour or otherwise, we must move with dispatch to make sure that we plant cotton, sugar, ground provision and vegetable so that productive use is made of the arable land available to us.

Mr. Speaker, we are losing out in other areas too. I am not satisfied that Barbados has maximised our advantage in turn of our skills. It was a major error to allow the St. Georges Medical School to leave Barbados but perhaps Grenada needed it more than we did because it has been a saviour to that economy.

Sir, Barbados in a recent survey has emerged second to Australia as the country where people are most interested in locating offshore educational and other institutions. We must make sure, for example, that our school plant is put to use every summer to maximum capacity in teaching children from Venezuela, Latin America and elsewhere who want to be taught English. We must consciously go after schools in social sciences, international trade law and other disciplines that can be taught in Barbados to great advantage of the construction industry and to those who have houses that they need to rent out that can enrich our economy and put their skills base to use.

I am told that there is a group that wants to locate offshore open heart operation facilities around the world and that Barbados has been identified as the place for the Caribbean taking advantage of clients from the North Atlantic.

10.50 a.m.

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Hon. Dr. R.L. CHELTENHAM: Sir, we have excellent recuperation facilities here arising from the clean air and dust-free health restored reinvigorated breeze of the St. Joseph area and the East Coast.

Sir, what are we doing with the St. Joseph Hospital? Why are we not consciously going after that kind of business? I hope that the next Barbados Labour Party administration would have as one of its goals the pursuit of that business.

Sir, equally, the governing body of cricket wants to make sure that cricket is universalised on the same basis as football. Barbados is still regarded worldwide as the nursery of cricket. We have to establish our facilities here. Barbados must be the coaching centre in the world for the new countries that want to play the game. We must export coaches and bring teams from all over the world to learn the skills and techniques of the game. We must set up a cricket museum here in Barbados. We must set up teaching institutions in crickets. In all of those respects, we in Barbados must take full opportunity of our skill base and strengths and we are not doing that.

We are too busy thinking only of the World Trade Organisation, important though that might be, while we

have skills, gifts and strengths which we must maximise here in Barbados. There is no foreign group of observers anywhere in the world that needs to come to Barbados when we have an election because it is known worldwide that the election would be free, fair and free from fear. Why are we not using that reputation to have an institute for democracy and for training people all over the developing world about what are the techniques that must be put in place in order to have a free and fair election? These are strengths that we have and which we must use. We must live by our wits and stop worrying too much about the World Trade Organisation and about a lot of other things when we have strengths here that we can maximise to our advantage and, Mr. Speaker, that is very important.

I want to comment on a few other things. The late Tom Adams used to boast in this House of the extent to which this society was being transformed is that an increasing number of maids were traveling every year to Montreal, Toronto, New York, Miami and other centres in America, London, Birmingham and elsewhere and that the common man was sharing in the delights of travel used to be one of his proud boasts. That continues to be so and long may it remain like that.

In the last eight years there has been a revolution of another sort in this country. If my figures are correct, they say that we have added 40 000 on the road, most of which are private vehicles. The car is now within the reach of the common man in this country and that is a significant leap forward but it has certain implications, Mr. Speaker. One of which is that we now have a level of traffic congestion in this country which, though on the one hand it reflects the triumph of the common man but on the other hand it speaks to a crisis. Too much time is being spent on the road to and from work. School buses spend too much time on the road. There is too much pollution and traffic rage resulting from that crisis.

It is a matter of regret that we have not had as yet any proposals from the relevant Ministry indicating what sort of pilot scheme we are going to have, what proposals are there to make sure that the problem is eased if not licked. We may have to start with our school children and when they should use the roads to go to school. We may have to have one or two parking stations located two or three miles out of Bridgetown on the west and south coasts. Whereby, when you reach that point, you park your car and get into well-equipped vehicles to take you to town or we may have to consider water taxis. Sir, whatever is going to be the final shape of the solution, we need to start working on it involving the entire public into a debate and start taking some initiatives. That, too, must be one of the priority goals of the next Barbados Labour Party administration because it has direct implications for the

quality of life which we enjoy in this country and there is no question about that.

I want to talk about some unhealthy values which have crept into the Barbadian society and which could serve to lame our development effort in the future. The first thing that I want to talk about is the obvious and growing and disregard for the sanctity of human life. Thirty-three years ago when I came back to Barbados from my studies, we had four murder cases a year. Today, we have 60 and more and a number of rapidly increasing cases involving violence.

Sir, as you travel around Barbados, you see young men and men not so old having disputes and you hear things like, you don't know I will kill you' and these things are heard as the only way in which the dispute should be solved. Sir, that is relatively new in this country and it reflects the disregard for the sanctity of human life. It is something that we must uproot. It is something that we must correct because in the end we would not be able to be attractive as a place to either live or do business if we do not have control of that sort of thing in the country.

The second thing is what I call an anti-work movement, a movement that has no president, secretary or headquarters but it is growing.

Asides.

Hon. Dr. R.L. CHELTENHAM: Sir, a large number of Barbadians are part of that anti-work movement. This country was built on the virtues of hard work. It was also built on the Christian notion that by the sweat of thy brow, thou shall eat bread. The boys on the block caused me a few years ago to address this issue in here because they questioned who said that you have to work in order to live. They challenged that.

The large number of uncertified leave and certified leave combined with vacation leave, whereby some civil servants are absent from work for three months; the large number of absent days in the private bureaucracy; the fact that people for the most trivial reasons take a day off from work and they pray for more bank holidays, is part of this anti-work movement of which I speak and of which the Leader of the Opposition spoke two evenings ago. He spoke of his experience of not being able to get a workman and he spoke about exploitation and that the workman was not working for a reasonable return for the day's work.

Sir, he did not give an analysis and I do not hold that against him because the whole issue needs analysis and it needs investigating. It is a national crisis. It is growing to that proportion and that, too, was a manifestation of this anti-work movement of the country.

11.00 a.m.

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Continuation of: Hon. Dr. R.L. CHELTENHAM:

Sir, we will not be able to attract foreign investors if we continue like this. We will not be able to have successful enterprises in this country. We will not be able to protect and guarantee a standard of living into the future, if our people do not wish to work, so we have to address that issue quickly, Sir.

There is the third issue of the growing disrespect and disregard for neighbourliness. We have no respect for neighbours. This is reflected in the buses that emit all of that noise pollution. The young people and the not so young people in the villages who are living beside elderly and sick people and turn up their music to a decibel level that is heard 150 yards away.

It is reflected in the fact that although there are large numbers of people in this country, who suffer bronchial complaints and respiratory disorders of one sort or other, there are people in villages all around Barbados that, every week, take a gallon of kerosene oil, light up their refuse and for three to four hours, up to three miles away, people cannot breathe. Nobody cares about this. Your neighbour has ceased to be important. There is nebulous regard for the notion of neighbourliness. You are seeing abuse in the most vicious way, stamped and kicked without provocation, and those who see the incidents refuse to testify.

We need a national consultation that addresses the issue of value where we can arrive at new commandments in this country, dos and don'ts, but unless we address that issue of values, all of our efforts at economic development may be frustrated and in vain, unless we have a community of wholesome values that is fully integrated; not a society that is divided and has unwholesome values, but a society that has very wholesome values.

I know, Mr. Speaker, the clock is running against me and I am indebted to you for your indulgence. I just wish to say that I also join in supporting this Appropriations Bill before the House and to add my support for the skillful management of this economy by this administration.

I think, however, that there are opportunities out there that await us and which we must grab with both hands. Equally, there are constraints which we must seek to remove. The biggest of the constraints in my view, is the public bureaucracy. I wish to make no blanket criticism of them. There are outstanding public servants in some departments.

In some departments they are more efficient than others but generally speaking, as a matter of balance, the public servant, since Independence, has not made the shift from being an instrument for the maintenance of law and order to an instrument of development. The biggest challenge facing the public bureaucracy is to ensure that it becomes an instrument of development combining accountability with speedy decision making.

There are many businessmen I meet across the Caribbean who say to me, "look, the reason why I am established in St. Kitts and in St. Lucia, is not because Barbados was not my first choice, but because Barbadian business friends says, you will not get a decision in Barbados under two to three years."

Barbados, if it is serious about wanting to attract foreign capital and foreign business, must make sure that its bureaucracy becomes more responsive and that, as I said earlier, it combines accountability, which is important, with the speed of decision making.

I know I have overrun my time, Mr. Speaker, and I just wish to let you know that I much appreciate your indulgence. I also want to say that I have every faith that with this Barbados Labour Party in office, the future of this economy will be in safe hands.

Thank you, Mr. Speaker.

Mr. D.St.E. KELLMAN: Mr. Speaker, I rise to speak after two distinguished Honourable Members who have both said farewell to this Parliament. I want to say that we all have something in common and that is, we would have all started our political lives around the year of 1971. Fortunately for me, I started at the age of 13 and they would have started at a much older age. This means that by now, I would have had a good opportunity to mature and also to learn at the feet of some of these Honourable men.

I want to make it known that instead of taking the advice of the Honourable Members, now they are going, it is for me to take up that mantle and run with it because of the good people of St. Lucy.

Sir, experience in politics is something that you cannot buy in a shop or you cannot get on the hill. It is something that you grow with and you develop over the years. I have had the opportunity to learn at the feet of many great men and I think it is only fair for me to show that I have learnt my lessons and I have matured.

I will be speaking today, Sir, on the Appropriation Bill at a time when the economy of Barbados is very much challenged. One must recognise, Sir, that I have sent out many warnings from This Side and I was happy to have heard the Honourable Member for St. Michael North East

speak. She made the comment that a lot has been given to the private sector and that the private sector, after receiving a lot, have not treated the workers the way they should have done.

I must admit, Sir, that in 1994 when the Barbados Labour Party said that this economy would have been private sector led, the Democratic Labour Party had all intentions of putting VAT system in place but we lost the Government before we got the opportunity to put that VAT system in place. I want to say, Sir, it is with some regret that was not put in place, because we could have put that in place and could have easily removed the Income Tax. If we had done that, there would have been no doubt that the Democratic Labour Party would have been re-elected to Government. I want to give you the reason why I say this.

Sir, if you look at page 1 of your Estimates which deals with revenue, you will see that in the year 1994 to 1995, taxes on incomes and profits were \$324 million. In 1995, it went to \$364 million. In 1996 to 1997, \$385 million. In 1997 to 1998, it went to \$419 million and from 1998 to 1999 it went to \$459 million. In 1999 to 2000, it went to \$512 million or \$513 million. In 2000 to 2001, it went to \$591 million. In 2001 to 2002, it dropped to \$571 million, and this was about around the time of the mergers, this is a very significant point, and in 2002 to 2003, it dropped again to \$558 million. Sir, these are taxes on income and profits which will include Income Tax and Corporation Tax which means that Income Tax was part of the Corporation Tax.

11.10 a.m.

Wednesday, March 19, 2003

Mr. D. St.E. KELLMAN: Sir, when the Value Added Tax (VAT) system was introduced in this Parliament, I made the bold prediction that it should not only be calculated on the amount of the VAT collected but that it had to be calculated on the indirect effect of what it would have on the profits of corporations. I realised that when the taxes were removed from the Port et cetera that there would have been companies that would have been able to hold on to a larger portion of the taxes that were given up by the Government and one would have seen a difference in the balance sheets of those companies.

Companies are making the point that they are now making more money than they have made before but when you look at their turnover instead of seeing a significant change, you are seeing a large increase in the profits made by the company. This means that the money that should have been passed down to the retailers and the consumers is being held by the large importers in Barbados.

No one can dispute the fact that the successful businesses in Barbados are the businesses that are into importing and that the businesses that are suffering are the businesses that are into retailing which have to rely on the importers. That is a fact and nobody can challenge that.

Those who made the point that during the Democratic Labour Party time there was something called price control which caused 400 businesses to be closed, even if that might be true, will recognise now that we are seeing something occurring in Barbados which is more damaging. We do not have price control which is instituted by the Government of Barbados but we have a combination of Government and private sector control that is now starving the retail sector in Barbados. Let me explain what I am referring to. An importer in this country can import any item he wants and he can decide the mark up he wants. If he wants a 500 per cent mark up, he can get a 500 per cent mark up but the retailer is given something called a suggested retail price which means that this is the market retail price now because even though it is not written into law that is price that is in the mind of the consumer, who will expect to pay that particular price for the item. So the distributor is now dictating to the retailer the price that he or she should be selling the item at, not cognisant of the various expenses that the retailers have.

Therefore, we are now seeing a situation in Barbados where the retailers are now being wiped out because the distributors are taking a larger share of the taxes that should have been given to the retailers so that the retailers and the consumers could have a better break.

Sir, I need to produce statistics to prove this particular point. In the Appendices on A-12 you would see something called taxes on goods and services. I will use the years 1993-1994 as my base year. Taxes on goods and services collected were: 1993-1994, \$378.6 million; 1994-1995, \$406.7 million; 1995-1996, \$450.5 million; 1996-1997, \$488.5 million; 1997-1998, \$723 million; 1998-1999, 748.1 million; 1999-2000, \$727.8 million, it dropped; and in 2000-2001, \$750 million. It levelled off the next two years at \$747 million and \$749 million. Sir, even though duties and levies would have been included in that figure previously, instead of seeing a levelling off of taxes you saw a significant increase in taxes in the year 1997-1998. Using the years 1993-1994 as a base, it meant that in 1994-1995, the taxes increase by 7.41 per cent; in 1995-1996, by 18.99 per cent; 1996-1997, by 29 per cent and in 1997-1998 by 90.95 per cent. When VAT was introduced there was a 90 per cent increase in taxes but income tax could not have been 90 per cent on the taxes of income and profit in that figure above. This also means that if we had introduced VAT and abolished income tax that we would have increased the disposable income of the workers and they would have been free to dispose of that income the way they like and if they wanted to go and buy fish, yams

or potatoes, they were free to go and live off the produce of the land and they could have turned rastas if they wanted to.

Sir, this tells me that the Barbados Labour Party was fortunate in getting a 90 per cent increase in taxes without having to give up any of those taxes to the consumers of Barbados. What is also significant is that by 2000-2001 the private sector of Barbados would have been able to increase their profits by over 105 per cent and the Government would have been able to increase its tax take by 98 per cent.

You would have heard me, Sir, in this Parliament talking about a three-sided triangle, and a triangle can only have three sides, but sometimes you have to make statements like these in Parliament...

Hon. Sir Henry FORDE: On a point of order. Mr. Speaker, I hate to interrupt the Honourable Member but he fails to take into account two matters and he is not fairly representing the position. He has to discount the fact that 13 taxes were abolished and he has to make a discount for the fact that there was a tremendous increase in economic activity which would bring with it an increase in the level of taxes.

11.20 a.m.

Wednesday, March 19, 2003.

Mr. D. St. E. KELLMAN: Under normal circumstances in 1994, the \$378 629 330 would have included those taxes and duties of which the Honourable Member is speaking. Those taxes were replaced and by 1997 to 1998, they then moved to \$722 980 494. The Honourable Member is asking me to make this significant point. In 1994, the Democratic Labour Party found the Social Partnership in a situation where there was no connection between the private sector, the public sector and the workers.

We were able to put a policy in place where we brought them together as a group, under an understanding that they would have all shared in the bounty of the land. What one has seen is that the two partners remained together, the workers dropped out.

Mr. Speaker, after 1997 to 1998, there was the public sector and the private sector working hand in hand while one got an increase of 98 per cent, the private sector was able to get an increase of over 105 per cent, and the workers dropped away from the relationship. That is exactly what has happened. That is why I was warning the trade union movement in this country that even though the revenue of Government and the private sector are being built up, they still have to look after the wages of the workers. All of us

knew about trade liberalisation and globalisation and that there would have been mergers which would have seen a relationship, in which the private sector would have looked after their own interest but the interest of the workers would not have been protected. The trade union movement and the people of Barbados should have listened to me, but did not.

What we are seeing today, the Honourable Member for St. Michael North East got up and admitted, quite rightly so, that after making super profits in this country, large corporations in Barbados are displacing workers even after those corporations were asked to enter into a Prices and Incomes Protocol. That is why there is the situation where workers are now dictating to the unions the paths that the unions should take.

It will be a long time before the unions in this country can have control over the workers again because the workers have recognised the point which I am making; what I have been protecting the unions and the social partners in this country from is the same situation where the workers believe, and rightfully so, that they have been taken for a ride. Whereas Government and the private sector were able to put aside revenue and profits respectively, the workers had nothing to put aside. If one looks at the study that has just been completed, one would recognise that the workers have spent all of their disposable income to survive and had nothing left to save.

I am saying that we have a situation that Government spent in 1993 to 1994, \$390.8 million on wages and salaries; 1994 to 1995, \$400.1 million; 1995 to 1996, \$424.2 million; 1996 to 1997, \$438.9 million

1997 to 1998, \$490.6 million; 1998 to 1999, \$516.5 million; 1999 to 2000, \$565.5 million; 2000 to 2001, \$586.3 million; 2001 to 2002, \$605 million.

Sir, when one looks at the ratio, in 1995, the workers had 2.38 per cent in wage increase; 1995 to 1996, 8.55 per cent; 1996 to 1996, 12.31 per cent; 1997 to 1998, 125.54 per cent; 1998 to 1999, 32.16 per cent; 1999 to 2000, 44.65 per cent; 2000 to 2001, 50 per cent; 2001 to 2002, 54.81 per cent.

Sir, let us match the 54.81 per cent from 2001 to 2002, to the 97 per cent increase for Government on its taxes for goods and services and also the 98 per cent on incomes and profits. When one looks at the total revenue of Government, one would recognise that it has increased by 70 per cent, whereas the workers were not able to match that gross in their income.

Mr. Speaker, the profits of the private sector went up by 105.9 per cent. What is also interesting is that when this is used on a current expenditure basis, in 1994, when the

Democratic Labour Party left the Government, the workers of Barbados were taking home 34.4 per cent of current expenditure.

Hon. A. P. WOOD: On point of order. Mr. Speaker, I have been sitting here listening to the Honourable Member for St. Lucy trying his best to make a contribution but he is all over the place and his analysis is lacking in coherence and in direction.

Mr. Speaker, the Honourable Member for St. Lucy, by a strange utterance a few minutes ago, is seeking to give the impression that there should be a policy that wages should be indexed with Government current revenue when he said there was an increase of 70 per cent over a time period and the wages did not increase commensurately.

Mr. Chairman, I want to inform the Honourable Member for St. Lucy that out of all the nonsense I have heard in here, that is the highest...

Mr. SPEAKER: Please, you cannot refer to the Honourable Member's speech as nonsense. Please make you point of order.

Hon. A. P. WOOD: The point of order is that no where have I ever heard that there should be a policy of indexation of Government current revenue and wages. I think if the Honourable Member for St. Lucy is not versed in simple matters of this kind, maybe he should seek some clarification or direction from the Honourable Member for St. John because it is something that is unheard of in here.

Mr. SPEAKER: What is your point of order? Do you want him to seek some kind of clarification, or that there is no way that this is so indexed? Proceed.

Mr. D. St. E. KELLMAN: Mr. Speaker, I want the Honourable Member to remember this point because when the trade unions came this year, I do not want to hear that Government is telling the trade unions that the revenue has decreased and there is no basis for increase in wages. The Honourable Member has just said that revenue cannot be used as a basis for wages. Therefore, I am telling the trade union movement that the Government cannot use revenue as a basis to stop them from getting a salary increase for the public sector. I thank the Honourable Member for St. Philip South for strengthening the hands of the trade union movement by making that point.

Sir, I want to make the substantial point that when the Democratic Labour Party left Government, the workers were getting 34.4 per cent of the current expenditure for salaries and wages. Do you believe what happen by 2001? They were only getting 32.4 per cent of current expenditure.

We saw the expense had increase significantly and out of that increase the workers did not get any real benefit. Instead of they getting a larger share of the budget what they actually got was a decline.

11.30 a.m.

Wednesday, March 19, 2003

Mr. D. StE. KELLMAN: Sir, in 1991 the Democratic Labour Party borrowed the bullet loan. If we look at page 76 of the Economic and Financial Statistics from the Central Bank for 2003, we will see that the sterling at that time was 4.0584. This meant that the Democratic Labour Party received over \$120 million for \$30 million pounds. If the Honourable Member for St. Peter....

Sir HENRY FORDE: On a point of order. Sir, if my memory serves me right the Right Excellent Barrow, the then Honourable Member for St. John agreed with the view that I took about that loan. The Honourable Member is now in hindsight and saying that if the world's economic financial conditions change and there is a foreign exchange cost reduction and we benefit from it, that it is now a good loan, Sir, but at the time the loan was taken, that was not the projection.

Mr. D. StE. KELLMAN: Mr. Speaker, I deal with the facts because I am not an economist. In the accounting field we deal with actuals and not assumptions. The Democratic Labour Party received our \$120 million when they borrowed that bullet loan. Any bank in Bridgetown will tell you that the rate of the pound today is 3.20158 and when we convert the bullet loan it will have a value of \$96 million and we were criticised wrongly for this loan.

If the Honourable Member for St. Peter wanted to make a foreign exchange gain on the particular loan and he would only pay \$96 million to the Central Bank for receiving a loan of \$120 million which would be a foreign exchange gain of \$23 million. Sir, can this be a bad loan?

I have said on the November 20, 2001 that Parliament is only interested in the interest rates. I am not surprised with the Honourable Member for Christ Church West because he knows what I am speaking about but I am surprised at the Honourable Member for St. Philip South because he should know about it. He should understand that in negotiating loans we do not only deal with interest rates. This loan cost 13.35 per cent and Parliament believed the rate would always remain the same but at today's rate the true interest rate is 10.68 per cent because it is only 80 per cent of the loan so you have to multiply 13.35 by .08 because of the depreciation in the value and the interest rate would only be 80 per cent of what would have been paid at the original rate.

Mr. Speaker, no one can criticise the Democratic Labour Party for borrowing a bullet loan. The bullet loan to criticise would be the one borrowed by the Tom Adams administration when it borrowed on the Japanese yen.

Asides.

MR. SPEAKER: Order, order, please Honourable Members. Whatever the Honourable Member is saying we still have to listen to him according to the rules of the House. The Honourable Member has two minutes to conclude.

Mr. D. StE. KELLMAN: If Honourable Members want to understand what happened to the Japanese yen loan they only need to turn to page 76 of the Economic and Financial Statistics a document put out by the Central Bank of Barbados and follow the flow of the Japanese yen.

Sir, the Barbados Labour Party cannot be excused for borrowing badly on the Japanese market because the sugar industry borrowed a loan from CDB. Caribbean Development Bank had borrowed a bad loan and they passed it on the sugar industry. When the sugar industry had completely paid half of the loan, the principal was still same as the original amount and when the Caribbean Development Bank recognised they had a substantial amount of money to service the loan, they passed it on to the poor sugar industry.

I challenge the Caribbean Development Bank to deny that they have caused the sugar industry substantial debt because they took a loan borrowed for themselves and past it on to the sugar industry to repay because the sugar industry wanted finances for the Portvale factory.

Sir, assumptions can be easily made but actual figures cannot be defeated. When I speak in this Parliament, I use actual figures and not assumptions. You have to wait for one year whenever there is an assumption made and this is why I wait on Honourable Members to make glorified statements because one year after there will be a document to prove them right or wrong.

Mr. Speaker, sometimes I believe I am in space when I am speaking in this Parliament because it is clear that even though I use actual figures many cannot follow what I say. I also want to say to this Parliament that a decrease in expenditure will not save this country's economy. We need to find money and invest it in the productive sectors to help increase the GDP because we cannot afford at this time to have large sums of foreign reserves and liquidity at the same time that we are cutting back on expenditure. We need to cut back on expenditure that does not increase revenue. We need to increase expenditure that will give higher inputs of income also to

find a system of income, that is what is required at this time.

We also need to find a system that will allow the private sector, the workers and Government to share fairly in the system. Sir, the system of Government we are practising at the moment is the wrong one and it is stifling the productive people of Barbados and we need to find a system where more disposable income can be put in the hands of the workers so that the small man and woman can be kept alive in the productive sector or else the workers and the small business class will be wiped out in this country.

I am not making a speech as a prophet of doom. I am making a speech in the interest of Barbados.

11.40 a.m.

Wednesday, March 19, 2003

Hon. Sir HAROLD ST. JOHN: Mr. Speaker, I share with the Honourable Members for Christ Church West and St. Joseph, the privilege of delivering my last speech on an Estimates debate in the House of Assembly of Barbados. It is to me an opportunity for some reflection but also an opportunity to respond to a number of speeches that have been made in this House and what I regard as very important matters because they relate to a phenomenon that I have experienced over the long period of time that I was a Member of this House.

I want to start with the speech of the Honourable Member for St. John, Leader of the Opposition. He castigated the Government for what he called wasting money in a number of public sector projects. I think that it is important that we recognise that the selection of projects for public sector expenditure has to be left in our political system to the Government in office.

It is quite possible and it is quite within the rights of the Honourable Member for St. John to disagree with the selection but when he indulges in language of the kind that he indulges in, it is important that some analysis be brought to bear upon the nature of the criticism because no political party, whether it is his or this, has ever indulged in public expenditure, to my knowledge, without carrying out most searching and careful analysis both prior to and during the execution of these projects.

Government's rely upon the selection either of their own civil servants or outside consultants to design and execute these projects. It is not only being the experience of this Government but Governments of his political party and Governments worldwide, that the best intentions of politicians are sometimes seriously hurt by the quality of the experts that they have selected either to execute, design

or supervise these projects. Sir, I am going to do the analysis.

Mr. Speaker, the Honourable Member castigates the Warrens project, Gems project, sewerage project, Greenland project and the Hilton Hotel project. Each of those projects is a selection of the Government that is in office. It is their right to make the judgement as to the feasibility and desirability of those projects. It is also the right of the public to carry out a scrutiny as to the quality of the professionals that have been hired to carry out these projects.

I think that the Honourable Member for St. Joseph made a very valid point. He said that we in this country must understand that in the future we will very often make our living by the quality of the services that we render. If there is one message that I wish to leave is this. All those who have the honour to be selected to supply professional services to the Government in whatever type of profession, must understand that they must carry out their work to the highest standard.

Mr. Speaker, in each of those projects the best professional advice was sought. Many of them bear and have experienced the same problems that many private sector projects in Barbados experienced. There are many private sector projects in Barbados, I would not mention them because there are not my business, who have experienced the same quality of service.

I am going to deal with these projects one by one because the Honourable Member and his colleagues must not get away with the mere wild allegations that these projects comprised and are evidence of squandermania.

The sewerage scheme in particular was designed by a company which is now Earthtech International, a large Canadian multinational engineering firm. Greenland was designed by an equally large Canadian multinational firm, the architectural services for the Gems project were provided by a large Canadian architectural firm and the architectural services for the Hilton was provided by a large American architectural firm with experience in building 300-room hotels. So, one finds oneself in a position as a Government of having to rely upon the quality of the services for which we have paid.

I want to say that if there is one thing that we in this Government or any Government in Barbados must do is, having hired these people, if we find that they have not lived up to the quality of what we are paying for, we must be logical and carry these people to the highest courts or arbitration tribunal in the land.

It is for that reason when questions were raised with respect of Greenland, this Government brought in another

consulting firm to do a pair-vue. It is also for this reason that when the sewerage project was being constructed and the first group of contractors', who were awarded after international tendering process as stipulated by an IADB loan, performance was in the opinion and its engineers that it was not in accordance with the contract, it was terminated and another firm of contractors, in accordance with the same international tender documentation of contractual arrangements, the present contractors were appointed and the project is now complete.

Sir, no Government can rightly be held responsible for the performance of people who have done what is reasonably required to ensure that competent people are hired and they must put that in their pipe and smoke it or they can talk from now until doomsday.

Asides.

Hon. Sir HAROLD ST. JOHN: No Member of this Government designed Greenland or the sewerage project. They hired so-called professionals.

11.50 a.m.

Wednesday, March 19, 2003

Continuation of: Hon. Sir HAROLD St. JOHN:

Sir, one point is that people must learn. Whether the Democratic Labour Party is in power or the Barbados Labour Party is in power, once you decide this is the right project for the Government, all you can do is to vote the money and ensure that the people you hire are competent.

Sir, I want to say something else about these projects. They are projects which are vitally necessary for the economic social well-being of Barbados. If this Government did not have the courage to make the decision that these projects were desirable, you would not have had them.

I have been in politics long enough to have listened, and I remember the words of the late Right Excellent Sir Grantley Adams in which he said - when he was under attack in the 1950s for the building of the Deep Water Harbour, and in the early 1960s by the Democratic Labour Party that it was a waste of money - when he said that we have waited 300 years for the private sector to build the Harbour, we will wait another 300 years for them to build it.

The Harbour is necessary for the economic advancement of Barbados. It is the responsibility of the Government of Barbados to ensure that the Harbour is built, so never forget that. Sir, even in large countries there

are some areas of economic activity that Governments have to undertake.

There would never have been a channel tunnel connecting England and France, if the Government did not back the building of it. Even a strong Conservative Government in its stature, had to accept that if you want the tunnel, the Government has to get out there and be a prime mover of it and so too here in Barbados. There will not be a Pierhead Development unless of the Government of Barbados participates, in some significant way, in ensuring that it comes into existence. This is the reality also with the other projects.

I do not want to speak, Sir, about the GEMS projects because as all Honourable Members know, I have been in the directorate for some period of time, subsequent to its formation but I only want to say, Sir, that the processes relating to dispute resolution are well in place and I am sub judice in certain respects.

I also want to say that if you look while you are driving from the top of the Garrison Hill, up to Chancery Lane, Honourable Members will see what a tremendous change has occurred in the hotel industry, since the commencement of that project.

There can be a lot of arguments that other people would have done it, irrespective of that project, but I know this, that I have never seen or heard in my 70-odd years in Barbados, where money put in bricks and mortar ever loses its value. This is very significant in my observations throughout the years.

I am sure that the Honourable Member for St. Lucy will also appreciate that land values do not lose their value in Barbados. He knows that very well. It may go up a bit. It may go up too much and come back down, but it never comes back below value unless there is something wrong with the ground.

Sir, that project in particular is an investment of the Government of Barbados. They can disagree with it, but they cannot tell the public that it is not in existence. As the Honourable Member Christ Church West said, a large part of it is in his constituency, and he is in a position to know that there are some 300 odd members of his constituency, and people from all over the island who are involved.

The addition to the room stock in Barbados has increased, certainly by over 120 new rooms. In addition, there has been a large amount of refurbishing that has taken place of existing rooms. You can criticise it as much as you like but this Government that is in office made the decision of that investment. The owners of that investment, up to 98 per cent or whatever per cent it is, are the people of Barbados.

If and when the Democratic Labour Party comes into office, in ten or twenty years time when it is at the height of its maturity, it can sell it, like it did with Heywoods and the Cement Plant. The shares are vested in the Crown, the Government of Barbados. If you cannot control it, sell it.

Therefore, there is nothing to believe that the same thing which happened when they made the investment in the Barbados National Bank's share at \$1.80 and it is now being sold for \$3.45, that the same thing may not occur. Now, Sir, there are two other points I want to make because the Democratic Labour Party is now criticising matters at the Hilton Hotel and I want to deal with it because I am the Chairman of that company. Everybody knows that I am the Chairman of Needhams Point Development.

The allegation now is that they are worried that it will turn out to be another GEMS project, according to the spokesman or the leader of the Democratic Labour Party because one is never sure about that, but the basic position he says is that it is a financing gap.

The position is, Sir, the Hilton Hotel is being financed, partially by equity contributions of the Government, the National Insurance Scheme (NIS), Caribbean Development Bank (CDB) and the Hilton. Hilton stated that because of taxation reasons, so that their contribution which will remain the same. They do not want it as equity but they want it as, what they call key money, because it becomes an expenditure for the lease payments.

The position is that the accountants have advised us, very carefully, that it does not matter to the Hilton project in any way because the same flow of money is coming. Also, that the debt/equity ratio in the Hilton project is the most favourable one could find, in that the level of debt which you are borrowing, is a relative small percentage of the total cost.

The Hilton Project, at the present moment costs US\$54 million, excluding the additional cost for foundations. The Government of Barbados is going to finance, together with the National Insurance and Caribbean Development Bank, which is a small shareholder, \$27 million, of which land is \$9.1 million.

People forget land, because part of the Government equity in the Hilton overall capital, consists of the land. The land there was valued at \$9.1 million. Everybody knows that is a very conservative valuation of this land.

The Government has already put in \$18 million and there is another, approximately, US\$10 millions for the Government to put in. The Prime Minister has already said in here that it is nonsense to talk about the financing not being available because, according to the Prime Minister

on the sale of the shares in the Barbados National Bank, part of the receipts of that will go into financing Government's commitment to the Hilton Hotel.

12.00 p.m.

Wednesday, March 19, 2003

Sir Harold ST. JOHN: This is a national project of great importance to the future viability of Barbados' tourism industry. One would have thought that a person holding a responsible position in a political party that has aspirations to be a leader and to be in control of government in the near future would have made checks on the project before making any statement that would impugn the integrity of the project. This is a totally irresponsible position to take but this is just characteristic of the irresponsibility of the spokesman of the party.

Mr. Chairman, I have no doubt at all that the Hilton Hotel will be finished. Anybody who went up there since the award of the contract in July of last year would have seen the progress that has been made. I do not care what the Leader of the Opposition says here, the reality is that the Directors of Needhams Point hired good engineers, architects and other professionals as were available including some that the Honourable Members on the other side are aware of. They are not discriminated against. They are given full opportunity to exercise their professional skills but if they do not meet the criteria, the walls of justice will fall on them too.

Sir, in the 10 months of construction the contractors, and there is only one general contractor that we have, are performing in accordance with their contract. We have got over the hurdles of the clean up which nobody could have envisaged at the beginning. We have got over the hurdles of having to pile 330 piles that had to be introduced. I am pleased to say that a Barbadian piling contractor, Marengo Limited, was the best bid, they executed their job and the north block which sits upon these piles is well up in the air. That is the position.

I have no doubt, Sir, that in the fullness of time with all of the explanations that have been repeatedly given, that this charge of squandermania in respect of the execution of these projects will be rejected by the electorate.

There are just a few other things I wish to say in respect of this year's Estimates. I am glad that I have been in here long enough to witness some of the pet schemes that we as Party laboured - from my joining the party in the 1960s right up to now - have come to fruition. I am particularly proud of the fact that the concept of decentralisation of services to population centres have come to fruition.

I well remember the trenchant criticism in the 1970s when we put that forward in our 1971 Manifesto when the then Leader of the Opposition said that the Barbados Labour Party was coming with a policy of a tale of three cities. We had Bridgetown, Holetown and Speightstown. We now have Bridgetown, Holetown, Speightstown, Oistins Town and Central St. George. I am just hoping that the Government will take the advice I gave them when they were dealing with the Special Development Act, when I said that Oistins had to be part of a special development area.

As a matter of fact I made the statement when St. Lawrence Gap was being designed that St. Lawrence Gap extends to Oistins. We have a development taking place there now which is pregnant with possibilities for the future. The tanks that the Democratic Labour Party foisted upon the people of Oistins between 1966 and the early 1970s, will be removed. Under the re-organisation of local government, the late Doctor Byer always said that the location of the District Hospital was not the best use of that particular site and that the consolidation for the South of district hospitals should be in St. Philip.

I remember when the Barbados Labour Party Government bought five acres of land next to the St. Philip District Hospital for the potential expansion but the Democratic Labour Party did nothing about it. They cannot show their faces anywhere around Christ Church at all. All they have done for Christ Church in all of their years is to put some tanks in the wrong place at the wrong time.

Asides.

Hon. Sir Harold St. JOHN: Well, the Post Office has to be moved because the people who are responsible for the administration of the Post Office do not know what they are doing and they cannot make up their minds. They had it there for all this period of time and now they have taken up space that belongs to the medical clinic. When they were opening the polyclinic, the Honourable Member for the City, now Minister of Foreign Affairs and Foreign Trade, was Minister of Health and she said that they were only there temporarily because they were taking up space for the expansion of the polyclinic.

We envisage that the polyclinic would become a major centre for the delivery of health services. If one goes to that polyclinic now, particularly now that they have extended the hours a bit, one will see that many people are using it rather than going to the Queen Elizabeth Hospital, so the purpose for which it was designed is now being used. Those are very important things that we have, Sir. There is great potential.

Increasingly, people are asking what is going to happen to the area of land at Oistins Fort. We have had a

plan for that but it needs to be updated in light of the new developments. In light of the new developments a private/public sector development must take place or the Barbados Tourism Investment Incorporated must do it.

Sir, all I hope is that the people of Oistins and the surrounding areas would have an opportunity to participate in the future development of that area because they are very proud of what has happened in Oistins and justly so. You cannot pick up a magazine or a newspaper that is writing about Barbados and its various attractions and fail to see sentences being made about what a wonderful place it is and encouraging people that when they have a holiday in Barbados they should go to Oistins Town on Friday nights.

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Asides.

Hon. SIR HAROLD ST. JOHN: That is 25 or 30 years of drilling, educating and inculcating self-respect into those people and it was not easy. We had to fight the public health officials and everybody else but 25 years of effort has paid off and the people are very proud. Therefore, any vagabonds who think they can come about there and disrupt it, they do not need the police, the people themselves will deal with them.

Sir, I must also say that the connection to the sewerage project is a vital development. I am very glad the Minister of Agriculture has said very clearly, that we cannot allow a market which was built in 1981, to continue without upgrading. We wish to get our European Union origin certificate for fish and they are not going to give it unless there is a complete refurbishment of the market.

Mr. Speaker, if there has been a political party that, from its very beginning and right through the 1960s, 1970s, 1980s and 1990s, that have placed special emphasis on improving the economic independence of vendors, small business people, et cetera, it is this political party. We had conceded long before the end of 1986 of a refurbished Cheapside Market. The late Prime Minister Tom Adams, when there were plans for the Cheapside, came to us and said that the plan were ridiculous, that Government wanted to spend \$6 million because it was to be a permanent showcase. The late Prime Minister wanted to have things of character.

Sir, nine years have passed and the Democratic Labour Party did nothing about it but now we are having the opportunity to come back into office and to execute it. Therefore, the work that has been done with respect to small business and the upliftment of the small business people in Barbados is there for all to see. We are now

living in a different era. The Caribbean Single Market and Economy is going to come into effect and whether or not Barbadians like it, there is going to be fundamentally different situation than the one before. People who before never came to Barbados to work, although Barbadians have been to their countries to work, are now going to come. They have a right to come on conditions of reciprocity and the basic position is, we have to encourage our people in Barbados to understand that the world does not owe anyone a living. If someone is a carpenter, then he must produce. If he is a mason he must produce so that we are living in a new era.

I have absolutely no doubt that the Caribbean Single Market and Economy is good for Barbados. I have no doubt that this political party has the capacity and the commitment to carry Barbados forward. I am proud to be associated with it for the long period of time. I thank you.

Rt. Hon. O. S. ARTHUR: Mr. Speaker, I have seldom heard the House in finer voice or in finer fettle. It would appear that something is in the air and persons are sharpening their skills of oracy in the ability to project policy in a way that will make the medium term feature extraordinarily interesting.

Members of the House will forgive me if, on this occasion of the wind-up speech on the Estimates of Expenditure for the year 2003-2004, I particularly single out for special reference, the three extraordinary speeches that were today given by three distinguished Parliamentarians who were speaking in their last such exercise in this Parliament.

Mr. Speaker, since Independence, this House has been blessed and have been able to have in its midst some of the most outstanding intellects in our land. This country, over the course of an entire Century, has profited enormously by having some of the greatest Barbadians called to public office. Today, Mr. Speaker, in the presentations from the Honourable Member for St. Joseph; the Honourable Member for Christ Church West and the Honourable Member for Christ Church South, three speeches of tremendous intellect, three speeches that reflected, in the very finest way, the manner in which Parliamentary discourse should be carried out.

Sir, I want to begin, not only by saluting their contributions to this debate but the placing on record how grateful a Parliament and a nation are, for their extraordinary contributions to the development of this country over the course of the last 30 years.

I owe a debt of gratitude to each. The Honourable Member for St. Joseph gave me my first opportunity to function in public life by making me the Chairman of the Barbados Agriculture Development Corporation in the

early 1980s. He was also the general manager of my very first essay into electoral politics.

The Honourable Member for Christ Church South gave me my first opportunity to serve as Parliamentary Secretary. I remember the days between 1985 and 1986, when he had me in his office. He was then the Prime Minister of Barbados and exposed me to all of what was involved, having to carry that burden of that enormous Office.

I served with the Honourable Member for Christ Church West as one of a three-member team which I believe would go down in history as one of the outstanding Oppositions ever in the history of this country.

This House is losing a person who is a Prime Minister and two others who could have been Prime Ministers, with extraordinary success. This House is also losing three Parliamentarians who would have been distinguished Parliamentarians in any Congress, Senate or Parliament anywhere in the world. I believe that the strings of public discourse would be. It is left to us now to find our way forward trying to replace their great lost with people of a commensurate worth.

I must, on this occasion, thank them. This is a bitter/sweet moment for the Barbados Labour Party. A period in our history is coming to an end. The Honourable Member for Christ Church South and I traced our roots to the founders of our Party and the two other gentlemen of whom I have just spoken, have been part of a development of the modern Barbados in a special way. I trust that as they leave the fray of electoral politics, they will record their experiences and leave behind, not just achievements in terms of public policies but perspectives that say, as we have said, this is how I saw it at the moment it was happening.

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Rt. Hon. O.S. ARTHUR: I thank them for their support for the Government for its policy and it is sad to think that heaven and earth would have to pass away before these three honourable gentlemen could serve in this Parliament again. I thank everyone on my side not just for their contributions in this debate but for the discipline of this Government.

In the course of last year my Government has had to run a country facing a situation where the revenue was \$90 million less than was projected and in many instances I had to say no to my Ministers. Many of these instances were justifiable legitimate concerns of constituents that were presented but could not be met, not because of ill-will but

because we faced strange circumstances. We would have like as we approached an election to be able to do everything that needed to be done but it is a tremendous testimony to the character and discipline of this administration that we managed our way through that situation without faltering, without any reduction in our commitment to the economic and social development of this country and without disappointing the people of Barbados to meet their needs. We also manage the reduction of the public expense without there being any disorder in the ranks of the Government.

Sir, it is a very difficult thing for Governments with large majorities to manage an entire term without turmoil and disorder about the allocation of benefits. It is even harder to manage when revenue is declining. Sir, there has been no disorder in this Government. With the strong sense of discipline that was exhibited over the last year, we will be called upon in even greater measure as we go into a future that is going to be characterised with great risk and uncertainty and with challenges of a proportion that has never been before faced in the administration in the history of modern Barbados.

I thank all those who have spoken from this side in the manner in which they have projected the Government's policy, and defended its programme and set the tone of the debate that is needed in Barbados at this time in history.

The Honourable Member for St. Lucy spoke and the House is aware that I entertain a great brotherly love for him. A higher brotherly instinct, if I were unkind, might have prompted me to say that he too was making his farewell speech but I am not presumptuous, Mr. Speaker. I believe in the will of the people and I make no judgement about his future status.

He did make some statements drawing from his experience and his training as a professional accountant in relation to matters pertaining to loans that were sound and which the Democratic Labour Party would respect. Although if I had to criticise him, I would say that he should stop trying to over-defend the Democratic Labour Party in the way he did in his speech by seeking to have us believe that the public officers of Barbados were better off when their salaries were being cut by 8 per cent by the Democratic Labour Party and frozen between 1991 and 1993 rather than now when their salaries have been increasing.

Sir, that contradiction has been inspired not by logic or financial analysis but by a deep abiding love to defend the Democratic Labour Party even when the party is beyond defence. It is sad and I do not know how the people of St. Lucy will support him when he does not get the support of his own party.

I thank him for his contribution. I respect him as an opponent and will take to heart the substance of what he has represented as his true and faithful view of the situation.

Mr. Speaker, the House was regaled again by what was purported to be a major statement by the Leader of the Opposition. I am sure that the Leader of the Opposition is speaking in this debate as the principal spokesman of the Democratic Labour Party on economic and financial matters. I do not think that either he or the Honourable Member for St. Lucy is sure of it either. The facts are that in other Parliaments in other jurisdictions of the world a debate of this nature is seen as creating an opportunity for persons speaking on the Opposition benches to constructively engage and come into contact with the serious economic and financial issues of the day.

Mr. Speaker, in other Parliament, I can say this even in relation to Barbados because I was shadow spokesman on Finance, one appraises Government projection of Estimates of Expenditure with an eye to what they were saying about the substance and directions of Government's policy. One discusses the Government's perspective on policy and made judgements about them. One spoke about the efficiency with which Government was proposing to finance its deficit and issues pertaining to the way in which the Estimates reflect Government's priority as regards the social and economic matters facing the country and read messages that could be translated to the public in relation to where the country was going and where the Government was taking them.

Mr. Speaker, in this debate I deliberately set out the context and the background, international, regional and domestic, that set the context within which these Estimates as numbers reflect a policy, a concept of philosophy of development and a way forward for the country.

In every one of these specific areas, the management of our foreign exchange reserves, the generation of employment, the financing of Government operations, the efficiency in which we are proposing to finance the deficit, there has been no engagement all at by the Leader of the Opposition. We have not heard from him yet any perspective as to where he or the Democratic Labour Party stands on the crucial issues of the day.

We live in a world and will do so for the foreseeable future when there will be more far-reaching change than at any other time in recent human history. More change will be compressed into the first decade of the 21st century, affecting Barbados and the Caribbean than in the fifty years since the Second World War. It is as if these issues do not matter where the Leader of the Opposition is concerned and as if we are in a contest with ourselves to try to get the country to be focused on what these developments are,

what they portend and the way in which they will affect entire economies and societies and what they will mean in the lives of the ordinary man and woman.

It is a great failing that has been pandered by his party and by some persons in the Press, who like to see politics as a blood sport and would not call him to a higher purpose but allow him to believe that one comes to an Estimates debate and does not treat to it in any serious analytical way.

Sir, to presume that he can speak to these Estimates in a serious analytical way is perhaps to credit him with intellect which he has never shown, which he does not deserve and to seek to judge his contribution by reference to a logic that is self-defeating.

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Hon. O.S. ARTHUR: I am presuming that a Leader of the Opposition should have the capacity to treat the fiscal policy as fiscal policy and to treat the economic policies of the day. I feel, from this position of charity, that I have to give him the benefit of intellectual doubt.

Sir, I fear that I am flying into the face of a reality. He has now an entire history of never engaging on any of the serious issues and making a recourse to allegations, slander, wild statements about corruption and polluting the strings of public discourse by making allegations that cannot be supported, assertions that cannot stand for more than a second and seeking to malign the characters of his opponents and hold them up unfairly to disrepute.

Sir, the Honourable Member uses this debate not just to perpetuate that legacy that is his, uniquely so, in the annals of Barbados politics but to start a new platform. That new platform is to seek to rehabilitate what is, obviously when history comes to be rewritten, the ugliest and most perverse political career in the history of modern Barbados, in the hope that this process of rehabilitation may help him, after the Democratic Labour Party is defeated in the next election, to be restored to its leadership. That is what his speech was about.

Sir, I have not heard the Leader of the Opposition speak in support of any of the economic or financial issues that his leader now is saying are his party's policies. His speech was to do with trying to explain why certain remarks which were made about him, especially last year, are not truthful and to put a complexion and interpretation on them, like most of his assertions in this House cannot stand scrutiny and do not have legs that can carry them for more than a few inches.

Sir, I will deal with the core of his speech that reflects the attempt on his part to rehabilitate the most sordid and tattered political career in the history of Barbadian politics and I put the matter as modestly as possible.

Mr. Speaker, last year I drew reference to the fact, not to discredit the Honourable Member for St. John but to draw reference to his contradictions, that he widely professed that he, as Minister of Finance, was never in the business of making concessions to large companies and that we were. I drew reference to the fact that he set a record in this country on one day in April, prior to an election, gave 13 waivers of property transfer tax to one group of companies. I called them then 'the baker's dozen' in the belief that there was a lot of dough in there but I could have equally referred to them as 'Judas' 13 pieces of silver' for reasons that would become clearer as I speak to this Parliament.

Sir, the Honourable Member mouthed in this Honourable House day before and asserted that he sat in silence and took those strictures but he had a defence. They were other Members in this House that could have risen in his defence and they did not do so. He said that his defence was that when he waived those 13 properties transfer taxes that were subsidiaries of CLICO, he was doing so under the provisions of a Memorandum of Understanding signed between the Governments of Trinidad and Tobago and Barbados in 1979.

Mr. Speaker, he sought to wrap himself in the cloak of integrity that belonged to others. He invoked the name of the Honourable Member for Christ Church South, a distinguished Queens Council and a former Prime Minister of this country and he called the name of Mr. Emptage. They are men that people look up to because these are men of integrity. If in fact, they were the people who told him what to do what he did, then, perhaps, he did it on good grounds because that implication which was left to be drawn.

Mr. Speaker, he also said that nobody could find the Memorandum of Understanding. Strange, a man who could have access to a nonexistent secret deal, that I was supposed to have struck with the International Monetary Fund, cannot find a Memorandum of Understanding signed by Eric Williams and Tom Adams, cannot have access to a public document. Strange enough, I say to this House that a man who can bring to this Parliament a document purporting to be only five-and-a-half gallon container in the history of the world, can tell this House that he does not have access to a Memorandum of Understanding and he said nobody could find it.

Sir, within five minutes of his uttering those words, I ask the Ministry of Foreign Affairs to get a copy of the

document for me and within ten minutes the document which he could not find arrived. This is a document that was signed by the Prime Minister of Trinidad and Tobago, Eric Williams, and the Prime Minister of Barbados and he could not find this document.

Mr. Speaker, I would say that nobody can find the CLICO file that is missing. Nobody in the Ministry of Finance can find the Registry Card on which is shown who are the last people who saw it. Such information that we have on this transaction was not derived from any file in the Ministry of Finance. We had to search the Land Registry to find it, Sir. I would be glad if the Honourable Member for St. John, who was there at the time, would cooperate with the Royal Barbados Police Force to let them help find the CLICO file and to return the Registry's document, so that we would know who is the last person who dealt with it.

The point is, he said that it was all in this Memorandum of Understanding and that this Memorandum of Understanding provided the basis on which he not only acted but on which he had a justification to act. Once again, his tattered reputation as a man in the public stands further to be judged on the seriousness what he has asserted in relation to this Memorandum of Understanding, as the basis for the giving away of the property transfer tax on one day on 13 substantial properties at a time when the Democratic Labour Party could not find the money to pay back the 8 per cent pay cut.

Sir, I am going to take the House through this Memorandum of Understanding because it exists. If anybody calls the Ministry of Foreign Affairs, they can get not only this document but every document ever signed by the Government of Barbados is in the public record, unlike the CLICO file.

It chronicles the discussions that took place and it is true that Barbados was led by distinguished men starting from 1976. May I say that I wished that the conditions between ourselves and Trinidad and Tobago were such that we could have negotiations between Trinidad and Barbados concluded in the same spirit and leading to the same results as those that were engaged when Dr. Eric Williams was the Prime Minister of Trinidad and Tobago. These discussions started in 1976 and were brought to a stage where by 1979, two Prime Ministers, outstanding men, could sign this Memorandum of Understanding.

First, it provided for cooperation in air services. Out of that came the creation of an airline, Caricargo, to move cargo in the Caribbean. Sir, what a wonderful thing it would be for our region if in today's world we could have a regional airline to move cargo in a Single Market and Economy? We are seeking to build a Single Market and Economy without a transport facility to move our cargo.

One would sometimes despair that you cannot have a community without communication but this was farsighted work, Mr. Speaker.

Sir, there was an agreement to rationalise group rights. If only Caribbean Star and LIAT would do this in today's world? There was a commitment to form a joint tour operating company. This is what we are now talking about in CARICOM again. We need to put in place, across regional borders a joint tour operating company.

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Continuation of: Rt. Hon. O.S. ARTHUR:

Sir, the countries agreed to collaborate, in defence and security, in the training of officers in the Defence Force and in the naval sections.

In education, Sir, we took a position to support the University of the West Indies (UWI). The Government of Barbados agreed to support the Mount Hope Institution and there was collaboration in legal education.

In the sphere of petroleum, Sir, decisions were made that Barbados' crude oil surplus would be processed in Trinidad and Tobago. We undertook to purchase asphalt from Trinidad and Tobago and the two countries agreed to collaborate in exploration for energy resources. Today, now, Mr. Speaker, that spirit of collaboration and exploration does not exist in the Caribbean. They are into competition.

In relation to cement, Sir, this Memorandum of Understanding created the framework within which Barbados and Trinidad and Tobago agreed to invest in the Arawak Cement Plant.

Mr. Speaker, the two countries also agreed to the reciprocal use of the overseas offices and facilities. This is a wonderful thing that we need to go back to, in the Caribbean today.

The countries also agreed on the desirability of establishing double taxation agreements. This came to fruition with a CARICOM Double Taxation Agreement that Barbados signed in 1995, over the objection of the Democratic Labour Party. The Democratic Labour Party refused to agree that Barbados becomes part of a double taxation agreement in the Caribbean. This Agreement also set the stage for the liberalisation of private capital flows and mutual access to the capital markets of the two countries.

Then, it dealt with insurance. The Governments the Trinidad and Tobago and Barbados agreed that an insurance company which has been incorporated in either state and had been registered and had carried on insurance business, so it speaks to an insurance company carrying on business in that state, in accordance with the insurance legislation and regulations of that state for a period of not less than two years, providing that the majority interest of the company is in the beneficial owner of residence of either party, be permitted to carry on insurance business in the other state.

In other words, if you are a Barbadian company, you can carry on insurance in Trinidad, and if you are a Trinidad company, you can carry on insurance in Barbados.

Asides.

Rt. Hon. O.S. ARTHUR: That is what it says.

Then it says, Sir, in each and every case - and that is in relation to insurance companies, carrying on insurance business - the two Governments agree to extend equal treatment, under their respective insurance exchange control and Income Tax legislation to all insurance companies engaged.

Sir, it speaks to insurance companies, engaged in insurance business, enjoying equal treatment, in relation to insurance legislation, exchange controls, and Income Tax. It did not speak then, in relation to Property Transfer Tax but even if it had done so, Mr. Speaker, and it did not, and if it had conferred on Trinidad companies existing in Barbados and carrying out insurance business, the same national treatment as Barbadians, the Trinidad company purchasing property in Barbados - if it had sought to purchase land as part of an investment portfolio - would have been liable to the Property Transfer Tax because Barbadian insurance companies were not liable to that Property Transfer Tax. This is the first point.

Sir, I want to stress the point that if CLICO was purchasing land in Barbados, and was to get equal treatment as insurance companies purchasing land in Barbados, then that policy would not be to waive the tax on CLICO, but there is a difference between the foreign rate and the local rate and you will get the national rate but that is not the point.

Mr. Speaker, this Memorandum of Understanding spoke only to insurance companies doing insurance business. What it did not provide for was an exemption from Property Transfer Tax. It also did not deal with an instance where a non-insurance company that is, a subsidiary of an insurance company operating in its own name, came to Barbados to buy agricultural land, beach land or supermarkets.

The point, Sir, is that those 13 transactions were not in the nature of cooperation in insurance. The transactions involved Todds Estate, a subsidiary of CLICO, in its capacity as Todds Estate - not at all provided for in this Memorandum of Understanding - purchasing Wakefield, Hothersal and others, Todds purchasing commercial property at Wakefield Yard, purchasing Pool Plantation, Sundown Enterprises purchasing Durham House and Goddards in Hastings. Sundown Enterprises, Sir, purchasing lands not of Rendezvous Supermarket but Sundown Enterprises purchasing property at Penrith and other large amounts of development land.

There is no stretch of the imagination by which those real estate transactions that were not in the nature of insurance business, Mr. Speaker, could have qualified, even if the 1979 memorandum had provided relief from Property Transfer Tax in insurance transactions.

My point is, Sir, that the 1979 memorandum did not provide exemption for Trinidadians from the payment of Property Transfer Tax on transactions in Barbados, Sir, and if it is right for equality of treatment which it did not, or real estate, they would still have been subjected to pay the same 5 per cent tax as Barbadian purchasers.

Mr. Speaker, the name of the late Tom Adams was used very poorly by the Honourable Member for St. John. I have already said and I want to repeat, Sir, I wish sometimes he was here to defend himself from the Honourable Member for St. John. He would have to use the words of King Lear again, and I quote:

"How sharper than a serpent's tooth is it to have a thankless child!"

Asides.

Rt. Hon. O.S. ARTHUR: Adams, Sir, referred to him as raw, caustic and hostile. Those were Mr. Adam's description of him and nothing that has been done since then, has discounted by iota or one wink, Mr. Adams' accurate prediction of the course of his political career.

Sir, he spoke in this House as well about privatisation. I am glad he declared an interest because when the Government of Barbados, this Government, put the BNB shares on the market, the Leader of the Opposition was busy telling the people not to buy the shares. It is a bad investment, but he bought.

Asides.

Rt. Hon. O.S. ARTHUR: Sir, Senator Mascoll went on record as saying, that these shares are worthless, because they are not going to have any value in five years time. Sir, we have, within two years, seen shares that we

put on the market to offer our people, 51 per cent of the value of these shares at \$1.80 being sought by a Trinidad enterprise at \$3.45. He makes the point that in our time, we were hostile to their approach to privatisation, and this is not true.

Mr. Speaker, in our time we said that first of all there was a drastic differentiation between the rhetoric of the Democratic Labour Party on privatisation and the practice, that the Democratic Labour Party was purporting that privatisation should be used to broaden the base of ownership in the country, and to reduce the influence of monopolies in the Barbadian economy, but that they took the shares owned by the Government of Barbados in a monopoly, and sold them to the same monopoly. They took, Mr. Speaker, the shares owned by the largest hotel in the country and the built by the Government, and sold them to the largest company in the country, pre-empting and eluding the prospect and possibility of using that share exercise for the purpose of broadening the basis of ownership.

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Rt. Hon. O. S. ARTHUR: We also said that the Democratic Labour Party, it is documented in Parliament, was engaged in a bargain basement sale approach to the management of those transactions and that merely acting out of pressure, they were either selling things for less than they were worth or were selling things on a basis that was compromising the long-term development of this country.

We were fundamentally opposed to the way in which the Government's resale of our shares to Cable and Wireless enable Cable and Wireless to exact a new 20-year extension of its monopoly presence in this country to fleece the people of Barbados. The liberalisation of our telecommunications sector has been hamstrung by the nonsense that the Democratic Labour Party entered into in 1992, when they not only sold the Cable and Wireless shares back for a nominal amount but agreed that Cable and Wireless could have 20 more years in this country as a monopoly. To take Cable and Wireless out of that extraordinary advantageous position, we have had to enter, as a Government now, a Memorandum of Agreement with them that is difficult to manage because the Democratic Labour Party in giving them that monopoly for 20 years invested them with a real property.

In all the difficulties we have had, not only in managing telecommunications liberalisation but as a service economy, our future and present development is based largely on access to telecommunications facilities at reasonable rates. There is no argument that we have not been able, because of that monopoly situation with Cable

and Wireless, to expand our international business companies at a pace and at a depth as circumstances would warrant. That is a price that was paid then.

In the case of Heywoods Hotel, it was our judgment then and it still is now that, that wickedness was done for two reasons. Before we approach the matter of selling our shares in the Barbados National Bank to a Trinidadian interest, we had a valuation done by a professional valuer. That valuation said that the shares that we sold to the Barbadian public two years ago at \$1.80 per share should have been sold at a price of between \$2.97 per share and \$3.17 per share. We are selling them now for \$3.45 per share which is higher than what our valuers of a professional company have said is a fair market value. We are selling them at a premium.

Heywoods Hotel was built for \$60 million and it was sold as a going concern. There were two valuations done for Heywoods Hotel, a physical asset valuation and a discounted cash flow valuation. The physical asset valuation, at the time when the Democratic Labour Party made the decision to sell Heywoods Hotel and sold it for \$34 million, said that the value of Heywoods Hotel was \$59.5 million. There was then a discounted cash flow valuation which, by taking into account the valuation of the business on a going concern basis, gave you a valuation of the business to the owner or to a purchaser on the assumption that the business would continue to exist under existing management or under the conditions that operated at that point in time. The use of that discounted cash flow said that in the most likely scenario, the value of Heywoods Hotel was \$47.7 million and in the best case scenario it was worth and should be sold for \$62.4 million.

Sir, even though there was an offer of \$40 million on the table at the time when the Democratic Labour Party sold Heywoods Hotel, they sold it for \$34 million. This is a company that had assets valued at \$59.5 million as a physical valuation and a discounted cash flow value at best case of \$62.4 million and if you had changed or retained the management and if the same conditions operated at \$47 million, so there was a lot of dough in there too.

In 1995 we had a revaluation of the assets that the Barbados Shipping and Trading Company bought from the Democratic Labour Party for \$34 million that shows that those assets that they had paid \$34 million for were worth some \$86.7 million.

You could always say that men make errors of judgement but we opposed the privatisation of Heywoods Hotel not because we wanted to stand in the way of Government's policy but because there were people in the Democratic Labour Party and most especially the then Chairman of the Heywoods Company at the time, the late Leo Leacock, who was fundamentally opposed to

everything associated with the way in which that Heywoods Hotel was being disposed of.

The Democratic Labour Party is quarrelling about access to beach. Heywoods Hotel insisted that the access to the beach that we enjoy in St. Peter had to be removed but the Chairman was quarrelling and quarrelling about the transaction. Then there was the most extraordinary letter ever written by a Minister of Finance to a Prime Minister to stifle legitimate concerns being expressed by those in a position to protect the public interest. This most astonishing letter was written by a Mr. David Thompson, Minister of Finance, when Leo Leacock started to object to what was about to happen. This is the letter:

“27 May, 1994

David Thompson to Lloyd Erskine Sandiford, MP.,

Prime Minister

I am writing to you on a tourism related matter and enclosing copies of letters from Clarke and Company and the Chairman of the Barbados Tourism Investment Corporation.

I do not know what problems Mr. Leacock sees arising from the advice tendered by Clarke and Company but I would be grateful if you would in the public interest specify and enumerate the issue so that they may be resolved at the earliest time.

I should be grateful if you might consider intervening in this matter so as to ensure that the Chairman of the BTIC is ad idem with the Crown on developments relating to the sale of Heywoods.”

Sir, this is extraordinary. A Government is about to sell a \$60 million hotel property for \$34 million when an offer of \$40 million was on the table for it. The Chairman is kicking up and the Minister of Finance writes the Prime Minister and says, intervene, Prime Minister, shut up the mouth of Leo Leacock and make him speak ad idem with the Crown. This is amazing stuff.

It is no wonder why he is not in his seat today which he does not deserve to be serving in. He did not sit into it the last time and he has fled now. This is amazing.

Can you imagine a public issue like that in this Government? A Chairman is saying what is about to happen in that they are going to be giving away public property for less than what it was worth, and a Minister is writing to the Prime Minister saying to shut him up, let him speak ad idem.

1.00 p.m.

Wednesday, March 19, 2003

Rt. Hon. O. S. ARTHUR: Mr. Speaker, this is unbelievable. The Democratic Labour Party speaks in a frothy way about how they had left so much money in the Public Enterprise Investment Fund and how we have mismanaged it. Sir, between 1993 and December, 2000, \$89 million was placed into the Public Enterprise Investment Fund.

The Democratic Labour Party did not put all of the money they had received from the sale of shares in the Public Enterprise Investment Fund. The proceeds from the sales of BARTEL, et cetera, went in the Consolidated Fund. Of the \$89 million that has been put into the Public Enterprise Investment Fund, \$39 million was from our sale in the Barbados National Bank and \$14.7 from our sales of share in the Insurance Corporation of Barbados; \$4.6 million from the sale of our shares in the Barbados Dairy Industries Limited and \$500 000 from the Southern Golf course. Therefore, over \$60 million of the \$89 million was money that we put in. What was put in by the Democratic Labour Party was \$5.7 million from the sale of Arawak and \$24 million from the sale of Heywoods.

Sir, the Democratic Labour Party sold a cement company, the only cement company in this country. They sold our country's largest hotel, a 228-bedroom hotel, with seven restaurants and any number of suites. They sold our shares in Barbados External Telecommunications, the Barbados Flour Mill; BARTEL and the BL&P for far less than what we are selling the 50 per cent of the shares of Government in the Barbados National Bank. We are selling 50 per cent of shares in the Barbados National Bank for \$189 million because, not only have we gotten a proper valuation for them, but we are selling them at more than what the valuers say is a fair market value.

Sir, the Public Enterprise Investment Fund was established to receive the funds but they invested those funds into projects. This Government has been scrupulously and scientifically investing those funds into projects across a wide range of activities that will redound to the expansion of the productive capacities of this country.

Sir, \$10 million was put into the Tourism Loan Fund which is now being used by hotels across the island in the rehabilitation and expansion of their plant. This is to be able to give us a chance to pay our bills in the future. Sir, \$2.6 million was put into the FUNDACCESS. Hundred of entrepreneurs on whose behalf the Democratic Labour Party continues to weep, with its false tears, have benefitted from access to loans from FUNDACCESS.

We have put \$2.2 million into the Barbados Cricket Association by way of a loan to prepare our Kensington

Oval well in advance of the World Cup, with the facilities to make that a world-class venue. There would not have been a media centre nor expanded facilities at the Kensington Oval were it not for us.

We gave \$2 million to the Small Business Association in this country to treat to an issue that has been long standing in Barbados. Small businesses in this country have had too much equity or too many loans. We gave them \$2 million to create a venture facility, that \$2 million could trigger another \$40 million in investment.

Mr. Speaker, when we came into office, the Southern Golf and Country Club (now Barbados Golf Club) at Durants was in bush. There were no hotels on the South Coast of Barbados that could have advertised to any clients that we could have offered them a packaged arrangement, which included golfing. There are 56 million golfers in the world. Sir, my Government took \$1.5 million of those funds, two-thirds of what we raise, and converted waste land into a new productive asset in this country.

Mr. Speaker, money was injected into the Caribbean Broadcasting Corporation to help it to restructure. We have put half million dollars into the Enterprise Growth Fund, the first venture capital facility created in this country to provide loan financing but with venture capital facilities. Sir, the largest proportion of those funds have been invested, as the Honourable Member for Christ Church South has said, in concrete and steel steel building, to be able to build foreign exchange earning capacity for Barbados.

Sir, \$28 million has gone to Hotel and Resort Limited - not \$190 million as we hear bandied about. Sandy Lane Hotel Limited has spent \$6 million on one hotel but by a combination of Government's injection and loans, we have spent over \$100 million to create six hotels. Sandy Lane Hotel Limited has lost \$50 million on its investment, in each year, over the course of the last two years when the Gems of Barbados have had to face the same... but I ask them to show me where else in Barbados have people invested \$110 million and got 6 hotels in return. That is what we will defend in this election. We have what it is to show for it at the Savannah, the Blue Horizon and the Time Out.

Mr. Speaker, I wish we would stop being so defensive and put a proper hotel facility at Dover and go on with the building of the facility that we need to build at Eastry House.

Five years from now, when this country is facing a situation where the sugar industry is in problems, we must have that capacity built now to pay our bills five years hence.

Sir, the Barbados Hilton Hotel was given \$13 million. The National Sports Council was given \$1.3 million for sporting facilities, because we must build the capacity for young people to progress.

Caves of Barbados Limited is one of our biggest attractions. We have spent \$200 000 on it and in the next 18 months, we hope to carry out one of the largest expansions to that Cave. When we get the funds from the Barbados National Bank, we will make sure that the Hilton is properly capitalised. We will spend approximately \$10 million expanding the Harrison's Cave.

Mr. Speaker, monies were invested into Carib Express. We have inherited that project but followed through from a previous Government. There was an investment in a company called KDI. We have invested \$757 000 in the old abattoir in Barbados. We did not build it but if it had failed, then the points that the Member for Christ Church says, Barbados would not be in a position to export meats from a substandard abattoir. The Government gave the commitment that we shall support it and we shall because it is the only abattoir in this country that is up to international standard.

Mr. Speaker, we have used this money to put funds in the Barbados National Trust to help us maintain the continued existence of entities that are of our heritage assets. We have put \$6.9 million into the Social Investment Fund. There are others in the rest of the world that have to borrow to put money into a Social Investment Fund, while it was possible for us to put \$6.9 million so that people at all levels of the communities can come forward and be able to tap into it to carry forward their communities, to do training and things of this nature. We are also helping the sugar industry with \$3 million in support.

Mr. Speaker, I challenge anyone who sees this record to say that this Government has taken money and splurged it. We have taken the money, turned it over and are building social and economic capacity to uplift this country. Mr. Speaker, I beg my colleagues to let us stop being so defensive about these things and allow the records to speak for themselves.

Mr. Speaker, part of the \$189 million that we will receive from the sale of the Barbados National Bank, will be used principally to finish the work at the Hilton Hotel. We have learnt only too well that undercapitalised tourism capacity in a country, capacity that starts with too large a proportion of debt, to too limited a proportion of equity, are predisposed to failure. The Government is going to properly capitalise the Hilton Hotel.

1.10 p.m.

Wednesday, March 19, 2003

Rt. Hon. O.S. ARTHUR: The Needhams Peninsula is unique in Barbados and the old Hilton Hotel represents a misuse of that unique peninsula. Sir, too much of the peninsula was a car park and it would have costed us more to try to rehabilitate the hotel than to start from scratch. The decision of the board had the full support of the Government and we shall see it through.

Sir, I deprecate anyone causing us to feel that investing funds in a hotel capacity like the Hilton is a waste of the taxpayers' money. What higher purpose can be found for the taxpayers' funds than the use of those funds to built new capacity. Money also has to be found for Caves of Barbados.

The Government also will convert our airport from a Government department into a commercial enterprise. Again, Mr. Speaker, we will not cause that enterprise to start with a debt to equity ratio that frustrates its possibility for commercial viability. Hence, rather than go to the market, borrow again and worsen the country's debt profile, we will use a part of these proceeds to properly finish the work that has been started to give Barbados an expanded airport that can serve this country for a next generation. Sir, if anyone feels that this is a waste of money then his calculus on national development springs from a well that does not come into contact with the realities of the world.

Mr. Speaker, I also want to say that my Government is conditioning our sales of our shares to Barbados National Bank to Trinidad on the condition that if within five years the Republic Bank of Trinidad wishes to sell those shares that they must give the Government of Barbados the first choice to repurchase them. I can only impress upon the House how important a caveat that is because when the Arawak Cement sold their interest to Trinidad there was no such condition and last year I had to raise my voice in apparent conflict with Trinidadians who were seeking to sell our shares to a Mexican company. This cannot happen with the conditions under which we are selling these shares the Republic Bank of Trinidad because we are not selling the shares to them for profit purposes we are selling them because we are looking for a strategic partnership.

Mr. Speaker, those are the issues that the Leader of the Opposition tries to raise. As you can see, nothing that he says can warrant a moment of serious reflection because everything he says is subject to being dismissed as putrid nonsense.

I need to bring this matter to a close and I want to say that at the outset of my presentation on Monday I said that the next financial year our economic circumstances will be set either in the context of war or rumours of war. It now seems that we will have to expect the worst. My Government, like other Caribbean Governments have

already made a clear statement on this issue. There is pressure on Caribbean Governments to depart from a clear position of principle. The position that we have taken is no different from what has been so wonderfully stated by Senator Robert Byrd on the floor of the USA Senate. It is a speech that will come to be regarded as one of the great speeches in history. It would be good if I were to read some of his speech:

"To contemplate war is to think about the most horrible of human experiences. On this February day, as this nation stands at the brink of battle, every American on some level must be contemplating the horrors of war. Yet, this Chamber is, for the most part, ominously silent, dreadfully silent. There is no debate, no discussion, no attempt to lay out for the nation the pros and cons of this particular war. There is nothing. We stand passively mute in the United States Senate, paralyzed by our own uncertainty, seemingly stunned the sheer turmoil of events. Only on the editorial pages of our newspapers is there much substantive discussion of the prudence or imprudence of engaging in this particular war. And this is no small conflagration we contemplate. This is no simple attempt to defang a villain. No. This coming battle, if it materializes, represents a turning point in U.S. foreign policy and possibly a turning point in the recent history of the world.

This nation is about to embark upon the first test of a revolutionary doctrine applied in an extraordinary war at an unfortunate time. The doctrine of pre-emption, the idea that the United States or any other nation can legitimately attack a nation that is not imminently threatening but may be threatening in the future is a radical new twist on the traditional idea of self defense. It appears to be in contravention of international law and the United Nations Charter. And it is being tested at a time of worldwide terrorism, making many countries around the globe wonder if they will soon be on our, or some other nation's hit list. High level Administration figures recently refused to take nuclear weapons off of the table when discussing a possible attack against Iraq. What could be more destabilizing and unwise than this type of uncertainty, particularly in a world when globalism has tied the vital economic and security interest of many nations so closely together? There are huge cracks emerging in our time-honored alliances, and U.S. intentions are suddenly subject to damaging worldwide speculation. Anti-Americanism based on mistrust, misinformation, suspicion, and alarming rhetoric from U.S. leaders is fracturing the once solid alliance against global terrorism which existed after September 11.

Here at home, people are warned of imminent terrorist attacks with little guidance as to when or where such attacks might occur. Family members are being called to active military duty, with no idea of the duration of their stay or what horrors they may face. Communities are being left with less than adequate police and fire protection.

Other essential services are also short-staffed. The mood of the nation is grim. The economy is stumbling. Fuel prices are rising and may soon spike higher. This Administration, now in power for a little over two years must be judged on its record. I believe that record is dismal. In that scant two years, this Administration has squandered a large projected surplus of some \$5.6 trillion over the next decade and taken us to projected deficits as far as the eye can see. ...This Administration has turned the patient art of diplomacy into threats, labeling, and name calling of the sort that reflects quite poorly on the intelligence and sensitivity of our leaders, and which will have consequences for years to come. Calling Heads of States pygmies, labeling whole countries as evil, denigrating powerful European allies as irrelevant, these types of crude insensitivities can do our great nation no good. We may have massive military might but we cannot fight a global war on terrorism alone.

...One can understand the anger and shock of any President after savage attacks of September 11. One can appreciate the frustration of having only a shadow to chase and an amorphous, fleeting enemy on which it is nearly impossible to exact retribution. But to turn one's frustration and anger into the kind of extremely destabilising and dangerous foreign policy debacle that world is currently witnessing is inexcusable from any Administration charged with the awesome power and responsibility of guiding the destiny of the greatest superpower on the planet. Frankly, many of the pronouncements made by this Administration are outrageous. There is no other word.

Yet this chamber is hauntingly silent on what is possibly the eve of horrific infliction of death and destruction on the population of the nation of Iraq, a population, I might add, of which over 50% is under age 15. This chamber is silent on what is possibly only days before we send thousands of our own citizens to face unimagined horrors of chemical and biological warfare, this chamber is silent. On the eve of what could possibly be a vicious terrorist attack in retaliation for our attack on Iraq, it is business as usual in the United States Senate. We are truly "sleepwalking through history." In my heart of hearts I pray that this great nation and its good and trusting citizens are not in for a rudest of awakenings. To engage in war is always to pick a wild card. And war must always be a last resort, not a first choice. I truly must question the judgement of any President who can say that a massive unprovoked military attack on a nation which is over 50% children is "in the highest moral traditions of our country". This war is not necessary at this time. Pressure appears to be having a good result in Iraq. Our mistake was to put ourselves in a corner so quickly. Our challenge is to now find a graceful way out of a box of our own making. Perhaps there is still a way if we allow more time."

1.20 p.m.

Wednesday, March 19, 2003

Hon. O.S. ARTHUR: .

Sir, he was speaking for all of us. This piece is such a great piece and I am making it a document of the House of Barbados. It deserves to be read.

Mr. Speaker, two days ago Mr. Cook gave a speech in the House of Lords, the reality that Britain is being asked to embark on a war without an agreement with any of our international bodies on which they are a leading partner. His speech is regarded as one of the greatest speeches in recent times. Those of us in the Caribbean, who have not, did not and will not support this action, do so not as wise people without reason but based upon strong principles from which we shall not move.

My Government, and as far as I know, no Government in the Caribbean, has been given any evidence in relation to the eminent threat that this war poses to any of the people who purport to fight war. No intelligence has been shared with us in relation to stocks of weapons of mass destruction (WMD). My Government does not believe that countries that exercise veto destroyed the United Nations.

There is a country that is part of this exercise, which entered 11 vetoes and international resolutions that would have caused the international community to accelerate the fight against apartheid. What can be more distressing for a black society than the notion of people entering vetoes against security resolutions in the fight against apartheid. Sir, those who believe that countries standing on principle and using vetoes to destroy the United Nations have a duty to reflect on their own history.

There are other countries, and this is not a justification for Iraq's behaviour in respect of the international community. Iraq should respect the international community but they are other countries that have been allowed to stand flagrantly in violation of their commitments to United Nations Resolutions and there is a dangerous hypocrisy surrounding and supporting this action.

I do not believe that Dick Cheney, who voted against the release of Nelson Mandela from prison and regarded him as a terrorist, would support any war in Iraq on the grounds on the laws of American blood in support of the restoration of human rights in Iraq. I do not believe it, Mr. Speaker. I do not believe that this is about restoration of human rights either.

My Government does not believe that any country has a right of preemption neither do we believe that a leader of a country has a right to tell a leader of any other

country to flee his country with 48 hours. We do not believe that these things are good nor true.

Mr. Speaker, there is a haunting irony in this for me. Barbados does not believe in unilateralism and these are not empty words. In this second term, if you had to ask me what was the greatest achievement of this administration, it was to fight and successfully fight the war against OECD's unilateralism when the powerful countries of the world were telling us that, even though we did not belong to the OECD, we had to bend our will and accept subjugation to policies imposed by France, Germany, Australia, Japan and Britain.

Sir, for two years I had to walk the world to fight against economic unilateralism, criticised by the Democratic Labour Party. I know what it was to go to Paris, not to see the sights but to mobilise countries of the whole developing world, from as far as the Pacific to the smallest countries in the Caribbean to hold a line against economic unilateralism and to tell people that they just cannot impose their will on us.

Sir, this country will at its peril, for whatever cause, allow anybody to believe that the unilateral approach of the choosing of the powerful and mighty has any place in a civilised world. So, Barbados will have to brace for the consequences of what lies ahead.

I say to this Parliament that our National Anthem speaks in terms of "In plenty and in time of need" and those poetic words have been played over and over. We are resilient people and we have been tested over and over and we shall be tested again. The House must be assured that, with the goodwill of all of Barbados, depending on the sturdy stability and resilience of our people, our institutions and our ingenuity for making do with what is before us, I have absolutely the fullest confidence that we shall succeed.

I am obliged to you, Mr. Speaker.

1.30 p.m.

Hon. O.S. ARTHUR: I beg to move that Bill be read a second time.

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

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

SUSPENSION OF SITTING

Hon. Miss M.A. MOTTLEY: I beg to move that this Sitting be suspended for lunch until 2.45 p.m. today.

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

The question that the Sitting be suspended until 2.45 p.m. today was put and resolved in the affirmative without division and Mr. SPEAKER suspended the Sitting accordingly.

1.30 p.m.

Wednesday, March 19, 2003

RESUMPTION

Hon. Miss M.A. MOTTLEY: Mr. Speaker, I would wish at this stage to move a motion that Honourable Member for St. Michael North West be appointed Chairman of the Committees for the balance of this Sitting.

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

Mr. SPEAKER: There is a motion before the House. If this is the will of the House, then so be it.

On the Hon. Miss M.A. MOTTLEY, seconded by Hon. Miss B.A. MILLER, the House resolved into Committee of Supply and Mr. M. Williams in the Chair.

COMMITTEE OF SUPPLY

Head 32 - Ministry of Foreign Affairs and Foreign Trade in the amount of \$35 253 609

Hon. Miss B.A. MILLER: Mr. Chairman, Head 32 continues to be, in terms of monies voted for it, one of the smallest Heads in the affairs of the Government, but Honourable Members must not be misled into thinking that in any other respect, the Ministry of Foreign Affairs and Foreign Trade is small, in terms of its workload and the contribution that it makes, very significant, to other sectors of Government. Indeed, the Ministry of Foreign Affairs and Foreign Trade often sees itself as a coordinating ministry or agent.

I have no doubt that there are times, let me say, in the unenlightened past, when some may have thought that the Ministry Foreign Affairs and Foreign Trade perhaps played an interfering role in the affairs of other ministries. The reality is that in more enlightened times there, I hope, is now a very clear and well established understanding that this Ministry very much has to work in close collaboration with a number of other ministries.

The Ministry of Foreign Affairs has to work very closely, in relationship with other client ministries, the Ministry of Home Affairs, the Ministry of the Attorney-General, the Ministry of the Prime Minister's Office, the

Ministry of Defence even, sometimes, on security matter which attend.

The Ministry of Foreign Trade works in very close collaboration with the Ministries of International Business, Industry, Commerce, Consumer Affairs, Agriculture, sometimes even with the Ministry of Health. And so, Honourable Members will clearly understand that the Ministry plays a very critical role, not only in the way in which it articulates the Government's foreign policy outside of Barbados but within our own region, CARICOM and internationally, but at the domestic level, here, we play this very important role.

The Ministry's budget averages annually, some 1.7 per cent of the national budget. Just in case people look at a figure like this and want to be disbelieving of the statement that this is, in terms of percentages of budget, one of the smallest ones, the reality is, that with as modest an allocation as this, we have to maintain ten overseas missions. These missions are often located in countries where the cost of living and the cost of doing business is many, many times not what we are accustomed to in the Caribbean.

We have a mission in Brussels and have done so for many years. More recently, we had to establish a mission in Geneva. I have spoken of this. The matter was brought to this House so I do not have to go over that. That mission at Geneva is deeply involved in the World Trade Organisation (WTO) negotiations but it also has to service Barbados, in respect of a number of other international agencies, headquartered at Geneva, such as International Civil Aviation Organisation (ICAO), International Labour Organisation (ILO), World Health Organisation (WHO) and a whole host of others.

Geneva and Brussels, I would venture to suggest, together with Paris, thank goodness, we do not have an established mission in Paris, we have an honorary consul there but they are possibly the two most expensive cities in all of Europe. We have to maintain a mission, which is our Chancery and it, obviously, has to be somewhere in the business district where rent tends not to be lower but higher. We have found that in cities like that, it is better that we buy rather than rent, because rents are so high, you are better off buying, and that is why we are looking to do that in a place like Geneva.

Sir, our missions are costly. The Chancery at Second Avenue in New York, and particularly now that we are under very high alert, the threat of war, again a severe problem raises its head there. We happen to have our consulate and permanent mission to the United Nations housed in a building which also houses the Israeli Chancery. There are two bodies of opinion on that. There are some who feel that, by definition, is therefore, the

safest place in all of Manhattan because you will find blue and white police cars parked outside of it, 24 hours of the day, seven days of the week.

There is another body of opinion which feels that it is perhaps the most high risk location in all of Manhattan. Indeed, immediately after September 11th 2001 we had to escalate all those and we are not the only ones. There are a number of countries of the Organisation of the Eastern Caribbean States (OECS) which are also housed in that building.

Now that the UN and a number of countries' chanceries are in Manhattan, close by the UN because people try to be within easy walking distance, are on high alert, you will appreciate, Sir, the implications for Israel, shall we say, in today's very sensitive circumstances, that we have very serious and grave concerns.

Our problem is that we have a lease. It has been difficult because for almost all of the years that I have been serving as foreign minister, we have been looking for someone, some entity willing to take over the premises where we are but for all sorts of reasons, not the least of which is the very reason which we would like to relocate, we have not been able to meet success in that connection.

We have viewed other premises and there are, in fact, other premises which we would very much like to relocate the Barbados Chancery to, but the cost of breaking that lease would be a very large one, and so, the Government in fact, in my judgment, is going to have to take a very difficult decision. But a decision is going to have to be made as to whether we are going to pay what it is costing, and move our people, our foreign service officers, to a location which is less high risk. These are the considerations that we entertain.

This is not the only mission where we have officers at high risk at this time. For the last several months, as you know, Sir, in Caracas and Venezuela, there has been substantial unrest. There have been riots and civil disorder. Again, that is another capital where we have had to take very special steps and care for the safety and security of our foreign service officers who work there.

We are, honestly speaking, Mr. Chairman, getting to a place where almost anywhere in the world, where a Government has a mission, extraordinary steps will now have to be taken to secure the safety of people who work there.

2.55 p.m.

Wednesday, March 19, 2003

Hon. Miss B. A. MILLER: All of last night and yesterday we would have seen on the television that a number of countries are now boarding up their Missions, for example in Baghdad, and are moving out their foreign service personnel ahead of the possibility of any hostility breaking out, and there is a cost associated with these things.

In addition to that, what we are describing as modest allocations also enable us to participate in a broad range of very complex trade negotiations which continue even as we speak. There are a number of other negotiations, some bilateral, some multilateral in which we are engaged. We are engaged, as I think is well known, in the negotiations with Trinidad and Tobago in respect of marine delimitation and fisheries agreement. We are going to become likewise engaged with other countries in the Caribbean. In fact that process is already underway. In this connection, we have had to hire very costly consultants, people who have scarce and very highly regarded skills in the world, such as hydrographers and cartographers and people who have to be very much experienced in order to bring their very best effort to our negotiations. Sir, these things cost money.

This vote enables us also wherever it is possible, and we do look for the opportunity, to host major meetings, the most recent of which would have been the hosting by Barbados of the Organisation of American States General Assembly in June of last year. That helped to expose Barbados as a venue and as a location for regional and international meetings. That exposure, every time we have the opportunity, is a good one but there is a cost to that as well. There is a spinoff revenue coming from that but there are upfront costs.

In respect of the Organisation of American States General Assembly last year, we had to put in a great deal of money up-front as part of the arrangement with the Organisation of American States, which helped to bring all kinds of equipment and some of their personnel here. This is the kind of operation where one often has to put in upfront capital and sometimes way in advance of the event. The event, as did this Organisation of American States General Assembly, attempts to generate considerable revenues and sometimes - I can say this of my own personal knowledge - introduces Barbados as a leisure destination to people who come here to do business. Very often we have had people staying over, because as long as it is Barbados, they always want to bring their friends and their families. Sometimes, this is at the level of Ministers or even Heads of States who become long-stay visitors in due course.

The work that we do in the Ministry of Foreign Affairs and Foreign Trade has very important implications at the regional and international levels where we have to keep Barbados in high profile. There is a cost to that as

well. If it were possible for us to spend more money in that connection, it would be a good thing but I think that we do well with the relatively modest budget which is given to us from year to year.

I had spoken on the Second Reading on matters, predominantly for the most part, to do with the impending war in Iraq. The hour is late by our time but we are still hoping against hope that hostilities would not break out later today.

I want, at the beginning of my introduction of this Head, to speak more to the foreign trade aspect of the work which preoccupies us at this time and which is going to be preoccupying us more in the coming financial year.

Barbados, as part of CARICOM, is deeply engaged in trade negotiations. As I said yesterday or the day before, regardless of what happens in respect of the war and in respect of the global recession which is still upon us, trade negotiations will still continue. We have a very solemn and a very important obligation that we should continue to the very best of our ability and stretch ourselves, as far as it is possible for us to do, to play our part in these negotiations.

In the past, we have sometimes defaulted in that respect and have lived to pay the price. It does not mean that even though we want to continue to be deeply engaged in current negotiations that, in the future, we might not pay a price. That is the nature of the world particularly the world of trade and investment. It is entirely possible that if there is an outbreak of hostility it will have some impact on trade negotiations, on priorities within those negotiations, on the scope of the negotiations and on the timing for the conclusion of those negotiations.

As we keep saying in these negotiations, I know it sounds repetitive, it is important for Honourable Members to get a feel for the enormous strain that this is putting on the very slender resources that we have. Most countries in the world are engaged in two sets of negotiations. Everybody outside of CARICOM is engaged in the Free Trade Area of the Americas and in the World Trade Organisation. That is true in Africa, in Asia, in Europe and in the Pacific but in the Caribbean these little islands find themselves negotiating a Free Trade Area of the Americas Economic Partnership Agreement with the Europeans and in the World Trade Organisation, with ongoing negotiations.

Very well-honed and highly-specialized skills in international trade, international trade law, international business, agriculture and in a broad range of areas have to be brought to bear. They come at a highly-specialized cost as well. We have a number of Barbadians who are much skilled but there are times when we do not and we will have to buy into those skills.

CARICOM Heads have put in place what is called a Regional Negotiating Machinery (RNM) This is a body of predominantly Caribbean professionals who do a lot of the technical work and who buy-in where they cannot themselves provide a lot of the technical studies which have to be done in order to inform the negotiations.

3.05 p.m.

Wednesday, March 19, 2003

Hon. Miss B. A. MILLER: In the Free Trade Areas of the Americas, countries do not negotiate as individual countries but as CARICOM or as MERCUSOR, in those defined and established groupings.

In other negotiations, we do negotiate on an individual basis, although CARICOM always seeks to collaborate and to consult with its membership.

At Geneva, we have only a few CARICOM countries with missions there. As we speak, the Organisation of Eastern Caribbean States, with the assistance of Commonwealth and other agencies are seeking to put a representative in place. I think they have now put someone who can speak to and represent their interest but for the most part, their Ambassadors at Brussels are trying to do the impossible. In other words, trying to service European Union negotiations in Brussels and in Geneva at the same time.

Mr. Chairman, you would have to visit Geneva at some time to get an idea as to how those negotiations work. One goes to the World Trade Organisation (WTO). In the UN system, there are seven working days, everybody has a "Holy Day" and sometimes these meetings go on all day, all night. A lot of important decisions are not necessarily made on the floor or even in the corridors. There is what I have already described as a greenroom process, where a number of handpicked countries meet. We are seeking and are making our voices heard and are getting invited to some of those meetings. This requires that countries must always be alert and cognizant always.

It is very important that we keep focused on these several negotiations and that even despite rumors of war, the possible outbreak of war, the ongoing global recession, the fact that time is not on our side in respect of a number of issues, we have to remain as focused as we can on these negotiations.

As the Right Honourable Prime Minister has pointed out time and time again, and has recently pointed out on the floor of this House already this week, what we do or do not achieve, will be felt 50 years from now and the future for Barbados in respect of the entire economy and how it would be structured 50 years from now...

Asides.

Hon. Miss B. A. MILLER: We have to remain focused because we have to be able to make sure that when we are no longer on the scene, there is still a Barbados that is thriving in the way that we are today; one that has its head above the waters; one that is able to have an economy where people can see a future and a quality of life for themselves. We have to be able to do this. There are times when the price would appear to be high. We hear of complaints from all elements. I have recently read where people complain about the Single Market and Single Economy, for instance, there is still a culture and attitude that we have to protect industries no matter what.

I will continue to make the point that those days of protectionism are disappearing. We are trying as best as we can, in all of the theatres of negotiations, to persuade for the need for special and differential treatment, particularly for smaller economies like ours.

We have sought to show that without it, we cannot make it. Some of the small countries in the Caribbean do not have the manpower to do what has to be done and outside of a regional negotiation machinery, would not be able to participate at all. Therefore, it is important that we all get on board. Those who do not get on board, eventually create a drag on the whole process, in respect of those of us who have struggled to do that.

I want to speak to what we have been doing in respect of bringing the private sector on board of this negotiating process. As we say in the Regional Negotiating Machinery, it is not governments that do business in the sense that we are speaking of, it is the firms, companies and businesses and Barbados, I think, is certainly amongst the leaders in the Caribbean in respect of getting the private sector on board. It is a little slow but we think we can bring them up to speed. The receptive attitude is there and they have taken steps.

In these Estimates, under the Head of International Business, Honourable Members will see where \$0.25 million has been provided to support a private sector trade team to enable it to assist in more fully participating in international trade negotiations and to assist the Government in developing Barbados negotiation position on trade issues. Barbados, is, I think, one of the few countries where when we go to these trade negotiation meetings, often invite the private sector to be accredited to our delegation.

Mr. CHAIRMAN: I trust the Honourable Member will be able to come back.

Hon. Miss B. A. MILLER: Yes, Mr. Chairman. Under that Head 22, is another \$0.25 million for private

sector export initiatives. This is a subprogramme providing assistance to the private sector in developing and implementing initiatives to facilitate the success of export services, primarily to markets, which are, or we hope would be, liberalised as a result of these international trade negotiations.

I beg to move that Head 32 stand part.

The question that Head 32 stand part was put to the House and agreed to.

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

Mr. D. J. H. THOMPSON: Thank you, Mr. Chairman. I am going to be more charitable to the Honourable Member for the City than she would normally be to me by saying that her preoccupation with form over substance in the first thirty minutes is excusable because she did not realise that she would have, so quickly, run out of time.

Sir, my own view is that, nevertheless, beyond what we have been just treated to, there has been a Governmental preoccupation with form over substance in relation to issues of foreign trade.

I know the Honourable Member for St. Peter, who speaks out of both sides of his mouth at the same time, will accuse the Democratic Labour Party of having signed on to the (GATT) General Agreement on Trade and Tariffs without having discussed it with the public, while on other occasions, he said that such issues do not usually generate public interest. He is able to say those two things simultaneously but also at different times without believing he is contradicting himself.

In relation to the Honourable Member for the City, I believe that perhaps Government's failing has been its inability to set out for the country what are the basic core principles that constitute Barbados' view of free and fair trade. I am not speaking about empty exhortations that persons in this Chamber are driven to make from time to time when being challenged, or those which are in standard form speeches, delivered by Ministers across Ministries and which often contradict themselves; but to what does Barbados, as a country, view as the ideal situation for countries like ours in an environment of free and fair trade. I believe it is those core principles to which the Minister needs to address her attention in this particular debate.

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Mr. D.J.H. THOMPSON: The second one of vital importance is that the Minister said that the Ministry has assumed a cross-ministry role. Somebody in this Government must be able at some point in time to show very clearly not all of the challenges, traps, pitfalls, doom and gloom but also to identify very clearly for persons looking for a road map to the future where the opportunities and hopes lie in the new global environment. Unless the Government is saying that they are flying without navigational equipment, that they are hopeless and helpless to influence those changes and we have to wait and see what will happen.

Sir, I am assuming that the Government is not saying this because this Government is never reluctant to trumpet its status in the international community. This is apparently the leading developing country in the world and it is able to do things by itself that other small countries cannot do. If this is so the Government has an additional responsibility that goes beyond the national one to help other small countries like ours identify where those opportunities are and where the hope may lie, not in terms of the form of negotiation but in terms of the lives of citizens. What is the future of workers in a globalised environment and what will the Government of Barbados do to ensure that there is less insecurity in relation to workers in our systems? What will the Government do to deal with trade union rights, the conditions of service and a whole range of other issues that later on I will speak to.

Sir, the Government still must tell us why there has not been greater integration involving Barbados in reducing cost of representation in terms of the cost of missions and the accoutrements necessary to undertake the task of representation overseas because the Government said it was going to pursue that objective despite what it said would be the significant savings that could be realised from a more integrated Caribbean approach to representation overseas.

Many years ago the Government also said that it would realise significant cost and efficiencies by what was called the country team approach which is now at a national level where using cross-ministries or cross-institutional contacts the Government would be able to deliver more by the levels of investment in Barbados. These goals were trumpeted in 1994 and since 1999, have not been realised and are still outstanding to date.

The Honourable Member for St. Peter said that 400 pieces of legislation across the region will need to be amended. Three years ago in an Estimates debate I remember recommending that CARICOM set up a team of leading persons arising out of the study that was done for CARICOM and funded by UNDP to identify the restrictions and barriers to trade within CARICOM. I also

recommended the setting up a technical legal team to start the process of drafting legislation.

Sir, it is okay for countries like Dominica and others to agree that they will remove those barriers but it is another thing to get the legislation drafted. We know what the challenges are in Barbados, a country that has a good drafting department but many of the countries in the OECS has one drafter, some have no drafters and no resources to employ consultants to do the drafting either.

If you are to achieve the goals of getting the legislation drafted and get people to understand the practices that need to be changed, it will take an effective core of individuals to do it.

I get the impression that CARICOM is at the stage of setting deadlines, going over and over what the implementation schedule should be and deciding whether the private sector is being brought along. I am not saying that this is not important. I accept that it is vital but the core of technical work that needs to be done is going to be critical at the end, otherwise there will be only meetings and consultations with no follow-up to support the decisions that have been made at that level.

Sir, I believe someone functioning at the level of Minister of Finance in this country with a core of Attorneys and Queen Counsels on the Frontbench should at least know that property transfer tax in Barbados was never paid by Barbadians purchasers and that it was paid by Barbadians vendors and foreign purchasers.

Asides.

Mr. D.J.H. THOMPSON: One of the issues that will come up in the Caribbean Single Market and Economy is the property transfer tax which the Government already amended.

Asides.

Mr. D.J.H. THOMPSON: The Government did not amend it to take the tax off Barbadians purchasers because there was never a tax on them and anyone who does conveyancing would know that the tax was on foreign purchasers and Barbadians vendors. The Government amended it, took the tax off the foreign purchasers and doubled it on Barbadians vendors and then this Government has the temerity to jump up and down giving people the impression that something wonderful has been done.

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Mr. D.J.H. THOMPSON: Sir, one of the issues that is going to come up in the Caribbean Single Market and Economy is going to be the property transfer tax. The Government has already amended it. It was not amended to take the tax off Barbadian purchasers because there was never a tax on them. Anybody who does conveyance would know that. The tax was on foreign purchasers and on Barbadian vendors. The Government took the tax off the foreign purchasing and doubled it on Barbadian vendors. Then they came in here and have the temerity to be jumping up and down giving people the impression that something wonderful has been done.

What will happen when the Caribbean Single Market and Economy is in place, all of those distinctions will have to be removed. It is also true to say that in the process of getting there, Barbados has given that kind of treatment, from time to time, on the double taxation treaties under bilateral investment agreements et cetera to individual countries. For example British citizens often argue that they should not be liable, when it was mandatory on purchasers to transfer tax, you had all kinds of different agreements that have offered those kinds of concessions from time to time.

Sir, there are private agreements with Government to waive taxes under various pieces of international legislation and then you have legislation that is very sector specific that waives taxes. All of that at some point has to be whittled down to a very basic core, which I said is a major undertaking.

Sir, I was going on to the position relating to the war with Iraq. I have always held the view, not a view help by the Barbados Labour Party because when they should have stepped up to the plate in national unity, they have often been more gloating than anything else. I remember the advisory against Barbados by the United States Government and how it was used by the then Barbados Labour Party Opposition to attack the Government rather than attack the individuals who were responsible for it.

Our position since this Government came to office and since I was Leader of the Opposition, has been that unless the foreign policy as stated by the Government is so outrageous that I cannot support it, I would urge my colleagues and give my full support to the positions that the Government take in relation to its foreign policy issues.

Sir, we have the war with Iraq and people want us to issue a statement on the war with Iraq. I have agreed with the Minister of Foreign Affairs on the issue. There is no difference of opinion. If there was and I felt that it was something that required a public statement, I may even consult with the Minister to say that I do not think that we can agree on this. I believe that our foreign policy, as long as it is sensible and it accords with the basic precepts of the

Barbadian personality and our status as a nation, should be something in which we speak with a single voice.

There were aspects of the way the Barbados Government handled the OECD issue that I felt were wrong but the basic principle was right and we said so on this side. Today we are hearing that the Democratic Labour Party opposed the OECD issue. That is nonsense.

Asides.

Mr. CHAIRMAN: The Honourable Member has about two more minutes.

Asides.

Mr. D.J.H. THOMPSON: Sir, the petty small-mindedness in which people want you to oppose an issue so that they can jump on you and say that you are unpatriotic, unnationalistic, we want to hear what your view is so that if there is a slight difference they can put words in your mouth and give the impression that you are outrageous. Sir, that is not going to occur so that the Foreign Affairs can state a policy on the US/Iraq war.

If it is acceptable to me and it is outrageous, and I do not think it would be, I will accept it and I will move on from there but you would not find me engaging in that kind of small-minded petty nonsense which some people like to promote in this Chamber and then run away and feel that everybody else is of like mind. I do not function at that level, Mr. Chairman. In relation to that particular issue, the Democratic Labour Party's position remains exactly the same.

Sir, in relation to the OECD's issue, we waited until the matter had been brought to completion and then in this Chamber we expressed concerns about the manner in which aspects of it were promoted on the international agenda. We felt that by promoting in some forum, we were drawing to people's attention something that eventually was negative to Barbados and that in itself is a strategy that can sometimes backfire.

Sir, the point is, nobody in Barbados who is a patriotic and nationalistic citizen, who is looking at the number of jobs that exist in the international business sector, could in anyway want to see the international business sector in this country decline, the reduction in the number of registrations or the kinds of stifling environment in the international business sector that would crush small countries like ours and destroy parts of our economy.

I thank you.

Hon. O.S. ARTHUR: Mr. Chairman, the Honourable Member for St. John has at last summoned the nerve to

speak about his activities as the Minister of Finance in relation to the waiving of the property transfer tax on 13 transactions involving subsidiaries of CLICO.

Mr. Speaker, the essence of the argument is that he sought to shroud this under the umbrella of a Memorandum of Understanding signed between the Governments of Trinidad and Tobago and Barbados in 1979. Hence, he treated as part of our foreign policy.

Mr. Speaker, there was no provision in that Memorandum of Understanding that permitted a Minister of Finance in Barbados with any discretion or duty to waive property transfer tax or real estate transactions in this country.

Mr. D.J.H. THOMPSON: On a point of order. The Honourable Member for St. Peter is misleading the House.

Sir, insurance business is defined as and includes investments by insurance companies in assets such as real estate, stocks, bonds and other kinds of similar assets. What was being waived then were the investments which at the end of the day redounded to the head company of the corporation which was an insurance company. It was investing the proceeds of amounts paid in by policyholders in Barbados for insurance, a perfectly legitimate business in Barbados.

Mr. CHAIRMAN: You have made your point.

Hon. O.S. ARTHUR: Mr. Chairman, the Honourable Member for St. John was clear to say that he had never seen the Memorandum of Understanding. Yet he wants to pontificate about what is in a document that he did not see. The Memorandum spoke to equal treatment in relation to three pieces of legislation, the Insurance Act, the Income Tax Act and the Foreign Exchange Control Act and that is the point that I am making.

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Mr. D.J.H. THOMPSON: Mr. Chairman, On a point of order. The Right Honourable Member for St. Peter said that I said I had never seen the memorandum. That is a blatant misrepresentation. What I said was, that at the time the Attorney-General made the representation to me, the Memorandum could not be found, and that is why I called the Honourable Member for Christ Church South, who then referred me to the former Director of Finance.

The Director of Finance said that the Memorandum dealt with certain issues, one of which was to place insurance companies on the same footing in Barbados, as they are in Trinidad. There was a Barbadian company

operating in Trinidad and we sought to put the one in Barbados on the same footing. Simple, Sir.

Rt. Hon. O.S. ARTHUR: Mr. Chairman, I would call this a dog dance. The Honourable Member for St. John, rather than regale the House, he should also tell us where has the registry's card vanished which says who was the last person to see the file. If he wants to make this an issue, he should tell us about these things.

Mr. D.J.H. THOMPSON: Mr. Chairman, On a point of order. The Right Honourable Member for St. Peter laid documents in here, in a budget debate that were taken from a Government file. He controls the files of the Government.

Aside.

Mr. D.J.H. THOMPSON: You tell the people where the file is and do not tell me that I should tell them where it is. If you secreted it to come in here and do this, it does not surprise me. But that is where your mind is.

Rt. Hon. O.S. ARTHUR: Mr. Chairman, I said before, I say again today that the only way in which this administration is in a position to know anything pertaining to the transactions involving the former Minister of Finance and CLICO, is because a copy of the letter had to be sent to the Land Registry. What I produced in this Parliament, was not a copy of a document on any file in the Ministry of Finance, but a copy of a document from the Land Registry.

It has gone missing like Winston Hall.

Asides.

Rt. Hon. O.S. ARTHUR: Who had the file last? Mr. Chairman, what the Honourable Member for St. John should be telling us, Sir, is that the day before the 1994 general elections, rather than being out helping the Democratic Labour Party candidates win seats, he sneaked back into the office and granted large concessions to Bushy Park.

Mr. Chairman, it did not go to a Permanent Secretary or the Director Finance. It was handled lower down. Two days after, I gave the Minister of Finance a letter that went out to Bushy Park, saying that the Minister had given direction, raising his interest on an opinion of the Solicitor General on that.

Sir, he sneaked back into the office the day before election, and that was the kind of Minister of Finance Barbados had.

Mr. Chairman, I am saying in this Parliament that the Memorandum of Understanding between Barbados and Trinidad is clear.

Mr. D.J.H. THOMPSON: Mr. Chairman, On a point of order. It is amazing how the Right Honourable Member for St. Peter is arrogant. He was not Minister of Finance on that day. He could not even live on the salary he was getting. He was walking around Barbados, not the Minister of Finance, but he is vexed with me, the Minister of Finance for going into my office, not his office, and doing what I was required to do.

The Right Honourable Member for St. Peter as I said has such a level of arrogance now, it is unbelievable. The Right Honourable Member for St. Peter did not know what was going on. I cannot sneak into my office. It was my office.

Mr. CHAIRMAN: Honourable Member, you have made your point, let us continue.

Rt. Hon. O.S. ARTHUR: Sir, the very day before an election, the Minister goes to the office and grant the widest unprecedented list of concessions to a company. You would imagine, Sir, that once the elections take place, that the action pauses, but the letter goes out a few days afterwards that the Minister had directed. By then, there was another minister and that Minister who was then the Minister on the day that the letter went out, had given no such directions, and that is the point I am making.

Asides.

Rt. Hon. O.S. ARTHUR: Mr. Chairman, it is absolutely clear that the Memorandum of Understanding between Barbados and Trinidad which was signed in 1979, was in relation to the facilitation of insurance business and to allow the two insurance companies, in the two countries to operate on equal terms, as insurance companies, in relation to and with direct reference to the Insurance Act, the Income Tax Act and the Insurance Exchange Control Act and that is what it says, specifically.

It does not say, or never intended to say that, if an insurance company had a subsidiary and went and bought plantations, that the subsidiary of the insurance company could have its purchase of agricultural lands treated as a subject that was not equitable to the payment of the Property Transfer Tax. The Memorandum never anticipated this.

Mr. Chairman, the Honourable Member for St. John knows that I know what he thought I did not know.

Asides.

Rt. Hon. O.S. ARTHUR: He has his friends, and his friends went to Miami soon afterwards with him. This is being talked about.

Asides.

Rt. Hon. O.S. ARTHUR: They were all together, Sir, and there was a lot of happiness, Mr. Chairman.

Sir, let the records be clear, that the Honourable Member for St. John...

Mr. D.J.H. THOMPSON: Mr. Chairman, on a point of order. I just want to clarify that the Right Honourable Member for St. Peter is not accusing me, because I was on the same plane with Mr. Rodney Wilkinson traveling to a foreign destination.

I was not running from anything. I do not know who was and, therefore, he should not blame me because I did not do anything in Anguilla. I was not involved in any activity in Anguilla and, therefore, the Right Honourable Member for St. Peter should be very reluctant...

Rt. Hon. O.S. ARTHUR: Sir, Mr. Wilkinson's name has been called in the debate in a very curious way. I did not mean Mr. Wilkinson. I meant Mr. Leroy Parris.

Asides.

Rt. Hon. O.S. ARTHUR: Mr. Chairman, he has been stung. Sir, he has a long history with the Property Transfer Tax. He does not like it and feels that we have to give it away. We will never forget that there was a case which came to him as an attorney involving the request to waive the Property Transfer Tax. All of the officers of the Ministry of Finance said that the tax should not be waived, then he, as the Minister of Finance, took the case and above the objection of the officers, decided that the Property Transfer Tax had to be waived for his former clients. Sir, that is true.

Mr. Chairman, the essential point in this matter is to rescue the Memorandum of Understanding that was entered into between Barbados and Trinidad and Tobago, in relation to the promotion of insurance business. It was to allow insurance companies established in the two countries and carrying on insurance business to function on equal terms, in relation to the Insurance Act, the Insurance Exchange Control Act and the Income Tax Act.

It was not to facilitate the purchase by Trinidadians of Barbadian agricultural lands or Barbadian beach lands or Barbadian supermarkets, without paying the Property Transfer Tax in Barbados. Sir, since he is telling us that this is about equal treatment, would he then tell the House which Barbadian company has been able to go to Trinidad and Tobago and buy Trinidadian agricultural lands and buy Trinidadian supermarkets and buy Trinidadian beach land, and to claim that they are entitled to a waiver of taxes, under the governance of the 1979 Treaty.

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Rt. Hon. O. S. ARTHUR: He speaks in terms of the Barbados Mutual whose establishment predated the coming into existence of the 1979 Memorandum of Understanding.

Sir, the Honourable Member for St. John has a long history that I think he should allow it to remain as it is. He has been judged. He is not to invoke these legal instruments as the basis upon which he comes to this House and explain that action. All the opinion we received in the Ministry of Finance at that time and now is that there was no provision under that Memorandum of Understanding that accommodated the transactions that the Honourable Member for St. John is speaking about. Obviously, he is embarrassed, as he should be, and he is a little wounded, as he ought to be.

That Memorandum of Understanding created Arawak Cement Plant and also helped to create an atmosphere within which CLICO...

Mr. D. J. H. THOMPSON: On a point of order. That is not so, Mr. Chairman. That Memorandum of Understanding also assisted in the establishment of insurance corporations in Trinidad and Tobago. I believe the Honourable Member for Christ Church West knows that. Barbados Mutual has been operating in Trinidad and Tobago and has benefited from the provisions of that Memorandum of Understanding. That very point was made to me. They owned a building around Queen's Park Savannah. They built it after the Memorandum of Understanding came into being. If the Honourable Member for St. Peter does not know these things then he should sit down and shut up and stop trying to tear the reputations of people apart. That seems to be his only saving or redeeming feature in here now, Mr. Chairman. He was feeling ill yesterday, he ran out of the House.

Mr. CHAIRMAN: Okay, let us continue, please.

Mr. D. J. H. THOMPSON: Now, today he is vexed because somebody else is not in the House to hear another low tirade like the one he gave in the Budget debate in which innocent citizens had their names dragged through the mud and the credit union...

Mr. CHAIRMAN: Honourable Member, you have made your point.

Rt. Hon. O. S. ARTHUR: Mr. Chairman, I am challenging the Honourable Member for St. John to produce a Memorandum of Understanding between the Government of Barbados and the Government of Trinidad and Tobago in 1979, that treats to issues pertaining to

property transfer tax, to show where an agreement was entered into in relation to the property transfer tax.

Mr. CHAIRMAN: You have two minutes left in this debate.

Rt. Hon. O. S. ARTHUR: Mr. Chairman, that Memorandum of Understanding spoke to Income Tax, Exchange Control and the Insurance Acts. That is the point we are making to him. This invention is just simply, as the House understands it, that a big deal was cut. Now after all of the evidence was attempted to be concealed, the Honourable Member for St. John is trying now to find a rationalization for that which is not intended.

Mr. CHAIRMAN: Let us hear the Honourable Member, gentlemen. There is just another minute to go.

Rt. Hon. O. S. ARTHUR: Sir, I do not ever accept anything that the Honourable Member for St. John says unless I check the records. He said that a property was built in Trinidad and Tobago. If a property was purchased then it might be that the question of property transfer taxes might have arisen but if a property was built...

Mr. D. J. H. THOMPSON: On a point of order. Again the Honourable Member for St. Peter is blissfully unaware... There is no property transfer tax in Trinidad and Tobago. There is only a requirement for an Alien Landholding licence. The basis therefore on which it was done, since it was not required there, was because the Trinidadian company said that they should have no imposition on them here. That is basic and simple.

The Honourable Member for St. Peter does not even understand it because he thinks property transfer tax is exigible on Barbadian purchasers. It has never been. It has always been on Barbadian vendors, foreigners and purchasers at different rates but never on Barbadian purchasers. There are lawyers over there, let them correct me if I am wrong.

Rt. Hon. O. S. ARTHUR: Mr. Chairman, the Honourable Member for St. John made the point that a Barbadian company built a property in Trinidad and Tobago and it was exempted from the payment of property transfer tax. He said that a few minutes ago.

Mr. CHAIRMAN: Gentlemen, the time is up. I have to rule. The time is up.

Mr. D. J. H. THOMPSON: On a point of order. The Honourable Member is misleading the House. There is no property transfer tax in Trinidad and Tobago. All that is required is a licence under the Alien Landholding Licence Act. The Honourable Member for St. Peter needs to go and read the CARICOM documentation on services and he will

see that there is no property transfer tax in Trinidad and Tobago.

Mr. CHAIRMAN: Your time is up.

Hon. Miss M. A. MOTTLEY: On a point of order. Mr. Chairman, I only want to say that the insurance company, Barbados Mutual, that is referred to as being around the Queen's Park Savannah, carries on insurance business from that site. It does not carry on a supermarket, it does not carry on a tourism venture and it does not carry on an agricultural venture. It simply carries on insurance business.

That is all I want to say, Mr. Chairman.

Hon. Miss B. A. MILLER: Mr. Chairman, the Leader of the Opposition asked a question which would allow me to move now into the matter of the trade negotiations themselves. He asked, what might appear to most to be a simplistic question, what is ideally free and fair trade in the Barbadian context. Mr. Chairman, ideally, in the first place if the Barbados Government in the late 1980s and at the beginning of the 1990s had pursued its obligations in respect of helping to put in place a Caribbean Single Market and Economy, we would be further forward in this process than we are now.

Ideally, we would first be meeting in the theatre of the World Trade Organisation negotiations and then what we would be doing in the Free Trade Area of the Americas and what we would be doing with the Europeans would follow after that and it would have made a perfect sequence and it would be far easier for us.

Ideally, if like many of the developed countries of the world, we have had 40 or even 25 years to put in place a number of things which we now have to force ourselves somehow to put in place, in another seven, 10 or possibly 15 years, conditions for free and fair trade would not be such a daunting prospect for us.

The reality of the situation is that we find ourselves among developing countries, some small island economies like ours, open and vulnerable, some larger but developing nonetheless, in a situation where in this world nothing is fair and nothing is free and we have to fight. This is another reason why we cannot absent ourselves from the process because we are engulfed and swallowed up by it while we have to fight somehow to carve out that niche where now in today's world for us there has to be some special arrangements because some of us, as the Leader of the Opposition himself has pointed out, simply do not have the human resources, the financial basis or any kind of basis upon which to participate in these negotiations. So we cannot deal in what is the ideal, we have to deal with the reality.

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Hon. Miss B. A. MILLER: Trade liberalisation is a fact of life at this time in our development. We cannot do anything about it, except to try, as we are indeed doing, to find our place which would allow us to survive.

As I said earlier, these negotiations have a deadline. In the Free Trade Area of the Americas, it is a 2005 deadline.

I must repeat what was earlier said. All of the negotiations are going much slower than was thought to be the case. In some respects, that is in our favor. Those who read the newspapers will see that as recent as today, in Geneva, a Mr. Haribson, an American, who leads and chairs in respect of the negotiations on agriculture, has come virtually to a standstill. He has said that the developed and developing countries are so far apart that even the premise for negotiations cannot be arrived at. That deadline is for 31st March. It is clear that deadline is not going to be met.

Therefore, in all of the theatres of negotiations, there is a slowdown and I have no doubt that one of the impacts of the outbreak of hostilities in Iraq would be that there would be an even further slowing down. Our job is to try to buy as much time as we can, first of all, to help us put a Single Market and Single Economy in place - and I find it hard to believe that right-thinking persons still do not understand the importance of a Single Market and Single Economy.

The stronger we go as a group to approach other markets the better it is going to be for us. It will make it easier for us to access. People need to understand why it is so important for us within the Americas. It is so critical that we have access to this larger market. All of the terms, conditionalities and modalities might not necessarily suit us and that is what we are fighting for; to allow for ourselves to have, as a grouping, as CARICOM, the possibly to trade in goods and as we move further and further into this century, into services. This is the way that we determined several decades ago, that was going to determine our future in this Century. So ideally is not at all related to reality.

Sir, even as we are debating here this week, our Caribbean negotiators are doing what they can, seeking to change the Free Trade Area of the Americas schedule. We are not the only ones who are seeking that change but we are seeking change in what we consider to be in our best strategic interest. It is critical because the Americans, being the largest partners and the most powerful ones, also they being the major trading partners for all the rest of us in the Americas, have an electoral deadline that they have to meet

and they have to be able to tell their people something positive about the Free Trade Area of the Americas.

There is a body of opinion that a lot of what is going on in the United States today helps to cloud the reality of what is happening with their economy from the American people. Therefore, war or no war, the United States President has to be able to report progress in respect of a Free Trade Area of the Americas in 2004, which is an election year for him. The deadline year for the establishment of a Free Trade arrangement is 2005.

Therefore, as has been said before, it is clear that if we are not going to make it in terms of the time frame then the process is going to go ahead with whoever is ready and willing. I think that we have to get away from the idea that everyone is going to be able to get on board. Some interesting comments are coming out of Latin America and CARICOM as to who is going to be prepared to sign on when the time comes. We are all in the process now but it is clear to me that, at the end of 2004, whoever is ready and however far on we are in the process, that is what we will go with. I do not know why that should be something that should be difficult for people to grasp, to understand and, indeed, to accept because in almost every other similar situation, that has been the case.

Sir, CARICOM did not start out as CARICOM. It started out as CARIFTA with a small number of countries and metamorphosed into CARICOM with 15 countries. The European Union is still growing and is about to be enlarged from 15 countries to about 25 countries. Even in their process, after more than 15 or 20 years, the British are not on board as yet with the Euro. There are many more instances.

My view is that in the Free Trade Area of the Americas, we go on pressing for special and differential treatment. We have reason to believe, because the United States trade representative have led us to believe that there will be an accommodation for small developing countries and particularly those in the Caribbean within the Free Trade Areas of the Americas. There is still a large amount of hard driven negotiations going on about what is special and differential treatment.

Mr. Chairman, there is no easy way in all of this. Sometimes we think we are taking two steps forward, then three steps backwards. It has implications for what is happening in anyone of the 34 countries of the Americas on any given day.

Sir, we are also engaged with some countries within this Hemisphere of the Americas, in bilateral trade arrangements. Even as we speak, CARICOM has a delegation in Costa Rica, negotiating a CARICOM/Costa Rican bilateral agreement. We have done that in respect of

the Dominion Republic. We are doing that in respect of Canada. All of these smaller agreements will do much to position our countries in CARICOM to be working together and negotiating together in the larger Free Trade Area of the Americas sphere.

4.05 p.m.

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Hon. Miss B.A. MILLER: It is fair to say that although these negotiations in the Americas are going more slowly than we thought that we are gaining ground. In this respect Barbados is deeply engaged in the process and a number of our spokespersons in many of the sectors and in CARICOM are doing excellent work. Senator Dale Marshall, the Permanent Secretary of Foreign Trade, Mr. Samuel Chandler, Miss Lynette Eastmond are Barbadians who are well plugged into the process and working hard to put CARICOM in at a position where it has a fighting chance in the negotiating arena.

These negotiations could possibly take another turn because the biggest country in this hemisphere is now about to engage itself in a war. I have no doubt that it will have some implication but I would not want to guess at them, I would prefer to wait and see.

Mr. Chairman, I will take my seat and wait for another occasion to speak to other areas of this debate.

Mr. D. StE. KELLMAN: Mr. Chairman, I rise to speak on Head 32 and to say from the outset that we have to recognise that we can no longer concentrate only on the Caribbean Single Market and Economy but we need to extend it further because there are many countries throughout the world who have common factors which we need to find and build a relationship with them.

I went to Darwin two years ago and I was able to ascertain that the same problems we argued about as it related to Cable and Wireless that many small nation states were suffering from these same problems. We put a position at that conference that along with the CPA we should be able to build a club to have direct relationships with these other nations and put a common front to the world. We should not believe that we are the only nation that suffers from certain problems in the world but we should build relationship with our common partners wherever they may be in the world.

Sir, we seem not to remember the relationship we had with Guyana and there is no doubt that Guyana has built this country of Barbados. We always said that the sugar industry has played a significant role in the development of Barbados but a lot of us have forgotten that the pan-boilers in the sugar industry were located in

Guyana and that they came to Barbados to boil sugar for us. Sir, this is fundamental point that we cannot afford to forget.

Asides.

Mr. D. StE. KELLMAN: Yes, until the 1970s, 1980s and 1990s pan boilers came from Guyana to teach us how to boil sugar and it is because of this that we were able to build our sugar industry and amass our riches. When we speak about foreign trade it also includes the exportation of sugar and it was Guyana that helped to develop our sugar industry. We cannot deny this fact neither can we deny their people from coming to our country.

We need to look at the famous debate in this Parliament on June 11, 1996 and read what the former Attorney-General said at that point in time. He said:

“The only country in the Caribbean that has an open-door policy is Guyana.”

Mr. Chairman, Guyana has also been good to us in terms of building our shrimp industry but we have forgotten this. At one time in Barbados we had shrimp trawlers which went to Guyana and did not pay one cent to enter the waters of Guyana. I am wondering why we are trying so hard to destroy the relationship with Guyana because they used to be the breadbasket of the Caribbean and will continue to be the breadbasket for some time to come.

Sir, the Trinidadians are careful to keep a relationship with Guyana and the Venezuelans are doing everything in their power to build a relationship with Guyana because they are aware of the many resources of Guyana and they want to make sure that when the economy is rebuilt they are on the cutting edge to take advantage of that new economy. We in Barbados seem not to understand that we have an advantage and that we need to keep it. The people of Guyana are offering us exactly what we need. We speak of the cotton industry and it can be part of our export trade if it is exploited.

Sir, I do not have to apologise because I have said in this Parliament before that if Barbadians do not want to reap the cotton crop and Guyanese are prepared to reap it, we have to admit that we have moved away from certain lifestyles and we need to import people to reap the cotton crop.

In the same way Barbadians get a visa to go to the USA as the land of opportunity, Guyanese will also see Barbados as a land of opportunity. Sir, I want to make that point clearly and I also want people to understand exactly where I stand.

I also want to make the fundamental point that I am not only a citizen of Barbados but that I am a citizen of St. Lucy and that my first commitment is to the people of St. Lucy. We have always had a good relationship with a foreign country in that particular part of Barbados.

Asides.

Mr. D. St.E. KELLMAN: Yes, you can call it the Republic of St. Lucy if you want to. I am not going to move away from my relationship because I have the privilege of certain services that other parishes in Barbados did not have. We have been deprived of them now but it does not mean that we the people of St. Lucy will turn our back on them. We will continue to practise the foreign policy left to us by the Right Excellent Errol Barrow when he said that we are friends of all and satellites of none. We have to find our friends first and then see who are our enemies.

Sir, if we are going to develop our economy the way to travel will be that of services. We cannot have services as our key plank in the movement of our economy and at the same time cap our educational abilities.

4.15 p.m.

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Mr.D.St.E. KELLMAN: Sir, there was a time in THE country when there were limitations on doctors, nurses and teachers. The Democratic Labour Party has a very proud record when it comes to the educational base in this country and the Democratic Labour Party has always used the educational system to uplift the masses of this country. The Democratic Labour Party has always believed in the right to allow people to migrate from the shores of Barbados to travel overseas, work and send back foreign currency to help build the foreign reserves of this country. That is why I would continue to make the point that returning nationals must be encouraged to come back to this country and it cannot be based on duty free items like vehicles and furniture. It has to be an economic policy where they would return with their money.

Sir, we have to start looking at the opportunity cost of everything that we do. If returning nationals are allowed to bring back their money to Barbados, we will service the amount that they bring back in Barbados dollars but if we have to go on the international market to borrow the amount equivalent to what the returning nationals brought back, we would have to service that in foreign currency and it would be a cost to Barbados.

We cannot afford to allow returning nationals to believe that they are only coming back to this country because they have duty-free concession on vehicles and

furniture. There are too many returning nationals who are coming back to Barbados and not bringing their savings with them. We cannot blame the returning nationals for doing this. We have to blame the system and I hope that this is the last time that I have to make this point.

We cannot allow petty jealousy to allow this country to be taken backward.

Asides.

Mr.D.St.E. KELLMAN: We must have a system and that system must be clear. We should be able to offer an interest rate to returning national at a rate that is higher than what they can get elsewhere. It is important that we acquire a low rate of foreign exchange without having to pay the external cost.

Sir, we have to learn how we can encourage our locals to work in foreign countries so that they can send back their earnings to Barbados to help develop the country. The education system has laid the foundation for this type of thing to happen and our embassies overseas must understand that if this is the way that we have to go, these areas must be exploited. We cannot just be talking about it but let those that are employed in the embassies overseas do something about it instead of just arguing about what an airport manager's salary should be.

Sir, those ambassadors that are working in our embassies overseas have to understand that their role is to create the atmosphere to entice Barbadians to go overseas and work for better salaries instead of sending foreigners to Barbados to work for big salaries here. Our job is to ensure that foreign currency remains in Barbados.

Mr. Deputy Chairman, we also have to look and see where we have the advantage. When one studies the rulings of the OECD, one would find that Barbados has an advantage when it comes to the taxation system and we must exploit that. Our protection capacity might not be what we would like but if we have a taxation policy that is advantageous to us, we must exploit it and also find other ways to reform it to ensure that we impact on the international market in a positive way.

I thank you, Mr. Deputy Chairman.

Hon. Miss M.A. MOTTLEY: Mr. Deputy Chairman, I rise in this debate on foreign policy to speak principally to the Head which is before us. Before I do that, I find it necessary as Legal Advisor to the Government to clarify two things pertaining to this agreement between the Governments of Trinidad and Barbados. When one reads this agreement, the Leader of the Opposition would want the public to believe that definition of insurance business would have covered CLICO and in trying to ensure that he

could now seek to legitimise his actions by bringing them over the purview of disagreement.

Mr. Deputy Chairman, there could be nothing further from the truth. I want to spend one minute reading the exact clause because I do not believe that you can seek to bring unto yourselves a cloak of legitimacy that is never there and it is nothing more than an aberration.

Mr. Deputy Chairman, I quote at page 11 of the agreement:

“ The Governments of Trinidad and Tobago and Barbados agree that an insurance company which has been incorporated in either state and which has been registered and which has carried on insurance business in that state in accordance with the insurance legislation and regulations of that state for a period of not less than two years, shall, provided that the majority interest of the company is in the beneficial ownership of residences of either or both states, be permitted to carry on insurance business in the other state, providing always that it meets the requirements of the other state as laid down by legislation and administrative directorate.

In each and every case, the two

Governments agree to extend equal treatment under their respective Insurance Exchange Control and Income Tax legislation to all insurance companies incorporated in and controlled by residences in either state or by a combination of residences of both states.”

Mr. Deputy Chairman, my interest is simply what is here. What is here sets out as a precondition a number of things. Sir,

(1) That the company must be incorporated in either state, (2) it must be registered, (3) it must be carrying on insurance business in the state in accordance with insurance legislation and (4) for a period of not less than two years.

Mr. D.J.H. THOMPSON: On a point of order. I heard the distinguished and learned Attorney-General taking her time on this point. For insurance companies to carry on business must have a reserve fund, a statutory fund, that is how their assets are built up. They may own shares, bonds, debentures and land. If you look at the back of the Insurance Act that this Government brought to Barbados, you will see a Schedule to the Act and it lists a wide range of assets that insurance companies hold as part of the statutory fund, bonds, guarantee certificates, shares in a company, mortgages or other titles, real estate or leaseholds for the production of income in Barbados or in a country which the company carries on business.

Sir, you can even own land in another country that can be used as part of the statutory fund of your operations. You cannot be registered in Barbados unless you comply with the requirements of putting up assets for the statutory fund.

Mr. Deputy CHAIRMAN: I believe that we are straying from the subject and we need to come back to it.

Hon. Miss M.A. MOTTLEY: Mr. Deputy Chairman, it is an agreement between the Governments of Trinidad and Tobago and the Government of Barbados, signed in 1978 and entirely within the purview of this head, I better understand why the Honourable Leader of the Opposition took a decision to stop practising law two years ago because all he is succeeding in doing is trying to confuse the issue.

Mr. Deputy Chairman, the fact that an instance company has legitimate areas of investment, has nothing to do with the conditions set out here for equal treatment to be applied by both countries in respect of insurance companies. I am glad that the Honourable Member referred to Chapter 3.10 because he would have us believe earlier that insurance business included any investments held by the insurance company.

4.25 p.m.

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Continuation of: Hon. Miss M.A. MOTTLEY:

I want to suggest to you that the definition of insurance business in Chapter 310 is very clear. I am not making up this. I am reading this from the Laws of Barbados. I quote:

“insurance business” includes

(a) the assumption of the obligations of an insurer in any class of insurance business;

(b) re-insurance business; and

(c) pension business and other business directly connected to insurance business.

Mr. Chairman, “directly connected” does not include sugar plantations, beach land or supermarkets.

Mr. D.J.H. THOMPSON: On a point of order. I can put down the Act, if the Minister says that I know nothing about the law, having been a legislator in here for 15 years.

Sir, to carry out insurance business, any of those classes of insurance business, you have to have assets and

the supervisor of insurance permits companies to invest the proceeds of their payments of premiums in a wide variety of assets, which form its statutory fund. Sir, an insurance company holds a variety of assets. Insurance companies hold assets in supermarkets. They hold assets in buildings, shares in companies, Government stocks and bonds, second mortgages and debentures. All of those things form part of the base of the assets of an insurance company.

Therefore, if an insurance company is investing here and investing in Trinidad, and there are certain conditions which apply here that do not apply in Trinidad, I would assume that the agreement made between Barbados and Trinidad would be to facilitate those investments.

If you are taking Barbadian policyholders' money and investing it in Barbados, rather than repatriating it to Trinidad, then it means that it must be good for Barbados and it must fall within the purview of the Memorandum of Understanding.

Hon. Miss M.A. MOTTLEY: Mr. Chairman, I believe that the Honourable Member would like us to believe that it should fall within the purview of the Memorandum of Understanding. But a strict interpretation and even a liberal interpretation does not allow it to fall and I started to go through the points. His references to the area of assets of statutory fund constitute the politics of obfuscation.

Mr. Chairman, I go clearly to say that the companies which applied for the waiver of the transfer tax were directly engaged in agricultural activity.

I want to know, Mr. Chairman, from the Leader of the Opposition what insurance business Todds Estates was involved in. It cannot add a subsidiary.

Mr. CHAIRMAN: Honourable Members the issue here before this Honourable Chamber is foreign affairs. I am not a judge and cannot judge the debate between the Honourable Member for St. John and the Honourable Member for St. Michael North East. I believe we need to get back to the subject of foreign affairs.

Hon. Miss M.A. MOTTLEY: Mr. Chairman, thank you and I going back into the Memorandum of Understanding between Trinidad and Barbados.

Mr. D.J.H. THOMPSON: Mr. Chairman, on a point of order.

Hon. Miss M.A. MOTTLEY: What is it you are frightened for?

Mr. D.J.H. THOMPSON: The Honourable Member is misleading the House. Todds Estate is a wholly owned

subsidiary of an insurance company. It is an asset of an insurance company and an insurance company can own any kind of asset, as long as it pays dividends and is solvent.

Read your own Insurance Act that you brought in here. It is right there. Any company that has paid dividends in the past five years, even if an insurance company owns it or owns shares it is entitled to put it up as part of the statutory fund. You said you have read the law but you are not reading the law.

Hon. Miss M.A. MOTTLEY: Mr. Chairman, I am speaking to the issue. Where does word Property Transfer Tax legislation appear under this clause No.4, in respect of it. Furthermore, if the Honourable Leader of the Opposition really wanted to speak, he would know that there is a difference between national treatment and reciprocity.

National treatment simply means that whatever treatment I extend to my nationals, Barbadians or Trinidadians. Equally, reciprocity means that whatever I do for you, you will do for me but this clause completely limits the equal treatment under the respective Insurance, Exchange Control and Income Tax legislation.

Mr. Chairman, this is simply the politics of obfuscation to hide behind irrelevant legal arguments to justify an action which should never have taken place, because Todds Estates went to buy agricultural land, Sundown investments and the others were involved in the purchase of beach land and supermarkets.

Mr. Chairman, all we have said is that this behaviour on the part of a Minister of Finance is reprehensible. When the Prime Minister of Trinidad and the Prime Minister of Barbados signed this Agreement, it was anticipated that the spirit of the Agreement, not only the letter of the Agreement, would have been respected.

It is in that context, Mr. Chairman, that we have a difficulty. Merely to rely on irrelevant formalities, is an indication that the Leader of the Opposition has pleaded guilty in this regard.

Mr. Chairman, I want to move on to the other aspects of this Head. When Barbados became an independent country, there were some 500 treaties that the United Kingdom Government would have signed on behalf of this country as a colony.

Mr. Chairman, other than a brief period of time, when I believe the Honourable Member for Christ Church West would have received technical assistance to really give serious effort towards analysis of these treaties and towards the effort of determining those which we would want, as an independent and sovereign State, to continue, there really has been no serious sustained effort to ensure

that this analysis can exhaust all of those treaties to which we would have become signatory, under the ambit of being a colony of the United Kingdom.

I am happy, therefore, Mr. Chairman, to see this year, in the Estimates of Expenditure and Revenue, a commitment to finally seek to put on a sustainable basis, the analysis which is necessary for us to understand and determine which treaties we are truly falling under and which ones are outside of us.

Mr. Chairman, the reason for this is that you cannot operate in a community of nations, in a global environment, in a hemispheric environment, in a regional environment without reference to agreements that set out obligations of state parties. Those environments invariably become treaties at their highest levels and, Sir, treaties of a highest level, have a form and status of law.

4.35 p.m.

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Hon. Miss M. A. MOTTLEY: It is for that reason, as I asserted earlier in this debate, that we believe the rule of law is sacrosanct not only domestically but internationally, but you can only obey laws if you know what are the laws that you have to obey. Therefore, it is imperative that we in the Government of Barbados seek to establish our way, those treaties which impose obligations on us as a State so that we are not led blind in respect of those areas for which we may not have direct or immediate knowledge.

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

Hon. Miss M. A. MOTTLEY: I will come back then, Mr. Chairman, because I want to speak to the issue of the disorder of peace, the transshipment of nuclear waste and some other matters pertaining to the tourism environment but it would take me longer than one minute to do that, so I would come again.

Hon. Miss B. A. MILLER: Mr. Chairman, let me try and bring this debate back now to the matters where I wanted it. The Leader of the Opposition is laughing but he is the one who started off the derailment of this debate.

Before I go to what is happening and even finish what is happening in the Free Trade Area of the Americas negotiating theatre - because we are very actively engaged, as the Leader of the Opposition well knows, in the matter of offers and requests and so on that are on the table - let me just say that we have a Ministerial Trade Committee comprising the Minister of International Trade and Business; the Minister of Agriculture and Rural Development; the Minister of Consumer Affairs; Senator

Philip Goddard; the Honourable Member for Christ Church South and myself. This Committee is doing tremendous work. It is taking a load... It is not, properly speaking, an executive subcommittee of the Cabinet. It is serviced by a group of private sector and public sector technicians who consider in great detail these matters engaging all of the negotiations.

There is also a Standing Committee of Parliament on Foreign Affairs and Foreign Trade. It has not been able to meet as frequently as we would like to because people are so busy but I have taken the attitude now that we would meet and have an ad hoc meeting if necessary with those who are present. In that Committee there is private sector representation.

As I said earlier, it is very important that there be deep consultations and in very great detail with the private sector because it is the private sector that does the business not the Government. I have to say that Barbados is doing as well as can be expected in this area. We use radio, television and seminars. We have done papers. There are public/private sector consultations which we have been doing for several years now.

I made the point before that when we go to the important trade negotiation meetings the private sector of Barbados and the labour movement are always invited to be accredited to the Barbados delegation. Bringing the private sector on board has proven to be a very helpful and good thing. They are very much engaged sometimes on a daily/weekly basis with those officers in the Foreign Trade Division of the Ministry of Foreign Affairs and Foreign Trade and as a matter of policy, we include these persons on our delegation.

In the past three months or so, certainly from the beginning of this year, we have been having more intensive briefings with the private sector. As the negotiations escalate, we get fairly contentious on certain matters and you would find that the briefings would become more frequent and more extensive. Last month the Foreign Trade Division had a three-hour briefing with this newly formed private sector trade team on multilateral trade negotiations. As a result, provisions have been made in the Estimates to give some help to those teams. They are seeking financial and other technical assistance from a number of agencies as well.

There are a number of activities we have planned for this coming financial year. In June we are planning to have four seminars including two half days seminars at the Barbados Community College and at secondary schools on Barbados' trade policy activities in the World Trade Organisation and the Free Trade Area of the Americas status of negotiations. At the Barbados Community College I am very pleased that there continues to be an international

relation... I forgot what it is called, but they have a group of young people there who are very keen and to whom we reach out. In fact, they have representation on the Standing Committee of Parliament on Foreign Affairs and Foreign Trade.

We are going to upgrade the television and radio presentations on various aspects of Barbados' trade policy. A few weeks ago the Cabinet of Barbados signed off on what will be for the immediate future, the Barbados Trade policy. All of those papers are in the hands of the Members of the Standing Committee and the Ministerial Committee. The Leader of the Opposition is a member of the Standing Committee and he has all of that in hand.

We are going to be doing a number of Press Releases on developments as they evolve in the various theatres, particularly to point out to the Barbadian public what the implications are for Barbados as the negotiations continue.

I do not know if we are going to meet the end of March deadline, but we are hoping certainly during this financial year to edit and publish the Barbados World Trade Organisation Trade Policy Review Exercise. In July of last year, and I made this point several times before the House, Barbados had its first ever World Trade Organisation Trade Policy Review and we got a very good passing mark. The papers from that, the presentations which were made and the questions which were answered will be put together in a document which will be made available.

We also want to update and publish the Barbados Trade Policy 2002 through 2050 so that people can get a feel for the secrets of things and where Barbados sees itself in that process. We are also hoping during this financial year to publish brochures on Barbados and the ACPEU relations. We are also hoping fairly early in the financial year to publish the Barbados Annual Trade Statistics. It might appear to be a complex and dry meeting for most but for those who have an interest and/or those who need to know... There should not be anybody in the immediate future in Barbados who does not have some grasp of where we are in these various negotiations.

4.45 p.m.

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Hon. Miss B. A. MILLER: The areas of negotiations which are of priority interest for us, needless to say are, market access, agriculture, services investment, et cetera.

In the European theatre of negotiations, we are moving up to a time in September this year - and I do not think there is going to be any likelihood of that time frame changing - where we are moving to, seeking to arrive, as

we are in the process of some very basic and broad principles to more specific regional negotiations. The CARICOM Heads have made it perfectly clear and have given a mandate to the Ministers of Trade to begin the preparation of a Caribbean Economic Partnership Agreement, which we would wish to negotiate with the European Union.

In the broad principles which we are in the process of trying to speed up and to bring to closure by September, we are operating on an ACP wide basis. The African, Caribbean and Pacific States want to be together on these broad principles but bearing in mind that the ACP is a regional organisation, the six regions, four in Africa, the Caribbean and Pacific making up the six, will each, or possibly together, negotiate Regional Economic Partnership Agreements. That process we expect to start in September.

In the World Trade Organisation, in respect of services, the negotiation goes on. In fact, in the World Trade Organisation (WTO) theatre, preparation is now underway for the next Ministerial Meeting which is expected to be in Cancun later in this year.

Later this year, too, another meeting is expected in the area of the Free Trade Areas of the Americas, this time in Miami. As I have indicated, the Americans are doing their best to fast forward that process but I do not know that it will be able to go as quickly as even they would wish or hope for but in the interim, we go on forging these bilateral free trade agreements.

Sir, coming out of the Prime Minister's Office in Barbados and bearing in mind that the Prime Minister has responsibility for the establishment of the Single Market and Single Economy, we continue to try to move that process forward. There is now a Unit set up in Barbados with that express intention but the reality is that all the CARICOM countries cannot move at the same rate.

In the Free Trade Area of the Americas, for instance, it is only two or three countries who by a certain deadline can be ready in time. What happens is that CARICOM simply has to go with what it has at that time. We are still struggling to bring on all of the CARICOM countries, including Haiti, which is the least developed country among us. Cuba finds itself in an interesting situation where, by definition, because of the role of the United States of America in the Free Trade Areas of the Americas - Cuba, by definition, finds itself excluded. However, I would have to say that in the European theatre of negotiation, Cuba is now fully on board and put in that position largely by initiatives taken by the Caribbean but the European Union is having some difficulty with Cuba acceding to the Cotonou Agreement and we continue to fight in that connection.

Mr. Chairman, as I said whether or not there is a war, whatever happens in respect of the global recession, however quickly we can further implement the Caribbean Single Market and Single Economy, these negotiations will press on. They may not all end up in the direction in which they were going to take at the very beginning. Some of them may take on priorities within the negotiation and may change from time to time. These are influenced by external circumstances. That in a very small nutshell, because it would be impossible to go into how complex the negotiations are and how very technical these negotiations can become, and become more so as they gather momentum. Sir, that in a very tiny nutshell, Mr. Chairman, is what is presently the status quo in respect of these several theatres of negotiations. I thank you, Sir.

Sir HENRY FORDE: Mr. Chairman, I promised that I would not spend any time on the major part, the part of the Leader of the Opposition, which dealt with the CLICO investment.

First, let me say that the Minister is quite correct. The Foreign Affairs Department has always had one of the smallest of the budget allotments and this year is no different. It has about \$39 million being given to it to run the whole gamut of Barbados' foreign affairs.

It is to the credit of the officials and other persons in the Ministry of Foreign Affairs that we have consistently outdone ourselves in reaching a high standard of excellence in conducting our foreign relations. We have done it always from a principled point of view and that is why when the Prime Minister reiterated our stand on multilateralism today, he is doing so in the context of a foreign policy that has consistently enunciated these very high principles.

Mr. Chairman, the breakup of the bipolar world was welcomed by most of us. We thought that the shift would have been away from confrontation in international relations, particularly confrontation between the great powers of the Soviet Union and the United States. We thought we would have moved into an era where much of the world's wealth would have been directed into real change, affecting the quality of life of the world's population. I am amazed that we have not achieved this.

It seems strange that a country can be happy and be satisfied with spending \$60 billion in waging a war in the Middle East and probably by the time we are finished in Afghanistan, over \$150 billion in instruments of war but still finds it difficult to raise money worldwide to answer world poverty; diseases; to counter floods; to educate those who are illiterate in the world and to raise the living standards.

I believe that small states such as Barbados have a continuing duty in their foreign relations to focus on these

fundamental issues that are so very vital to world of peace, tranquility and prosperity.

4.55 p.m.

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Sir HENRY FORDE: I believe it true for us to say in here that whether in the fight with the OECD or whether we are fighting in other trade negotiations, Barbados has always taken a broad stance and always try to put an excellent case for small states. I want to say to the Minister of Foreign Affairs and Foreign Trade and her team, who have the primary responsibility, that I think we have succeeded admirably despite the small budget available to us.

The country should not be surprised when the international institutions particularly the IMF, the World Bank, the Inter American Development Bank and agencies of the United Nations acknowledge the high standard which we have brought to bear on our external negotiations and relationships.

I want to express my regret and to ask the Minister for some explanation on where we have gone wrong, if we did go wrong, in relation to our reporting obligations recently before one of the Committees of the United Nations dealing in particularly with the elimination of discrimination against women. I could not understand where the slip-up occurred because if a country puts in a report such as the one I have seen in the Press then we are being self-critical in circumstances where there is no need for us to do so. I believe that Barbados has an exceptional record in the field of human rights. Sir, it is better than USA, Russia and most European countries.

The USA has the habit of reporting on everybody's human rights affairs except its own. It sees racial and other discrimination in other countries but closes its eyes to its own discrimination within its own border. The European countries have now found themselves criticising those of us who still maintain capital punishment on our books but do not look at the abuses that occur within Europe itself. Sir, we must be careful in the sort of reports that we put in the hands of people which do not accurately reflect the position here.

We have a tremendous history in getting rid of discrimination in Barbados and particularly against women. The Barbados Labour Party of 1976 made a point of fighting discrimination against women. I do not know any country in the world of our size that has the number of women at the level of which they participate in the political life of our country.

The Honourable Minister of Foreign Affairs and Foreign Trade, in her own right, is the Deputy Prime Minister of this country and leads the Government with great aplomb and skill whenever she has to act in the role of Prime Minister. On the Frontbench we have four women and although that may not be enough I think we have done extremely well.

I was upset and I am sure that many Barbadians were upset by that report. If my memory serves me well, we have had a similar slip up with UNESCO in relation to the standard of literacy obtains in this country. Sir, if there is one thing we can say about Barbadians is that they will spend their money on two things in particular. One of these is education and the other is to buy a piece of land in whatever part of the world he resides.

We have managed to achieve an outstanding record of literacy, higher than I have found in European countries and I am appalled when I see the United Nations agencies finding an excuse for downgrading Barbados in this way. I am concerned about our reporting obligations under our multilateral treaty commitment and treaties in general.

The HONourable Attorney-General raised the issue of a treaty register. Sir, this project was started way back in 1978 and it has taken us a long time to complete it but it is absolutely essential that complete it. The urgency, as the Minister will appreciate, comes from the fact that we are now entering into a very serious stage of trade negotiations without knowing what our existing bilateral agreements that hark back to the 17th and 18th century that still binds our country.

I was absolutely amazed when I was in the Minister of External Affairs to read some of these treaties. We did some of the work then but the Minister is right that this has to be completed as a special project. The Ministry does not have an international lawyer attached to it and it a bit much to expect the hard-pressed officials in the Ministry to accomplish this task by themselves. We have had assistance from the Commonwealth Fund for Technical Corporation and it may well be that we should either bilaterally with a place like United Kingdom or through the Commonwealth Fund seek assistance since our treaty register is importance.

Many days, lawyers phone around to find out what are our obligations whether in shipping, services, franchises, copyright law and other areas in our daily living and the more our trade relations increase the greater will be our need to know of the obligations which we have.

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

Sir HENRY FORDE: Sir, I am also appalled at the level of debate that has gone on in our fishing agreement and the way in which the Democratic Labour Party fails to understand the issues involved.

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Hon. Sir. HENRY FORDE: Sir, it is short-sighted to believe that the issue of a bilateral fishing agreement with Trinidad does not relate only to catching flying fish. It relates to more than that. It relates to the serious issue of delimiting the borders and boundaries between ourselves, Trinidad and Tobago, Grenada, St. Lucia, Martinique, Guadeloupe and all of the countries around us. That affects, not only our sovereignty but it affects our resources in those areas. It is not something, as said by the President of the Fisherfolk Association, that all you have to do is to go and talk to the Tobagonian fisherman and that is the end of the matter. Sir, that is to misunderstand the issues involved.

The delimitation of marintime boundaries is a very difficult problem. I believe that the Government's foreign policy thrust, which the Prime Minister has enunciated recently, is that we must negotiate for the whole of the Caribbean and the use of the Caribbean sea and the resources and that is the right way to go. This is a very foreign policy issue and I appeal to the Democratic Labour Party to put some people who have sense to understand the issues, so that we could debate it at a high level rather than trivialise the matter for short-term political gain and I have seen too much of that in recent politics the failure to understand issues, the failure to appreciate the seriousness of the issues and the misrepresentation of those issues, particularly on the call-in programmes, by people who can try to understand the issues.

I thank you.

Hon. R.N. GREENIDGE: Mr. Deputy Chairman, I want to make a few comments on the matter relating to foreign affairs and foreign policy. Sir, I speak against the backdrop of an impending war because there is no doubt that war now looms large. I do not feel good or happy about the war.

Asides.

Hon. R.N. GREENIDGE: I have to say that at this time, perhaps, more than ever, I feel very proud to be a Barbadian. I feel proud of the way I am hearing my Barbadian brothers and sister speak. I feel good to hear some of the things that they are saying.

Mr. Chairman, this morning I heard a group of school children discussing the war. They were speaking on

foreign policy issues. They were discussing the war with a level of maturity that belied their age. On the weekend I also heard some fellows, who do not have degrees, in a rum shop discussing the war and I was amazed at the quality and content of their arguments.

Asides.

Hon. R.N. GREENIDGE: Mr. Chairman, 25 years ago, we might have accepted unfair and unorthodox tactics by super powers. However, this is not the case today and I am pleased about that. We in Barbados want to have informed citizens. It reminds me that in education we have been striving to reach certain levels of curriculum reforms because we are now placing emphasis on evaluation.

Sir, education is not about book learning any longer. We have been moving away from the rote and the regurgitation because our aim is to ensure that our people understand current issues from various standpoints and that they are able to analyse the facts and come to conclusions.

The reason why Barbadians have this level of understanding of what is right and wrong in the international arena and the reason why they have this level of understanding as to whether the diplomatic processes have been followed have to do with the level of our education, as the Honourable Member for Christ Church West has said.

I am pleased that our Barbadian people is courageous. They are not cowardly. They know that they are entitled to express their views. They know when the might is being unfair. They know when the powerful are imposing its will on the weak. This morning that group of school children might not have said that United Nations conventions and the rules of international law have been breached.

Barbadians and that group might not have expressed it in the same terms of the United Nations convention and the international law but that little group of school children was all saying what the international law and the United Nations convention were saying.

I want to make the point that education stops our people from becoming being brainwashed. Sir, because of education our people have been able to avoid propaganda. Our people know how to discriminate and they are equipped to make informed decisions, not only in regard to the United States of America but in regard to any other country in this world.

I am proud that this Barbadian society is not a society of clones. We have always been taught tolerance in Barbados. This morning the Honourable Member for Christ Church West was speaking on another matter and he said

that there is no room for division based on race, class or religion. We in Barbados have always taught our people to avoid aggression.

I remember when the Honourable Member was speaking, he said that he remembered bringing the white bank managers and the fishermen together in his constituency. We can have elections here in Barbados without blood baths.

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Continuation of: Hon. R.N. GREENIDGE:

Therefore our people know, Mr. Chairman, that aggression at the level of the state is still aggression. We might have taught them not to be aggressive to each other but they still know that whether it is at a personal level, or a state level, it is still aggression.

Mr. CHAIRMAN: The Honourable Member has one minute.

Hon. R.N. GREENIDGE: Thank you, but I would like to get this thought over before I sit.

Barbadians know, Mr. Chairman, about the rule of law. It is a fact that when we passed the Tenancies Freehold Purchase Act, we were going into uncharted waters. Recently there are countries which have attempted to do the same thing and it ended with bloodshed. We were able to do that, because our social engineering, humanity and education and the type of society we are, we achieved legitimately and without bloodshed.

Therefore, whenever we see things which are wrong, Barbadians will be speaking out against them. This is why I say, Mr. Chairman, that I am proud of the way my Barbadians are speaking.

I am obliged to you, Sir.

Hon. R. St.C. TOPPIN: Mr. Chairman, I thank you for giving me the opportunity to try to speak this afternoon. I want to share that my absence from the Chamber for the last two days, was not because of anything deliberate or willful on my part but on the doctor's orders. I am today in attendance contrary to the doctor's orders. I want to make just a few points under this particular Head, while my voice is still holding.

When we speak, Mr. Chairman, on the whole issue of trade liberalisation and globalisation, as the Honourable Member the Deputy Prime Minister spoke, invariably a number of concepts and areas come into view. In

particular, we have to recognise that the protection of local consumers, as well as the protection of local business enterprises, against unfair trading practices must come into the picture.

Once we have trade liberalisation and globalisation, we in Barbados immediately expose ourselves to all types of imports, particularly all types of imports of goods. We do so in the context of having goods from place which we are familiar and have regularly dealt with over the years, also, a number of places which we would never have had any contact before, places of vastly different cultures and production techniques et cetera.

We therefore must ensure that systems are in place, to ensure that with the freeing up and opening up of our markets, we do not allow substandard goods to enter into our market. I want to give the assurance to this Honourable Chamber that my ministry, the Ministry of Commerce, Consumer Affairs and Business Development, insofar as it plays a role in that area will, this year and next year, be tightening the screws to ensure that abuses of our local consumers and our local businesses will not be possible.

We have in Barbados, Mr. Chairman, already in place some 300 standards, a lot of people do not know this but there are already enforced and in place in Barbados some 300 standards of which 40 of them are mandatory standards. Of those 40 mandatory standards, about eight of them deal with the labeling of goods.

Now, it is important therefore that when goods come into Barbados, they comply with our standards, particularly in relation to labeling. Mr. Chairman, I single out labeling because labeling is a matter with which we find, quite often, that there is non-compliance.

Whether it is in respect of not having expiry dates, not having the country of origin or whatever, there are many breaches in relation to the labeling requirements of our laws.

The fact is, Mr. Chairman, that the legislation is in place. What happens, practically, is that as Minister, I try to ensure that there is no disruption of commerce. I have to facilitate commerce. In fact, I would let you know that, really and truly, if there is one ministry that is ripe for some sort of reform, in terms of the allocation of portfolios, it is the Ministry of Commerce, Consumer Affairs and Business Development.

The same Minister has to wear so many different hats at the same time that is very hard to please everybody. You have a situation, where an importer will bring a good into Barbados that does not comply with the labeling laws, yet, consumers will be the first to rush and say that we want it to come on the shelves because it is a better

product. It is perhaps cheaper and, therefore, consumers want to have it, but it is not in compliance with our law and if I do not allow it, then the importer will simply say that I am very hard on them as importers and I want to put them out of business.

It is really very hard sometimes to know what to do but what in practice has been happening is that, particularly, in relation to first time offenders, we have been giving them time to make the item right before it goes on the shelf. We have not been enforcing a hard line to say, the good will not be allowed into Barbados but we are saying that before it reaches the consumer, the importer must ensure that the correct labeling requirements are being met.

Mr. Chairman, having said that, the fact is there are standards forming part of our legislation. The difficulty is that in relation to the 40 mandatory standards, there are only two standards inspectors, who must police some 40 mandatory standards, eight of which relate to labeling. Clearly, that situation could not be allowed to continue.

Similarly, in relation to weights and measures, there are in fact three weights and measures inspectors, who are responsible for all of the calibrations of the weights and measuring devices throughout over Barbados. This ensures that if a consumer buys a pound of sugar, he is getting a pound of sugar. He would now have to manually inspect everyone to ensure all of those calibration devices and weighing devices are properly functioning. Sir, you know how many of these there are around Barbados but there are only three inspectors.

Sir, what the Ministry has decided to do, is that for the next financial year, the Ministry has engaged in a bit of institutional reorganisation, where we are now going to have a department of Commerce and Consumer Affairs. This will encompass the weights and measures inspectors, the standards inspectors and the Price Control Division.

The Price Control Division, Mr. Chairman, has some 13 posts for price control inspectors. Seven of them are filled but they have posts for an addition 14 and they administer the Miscellaneous Controls Act. The truth is that there are, currently in Barbados, only nine items under price control. In terms of licences, and issuing licences for imports or exports, and I read:

“Pursuant to our obligations under the World Trade Organisation, licences are now automatic, except for a few exempted areas like public safety and morals...”

Sir, if your licences are now automatic, the Government has therefore ceased intervention in the market by having the power to decide whether a licence should or should not be issued.

Therefore, price control inspectors, I would say, in terms of their official functions set out by law, would really be underworked. Therefore, what we have decided to do this year, and it has already been agreed to and we will see it in the Estimates, is that there is now going to be a department of Commerce and Consumer Affairs. This will bring into that fold, the weights and measures inspectors, standards inspectors and the price control inspectors. There will be a re-designation of a number of posts and we will, therefore, have a larger number of persons to play a role, in relation to these various areas.

Sir, there is going to be training because we have to get a number of persons now more involved in the behaviour of businesses. We have moved away from price controls in many respects. Price control does not have a very pleasant history in Barbados. The Leader of the Opposition can tell you about that and the former Minister of Trade of his Party who wiped out some 634 of them in 1975, so price control does not bring back fond or happy memories in Barbados.

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Hon. R. St.C. TOPPIN: Price control does not bring back fond or happy memories for Barbados. However, at the same time, it is important to know how merchants are out there behaving, particularly in relation to the pricing of items. We need to know if there is price gouging because if there is, we would have to look at putting mechanisms in place to get that out of the way. We would not necessarily resort to price control as a first resort but certainly steps would be taken to inform the person that we are aware of the price gouging and thereafter perhaps we could resort to more drastic measures in relation to the offending person.

The point I am getting at is that in this year there is going to a Department of Commerce and Consumer Affairs to assist the Ministry to further review its policy in relation to consumer affairs. Thus far we have consumer legislation and we also have a number of agencies, particularly the Fair Trading Commission, monitoring and enforcing the consumer protection legislation. We have also a Consumer Guarantees Act. What is essential is that the Ministry of Commerce and Consumer Affairs must now have in its own ministry...

Mr. CHAIRMAN: Honourable Member, I would like to interject here. I know you have your ministry but we are dealing with foreign affairs and I am hearing you all the way down.

Hon. R. St.C. TOPPIN: I am doing that in the context of international trade. We have to ensure that when goods comes into Barbados that we have mechanisms to

deal with these items and that we do not have to strengthen our consumer protection regulatory powers. That is the whole point.

I am saying that the Ministry would need to constantly reform and reformulate its consumer policy and its policy relating to commerce. Therefore, my Ministry will be 100 per cent supportive of this new Department of Commerce and Consumer Affairs which would be enforced from the next financial year. We have to ensure that local businesses are also protected because globalisation and trade liberalisation means that we are going to see a large number of big corporate transnational entities coming into Barbados. We already have PriceSmart and because of some technicality, K Mart is not here but others are going to come and we must not fool ourselves into believing that they are not going to come.

Therefore, it is incumbent upon us to ensure that when these new big transnational companies come into our market our local enterprises would still be able to function effectively and will not be discriminated against. I have already put in place a new Fair Competition Act to ensure that unfair and anti-competitive business practices will become illegal in the Barbadian context. This would ensure that no matter what type of organisation comes into Barbados, local business enterprises would be able to function equally and equitably in the market vis-à-vis these big enterprises.

Local enterprises, particularly the smaller ones, have got to make full use of the mechanisms available to them to be able to function in the context of this global environment because globalisation and trade liberalisation does not only mean persons coming into our market, it also provides the opportunity for our entrepreneurs and businessmen to get out into their markets as well but our local enterprises do not seem to grasp that point fully. Therefore, a lot of objection is constantly made by them, particularly the smaller enterprises of Barbados, against mergers.

In the Fair Competition legislation mention is made that when enterprises merge which will result in them having more than 40 per cent of the market or such other as the minister may determine that approval must be sought from the Fair Trading Commission. It is not automatic that they would be denied. So the smaller enterprises in Barbados, rather than focussing so much of their energies in objecting, opposing and being so concerned about mergers by the larger enterprises, need to get up and recognise the benefits to be derived from involving in mergers, strategic alliances and joint ventures. It is only in that way, in this age of trade liberalisation and globalisation, that these entities will be able to survive. In the context of merging and other strategic alliances they could strive, not only here to be able to go out into all of

these new trading arenas and be able to command their presence and make tremendous returns but they must recognise the value to be derived from the basic maxim that in unity there is strength.

Mr. Chairman, I see that you are telling me that I have gone over my time but voice permitting I will try to interject again at a later time.

I thank you.

Hon. A. P. WOOD: Mr. Chairman, I rise to make a small contribution to the discussion on the Ministry of Foreign Affairs and Foreign Trade Head.

I want to do so because I want to examine in the limited time available to me - I certainly would have to come back later - the impact of the changes in the development within the global economic environment on the agricultural sector in particular and to treat the House to some information pertaining to the Ministry and the Government's response to the challenges posed to the sector as a result of these developments in the international economic environment.

I would also want to address the issue of food security in small economies like Barbados given the threat of war which is very much with us. I also want to remind this Honourable Chamber and those outside who are listening about how this Government and indeed all Barbadians responded in the aftermath of September 11, 2001, when overnight this issue of food security and the need to turn to the agricultural sector was on everyone's tongue.

Mr. Chairman, the global environment is being largely conditioned by what is happening in the various theatres of negotiations, as was outlined by the Honourable Member for the City, namely the World Trade Organisation; the Free Trade Area of the Americas; LOMÉ; post-LOMÉ, the ACPEU arrangements and, closer to home, the Caribbean Single Market and Economy.

Mr. Chairman, at the multilateral level, the agricultural sector has undergone more liberalisation and improved disciplines within the past decade than the sum of the disciplines over the previous 40 years. This is significant. As the Honourable Member for the City has said, these negotiations are ongoing, so it is an evolving process and so we could expect more and more disciplines to appear which we have to deal with.

The challenges posed to the agricultural sector as a result of these changes include the removal of trade related preferences which would expose agricultural exports from sectors that are not competitive and efficient. By the stretch of no one's imagination can we say that the agricultural

sector in Barbados is highly efficient. Quite the contrary, the agricultural sector is characterised by a number of things which one would have to include when one considers that a lot of work would have to be undertaken in order to raise the bar as it relates to international competitiveness.

5.35 p.m.

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Hon. A. P. WOOD: Mr. Chairman, in an era of increasing globalisation and regionalisation, more and more competition will appear at our doorsteps and the very survival of the sector, even at home, will require us to stand up in the way we conduct business, so as to improve our level of competitiveness, while recognising that the Government would be unable to provide the protectionist measures to which the sector has grown so accustomed over the years.

These are harsh facts that we need to understand and to internalise what they mean to the functioning and performance of the agriculture sector.

With the increasing international influence of the environment on the domestic sector, there is also evidence of the proliferation of new and changing international standards for trade in agriculture and fisheries products. Our ability to continue trading in certain goods, requires the adoption of new standards and compliance with certain conventions.

Mr. Chairman, in the aftermath of September 11, 2001, the issue of food security and the need to increase local production in the agricultural sector was foremost in the minds of all Barbadians. That is an undeniable fact. How can a country assure its people of a desired level of food security? It can be done by a number of ways. Either from within by increasing domestic production, that is going back to agricultural production of primary products or depending on our foreign reserves in order to allow us to access primary products and processed foods from external sources. Sir, that is, in the right kind of environment, we can increase our national capacity to import, that is simply the ability to import on our current export earnings. If that fails, we can do it through our ability to access on the international market.

Mr. Chairman, as we saw in the aftermath of September, 2001, when tremendous pressure was brought to bear on the tourism sector, naturally that would have sent ripple through an economy like ours that is so highly opened and import dependent. If for discussion sake, we were not well-endowed with a strong foreign reserves base, that would have meant that the national capacity to import would have declined but we would still, as a serious

Government, have a responsibility to provide food for the Barbadian people. It was within that context that there was this sudden and overnight recall of the importance of the agricultural sector to the Barbadian economy.

Mr. Chairman, I need to remind this House that the Ministry of Agriculture and this administration did not wait until such an unfortunate event to occur, to address the issue of the decline in agriculture production. The need to produce more from within will be with us, given the pending war.

Sir, one of the flagships projects of the Ministry of Agriculture and Rural Development - the initial ideas were generated when the Honourable Member for St. James North was there - is a project called the Land for the Landless Programme, which principally was designed to bring lands that otherwise would be lying idle, back into active cultivation and, in so doing, try to match to some degree, the demand for land by the numerous farmers with the supply. Of course, we are dealing with a situation that is supply side constraint because the demand for the land outstrips the supply of available land.

This project got started, not towards the end of 2001, but in September 2000. Therefore, I do not want the message going out that we, on this side, have started an effort to stimulate an increase in agriculture production, only when it became clear that it was vital for that to be done. In the normal scheme of things, we have recognised the importance of agriculture to Barbados economic fortune. We have also recognised the tremendous role played by the agricultural sector in building this Barbadian economy. Those of us from the country would understand how crucial the agricultural sector was, to allow us to achieve a certain level of prosperity and quality of life.

The programme commenced in August, 2000, since then it has procured 1 409.34 acres of publicly-owned land and 450 acres of private land. Therefore, the idea is to get as much land into the pool as possible and to quickly turn it over to the willing and capable farmers so that they can do what they know best; that is to engage in serious agricultural activities. We are not putting it into a land bank but are turning it over to the farmers, via a structured lease arrangement.

We will ensure that at all time, and learning from some of the mistakes of the previous schemes, we will give farmers only that amount of land they are able to work productively. We are not going to put them at a disadvantage by giving them more than they can handle efficiently.

Mr. Chairman, in the case of private lands, the distribution at the end of February, 2003, is as follows:

Acreage distributed to the farmer 371.33

Acreage currently under production 155.98

Number of tenants occupying the lands 32

Number of persons employed by the farmers 51

Acreage under vegetable and food crop production 146

Acreage under livestock production 10.33

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Hon. A.P. WOOD: In terms of output production for 2002 the various produce on those lands include string beans, cucumbers, sweet potatoes, onions, cabbage et cetera. The yield on this 146 acres was 2 138 500 pounds valued at \$3.9 million.

In the case of the public lands, an acreage of 544 was distributed to farmers way below the 1409.34 acres available because we are now in the process of finalising the arrangement for the distribution of the 687 acres of land at River and Bath Plantations.

Acreage

Land current under production 255

Number of farmers occupying the lands 60

Acreage under vegetable production 149

Acreage under orchards 79.2

Acreage under livestock production 27

Sir, the Honourable Member for St. Michael East is familiar with a project under production in the Pine Basin which was recently allocated. This 29.5 acres of land allocated to the farmers produced 458 700 pounds of produce. This excludes the 450 000 heads of lettuce valued at \$486 000 and the other crops valued at \$761 132.

In the case of Bawden and Sledge Pond, 849 000 pounds of produce was produced with an approximate value of \$1 million and in the case of Haggatts, on 54.4 acres of land cultivated there 463 000 pounds of produce was produced with a value \$725 000.

Mr. Chairman, I have treated the house in a summary way to the performance of the Land for the Landless programme. I want to use this opportunity to

appeal to all private landowners that the programme is still starved of land. The last check with the project executing unit located in BADMC, the requirement is for 600 acres of land to satisfy the existing demand which is growing on a daily basis.

This is one of the flagship projects of the Ministry of Agriculture and Rural Development. We started this project before there was any threat of war and it is our determination to press on with the project to have it decentralised to the fullest extent possible because the farmers are spread throughout Barbados and we would want the farmers to be located close to the activity.

We think that this is an important activity that will allow us to make real sense of any effort to increase agriculture programme and give us a better level of food security from our efforts within.

I thank you, Sir.

Hon. R.C. EASTMOND: Mr. Chairman, for about the first decade after Barbados' independence in 1966, the emphasis on its external affairs policy would have been the establishment of consular relations with a number of perceived friendly states. The emphasis too in the first ten year after independence was for Barbados to identify and join in international organisations which were perceived as holding out some benefit to this country in a consular sense.

Mr. Chairman, there can be no denying that in the period just before 1976, the Government was of the view that as a young nation whose independence was recently acquired, Barbados should be cautious in how it sought to define its foreign policy. However, Mr. Chairman, between 1976 and 1986 beginning at a time when the Honourable Member for Christ Church West was the foreign Minister, Government saw foreign policy as going beyond diplomatic relations and its new emphasis was on foreign affairs which implied and involved a measure of things economic.

I recall the late Sir James Tudor saying in 1982 that he found it comforting that the Government of Barbados between 1976 and 1981 had sought to forge relations, not so much based on consideration of diplomacy and friendship but looking at the wider national good as far as the establishment of relations with foreign countries could impact positively on Barbados' economy. Mr. Chairman, permit me to mention a few aspects of matters to do with foreign policy implications on the economy.

I notice that one of the objectives as spelt out by the Ministry of Foreign Affairs and Foreign Trade is to promote Barbados as a leading international business and leisure centre and a preferred location.

Mr. Chairman, I notice that the last 15 to 20 years many retirees from distance countries saw Barbados as a desirable location in which to set up for their retirement. I want to make the point that there must be no disincentive whether fiscal or bureaucratic to prevent people who are desirable from settling in Barbados as retirees.

We must now define our taxation, fiscal and other policies in terms of marketing our country as a preferred location to retirees. I also want to see particular offshore health facilities establishment where some of these retirees will be able to go for medical attention in their old age.

I would also like to mention that in the case of returning nationals who are Bajans, we must continue to intensify efforts to help them to resettle and spend their last years here. Mr. Chairman, I make bold to say that when we measure the impact of that however marginalised, it might make a difference when added to our sources of income. Mr. Chairman, you will recall that in recent years this Government set up a charter for returning nationals.

I move to another area that attracts my interest. One of the many achievements in the last year was the establishment of honorary consulates in Argentina, Columbia, Costa Rica, Suriname, Uruguay, Ireland and New Zealand.

Mr. Chairman, it cannot be far-fetched to envisage a day coming when in a situation where we have done very well with our bilateral treaties to further increase the number of bilateral treaties, particularly with Latin American countries. The movement towards the establishment of honorary consulates must be seen as the first step in the direction to ultimately set up proper missions in circumstances where we should be aiming to increase the number of bilateral agreement looking at issue to do with taxation and investment in particular.

5.55 p.m.

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Hon. R.C. EASTMOND: Sir, speaking about investment, I go back to an objective that I cited earlier to promote Barbados as a leading international business centre.

Mr. Chairman, modest as this contribution is, I make bold to say that in terms of the expectations of the World Trade Organisation,

Barbados, which has outstanding succession in tourism, has no limitations in the way of investment by non nations. Let me explain that, Sir.

I am saying that in the context of World Trade Organisation's expectations and requirement, Barbados, bearing in mind its solid history in tourism, has imposed no limitations on investment flows into Barbados. The significance of investment flows, in the context of what we are debating, is when you consider globalisation, there is a component of globalisation that involves the free movement of capital. If there is a component that involves the free movement of capital, then if we can market this country as a desirable place for proper investment, then we should capitalise on it.

Mr. Chairman, in a very complicated environment, it means that all of the groundwork must be done.

It is not good to hear that some potential investor claimed that the only constraint that they encountered in doing business with Barbados is that it takes long to get into the country. Sir, I am going to repeat this. Many potential investors interested in setting up business in Barbados have lamented the fact that it takes long to get into Barbados. When you cross-examine them, they blame our bureaucracy for the delay.

Mr. Chairman, this Government has to intensify its efforts to further promote the reform of the Civil Service. This Government is committed to public sector reform and we must not be accused of letting a slow-moving democracy stand in the way of inflow of investment.

Sir, I make bold to say that those who have been able to come here and invest, they have also been able to return to their countries of origin and report that the economic climate lends itself readily to investment.

I conclude in this brief intervention by looking at the contribution of what is called the offshore sector to the development of Barbados. Sir, without having the figures available, I feel confident that looking at earnings per year, this country gets approximately US\$75 million in inflows of foreign exchange out of our offshore sector.

We had problems where the OECD had started to question our operations and even when we satisfied them on count 'A' they created a count 'B' and 'C'. We will recall that initially the OECD expressed reservations of whether CARICOM countries were clean jurisdictions. When they received the answer that CARICOM countries were clean, they then turned to other issues, including the issue of what they called 'harmful taxation'.

Sir, there is no question that the taxation of offshore businesses in Barbados is low but at the same time this is in the context of what is legally allowed and there should be no pressure imposed on Barbados.

It is very hurtful that when a country has an existing double-taxation agreement with Barbados it tries to join with those countries in the OECD to condemn Barbados. If you have an agreement with Barbados and Barbados is functioning in line with that agreement, then, in my view, you are stopped from denying that the jurisdiction in which business is being conducted is doing something wrong.

Mr. Chairman, I think that the future, considering foreign trade and foreign investment, will definitely require us to look more closely to places like Argentina, Columbia, Costo Rica, Suriname and Uruguay. I also notice that in the last year there was the establishment of an honorary consulate in Ireland and New Zealand.

Sir, I notice that the Irish people have been coming to Barbados in large numbers as tourists and some of them have invested in Barbados. Sir, with regards to New Zealand, perhaps, one of the things that we can do in our relations with New Zealand, is to ask them how they set about dismantling subsidies on agriculture.

Some years ago, a Government of New Zealand, predicting where the world would be in the future, abolished subsidies on agriculture. In fact, there is a book called 'Agriculture Without Subsidies', which I believe the New Zealanders would readily lend to us to share their experience with us.

The Government of the day took the bold decision to abolish subsidies and it lost the elections but in the long-term, the abolition of those subsidies proved to be sensible, well-founded on policy and, nowadays, they find that their agriculture is competitive.

Mr. Chairman, I conclude by saying that the Ministry of Foreign Trade is to be commended for the initiative that they have taken. I notice in my preparation of my address that organisations like the World Trade Organisation has been favourably disposed to say that we, as a small nation, are doing our utmost to abide by our international obligations.

Sir, with these remarks, I am obliged to you.

Rev. J.J.S. ATHERLEY: Mr. Chairman, I appreciate the opportunity to make a contribution to this discussion under the Head of Foreign Affairs and Foreign Trade.

Mr. Chairman, in recent times, any discussion on foreign trade and the shaping of foreign policy would have found its driving consideration in geo politics. That was in an era when the cold war dynamics provided the driving force of the time. In the times in which we live, cold war dynamics and relations have given way to the dynamics of trade in goods and services.

Sir, the issue of prominence is market expansion and advantage. That is the principle philosophy that drives the international relations position of sovereign states around the world today.

Therefore, it should not be a surprise to the Honourable Member for St. Philip North that issues of international law, the interpretation and application of international law should give way to consideration of market advantage and market expansion.

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Continuation of: Rev. J.J.S. ATHERLEY:

Equally so, it should not be surprising that environmental considerations take a back seat, in the face of the course of market expansion and in pursuit of market advantage. Even with respect to the issue of trade, which is a prominent consideration today, and in the shaping of foreign policy and international relations, the issue of subsidies, the issue of rules of trade, especially with reference to application of subsidies, gives way again, to the pursuit of market advantage and market expansion if we make reference simply to subsidies with respect to farm products, whether it is in the European centres or in the North American centres.

The powers that be in those centres speak with one voice but the handling manifestations do not work in sync with that which is mouth, and so, market expansion and market advantage take prominence.

Notions of sovereign discretion and the sovereignty of states are totally disregarded, in the pursuit of such advantage. That is the international relations, the foreign policy relations context in which Barbados now exists. Our policy, therefore, when shaped and when positions are formulated, must take cognisance of these things and bear reference to these things.

I think we are fortunate in Barbados today to be guided by a Government which is abreast of these issues to be led by a Foreign Affairs and Foreign Trade Minister and foreign relations teams, both at home and abroad, who are largely up to speed as to these issues. They are trying to help us, not only to determine our best positions but to actually perform from those best positions, as we seek to relate to sovereign entities in the global marketplace which this world has now become.

I say that to suggest, Mr. Chairman, that sustainable development for a country like Barbados is not simply an issue to be concerned with economic policy, fiscal or monetary policy in planning at home but sustainable

development must also be the product of our ability, in terms of our foreign relations, to find our proper fit in this new global world. Sir, to find that proper fit, not only in terms of how we relate to nation states, but to find our proper fit in the world as a global marketplace. Hence, it is to be well understood, the emphasis in recent times by this Government of ensuring that foreign policy is not simply a matter of consular or diplomatic relations but a matter of trade relations and market access, and issues like that.

If perhaps in that context, Mr. Chairman, there is one criticism to be made of this budget of the Government's expenditure for the year 2003-2004, and if I would dare to make such criticism, it is that the Budget for the foreign trade ministry, foreign relations ministry and foreign affairs ministry is a bit small. Sir, 1.7 per cent of the total Budget, in terms of finding our proper fit in the global marketplace, one might consider to be a bit small.

Sir, we understand we are constrained by the economic circumstances of the time. We also understand that it is not simply a matter of money, but a matter of proper planning and execution of those plans. I think if one would bear reference to how Barbados is regarded in international circles, as well as in regional circles, one understands that the little monies afforded to this portfolio are well spent to the projection of the interest of Barbados and to the pursuit of our adopted role in the international community.

Sir, we must find our fit regionally, we must find our fit in the wider hemisphere and we must find our fit in the theatre of the European centres as well. I think that we are being brought properly abreast of the issue which face us on each of those frontiers and theatres, in pursuit of our foreign policy and our wider national developmental objectives.

Mr. Chairman, I want to suggest, secondly, that the matter of the practice of democracy is accepted as the best context in which a market philosophy is pursued. The central command economies of this world have been seen to have failed. The practice of alternative models of governance has been very much brought into question and in some cases, into disrepute.

In fact, democracy itself, as practised in some centres, is an issue up for question. Sir, we are related to the Commonwealth Caribbean, certainly, as we are related to some other centres in the world. The practice of democracy has proven to be the best context in which, even market philosophy is to be pursued and market goals gone after.

Barbados has a history of fine democratic practice, one of which we are, and should be justly proud. Barbados has a history of fine traditions and sound institutions,

whether you consider the legislature of Barbados, one of the oldest in this hemisphere, whether you consider the executive mechanisms by which we are governed and whether you look at our judicial institutions.

We have some august institutions which have served us well and their reputation at home, in the region and beyond, is beyond question. I am trying to suggest that the practice of democracy in Barbados has worked well. This tradition, therefore, and this practice, as it relates to our democracy in my view, is a saleable commodity. I am not too sure that we have sought to exploit it to our best possible advantage.

If you consider our tourism marketing efforts, I am not too sure that we sell Barbados as a centre of such great traditions and, therefore, invite those who might be interested in that type of a tourism product, to make sure that they invest some of their monies, which they want to consume under the business of tourism, in our country. The Caribbean can be promoted as a zone of peace and Barbados is central to this type of thinking, in my view. I am trying to suggest that we have a commodity to which we can attach some saleable value, perhaps in a non traditional sense.

Our record of human rights and civil rights, in my view, is second to no other country in this hemisphere and that includes the large North American centres. Our record of human rights speaks for itself. Our record on civil rights is known near and far abroad. Therefore, I am suggesting that in Barbados - in terms of its tourism marketing thrust, as we look beyond seeing ourselves as a destination of sun, sea and sand and look to other areas of developing our tourism product - we need to see that a fine tradition of the practice of democracy and note it. Sir, our august institutions which reflect our democratic culture are such, that they provide for us, a saleable commodity which we need to exploit to maximum benefit.

We live in a hemisphere where it is known that economic crises have easily led to political instability and that has not happened here. In the wider world, in Asian, African and in Latin America centres, economic crises have indeed often led to political instability. We had a very stable situation.

Comparatively speaking, the crises of the 1930s did not lead to the kind of political instability of which I speak. The economic crisis of the early 1970s, when the Other Side held the reins of administration in this country, and although that administration crumbled beneath the weight of such pressures, it did not lead to political instability in this country. The economic crisis of the early 1990s and even in 1993, 1994, though we saw a change of Government, and justly so, did not lead to political instability in this country.

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Rev. J. J. S. ATHERLEY: We saw the fall of a particular administration but we did not see a political crisis. In fact, Barbados came through that...

Asides.

Rev. J. J. S. ATHERLEY: I used to be in the Gallery watching. I had quite an interest then but I have an even greater interest now.

Though that led to an implosion on the other side, it did not lead to political instability in this country.

Asides.

Rev. J. J. S. ATHERLEY: Mr. Chairman, I think we have a commodity.

Asides.

Rev. J. J. S. ATHERLEY: I want to talk about the integration of our economy in today's global terms. Historically our development has been platformed upon extra-regional linkages. History will reflect that those extra-regional linkages did not work to our advantage. The doctrine of mercantilism and the doctrine of empire were largely the business of the politics of underdevelopment and...

Asides.

Rev. J. J. S. ATHERLEY: The doctrine of mercantilism and the doctrine of empire were reflections of a pursuit of economic policy which saw our interests being served in integrating our economies with extra-regional centres but that did work to our advantage. The result, as I said, is the politics of underdevelopment from which we still suffer and the politics or the economics of vertical trade.

I am trying to suggest that if we have not yet come to this point that we need to reach a point of understanding where we recognise that our economies must be integrated horizontally, not only vertically as was the tradition with the European centres, or in more recent times, with the North American centres.

Globalisation, Mr. Chairman, is not just about the interdependence between industrialized countries and developing countries, it is about interdependence between developing country and developed country. Alliances, smart partnerships and strategic partnerships are the way to go. It is in this context that I have said already in this

debate, and I reiterate, that I appreciate the matter of the partnership between Barbados and Trinidad and Tobago with respect to the Barbados National Bank. It is smart partnership and strategic partnership not only for the purpose of simple profits, but for the purposes of forward planning and facilitating our developmental process, hence, also the importance of the Caribbean Single Market and Economy and the importance of the Free Trade Area of the Americas. It is not only the importance for these as it relates to market access to goods and services, or as it relates to expanding labour opportunity, but the importance of these linkages and the importance of this integration as it relates the matter of further capital formation and the strengthening of the capital position of small States such as we are in this region.

It is against this backdrop, Mr. Chairman, that I would want to urge the Honourable Member for St. Lucy to approach the matter of the issue of the Guyanese presence in Barbados which he raise a little earlier. It must be repeated, Mr. Chairman, that Barbados has played a leading role in the matter of facilitating the movement of people in this Country. Tonight, there are about 700 CARICOM skilled nationals resident in Barbados whom we have accommodated without much evidence of a reciprocal attitude on the other side, obtaining either north or south of us. The gates here have been opened in the keeping and in the spirit of the movement toward a single economy and single market.

It cannot therefore be said of us that we have a closed door or even a discriminatory attitude to those of our brothers and sisters from around the region. I am trying to suggest that we need to move more fully to integration and a single market and economy as it relates to the movement of labour and skills. In an effort to promote and support that, the Honourable Member from the other side who represents the northernmost tip of the country should not reflect poorly on this country in terms of how we relate to nationals from other CARICOM states.

The number of Guyanese present in Barbados tonight dispels and disputes the view that there is a discriminatory attitude toward Guyanese. A number of them are here legally and some are here illegally. I think the volume tonight would suggest that were there a discriminatory attitude, the numbers would not be such as they are. I think that what we have heard expressed is sometimes an unofficial Guyanese position because if you interact with some of them out there...

Mr. CHAIRMAN: Honourable Member, would you please wind up?

Rev. J. J. S. ATHERLEY: I will finish with this statement. If you have a chance meeting with any of them the popular view amongst the Guyanese living in Barbados

is not that Barbadians are discriminatory against them and it is not that there is a discriminatory attitude on the part of Government or of the immigration services and department of Barbados. I think that we have a serious responsibility to deter breaches of our immigration laws and those who serve in this cause seek to do that fairly. We have had several instances of breaches from persons across the Caribbean from states north of us as well as south of us, so there is no discrimination.

I thank you, Mr. Chairman.

Mr. D. St.E. KELLMAN: Mr. Chairman, there is no doubt that if we are developing our foreign trade, that our foreign trade partners who have the privilege of operating in our Foreign Affairs Offices overseas must be given certain mandates, that is, that they must understand that they must play a role in increasing the productive capacities of the goods that we have to sell overseas and that they must source markets for those goods that we produce. They also have to find avenues where we can also maximize on our services. They must also look for the market where we can borrow money at a reasonable rate and in the right currency because we in Barbados tend to believe that borrowing money is only about interest rates.

I had the privilege earlier to ask this House to study page 76 of the February 2003 edition of the Economic and Financial Statistics coming out of the Central Bank. If one looks at the line for January 2003 and one understands what one is reading, one would fully understand why it is important for Government to borrow sometimes in the Yen, sometimes in the Pound Sterling and sometimes in US currency. When those currencies are increasing, one needs to understand which currency one needs to hold.

This message is not only for our embassies. It is also for the ones who operate within our Central Bank who are the protectors of our foreign exchange. We need to know when we sell goods in US dollars whether we should continue to hold those foreign reserves in US dollars or whether to hold them in Euro. As it stands right now a couple months ago, one would have got the impression that the worst thing to do was to hold Euros. Ever since the oil market has decided to sell their product and ask for Euros in return, one would have recognise a change in the Euro. One would also recognise that the Pound Sterling is also increasing.

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Mr. D. St. E. KELLMAN: What this meant was that if we had diverted our foreign exchange from United States currency to the Euro and Pound Sterling, our foreign reserves would have appreciated because of what is called

a foreign exchange gauge. It means that the foreign reserves of a country cannot only rely on production but on how a country holds its foreign reserves. It is also important that when the country borrows, it borrows when a floating currency is at its highest and not at its lowest. Therefore, it is very important that when borrowing, a country has to be careful of the currency in which it borrows.

The Minister of Tourism, who is trying to interrupt me, should be last person to be doing so at this time because this issue reflects on the tourism industry. When the pound sterling increases, the British tourists tend to travel more. When there is a decrease in the pound sterling, they tend not to travel. Therefore, it is important, especially for the Minister of Tourism, to keep his mouth shut, listen, examine and take notes because it is going to become very important, especially in this time of war.

We also have to understand that the taxation system of a country is very important and that our officials overseas must be educated, based on our taxation systems. We must also be sure to have the right taxation systems in place so that when they speak to investors, they can speak on these topics with some knowledge.

Mr. Chairman, there are many persons walking around in Foreign Affairs Embassies, who are not aware of how to sell Barbados. We must make sure we have the right persons to sell Barbados and not looking after the interest of a few persons to see whether they are getting the right salary or the right job. It is very important, especially when we are at a time involved in a war that we have not entertained. We must make sure that we make the right statements and at the right times.

Mr. Chairman, the Minister of Agriculture has rightly spoken of his inputs as it relates to agriculture. Sir, do you know what is interesting? He has made the point that the Land for the Landless Project is the most important project that has ever been entered into by the agriculture sector within the last number of years. That might be true but I want to remind the Minister of Agriculture that the land that was bought in the Scotland District was done so by the Democratic Labour Party, and for a reason. They wanted to make sure that the production capacity remained. They had also recognised that in order to keep that capacity at a particular level, since the people who previously owned the lands were prepared to go out of production, the Government could not have afforded to lose the production of those lands and had bought them. This Government could not produce on those lands profitably but yet this Government expects small farmers, though they do not own the Treasury, to do what they could not. That land cannot simply be given to small farmers in the Scotland District unless Government is carrying a package to aid them.

When this was first discussed, I had said that this administration must understand that in order to increase the capacity, they must deliver that land to the farmers well prepared. Anyone who understands the cultivating of land would know that one of the fundamental points would be that if there is no correct preparation, including the clearing of weeds, et cetera, could result in a cash-strapped situation for the small farmers.

If the private sector could not produce on those lands and the Government could not have done it with the Treasury behind them, then we cannot expect to burden the small farmers with that task to increase their capacity, unless one compensates them for doing it.

We also have to recognise there was nothing wrong with the mechanisation of factories. There was nothing wrong in buying machinery for tilling the land. The biggest problem we have created in the sugar industry was when we mechanised the reaping of canes. In doing this, it called for a large sum of capital which was paid to foreign owners. The servicing of that machinery also called for large sums of outflows to the people who have produced the machinery, whereas, if we had imported workers to reap the sugar crops, we would have also had alternative use for those persons, who would have had to secure accommodation, food and clothing, which would all be locally produced and would not have caused large sums of money to have gone out.

Sir, when a comparative analysis between supplying the labour and the machinery is done, one would have recognised that the cost of supplying the machinery is external, while the cost of supplying the labour is internal. Therefore, when one considers the sugar industry as a net producer of foreign exchange, one would understand that even though within the sugar industry the plantations might be using money, the country on a whole, is not. The country is a net foreign exchange earner from the sugar industry. Therefore, it makes sense to retain that amount of foreign exchange that comes into the country.

Therefore, we must be very careful as a country and must not mix our relationship between a country and a farmer. I can understand why the farmer would want to mechanised his operation because, on a short-term basis, it looks good while on the long-term it does not. One must understand that using mechanisation is not good. One does not get the same number of crops from canes that are harvested by machinery as from canes harvested by human labour. There is a longer crop and a better ratooning system, which means that canes would not have to be replanted as quickly as when using machinery. The greatest cost in the sugar industry is preparing the field to replant sugar cane.

Mr. Chairman, we must understand exactly where we are going in this country. In the same way that the United States can have a subsidy for its agriculture industry, Barbados should subsidise the sugar industry. In so doing, we would allow more land to remain in production. We would also allow the tourist industry to be complemented with the sugar industry, which is good for the tourism industry.

When the Honourable Member for St. Joseph was Minister of Agriculture, he introduced something called the Ecological Groupings to make sure those lands in the Scotland District remained in production.

6.35 p.m.

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Mr. D. St.E. KELLMAN: Sir, those of us who understand agriculture and the importance of it to the Finance Ministry and the Foreign Trade Ministry must understand that these points should be taken and implemented.

Asides.

Mr. D. St.E. KELLMAN: I am sure we would not hear these negative comments coming from the Honourable Member for St. Philip South, the Honourable Member for St. James North or the Honourable Member for St. Joseph because these Honourable Members fully understand what I am speaking about and we would never hear childish comments coming from them because they fully understand the point that I am making.

Sir, we have a Minister of Tourism who is part of the Foreign Trade Ministry and he does not understand that if Guyanese want to come to Barbados as tourists we have to allow them to come and this would help to build our base. Hon. R. R FARLEY: Mr. Chairman, I rise to make a short contribution in this debate on an issue which has become very important. This Head of Foreign Affairs and Foreign Trade derives its importance from the time in which we live. We are at a period in time where the introduction of a new rules-based trade regime ushered in with the new arrangements with respect to the WTO, changed forever the nature of international trade relationship. In addition, what influences the international financial institutions, which reflected the thinking and philosophy of persons who held the balance of power in the post World War II situation, them have now changed by the fact that we are in a world with one super power. There is also the fact that we now have a world in which we have international financial institutions on one hand, the WTO as a rule-based trade institution on the other hand as well as a plethora of non-governmental international organisations which are not known to international law but which have assumed an

importance which goes well beyond this charter. These organisations like the OECD, a group of 29 rich countries in the world, now purport to speak on behalf of the international community and to set standards. We have as well organisations in specific sector setting banking standards and we have the insurance association setting insurance standard. There are several of these bodies who represent the interest of a few key players in the world and now purport to speak on behalf of the entire world.

Sir, we are in a situation where a number of entities some in which we have membership but many in which we do not, now purport to set the course of our future. Thankfully, we in Barbados have always been of such a spirit that we totally and completely reject attempts on the part of individuals and organisations to set a path for us which is not of our own making. I want to salute the Ministry of Foreign Affairs and Foreign Trade for the stance taken in several important matters in those two areas.

I want to focus in my first intervention on some trade matters. This matter of international trade and the new rules-based trade regime in which we have to function is of paramount importance. The extent to which we are to restructure and reposition our economy so that we are able to generate the level of economic growth essential is also important if we are going to be able to afford to do the necessary social activity to pay for health, education and help poor people out of poverty because, at the end of the day, all these good great essential things have to be financed from economic growth.

We have to be able to set ourselves on a course for economic growth within a world which we ourselves did not make. We have to use whatever negotiating leverage is available to us because even though the broad framework has been cast, the trade Ministers have been given some latitude to fine-tune in several areas.

Therefore, those whose spirits indicate a lack of charity and who want to suggest that the Ministry of Foreign Affairs travel around the world too much, do not know what they are talking about. Sir, Barbados has been able to demonstrate leadership in several spheres of activity including helping to chart the course of action which small states would take, and the Honourable Member for St. Peter with the support of the Commonwealth Secretariat and eventually the World Bank has been able to pioneer some work on small states in the global context.

Out of that has involved considerable empirical work on a new vulnerability index which is time we hope would take its place alongside indices of GDP and other indicators which have been used by international financial institutions and others in categorising countries and in making important decisions.

Barbados has been at the forefront of successful efforts in getting this new rules-based international trade regime which is steeped in the ideology of the neoliberal, which philosophy would have us believe that all countries are equal and that we all start from the same point in the new trade regime and that we must all engage in full reciprocal training and that Montserrat with only half of its country occupied must give the same level of concessions in a reciprocal relationship with the USA.

6.45 p.m.

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Hon. R.R. FARLEY: Sir, the argument which is used, is that free trade is the solution to all problems and that once countries engage in free trade, this tide will lift all the boats in the ocean. I know that if your boat is too small, and the tide is fairly high and you get some heavy swells, when the swells break they are going to break over the boat and sink.

Asides.

Hon. R.R. FARLEY: Mr. Chairman, in certain types of heavy seas, you are always advised that small craft should stay in port.

Sir, the world cannot be the same for all and Barbados has been in the forefront of a movement among small states to have the language and concept of special and deferential treatment enshrined in international agreements.

Asides.

Hon. R.R. FARLEY: Sir, I am pleased to say that in the Free Trade Areas of the Americas, declaration out of one of the recent Ministerial meetings, has accepted the precept of special and differential treatment for small states.

Sir, the reality is, Barbados' position has been clear. Once we want to be part of the new global economy and while we will take measures to ensure that we will be able to benefit from the opportunities which we expect there will be, as well as mitigating impact of the negative or downside effects, we are of the firm view that if the whole idea of having rules to govern international trade, particularly in a free trade area, is designed to ensure that there is no distortion of trade, when you consider small countries and that they represent a minuscule percentage of world trade, no matter what they do, they cannot distort world trade.

Sir, if you look at the figures from the World Trade Organisation you see what volume of world trade Barbados

represents, I believe that it is in the order of .0001 per cent of world trade. If you round it off to one or two decimal points, it is still zero. No matter what subsidies Barbados may have on its products, no matter assistance sectors may be given, it cannot distort world trade. Sir, have the rules applied to those countries that can distort world trade.

Sir, in reality, notwithstanding our great efforts and success in some of these initiatives, we are faced with a situation in which we have to introduce provisions arising out of successful negotiations in the Caribbean Single Market and Economy, the Free Trade Area of the Americas and also to discharge our obligations under the World Trade Organisation.

Asides.

Hon. R.R. FARLEY: Mr. Chairman, Sir, I want to speak about what we are doing to help our private sector to prepare themselves. Sir, what makes our situation so different today from what it was previously, it was only since the introduction of World Trade Organisation that we now have a linkage between the trade of goods and trade in services in a way that did not previously exist. Every aspect of our international trade arrangements and even the domestic policies that we employ are not interlinked.

For example, international agreements have been brought relating to trade and the manufacture of goods for many years. It is only in recent times that they brought an agreement on agriculture. We now have matters relating to intellectual property, in which an infringement of copy right, pirating of software and things of that nature could result in the repercussion for foreign trade.

Asides.

Hon. R.R. FARLEY: Therefore, we now have, what I like to call, the internationalisation of domestic policy, areas of national policy relating to trade. For example what tariffs we can charge, what support Government can give to various sectors, what preferential access we can give on goods or what goods we can restrict. These have now been removed from the realm of domestic control and placed firmly within the sphere of the implementation of international agreement.

Mr. Chairman, our responsibility as a Government is to make sure that where opportunities for trade have developed as a result of these agreements, we take the necessary measures to exploit them and where there are downside risks from trade liberalisation, as they affect the domestic market, we take steps to minimise those.

Sir, in my next intervention, I will speak to what Barbados is doing to help the manufacturing sector to make its way in this new environment.

I thank you, Sir.

Asides.

Hon. Miss B.A. MILLER: Sir, in respect to many matters raised, the Leader of the Opposition wondered what had become of the country team. He seemed to doubt its existence but the country team has been working hard. It now wants to get into a mode so that it can redouble its efforts but the country team has been at work.

I would like to advise the House that the Ministry of Foreign Affairs and Foreign Trade

and our Missions abroad are working hard.

Asides.

Hon. Miss B.A. MILLER: The ministry of Foreign Affairs and Foreign Trade and the Missions are working very closely with the Barbados Industrial Development Corporation (BIDC) and the Barbados Tourism Association in London, Washington, Miami, Toronto, Caracas and Brussels to market Barbados and there are different emphases depending on where the market is.

Sir, among the several activities in London, we helped to coordinate Expo 2001.

Asides.

Hon. Miss B.A. MILLER: It was the largest Caribbean exhibition ever held in London. I had the opportunity to attend the exhibition. Barbados was represented and traders, manufactures, producers and service produce from seventeen Caribbean countries were able to make commercial contact in the United Kingdom and the European market.

Mr. Chairman, this came about because the Barbados Mission at London had very successfully engineered two annual Expos and the other Caribbean colleagues suggested that we should, perhaps, widen the focus so that the Caribbean would host this exhibition and it was thought to be a successful one.

Sir, the country team, particularly in the United Kingdom and the European markets, Germany and London, participated in major promotions throughout North America and Europe.

6.55 p.m.

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Hon. Miss M. A. MILLER: Everybody cannot just sit down and write something to be submitted to the United Nations.

In the Ministry of Foreign Affairs we want this year to seek the services of a consultant as well, possibly somebody from the United Nations (UN) itself, to come down here and do a workshop, a seminar, a training session or whatever is required so that we can draw people from a number of ministries and have them properly instructed and properly trained in this matter of reporting for UN purposes.

There are a number other agencies to whom we must report as well. I have to say, Mr. Chairman, that it is not a good thing because Barbados - sometimes we do not report at all - often loses an opportunity to shine and to lead in many areas sometimes simply because we are so in arrears in respect to reporting.

Let us face it, and I say it openly, mea culpa, I am having difficulty getting the Annual Reports of the Ministry of Foreign Trade before this House because there are so many other things taking priority and I have so many bodies to oversee. We have to place the best of our Foreign Service Officers at Missions abroad. There is a certain cache attached to people who are trained in foreign service in Barbados. You would be amazed at the frequency of turnover in recent years. No sooner than we train people, the private sector offers them what we cannot. CARICOM will pinch one or two - I do not mind too much about that - in fact, on the whole I see that as bread upon the waters. You do not want to stand in people's way, but it means that here at home base, the cupboard is bare and it really creates the most tremendous difficulty.

We have another problem in the Ministry of Foreign Affairs and Foreign Trade in that it is not only the private sector which will sometimes look out to pinch, the public sector now is doing it. I have senior officers disappearing. I come to work some days and I cannot see so and so and when I asked where the person is I am told, "Oh, he is acting as this in another Ministry." When I complain about it I am told, "Well you just happen to have an inordinately high number of persons in your Ministry who are right for this." There is truth in that but it does not help me on a day-to-day basis when we just cannot cover our bases. As I said this goes back to 1992 and I do not think Honourable Members have any proper understanding of the enormous and heroic effort that those officers here at headquarters in the Ministry of Foreign Affairs and Foreign Trade have to make to give service to client ministries here in Barbados, 10 missions abroad and a host of international organisations in the way that we do. I give a lot of commendation to the officers in the Ministry of Foreign and Foreign Trade.

Mr. Chairman, I am very grateful for the observations and the kind words made by some of the Honourable Members who have spoken thus far in this debate. The Honourable Member for St. Lucy spoke as though there is a division between Barbados and Guyana but nothing can be further from the truth. Barbados and Guyana are locked deep in bilateral talks even as we speak. We are hoping that we can secure a fishing agreement with Guyana as well. In fact, it may be possible that we can do that even before we secure one with Trinidad and Tobago. It has always been so.

Asides.

Hon. Miss B. A. MILLER: There are thousands and thousands of Guyanese living happily and quietly in Barbados. Many years ago a number of Barbadians went to live in Guyana. Look at the number of Guyanese with Bajan names. There are a lot of Brathwaites, Holders, Griffiths, Belgraves and Thompsons living in Guyana. There might even be a Kellman or two. The reality is that the majority of the Guyanese who come to Barbados and who work here, either on a work permit or who are settled here, make useful contributions in the same way that Barbadians make a useful contribution in other people's countries. In the case of Guyana, it looks like a big number simply because the greatest number of work permits in CARICOM go to Guyanese, therefore, the Guyanese would look like the biggest number of wrong doers. It is that small number of people who want to abuse the law and flout the regulations which apply here in Barbados who make it bad for other people. That is nothing new. That happens in respect to Barbadians who go abroad on the Farm Labour Programme. The majority of them are well-behaved people but you have a minority who behave badly and they make it bad for all the others. So we must not blow this longstanding relationship of many generations between Barbados and Guyana out of proportion.

I think at the moment we are enjoying the best possible relations. I hope these few comments would have responded to some of the concerns and queries made by Honourable Members.

On the motion of M. A. MOTTLEY, seconded by Hon. R. D. MARSHALL, Mr. CHAIRMAN reported progress to His Honour the Speaker and asked for leave to sit again and Mr. SPEAKER resumed the Chair and reported accordingly.

SUSPENSION

Hon. Miss M. A. MOTTLEY: Mr. Speaker, I beg to move that this Sitting be suspended until 2.00 p.m. on Thursday, March 20, 2003.

Hon. R. D. MARSHALL: I beg to second that.

The question that the Sitting be suspended until 2.00 p.m. on Thursday, March 20, 2003 was put and resolved in the affirmative without division and Mr. SPEAKER suspended the Sitting accordingly.

7.15 p.m.

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COMMITTEE OF SUPPLY

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Mr. D.J.H. Thompson; Rt. Hon. O.S. Arthur; Hon. Miss M.A. Mottley; Mr. D. St.E. Kellman; Sir Henry Forde; Hon. R.N. Greenidge; Hon. R. St.C. Toppin; Hon. A. P. Wood; Hon. R.C. Eastmond; Rev. J. J. S. Atherley; Hon. R.R. Farley; Hon. Miss M. A. Miller.

SPEAKERS IN THIS ISSUE

ARTHUR, Rt. Hon. O.S.

ATHERLEY, Rev. J. J. S.

CHELTENHAM, Hon. Dr. R.L.

EASTMOND, Hon. R.C.

FARLEY, Hon. R.R.

FORDE, Sir HENRY

GREENIDGE, Hon. R.N.

KELLMAN, Mr. D. St.E.

MARSHALL, Hon. R. D.

MILLER, Hon. Miss B. A.

MILLER, Hon. Miss M. A.

MOTTLEY, Hon. Miss M.A.

St. JOHN, Hon. Sir HAROLD

THOMPSON, Mr. D.J.H.

TOPPIN, Hon. R. St.C.

WOOD, Hon. A. P.

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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, second reading. The source opens with ‘RESUMPTION’ in the middle of the debate and never names the Bill; the Prime Minister moves ‘that Bill be read a second time’, and members refer to ‘the Appropriation Bill’ and the Estimates of Expenditure for 2003-2004. Printed as in the source.

Q3. Prime Minister’s speech, take-slip 1.20 p.m.. After Senator Robert Byrd’s speech is quoted, the next speech heading ‘Hon. O.S. ARTHUR’ carries only a full stop (‘.’) as its first paragraph. Printed as in the source.

Q4. Take-slip about 12.40 p.m.. Two consecutive take-slips both read ‘12.30 p.m.’ / ‘12.30 p.m.’; the second is presumably 12.40 p.m. Printed as in the source.

Q5. Committee of Supply, Head 32. In the Deputy Prime Minister’s speech on Head 32 the source reads ‘Under that Head 22, is another \$0.25 million for private sector export initiatives’; the Head before the Committee is Head 32. Printed as in the source.

Q6. Committee of Supply, Head 32, closing speeches. One speech heading reads ‘Hon. Miss M. A. MILLER’; elsewhere the Member is Hon. Miss B. A. MILLER. Printed as in the source.

Q7. Committee of Supply, Head 32. Head 32 is given as ‘\$35 253 609’, while Sir Henry Forde says the Department has ‘about \$39 million being given to it’. Printed as in the source.

DEBATE SUMMARY

(Editorial summary — not part of the record.)

The House of Assembly resumed on Wednesday, 19th March, 2003, with Mr. Speaker in the Chair, to continue the debate on the Appropriation Bill and the Estimates of Expenditure for 2003-2004. Three long-serving Members of the governing Barbados Labour Party used the debate to make their last speeches on the Estimates. Hon. Sir Henry Forde, Member for Christ Church West, recalled his 32 years in the House and cited the ABC Highway and the Deep Water Harbour as projects

his Party had carried through against opposition. Dr. the Hon. R. L. Cheltenham, Member for St. Joseph, said the Estimates were being discussed in the shadow of an imminent war in Iraq and credited the Government’s foreign reserves for the economy’s resilience.

Mr. D. St.E. Kellman, Member for St. Lucy, argued from the revenue tables that taxes on incomes and goods had risen sharply since 1994 without relief to consumers, that distributors were gaining at retailers’ expense under VAT; his speech drew points of order from Sir Henry Forde and Hon. A. P. Wood. Hon. Sir Harold St. John, Member for Christ Church South, replied to the Leader of the Opposition’s charges of waste on public projects such as Greenland, the sewerage project and the harbour.

The Prime Minister, Rt. Hon. O. S. Arthur, wound up. He paid tribute to the three retiring Members, said revenue in the past year had been \$90 million less than projected, and set out how the \$89 million in the Public Enterprise Investment Fund had been made up, including \$39 million from the sale of Barbados National Bank shares. He quoted Senator Robert Byrd’s speech on the impending war, and stated that his Government rejected pre-emption and unilateralism. The Bill was read a second time without division and the Sitting was suspended for lunch until 2.45 p.m.

On resumption, on the motion of Hon. Miss M. A. Mottley, the Member for St. Michael North West, Mr. M. Williams, was appointed Chairman of Committees and the House went into Committee of Supply. Hon. Miss B. A. Miller opened on Head 32, Ministry of Foreign Affairs and Foreign Trade, in the amount of \$35 253 609, describing the Ministry’s role in the trade negotiations, including the 2005 deadline for the Free Trade Area of the Americas.

The Leader of the Opposition, Mr. D. J. H. Thompson, Member for St. John, said the Government had preferred form over substance in foreign trade and raised the property transfer tax in the Caribbean Single Market and Economy. The Prime Minister accused him of waiving the property transfer tax on 13 transactions involving subsidiaries of CLICO, and the exchanges over the 1979 Memorandum of Understanding with Trinidad and Tobago brought repeated points of order from Mr. Thompson. Hon. Miss M. A. Mottley, as Legal Advisor to the Government, read the insurance clause of the agreement and argued that it did not mention the property transfer tax.

The debate on the Head continued with Mr. Kellman, Sir Henry Forde, Hon. R. N. Greenidge, Hon. R. St.C. Toppin, Hon. A. P. Wood, Hon. R. C. Eastmond, Rev. J. J. S. Atherley and Hon. R. R. Farley. Miss Miller

replied on the country team and on Guyanese living in Barbados.

On the motion of Miss Mottley, seconded by Hon. R. D. Marshall, the Chairman reported progress and asked leave to sit again, and the Sitting was suspended until 2.00 p.m. on Thursday, 20th March, 2003.