
THE

House of Assembly Debates

(OFFICIAL REPORT)

FIRST SESSION 2003 – 2008

HOUSE OF ASSEMBLY

Tuesday, June 22, 2004

Pursuant to the adjournment, the House of Assembly met at 10.20 a.m. on Tuesday, June 22, 2004.

PRESENT

His Honour I. A. ROETT, G.C.M., B.A., Dip. Ed. (Speaker)

His Honour J. M. EDGHILL, J.P. (Deputy Speaker)

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

Mr. L. R. TULL, Q.C., M.A. (Oxon.)

Mr. G. W. PAYNE

Hon. R. C. EASTMOND, B.A. (Hons.), Dip. Ed., LL.B. (Hons.), L.E.C., J.P. (Minister of Labour and Social Security)

Hon. G. A. CLARKE, B.Sc., Dip. Ed., J.P. (Minister of Public Works and Transport)

Mr. R. D. MARSHALL (Chairman of Committees)

Hon. H. F. LASHLEY (Minister of Social Transformation)

Mr. R. St.C. TOPPIN, LL.B. (Hons.)

Mr. D. St. E. KELLMAN

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

Hon. Miss M. A. MOTTLEY, Q.C., LL.B. (Deputy Prime Minister, Attorney-General and Minister of Home Affairs) (Leader of the House)

Mr. T. A. PRESCOD, B.A.

Rev. J. J. S. ATHERLEY, B.A., B.Sc., J.P. (Parliamentary Secretary to the Attorney-General and Minister of Home Affairs)

Hon. N. A. LYNCH, B.Sc., M.B.A., (Minister of Tourism and International Transport)

Hon. A. P. WOOD, B.Sc., M.Sc., M.Phil., J.P. (Minister of Energy and Public Utilities)

Hon. R. R. FARLEY, B.Sc., J.P. (Minister of Education, Youth Affairs and Sports)

Hon. Miss C. Y. FORDE, L.C.P., J.P. (Minister of State, Ministry of Education, Youth Affairs and Sports)

Hon. J. X. WALCOTT, M.B., B.S., FRCS (Edin.), J.P. (Minister of Health)

Mr. R. D. JONES, B.A. (Hons.), M.A. (Ed.), J.P.

Dr. D. C. ESTWICK, B.Sc., M.B., B.S.

Mr. C. A. MASCOLL, B.Sc. (Econ.) (Hons.), M.A. (Public Finance) (Leader of the Opposition)

Hon. D. D. MARSHALL, LL.B. (Hons), L.E.C. (Minister of Industry and International Business)

Mr. M. A. LASHLEY, LL.B. (Hons.)

Hon. K. D. SYMMONDS, B.A., LL.B. (Minister of State, Ministry of Foreign Affairs and Foreign Trade)

Dr. W. F. DUGUID, B.D.S. (Comm.), F.D.S., FDRCS, J.P.

Mr. R. L. SEALY, B.Sc., M.B.A.

Prayers were taken by Reverend Canon Ivan Harewood.

Mr. SPEAKER: The House is now in session.

MINUTES

Mr. SPEAKER: The Minutes of Tuesday, June 8, 2004.

Hon. Miss M. A. MOTTLEY: There is a correction to the Minutes on page 2 that does not make sense in English or any language. The House debated Order No. 9, a Bill entitled "The Barbados Accreditation Council Bill, 2004". The words here read "on the order being called for the Honourable R. R. Farley to move the second reading of the Bill entitled an Act to Facilitate the Free Entry into Barbados of Caribbean Community Skilled Nationals to facilitate the movement of skills with the community pursuant to Article 46 of the Treaty of Chaguaramas and for related matters". Clearly, Mr. Speaker, it is an error, one that this House will now have to acknowledge.

I have to take responsibility as Leader of the House on behalf of the Officers of the House for this error. I trust that my acknowledgement of this error on the part of the Officers of this House and acceptance of responsibility for it would not also lead to a second no confidence vote motion on the Government of Barbados.

Sir, I beg that the words after “act” be deleted to the full stop and that we substitute the Bill entitled “the Barbados Accreditation Council Bill, 2004”. I apologise for the error.

I beg to move that the Minutes for the Honourable the House of Assembly for its meeting of Tuesday, June 8, 2004, which Minutes have been circulated, be confirmed subject to any omissions, corrections and/or observations.

Hon. R. R. FARLEY: I beg to second that, Sir.

Mr. SPEAKER: If there are no corrections or observations, then let these Minutes stand confirmed.
10.20 a.m.

PAPERS

Hon. A. P. WOOD: Mr. Speaker, I am commanded to lay the following:

The Annual Report of the Barbados National Oil Company Limited for the year 2002 to 2003.

Hon. N. A. LYNCH: I am commanded to lay the following:

The Annual Reports of the Barbados Tourism Authority for the years 1999 to 2000 and 2000 to 2001.

PRIVATE MEMBERS’ NOTICES

Mr. SPEAKER: The Honourable Member for St. Michael North West.

Mr. C. A. MASCOLL: Mr. Speaker, I rise to make the following Resolution:—

“WHEREAS notice of a Resolution to approve the compulsory acquisition by the Crown of parcels of land situated at Queen’s Street, Speightstown in the parish of St. Peter in this Island was given to this Honourable House on the 6th day of August 2003;

AND WHEREAS the specific purpose of the acquisition as contained in the said Resolution was “for the provision of an access to the beach”;

AND WHEREAS the said Resolution was debated in this Honourable House on Tuesday, 11th May, 2004 having been introduced by the Honourable Minister of Housing, Lands and the Environment as a Resolution for the provision of access to the beach;

AND WHEREAS the Right Honourable Prime Minister and Member of Parliament for St. Peter seconded the Resolution and spoke immediately after the said Minister of Housing, Lands and the Environment emphasising that the said Resolution was for the provision of an access to the beach and praised the speech of the said Honourable Minister of Housing, Lands and the Environment;

AND WHEREAS the Honourable Minister of Public Works and former Minister of Housing and Lands and the Member of Parliament for St. George North spoke in the said debate in support of the said Resolution for the purpose aforementioned;

AND WHEREAS the Honourable Minister of Industry and International Business, the Member of Parliament for St. Joseph spoke in the said debate in support of the Resolution for the purpose aforementioned;

AND WHEREAS the Honourable Minister of Tourism, the Member of this House for St. Michael South spoke in the said debate in support of the Resolution for the purpose stated therein;

AND WHEREAS the legal fitness of the said Resolution for introduction to this Honourable House was certified by the Honourable Attorney-General and Member of the House for St. Michael North East in the exercise of her responsibilities under Section 72(1) of the Constitution of Barbados;

AND WHEREAS the said debate on Tuesday 11th May, 2004 took place after the Right Honourable Prime Minister had gone on a site visit to the area where the said parcels of land are situated;

AND WHEREAS the said Minister of Housing, Lands and the Environment, Minister of Public Works and former Minister of Housing and Lands, Minister of Industry and International Business, Honourable Attorney-General, Minister of Tourism and the Right Honourable Prime Minister knew and/or ought to have known that the said acquisition could not considerably achieve the objective of providing access to the beach;

AND WHEREAS after and in light of objections raised by the Members of Her Majesty’s Loyal Opposition, the Honourable Minister of Housing, Lands and the

Environment in a Ministerial Statement of Tuesday 8th June, 2004 categorised as an error the representations made to this Honourable House on Tuesday 11th May, 2004;

AND WHEREAS the Right Honourable Prime Minister, the Honourable Minister of Housing, Lands and the Environment, the Honourable Minister of Tourism, the Minister of Public Works, the Minister of Industry and International Business and the Honourable Attorney-General of Barbados on Tuesday 11th May, 2004 misled this Honourable House;

AND WHEREAS public confidence in the advice, actions and statements of the Honourable Members hereinbefore mentioned is now completely eroded;

BE IT RESOLVED THAT this Honourable House condemn the advice, actions and statements of the Honourable Members aforementioned;

AND BE IT FURTHER RESOLVED THAT this Honourable House has no confidence in the Government of the Right Honourable Prime Minister;

AND BE IT FINALLY RESOLVED THAT the Government of the Right Honourable Prime Minister and Member of Parliament for St. Peter resign office immediately. A Resolution that this House has no confidence in the Government of the Right Honourable Prime Minister and that the Government of the Right Honourable Prime Minister and Member of Parliament for St. Peter resign office immediately.”

ORDERS OF THE DAY

SUSPENSION OF STANDING ORDERS

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

Hon. R. R. FARLEY: I beg to second that, Sir.

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

GOVERNMENT BUSINESS

Mr. SPEAKER: Government Business is now the order of the day.

ORDER NO. 6 – TO MOVE THE PASSING OF THE RESOLUTION TO APPROVE THE GUARANTEE BY THE MINISTER OF FINANCE OF THE PAYMENT OF THE PRINCIPAL AND INTEREST NECESSARY FOR THE REDEMPTION OF THE BONDS TO BE ISSUED BY THE BARBADOS AGRICULTURAL MANAGEMENT CO. LTD. IN THE SUM OF BDS \$60 MILLION FOR THE PURPOSE OF FINANCING THE SUGAR INDUSTRY

Mr. SPEAKER: The Honourable Member for St. Philip South.

Hon. A. P. WOOD: Mr. Speaker, I rise to lead the debate on this Resolution, as mentioned by the Clerk, to approve the guarantee by the Minister of Finance to approve the payment of the principal and interest necessary for the redemption of the bonds to be issued by the Barbados Agricultural Management Company (BAMC) in the sum of BDS \$60 million for the financing of the sugar industry.

Mr. Speaker, when we have to engage in any serious discussion on the performance of the sugar industry and, indeed, the future direction in which the sugar industry should be taken, as seen by this Administration, we do it with mixed feelings. When we look back at how this economy was built, based on the tremendous contribution made by the sugar industry, we tend to approach discussions on the industry with mixed feelings because we all acknowledge and appreciate how the sugar industry has helped to propel the development of this country and how most of us in this Honourable Chamber, especially those from the rustic environment, would have at some stage of our upbringing been involved in the sugar industry in one way or the other. Indeed, many of us might have relatives who are still involved in the sugar industry at one level or the other.

10.30 a.m.

We also have mixed feelings when we discuss this burning issue because when we look at the status of the industry today and, indeed, how the industry has declined over the years, occasioned by factors internal to this economy and, certainly, a number of external factors which have placed tremendous pressure on the industry, we then reach a level of emotion, because there is an emotional attachment by many Barbadians to the sugar industry. Some persons who have spent long years in the industry discuss it with a passion, like the Honourable Member for St. Lucy.

I well remember July 25, 2000 in this Chamber, when I got the first opportunity, as the Minister responsible for Agriculture, to update this Honourable Chamber on the sugar industry, and what we were doing to reposition and indeed

retool the industry, to increase its competitiveness which was badly needed at the time, and I daresay which is still badly needed. It is true to say that various Administrations over the years had to face the prospects of the economic importance of the decline of the once dominant industry.

If I were to take a historical look at the sugar industry, in 1957 there were 26 functioning sugar factories in Barbados and approximately 76 950 acres of land under sugar cane cultivation. At that time, "King Sugar" had a level of production of approximately 204 525 tonnes.

Mr. Speaker, 23 years later in 1980, the number of factories in operation was reduced to six, and the acres of land under sugar cane cultivation was reduced to 29 783 acres, just shy of 30 000, while sugar production fell to 136 600 tonnes. Sir, by 2003, a further 23 years later, the amount of land under cultivation was just under 19 000 acres and sugar production had dipped below 40 000 tonnes.

Mr. Speaker, as I said earlier, many Administrations had to face the prospects of decline in the once dominant sugar industry. The Administration, over the years, recognising that the industry still has an important role to play in the development process, would have tried with varying types of restructuring efforts for this industry.

We have reached a juncture with the sugar industry, and any serious discussion must take on a very futuristic look. Any serious discussion on the industry should speak to the very fundamental issue facing the industry, that is, the need for us to radically transform the industry.

When I say "radically transform the industry", Mr. Speaker, I mean just what I say, because the industry has reached a point when the emphasis can no longer be on aiming to achieve high levels of technical, operational and management in marketing efficiency, while maintaining the mode of operation which speaks to us producing bulk sugar for export to the European Union.

Sir, for this industry to survive well into the future, yes, we have to deal with the noncompetitiveness of the industry, yes, we have to deal with all the other problems which I will get to, as I go into my address, but more importantly, there must be a fundamental paradigm shift in the way this sugar industry is managed. I will explain later, the focus of the Government in that regard. As I said, the days of being propped up by the preferential arrangement with the Europeans, whereby we were able to produce and get our guaranteed price and send the sugar in raw form in bulk to the European Union, I daresay that those days are numbered.

Sir, what we should seek to do is to radically transform the industry and move it away from the one we are

accustomed to and seek to transform it into a sugar cane industry, where the focus will be on other things, besides just producing the raw sugar.

Mr. Speaker, the sugar industry, as I said, played and continues to play a very significant role in the economic development of Barbados. Over the years, if we were to value its economic importance, in terms of contribution to GDP and employment in foreign exchange earnings, you would appreciate, based on the information I gave earlier, in respect of what was happening in the 1950s and how the industry would have performed in the 1960s, coming through time, we recognise and understand that there has been a decline in economic importance and if we were to use a summary of economic statistics by which we judge relative importance of sectors and industries, we will have to say that the sugar has declined considerably.

However, though its contribution would have declined over the years, the industry is still important to the Barbadian economy. It remains a contributor to our foreign exchange earnings.
10.40 a.m.

Mr. Speaker, though we have seen a decline in the value or the revenue from the sugar which we have exported to the European Union over the years, the revenues generated by the industry in 2003 was \$44.8 million.

Mr. Speaker, the sugar industry continues to be the provider of badly needed employment both directly and indirectly. The number of persons employed in the industry both directly and indirectly is approximately 5 200.

Mr. Speaker, the importance of the sugar industry to Barbados is not only to be seen in what those economic statistics tell us. What is unique about the agricultural sector is that it is multi-functional in character. Mr. Speaker, this multi-functionality mandates us, when we are assessing the importance and indeed the contribution of the agricultural sector to the economy, to look outside the box, so to speak. Mr. Speaker, when I say to look outside the box, so to speak, I mean that we do not just narrow our focus and our assessment of the contribution of the sector to things like contribution to domestic output, contribution to employment and things like the generation of foreign exchange.

Mr. Speaker, we must be reminded that the cultivation of sugar cane plays a very important environmental and agronomical role thus contributing to the preservation of the soil from erosion and degradation. Sugar cane cultivation also plays a very important aesthetic function in maintaining the greenery of the landscape.

Mr. Speaker, could you imagine what it would be like for the thousands of tourists, especially those who would have visited us on numerous occasions, to come to this country and see a Barbados without the greenery that is provided by the sugar industry? That would be a serious thing.

Mr. Speaker, we cannot put a direct quantitative measurement on the aesthetic function of the sugar industry. We know deep within ourselves that there are benefits to be gained from the industry being able to provide this aesthetic function. Mr. Speaker, those benefits could be found somewhere in the linkage between the sugar industry and the tourism sector. Our sugar industry also has a very important link with the rum industry through the supply of molasses to that industry.

Mr. Speaker, a number of factors would have affected the performance of the sugar industry over the years, some of which were internal and some external. Mr. Speaker, let me turn to the internal factors which would have affected our industry over the years. The most obvious one and the one on which I should spend some time has to do with our macroeconomic strategy and how the application of this particular model of economic development would have affected the industry over the years.

Mr. Speaker, this Government, like many other governments in the Caribbean, would have adopted a particular model of economic development which was promoted by Professor Arthur Lewis and which spoke to the structural transformation of an economy by setting up a theoretical framework called "the dual sector economy" which was extremely important back in the 1950s and the 1960s.

Mr. Speaker, I am sure the Honourable Member for St. Michael North West would remember this classic piece of work which was done by Professor Lewis on development with unlimited supplies of labour.

Asides.

Hon. A. P. WOOD: Mr. Speaker, the leaders of the economies in the region understood and appreciated back then that in order to provide employment for a growing labour force that agriculture and, indeed, the sugar industry, could not continue to absorb the labour and hence they had to find other avenues to channel this surplus labour, therefore, Professor Lewis' thesis of industrialization by invitation, the Puerto Rican model of development.

Mr. Speaker, when we look at our structural transformation path in this economy, like other economies in Barbados, we would see that consistently from the 1950s and

the 1960s there has been a movement away from agriculture and the sugar industry. Therefore, as we sought to modernise the economy, other sectors took root.

Mr. Speaker, without going into too much detail as though we are all in a lecture room at a university, if we look at the sectoral contribution to the Gross Domestic Product in a temporal sense, we would see that over the years manufacturing and tourism, and in more recent times financial services, gained root in the economy and the relative importance of those sectors increasing alongside a decline of the sugar industry.

Sir, apart from other internal factors which are internal to the functioning of the industry, the very important point which we must put on the table when we are explaining the performance of the industry over the years is the deliberate actions on the part of the macroeconomic planners in Barbados to move the economy away from agriculture to follow a path of development which was routed in the tenets of the Puerto Rican model of development.

Mr. Speaker, such a strategy is reflected in the use of land over the years.
10.50 a.m.

Mr. Speaker, as I said, in 1957 there were about 77 000 acres of land under sugar cane cultivation. In the late 1960s, that stood around 50 000 acres, by 1980, it fell to under 30 000, and by 2003, it fell to under 19 000 acres.

Mr. Speaker, over the years opportunities would have been created for landowners to transfer their lands into other economic activities. Therefore, one could see the link between this particular decision-making on the part of landowners and profitability issues pertaining to the sugar industry when I reach that juncture in my discourse.

Mr. Speaker, consistent with what I have just said in respect of following such a path of economic development, there would be a shift of labour from agricultural activities towards services and other important economic sectors.

Mr. Speaker, the sugar industry has been affected by a lack of qualified persons to manage its operations, particularly at the factory level, and nobody could dispute this. As a matter of fact, there continues to be a movement of skilled young persons away from the sugar industry.

Mr. Speaker, in the early 1990s, this country had to face up to the reality of not being able to have a large enough cadre of Barbadians to manage our sugar factory operations. From around 1993, this country has had to provide Booker Taitt Limited with a management contract to help us with the management of the sugar industry.

Mr. Speaker, in the earlier years, that would have been unheard of because we would have had enough highly competent persons to manage our sugar factories. Of course, it says something about planning for the sugar industry by successive administration, and I am not going to dispute that.

Mr. Speaker, the industry continues to be plagued by an insufficiency of skilled persons, which, of course, could be explained by the fact that the profitability of the industry is not what it used to be, and that in looking at development prospects for themselves, persons might think it is in their better financial interest to seek greener pastures and go elsewhere in search of more meaningful employment.

As I said, there are other factors internal to the functioning of the industry which would have affected its performance over the years, for example, inappropriate cultivation practices which have resulted in a decline in the yield of cane per acre.

The industry has also been affected by the high cost of production, occasioned in no small measure by the high cost of inputs. When we look at the cost elements in a comparative sense relative to other countries, one would find that the inputs for Barbados, in more cases than not, are higher relative to other countries.

The industry has also been affected by the increasing indebtedness which has resulted in reduced management practices, lower productivity, higher costs, a lack of adequate capital investment in improved technologies, and the failure to modernise the operations in a timely manner. This point is worth some elaboration.

Mr. Speaker, under the current revenue-sharing formula, growers in Barbados receive in excess of 70 per cent of the revenue from the sale of sugar and molasses. This figure is reasonably high by international standards. One might argue that this has been a factor contributing to the relative under-resourcing and under-investment in the factory sector of the industry.

Mr. Speaker, we need to examine that point more carefully because the profitability of the industry which is ultimately determined by factors which are outside our control, will impose certain constraints on those who manage the industry, and on those who engage in the productive activities in the industry, that is the independent farmers.

Mr. Speaker, if the profitability of the industry is such that compared to many years ago when the export price of sugar soared, then if Government is interested in maintaining the sugar industry, it must be cognizant of the fact that

notwithstanding that the revenue-sharing formula in Barbados is at variance with what obtains elsewhere, that we have to keep it at such a level.

Mr. Speaker, if we need to go beyond maintaining the revenue-sharing formulae and provide other types of support to the farmers in order to maintain their interest in the industry, then I submit that the Government has no choice but so to do, and that is what we have been doing.
11.00 a.m.

I want to tell you the extent to which this Administration has been supporting the sugar industry over the years. I do not want anyone to be left with any doubt about the level of commitment of this Administration to the sugar industry.

The industry has had its challenges over the years and is still faced with many, but we have taken a decision that we will not retreat, that we will press on and transform the industry from a sugar industry to a sugar cane industry. Sir, in order to achieve this, we need to maintain the confidence of growers. This is why we have to be decisive in the way in which support is provided to the industry and how the revenue-sharing formula is determined.

Mr. Speaker, I want to look at what has been happening to land under sugar cane cultivation, sugar production and the export price of sugar. Sir, revenues are generated if we can produce more, if we aim to get a better price for what we have produced or a combination of both.

Sir, I want to make the *Annual Statistical Digest* of the Central Bank of Barbados a document of the House. I want to look at Table 16 on page 202 which contains the main statistics for the sugar industry. When I look at the export price of sugar in Barbadian dollars, the export price of sugar would have been at its highest level between 1986 through 1993 and reached higher levels in 1995 and 1996. For example, the export price of sugar in 1986 was BDS\$628 per tonne, it jumped in 1987 to BDS\$1 040 per tonne and continued increasing with slight fluctuations but by 1993, it reached BDS\$1 249 per tonne.

Sir, in 1986 the production level of sugar was 111 100 tonnes. This would have occurred after a significant slump in 1980 when we had a reasonable good performance of 36.6 thousand tonnes. Sir, between 1986 and 1993 when the price moved, the country was not able to benefit from the increase in price because the production level moved from 111 100 tonnes in 1986 down to 48 500 tonnes in 1993. We had the opportunity to capitalise on the high export and there was virtually a reduction in excess of 50 per cent in our sugar production over that period.

Sir, during the period of 1994 through 2004, especially within the last five years, the external factors would have contributed significantly to the lack of profitability in the industry. Mr. Speaker, since 1999, this industry has had to face the reality of the exchange rate fluctuations going against the industry.

11.10 a.m.

Sir, the way how the payment arrangement for our sugar export is done is a fixed-payment-type mechanism and the payment is fixed in euro at \$523.00 per tonne. Each time there is a weakening of the euro relative to the US dollar we feel it because it is a fixed-payment mechanism.

Sir, for a number of years, between 1998 and 2002, where there was a significant erosion in the value of the euro relative to the US dollar and the industry felt it and that is what occurred during the period 1986 to 1993.

Mr. Speaker, among the other external factors which would have affected the industry were the low world market price for bulk sugar due to overproduction in some quarters, and dumping by some countries, which were able to produce large quantities of sugar, countries that would have moved in a timely fashion to modernise their industries and countries that operate from massive economies of scale. They have been in the business of overproducing. They have been via their production might, so to speak, able to affect world market prices to some extent and to exert a level of downward pressure on such prices.

Sir, there are other external pressures which have been affecting the sugar industry in this region through the way they have been threatening the European Union's sugar regime and it is from the European Union sugar regime that we derive our preferential treatment. We cannot get a clear understanding why the sugar industry is in this position, apart from the other things that I said today.

We cannot get a clear understanding of the state of the industry unless we understand what it is that is happening to the European Union sugar regime because it is from that regime that we derive our preferential treatment and we have been able over the years to maintain our sugar industry by virtue of being able to sell our product in that preferential market.

Sir, there are several pressures which threaten the European Union sugar regime. I will mention them quickly and will seek to elaborate on a few of them. We are now in the realm of foreign trade matters and I am certain that the Honourable Member for St. James Central would fill in any gaps if I leave any out on this particular component of my discourse.

Asides.

Hon. A. P. WOOD: Sir, among those external pressures would be the possible outcome of the World Trade Organisation negotiations, the stiff challenge to the European Union, African, Caribbean and Pacific sugar Protocol by Brazil, Australia and Thailand, the midterm review of the European Union's sugar regime, the impact of everything but arms initiatives and the European Union's enlargement. All of you would have heard about the inclusion of 10 additional countries for the European Union grouping and last, but certainly not least, the negotiations which have been taking place in the context of the European Union's economic partnership arrangements.

Sir, the historical fact is that over the last 30 years the European Union has been the main export market for sugar from the Caribbean. Therefore, any challenge by Thailand, Brazil and Australia under the World Trade Organisation's dispute settlement mechanism with respect to the European Union's sugar regime, the World Trade Organisation negotiations in market access domestic support and export competition would bring the preferential access agreement between the European Union, the African, Caribbean and Pacific under direct scrutiny.

Mr. Speaker, the countries which have mounted the challenge, Brazil, Thailand and Australia, are countries with production might. If we compare the propound cost of the production of sugar of Barbados to these countries, we would be alarmed to know that in some cases they are able to do that at a third of the propound cost of production of sugar relative to Barbados. Do you understand what they are trying to do to sugar producing countries like Barbados?

Sir, these countries are mounting a challenge to the sugar regime in Europe by putting forward the argument that they are finding it increasingly difficult in order to break into the European market in a meaningful way. Sir, these are countries that are able to operate with such economies of scale, countries that are able to produce sugar on a propound basis and in some cases a third of the cost of Barbados and they are mounting a challenge to the sugar regime of Europe under the World Trade Organisation's dispute settlement mechanism.

Mr. Speaker, I submit that the tide is going away from the maintenance of the preferential arrangement because that is what the World Trade Organisation negotiations will eventually result in, a dismantling of those preferential arrangements.

Sir, even in the discussions within the context of the African, Caribbean and Pacific European Union arrangement, economic partnership agreements, these have to be World Trade Organisation compatible. What would that mean?

It means that the days of these nonreciprocal arrangements will come to an end. In 2008 when it is all finalised, we will virtually see a process set in train by which there will be a reciprocal arrangement to the detriment of small sugar producing States like Barbados.

We are saying that the issues emerging from the various discussions at the World Trade Organisation, in addition to the various discussions at the World Trade Organisation, is the pending reform of the European Union's sugar regime. The current regime comes up for review in mid-year of 2006.
11.20 a.m.

At present, the European Union (EU) Commission is considering three options. I have to be very exhaustive but I am soon going to come to the close of this particular issue. I think this is sufficiently important that we should give it some treatment. As I said, three issues are being considered:

1. The extension of the present regime beyond the review period.
2. A reduction in the EU internal price.
3. A complete liberalisation of the current regime.

I daresay, Mr. Speaker, that none of these hold any hope of survival for our small high-cost producers. Sir, Barbados' trade in sugar could face a significant challenge, as a result of the introduction of everything but arms initiative. Basically, what is going to happen here is that the EU, through this everything but arms initiative, will eventually extend duty-free and a quota free access to products, except arms and ammunition originating in less developed countries. Full liberalisation of sugar will be phased in between the 1st July 2006 and the 1st July 2009 by gradually reducing the full EU tariff to zero.

Sir, what we are saying is that between 2006 and 2009, in the same way the EU will give us access to their market, that large LECs like Vietnam which produce sugar in massive quantities relative to us, and produce sugar at a unit cost of production that is much lower than ours, will have the same access to the European market as Barbados and the other producers in the SAC (Sugar Association of the Caribbean) countries.

We are saying that if we do not take stock now and move quickly, we are going to be swamped in that period between 2006 and 2009 and that is not an initiative to be taken lightly. Yes, we will still have access, but we will not have protection. The others will have access as well as the benefit of being able to produce at a much lower cost. These are the things we are faced with.

Last but not least, Mr. Speaker, is the EU enlargement. As I said earlier, we would have sung the dance created a couple of months ago with the introduction of the 10 additional countries into the European Union, most of them from central and eastern Europe. Some of these countries are not sugar producers in the same form as us, but they are beet sugar producers.

It means that those countries joining the EU would lead to an increase of available supply from within. Obviously, that would be putting pressure on the maintenance of the quota and prices paid to countries like Barbados. The review of the sugar regime, which I have just mentioned must, undoubtedly, consider this reality.

Mr. Speaker, you might ask where all of this is leading, but it is leading us to the point that the reason why we are here today with this Resolution is to seek Parliament's approval for BAMC to avail itself, via the guarantee of this bond issue, of this \$60 million to allow it to move the industry from its current mode of operation towards another mode of operation which would allow us to continue with a sugar cane industry, but to do it in such a way that we are able to withstand all the pressures that are brought to bear on the industry, occasioned by those factors I have just mentioned which are external to the economy, and some of the factors which are internal to the functioning of the industry.

I would be a hypocrite if I were to tell you, Mr. Speaker, that there were not attempts previously, within the last 10 to 15 years, to do something about the way the sugar industry was being managed. I will tell you, Sir, that the focus in those restructuring efforts was more on improving efficiency in order to deal with the high cost of production, but the output, the ultimate product produced would have been the same raw sugar sold in bulk to the EU.

We are saying that unless countries have reached a point of operation where the cost of producing sugar is close to the 10 cents or 15 cents per pound, or even less, that the future does not hold anything really for any other countries beyond 2006, 2007, which are producing sugar in raw bulk form.

This is a fact because the sugar industry in Barbados and indeed in the region now is characterised by high cost of production. It is characterised also by a concentration on the production of raw sugar sold in bulk to the European Union via the sugar regime which gives us the preferential treatment.

If the preferential treatment served us well back then, over the last 10 years or so we had the preferential treatment but what we did not have was the modernisation effort to the sugar industry which would allow us to continue with the current focus.

I am saying that what is desired now is a radical transformation of the industry, if we are to maintain this industry well into the future, and beyond the dates which I have just mentioned. This is it in a nutshell, Mr. Speaker, and that is why I would have spent some time explaining the factors which are exerting pressure on the industry from outside and within.

11.30 a.m.

Mr. Speaker, in July of 2000 when I led the debate on the sugar industry, I made mention of the efforts of the Government at the time to come to terms with the problems that were facing the industry. I said that it would require all hands on deck. On that occasion, the Government established a tripartite task force on sugar because we needed all Barbadians to buy into what it is we needed to do to the industry in order for us to make it more effective.

Mr. Speaker, that Task Force was established with a simple mandate to provide a report for the rehabilitation and long-term viability and survival of the sugar industry. That Task Force was to review all the pertinent issues pertaining to the functioning of this industry, to collectively identify proper programmes, policies and strategies to solve the various problems and to ensure that there was long-term viability of the industry.

Mr. Speaker, that Task Force completed the first round of its work late 2001 or early 2002. We had some very competent people on that Task Force and they have done some wonderful work.

Mr. Speaker, the work of that Task Force did not stop with the production of the report. What they provided then had to be used as the basis for forward planning for the industry. Mr. Speaker, arising from what was submitted at the time was the engagement of a team of consultants. The Caribbean Business Enterprise Trust, headed by Dr. Basil Springer, was then engaged to produce a detailed plan for the industry, so the Task Force would have identified the problems and the potential strategies and then the Caribbean Business Enterprise Trust was engaged to provide a plan, the way forward for the industry.

Mr. Speaker, notwithstanding the challenges that had faced the industry, it was incumbent upon the Government to provide support for the industry given the declining profitability of the industry which was occasioned by the factors I mentioned. Mr. Speaker, let me quickly tell the House some of the measures which the Government would have utilised in order to provide support to the industry. The Government introduced the Replanting Incentive Scheme in 1994 as a way of encouraging farmers to bring more acreage under cultivation. As a way of cushioning the effect of the adverse movement of the Euro relative to the US dollar, the

Government also provided price support to the farmers. The effect from the adverse movement in the currency was caused by a factor outside of the farmers so we thought that the decent thing to do would be to respond.

Mr. Speaker, in 2001 the Government provided price support to the 1999 crop in the tune of \$3.5 million. For the 2000 crop, it was \$3.68 million, the 2001 crop, \$2.9 million and for the 2002 crop, \$2.95 million. Sir, the industry is not a profitable one, but the workers have to be properly looked after. Therefore, a couple years ago the Government also intervened at the point of the settling of the wages negotiations.

The Government supported the 1999 to 2003 job evaluation exercise to the tune of \$1.9 million in addition to the annual subvention to the independents. The Government also honoured its commitment to deal with the Barbados Sugar Industry Limited bond. In the 1993-1994 financial year the Government provided \$16.9 million to deal with those bonds. Therefore, this is not the first bond issue that Government would have dealt with. Mr. Speaker, there has been generous support to the Barbados Agricultural Management Company Limited as well. Mr. Speaker, what we are dealing with today is another indication of the Government's commitment to the industry. I can assure you that there were three previous issues between 1994 and now totalling \$134.9 million. Sir, I do not want anyone to be in any doubt how this Government supports the industry and what this Government's commitment has been to the industry.

Mr. Speaker, based on the exposition so far, there is absolutely no doubt that the sugar industry has little or no chance of survival in its present form, even without changes to the preferential arrangement. Mr. Speaker, we know that there would be changes to the preferential arrangement based on the numerous things I have said earlier.

Mr. Speaker, I just want to stress the point that even if there were no changes to the preferential arrangements that the industry in its present form would not be able to last well into the future. Sir, what is going to make it worse is that changes to the preferential arrangements are inevitable, so rather than concentrating on the sale of bulk sugar, this Administration is resolved to explore the production of value-added products from sugar cane and its by-products. Sir, this is a new initiative, but this is where we are taking the industry.

Sir, any serious discussion on the sugar industry now should focus on what it is we could do that is different that would allow the industry to become a little more profitable. Mr. Speaker, we need to be daring and creative now because the price of standing still is excessive. Mr. Speaker, that is

not an option any longer, so we need to be creative and do the things which are consistent with us aiming to transform the industry from a sugar industry to a sugar cane industry. 11.40 a.m.

Sir, a business plan was prepared by the Caribbean Business Enterprise Trust to facilitate the process of industry transformation and pre-investment studies were to be conducted to determine the economic and financial viability of investment opportunities which were identified in the business plan.

Mr. Speaker, part and parcel of the way forward will be some emphasis on the production of fuel cane in addition to the traditional sugar cane. Sir, to facilitate this, trials have been undertaken in order to identify which cane varieties are high in fibre content, while still maintaining reasonably high sucrose content.

Sir, those persons working at the West Indies Central Sugar Cane Breeding Station have been busy because a pillar of the new direction of the industry is for us to be producing varieties that are high in fibre content, so-call fuel canes.

Mr. Speaker, in this way, the island will shift its focus from producing cane primarily for sugar production and will instead concentrate on production of fuel for the generation of electricity because we will always have to supply our energy needs.

Sir, another aspect of the macroeconomic strategy by this Government is in the area of energy where we said we would play up and develop our potential in the area of renewable energy, which is consistent with that thrust. Sir, this focus on the production of fuel cane will help us in producing a portion of our energy needs in the future from this renewable resource.

The fuel cane also produces a residual juice which could be used to produce several by-products including sugar and molasses. Therefore, we would be aiming to produce higher levels of molasses to be fed into the rum industry. We will, therefore, be actively seeking to identify innovative techniques that can be used for the production of a diversity of products such as beverages, fibre and waxed-based materials.

Sir, we would need to employ technology in order to move the industry into the area of producing more value-added products. We have already engaged in discussion with a manufacturer of a separation system called the Tilby Separation System. The manufacturer of this system has visited with the officials at the Ministry of Agriculture and once the financing arrangements could be sorted, the estimate for us to start a pilot plant is in the region of US\$7.8 million.

Mr. Speaker, we are at the discussion stage in order for the pilot plant to be installed, to demonstrate the principles and to test the feasibility of adopting the innovative technology which would allow us to do certain things by way of value-added products in the industry.

Sir, as I said earlier, several fuel cane varieties have been found at the West Indies Central Sugar Cane Breeding Station and are being propagated on farms around the island. The Barbados Agricultural Management Company Limited anticipates that they will have 70 acres of fuel cane under cultivation in 2004.

Mr. D. St. E. KELLMAN: Mr. Speaker, I would like to draw to your attention that we do not have a quorum.

Mr. SPEAKER: As far as I am aware, we do have a quorum. Honourable Member, please proceed.

Hon. A. P. WOOD: Mr. Speaker, 70 acres of fuel cane are expected to be planted in 2004, and it is estimated that once that effort reaps reasonable success that approximately 12 500 acres of fuel cane would have replaced sugar cane on the farms by 2008, which would help us with the production of 30 megawatts of power to help with our energy needs. Sir, that is a departure from both the current and the past.

Mr. Speaker, part and parcel of the way forward is to retool the Andrews' Sugar Factory for preparing the fuel. It would also be expected to produce 11 000 tonnes of sugar for local consumption, as well as for niche market opportunities where they exist. Sir, the production target of molasses is approximately 58 000 tonnes.

Mr. Speaker, as an alternative, industrial ethanol could be produced from the juice and used to replace approximately 10 per cent of gasoline fuel demands. These are the new things which we would be aiming to do. As I have said, we have no choice but to move the industry from its present mode of operation to another mode, all in the context of transforming it into a sugar-cane industry.

Mr. Speaker, as I said earlier, the Barbados Agricultural Management Company Limited is seeking to put in place a Cane Separation Technology called the Tilby Separation System, which consists of splitting sugar cane so that its components can be separated for the production of the various products, for example, the sugar-rich interior of the cane can be used for cane juice. 11.50 a.m.

Mr. Speaker, the outer rind could be used to produce cane wax and other value-added products, and the hard rind could be used to produce panels and other construction

materials, depending on the performance of our pre-investment studies. The company is considering a 20-tonne per hour pilot plant that could go fully into operation at the Andrews Sugar Factory and it is anticipated that this would be done by 2006.

As I said earlier, Tilby Systems of Canada, the inventors of the cane separation technology, have already submitted the report and we are at the discussion stage for the finance, in order to establish this pilot project. As I said, the sum of US \$7.8 million would be required for the installation of this pilot plan.

Mr. Speaker, more work is being done at the moment, and considerable work is being done in the area of research and development of these value-added products. I am not at liberty to go into details but the initial results are looking very favourable. The industry is working extremely close to an eminent Barbadian, Professor Rawle Hollingsworth, a chemist of international renown from the Michigan State University. The research and development of the value-added product from the residual wax component of the separation process has already been initiated by Professor Rawle Hollingsworth.

Mr. Speaker, there is the possibility of this country being capable of securing the Intellectual Property right of the materials developed, which is not something to be taken lightly. I can assure you that Professor Hollingsworth, a Combermerian, is not only an eminent scientist but has made himself extremely wealthy. He has also found work for lawyers in protecting his interest in the area of Intellectual Property and in so doing, has given this country a very good name. He has also risen to prominence when he came to live in the constituency of St. Philip South.

Mr. Speaker, when he was contacted by the General Manager of the current Barbados Agricultural Management Company Limited, he recognised that we had to be brave and that we had to take the plunge to move the industry forward because that is the only way the industry would have survived. Sir, the cost of doing nothing or the cost of standing still and doing nothing is extremely high and would be catastrophic, therefore, we have to move.

Mr. Speaker, I am extremely happy that when I was at the Ministry, the person who would have contacted Professor Hollingsworth and introduced him to me, would have been the person who has been given the opportunity to lead the transformation of the industry, a young man who is now in charge of the Barbados Agricultural Management Company Limited. Therefore, the dream he was living at the time when he was an officer at the Ministry of Agriculture, he has now been given the opportunity to make that dream become a reality, and I am happy for him.

Mr. Speaker, I am comfortable that as soon as finances could be made available and as soon as this process is given an opportunity, there will be a future for the cultivation of sugar via the promotion of a vibrant sugar cane industry.

Mr. Speaker, we are saying that as soon as the pilot project for the separation plant proves to be a success, that efforts will extend towards identifying other technologies that may be used for the further development of production of value-added projects from other separated components. Therefore, we would not be doing everything at once. Through this pilot project, using the Tilby Separation Technology, we will see what type of results we might have because we know that as soon as we are successful in helping to increase our energy needs, successful in increasing the level of production of molasses in the industry, successful in engaging in some of the niche markets for some of the sugars we would still be producing, that we would bring the industry on the correct path.

Mr. Speaker, let us listen carefully to the time frames of which I am speaking. I said the pilot plant should be installed in 2006 and as that happens, we are getting closer and closer to virtually getting into the period of danger. That is when all of the things that I have discussed earlier which would be exerting pressure on the industry from outside would be taking more and more root. It, therefore, means that we have to be decisive in what we are doing because the decision that we make now will determine ultimately the form of the industry in 2006 and if we could continue with an industry beyond 2006/2007.

Mr. Speaker, let us look at it another way. We know the times that some of these things would kick in. We said between 2006 and 2009 the "everything-but-alsms" initiative will be fully rolled out. We know the review of the European Union (EU) sugar regime takes place on June 30, 2006. We know that as we go further and further into the World Trade Organisation (WTO) negotiations, preferential treatment to African, Caribbean and Pacific producing States will be a thing of the past. Therefore, if we anchor there over those intervals, we could work backwards and tell ourselves what are the things we need to do now – though one might argue might be a little late – in order to assure us of the survivability of the industry when we get there.

We said that these are the things we need to do now, and we need to do them with alacrity. As I said earlier, I am happy that the person who is in charge of the Barbados Agricultural Management Company Limited is one of these individuals who, a number of years ago, when I was at the Ministry of Agriculture and Rural Development, would have come up with these ideas to contact Professor Hollingsworth.

12.00 noon

Sir, about three years ago when I was at the Ministry of Agriculture I made contact with Professor Hollingsworth to give the sugar industry an opportunity to continue in a substantially changed form but it does not stop there.

Mr. Speaker, between 2004 and 2006, in addition to the initiatives being pursued in the area of fuel cane and value-added production, we still need to put some medium-term strategies in place which speak to dealing with the high cost of production and the lack of efficiency.

Sir, the restructuring of the industry will also require the implementation of other strategies over the short and medium-term. It is something we have been revisiting over the last 10 to 15 years but we have to keep to it because a number of factors would have militated against us being able to drag the cost of production down. Mr. Speaker, when we look at the out-turn figures and the production cost per tonne relative to the export price, we see that in some years the production cost increased and the export price decreased.

For example, in 1994 the production cost per tonne for sugar was \$1,345.00. In 1995 there was a spike in price and it was \$1,806.00; in 1996, \$1,333.00 and in 1997, \$1,397.20. It increased in 1999 and reduced in 2001 to \$1,366.00. It then increased again. This tells us that there is still considerable work to be done in the area of cost control and containment of the industry.

Sir, on the revenue generating side where the revenues are determined by a mechanism, which is agreed to by persons elsewhere, this is done exogenously. This is payment that is fixed in Euro at \$523.70. Sir, when we look at what has been happening to the Euro against the US dollar the export price was being reduced while the cost of production was being increased. We are talking about an industry that needs turning on its head. This type of situation has forced the Government to continue to give the industry support. We recognise that there is still a lot of work to do within the area of cost control, use in cost and increasing efficiencies.

Sir, one of the things that could be tried to help us achieve some measure of cost reduction and increased efficiencies at the field level – a number of things can be tried but we need to do it with great intensity. We have to stop doubting ourselves and get on with it. The time for procrastinating is over. If we are to reach where we say we want to be in 2006, these things can be construed as preconditions which must be met. Otherwise, when we reach 2006, we would find that we still have a lot of work to do and time will be moving further away from us.

Mr. Speaker, the move towards further mechanisation of farms should be encouraged to help reduce the cost associated with the labour component of field operations. I must say that a lot of persons may think that it is the factory

operations that account for most of the cost but that is not the case. Sir, you would be surprised to know that the field operations account is in excess of 60 per cent of running the sugar industry.

Asides.

Hon. A. P. WOOD: If we are thinking seriously about reducing the cost of running the sugar industry, some serious attention will have to be paid to what is happening at the level of field, organisations and management.

Sir, the Government is in the business of providing packages of incentives to the industry and to effect the necessary changes at the field level, I am saying that the Government will have to continue to reassess the type of incentives being given and continue with its support to the industry to facilitate the retooling of the industry at the level of the field.

Mr. Speaker, there is another important measure that will have to be taken. We have a situation where there are several uneconomic farm units in Barbados. This is the case mainly with the independent growers. There is need for a more conscious effort to make every farm unit that engages in sugar cane cultivation more economical. Sir, for that to be achieved, there must be a concerted effort to amalgamate a number of those small farm units so that we are assured that we have units of minimum scale to achieve the desired level of efficiency but also that we are employing the best management practises on those minimum scale farm units, to ensure that the activity that takes place at those units can be successful.

Sir, this brings me to the issue of resource sharing. We are saying that the independent plantations must consolidate the operations of their farms in an effort to facilitate the pooling and sharing of resources.

12.10 p.m.

It may call for educating those independent farmers who, for a number of years, would have operated like sole traders or family type operators. We are saying that we want them to stay in the industry and be part of what we are aiming to do, but we want them to understand that we need to raise the bar. We want some minimum scale units and minimum levels of efficiency. The uneconomical sizes of some units at present do not allow for that so, as I have indicated, it might call for some level of education on the part of some plantation or farm owners.

Mr. Speaker, a lot has been said about branding. Mr. Speaker, we can no longer continue the production of sugar and not focus on the branding of it. Mr. Speaker, as part of the marketing strategies to be pursued, sugar must be sold under a brand name, we cannot avoid that. Mr. Speaker, if we are going to move the industry in the direction I have been speaking about for the last couple of hours, there must be the most effective use of strategic alliances. The private sector has to be more engaged. Therefore, the Barbados Agricultural Management Company Limited must seek to establish joint venture arrangements with private enterprises that meet the highest certification standards like ISO 9002 in order to facilitate local packaging and canning of sugars, syrups and any other products identified for production.

Mr. Speaker, we are raising the bar now, but the Barbados Agricultural Management Company Limited would not be able to do this. That is not their job. They are to work strategically through joint venture arrangements with private enterprises whose focus is in this area.

Mr. Speaker, we must also seek enhanced linkages with other industries. If we are going to lead a process of diversified production of these alternative products from the cane plant, there must be increased potential for the establishment of linkages with other sectors to facilitate the sale of sugar and other by-products.

Mr. Speaker, the potential linkage that readily comes to mind is the linkage with the tourism sector for the sale of specialist sugar. Could you imagine, Mr. Speaker, what it would be like if every tourist that comes into Barbados whether on a cruise-based or land-based ship is able to take up a little bag, not a pound, of branded Barbadian sugar as a souvenir and take it with them?

Could you imagine if we are able to put a small package of branded Barbadian sugar to be used for sweetening purposes in every guest house or hotel whether it be large, small or medium size? Mr. Speaker, other potential linkages include the beverage industry, the animal feed industry and the power industry for the supply of electricity through the cultivation of fuel cane.

Mr. Speaker, last but certainly not least is this issue of intellectual property. Mr. Speaker, the Government will continue to promote research into the identification of various varieties of high fibre canes as well as into the development of alternative usage for the cane plant in order to facilitate the development and exploitation of intellectual property assets that could be derived from derivatives of the cane plant. Mr. Speaker, this is work that is ongoing. This is work that Professor Hollingsworth is fully engaged in. This is work that we look forward to with some anticipation for success.

Asides.

Hon. A. P. WOOD: Mr. Speaker, I think I have been able to provide this Honourable House with a fairly detailed and in-depth look at the industry. I have been very honest to this Honourable Chamber having outlined those factors which impinged seriously on the industry, those that are external to our environment and to the industry and those that are internal to the functioning of the industry. Mr. Speaker, I have been able to come to the position that the future of the sugar industry in Barbados rest on us being extremely radical in the way we move forward. Therefore, we must seek to employ new initiatives all in the context of this sugar industry so as to move production away from the standard raw sugar in bulk for export to the European Union and to move it into the production of fuel cane, by-products and other derivatives such as value-added products from sugar cane.

Asides.

Hon. A. P. WOOD: Mr. Speaker, I think I will take a break at this juncture and come back after lunch to finish my discourse.

SUSPENSION OF SITTING

Hon. R. R. FARLEY: Mr. Speaker, I beg to move that this Sitting be suspended until 1.30 p.m. today.

Hon. A. P. WOOD: I beg to second that.

The question that the Sitting do now suspend until 1.30 p.m. today was put and resolved in the affirmative without division and Mr. SPEAKER suspended the Sitting accordingly.
12.30 p.m.

RESUMPTION

Mr. SPEAKER: This Sitting is resumed. The Honourable Member for St. Philip South will continue.

Hon. A. P. WOOD: Mr. Speaker, I will try to conclude my discourse on this Resolution. When we broke for lunch, I had just concluded the section pertaining to the transformation of the sugar industry into a sugar cane industry, and considerable attention was paid to that new initiative.

Mr. Speaker, I would like to use the remaining time on this, since the Resolution speaks to providing a guarantee to the bond issue of \$60 million to the Barbados Agricultural Management Company Limited. Sir, while the focus is on making the sugar industry more profitable via the movement away from what has been the main focus today, we should not lose sight of the fact that the Barbados Agricultural Management Company Limited is also engaged in the cultivating and harvesting of the cotton crop, and now non-sugar agriculture to some extent.

Mr. Speaker, a lot has been said about branding. Mr. Speaker, we can no longer continue the production of sugar and not focus on the branding of it. Mr. Speaker, as part of the marketing strategies to be pursued, sugar must be sold under a brand name, we cannot avoid that. Mr. Speaker, if we are going to move the industry in the direction I have been speaking about for the last couple of hours, there must be the most effective use of strategic alliances. The private sector has to be more engaged. Therefore, the Barbados Agricultural Management Company Limited must seek to establish joint venture arrangements with private enterprises that meet the highest certification standards like ISO 9002 in order to facilitate local packaging and canning of sugars, syrups and any other products identified for production.

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I thank you.

Mr. C. A. MASCOLL: Mr. Speaker, I rise to make a contribution to this debate. I do not intend to take as long as the presenter of the Resolution and intend to get directly to the substance of the debate.

We are being asked to approve a loan of \$60 million for the purpose of financing the sugar industry in Barbados but to truly understand the context of this Resolution, we need to appreciate why and how the Barbados Agricultural Management Company (BAMC) Limited and its parent company, the Barbados Agricultural Credit Trust (BACT), came about to understand the full intent of the Resolution.

I quote from the most recent BAMC Report. Sir, the BAMC was incorporated under the Companies Act in June 1991. The Company's principal activity is the management of the sugar industry's assets which comprise sugar cane lands, sugar factories, sugar and molasses terminals, a sugar and variety testing station and other related facilities. It goes on to say that the Company is a wholly-owned subsidiary of the Barbados Agricultural Credit Trust whose sole shareholder is the Government of Barbados which guarantees the repayment of principal and interest of the bonds issued by the Company in accordance with the Barbados Agricultural Management Corporation Limited at Cap. 255 which is part of the laws of Barbados.

Sir, it is necessary to develop this debate along these lines because we have to understand that the BACT emerged out of the restructuring of the Barbados National Bank. I quote from the share offer document of the Barbados National Bank of November 2000. I quote from page 16, a section called "Restructuring Process" found in the introductory remarks. It says that during 1993 the main part of the agricultural portfolio of the Barbados National Bank was transferred to the Barbados Agricultural Credit Trust.

Sir, I want to state here that while the Barbados Agricultural Credit Trust is responsible for the highly indebted plantations that fell under the Barbados National Bank, that the Barbados Agricultural Management Company Limited is responsible for the factories of the sugar industry. The emergence of the BACT was a direct consequence of the need to restructuring the Barbados National Bank at the time and the implications of the indebtedness of the sugar industry to the Barbados National Bank for the financial system of Barbados. Therefore, this whole approach predates 2004.

Sir, the volume of loans transferred was \$249.7 million comprising \$111.5 million for plantations and \$138.2 million for the Barbados sugar industry. It goes on to say

that the Government of Barbados issued bonds at the time to the tune of \$208.9 million, \$52.3 million of which attracted interest rate of 6 per cent per annum and \$155.7 million bore an interest rate of 4 per cent per annum. Therefore, the Barbados National Bank actually incurred a shortfall or registered losses to the magnitude of \$40.8 million as a result of this transaction.

1.50 p.m.

Mr. Speaker, it is important to note that when the Barbados National Bank was preparing this share offer to sell its shares that a policy position of the current Government preceded the share offer. Let me say that, in fact, it was felt that those bonds that attracted only 4 per cent per annum were an understatement of the interest rate that should have been able to be derived from the issue of those bonds of \$155 plus million. Therefore, the Administration of this current Barbados Labour Party Government saw it fit to increase the interest rate per annum on those bonds from 4 per cent to approximately 6.5 per cent.

Sir, the important thing is, whereas the Barbados Agricultural Credit Trust, the parent company of the Barbados Agricultural Management Company Limited, was established to manage the debt of the highly indebted plantations and the Barbados Agricultural Management Company Limited took over the debt of the factories in the sugar industry, it is instructive to note that the Barbados National Bank was, in fact, getting the interest on the bonds issued at that time at a much lower rate.

Therefore, I am happy to say that a decision was taken to improve the interest on the bonds and consequently improve the income statement of the Barbados National Bank. Sir, that went a long way towards making the shares of the Barbados National Bank more attractive than they would have been had the interest on the bond remained at 4 per cent.

Hon. Miss M. A. MOTTLEY: On a point of order. Sir, the manner in which the Honourable Member has made his comment may end up misleading not only this Chamber but those who are listening. My understanding is that the decision to increase the interest on the bonds was not because of any desire to make the Barbados National Bank's balance sheet look better but it was because the then Minister of Finance would have presided over a situation at the Barbados National Bank where the yield on the bonds would have caused the Barbados National Bank to lose money on the transaction and hence it was not a decision to make the Barbados National Bank's balance sheet look better but to do what should have been done in the first place to stop the Barbados National Bank from being in a loss-making situation.

I thank you.

Mr. C. A. MASCOLL: Mr. Speaker, I rise to make a contribution to this debate. I do not intend to take as long as the presenter of the Resolution and intend to get directly to the substance of the debate.

We are being asked to approve a loan of \$60 million for the purpose of financing the sugar industry in Barbados but to truly understand the context of this Resolution, we need to appreciate why and how the Barbados Agricultural Management Company (BAMC) Limited and its parent company, the Barbados Agricultural Credit Trust (BACT), came about to understand the full intent of the Resolution.

I quote from the most recent BAMC Report. Sir, the BAMC was incorporated under the Companies Act in June 1991. The Company's principal activity is the management of the sugar industry's assets which comprise sugar cane lands, sugar factories, sugar and molasses terminals, a sugar and variety testing station and other related facilities. It goes on to say that the Company is a wholly-owned subsidiary of the Barbados Agricultural Credit Trust whose sole shareholder is the Government of Barbados which guarantees the repayment of principal and interest of the bonds issued by the Company in accordance with the Barbados Agricultural Management Corporation Limited at Cap. 255 which is part of the laws of Barbados.

Sir, it is necessary to develop this debate along these lines because we have to understand that the BACT emerged out of the restructuring of the Barbados National Bank. I quote from the share offer document of the Barbados National Bank of November 2000. I quote from page 16, a section called "Restructuring Process" found in the introductory remarks. It says that during 1993 the main part of the agricultural portfolio of the Barbados National Bank was transferred to the Barbados Agricultural Credit Trust.

Sir, I want to state here that while the Barbados Agricultural Credit Trust is responsible for the highly indebted plantations that fell under the Barbados National Bank, that the Barbados Agricultural Management Company Limited is responsible for the factories of the sugar industry. The emergence of the BACT was a direct consequence of the need to restructuring the Barbados National Bank at the time and the implications of the indebtedness of the sugar industry to the Barbados National Bank for the financial system of Barbados. Therefore, this whole approach predates 2004.

Sir, the volume of loans transferred was \$249.7 million comprising \$111.5 million for plantations and \$138.2 million for the Barbados sugar industry. It goes on to say that the Government of Barbados issued bonds at the time to

the tune of \$208.9 million, \$52.3 million of which attracted interest rate of 6 per cent per annum and \$155.7 million bore an interest rate of 4 per cent per annum. Therefore, the Barbados National Bank actually incurred a shortfall or registered losses to the magnitude of \$40.8 million as a result of this transaction.

1.50 p.m.

Mr. Speaker, it is important to note that when the Barbados National Bank was preparing this share offer to sell its shares that a policy position of the current Government preceded the share offer. Let me say that, in fact, it was felt that those bonds that attracted only 4 per cent per annum were an understatement of the interest rate that should have been able to be derived from the issue of those bonds of \$155 plus million. Therefore, the Administration of this current Barbados Labour Party Government saw it fit to increase the interest rate per annum on those bonds from 4 per cent to approximately 6.5 per cent.

Sir, the important thing is, whereas the Barbados Agricultural Credit Trust, the parent company of the Barbados Agricultural Management Company Limited, was established to manage the debt of the highly indebted plantations and the Barbados Agricultural Management Company Limited took over the debt of the factories in the sugar industry, it is instructive to note that the Barbados National Bank was, in fact, getting the interest on the bonds issued at that time at a much lower rate.

Therefore, I am happy to say that a decision was taken to improve the interest on the bonds and consequently improve the income statement of the Barbados National Bank. Sir, that went a long way towards making the shares of the Barbados National Bank more attractive than they would have been had the interest on the bond remained at 4 per cent.

Hon. Miss M. A. MOTTLEY: On a point of order. Sir, the manner in which the Honourable Member has made his comment may end up misleading not only this Chamber but those who are listening. My understanding is that the decision to increase the interest on the bonds was not because of any desire to make the Barbados National Bank's balance sheet look better but it was because the then Minister of Finance would have presided over a situation at the Barbados National Bank where the yield on the bonds would have caused the Barbados National Bank to lose money on the transaction and hence it was not a decision to make the Barbados National Bank's balance sheet look better but to do what should have been done in the first place to stop the Barbados National Bank from being in a loss-making situation.

Mr. C. A. MASCOLL: Mr. Speaker, I am happy to hear that, but if you read at Page 16 of the same document you would see why the Board, at the time, felt the need to have an adjustment in the interest rate in order to improve the potential of the Barbados National Bank to earn income. Sir, it really does not matter. In fact, the point being suggested by the Honourable Member for St. Michael East would strengthen my position.

Sir, suffice to say that the Barbados Agricultural Credit Trust, which manages the highly indebted plantations and is the parent company of the Barbados Agricultural Management Company Limited, derives its income from the highly indebted plantations and, in the absence of being able to sell any plantations, would have found itself not in a position to being able to serve any part of the interest payment on the outstanding bonds issued in the early 1990s. So, in fact, the Barbados Agricultural Credit Trust was dependent on its ability to sell highly indebted plantations in order to derive income and it earns interest on those kinds of transactions.

Mr. Speaker, this point has to be made in this debate that the restructuring of the sugar industry at this point and the desire on the part of Government to come to this Chamber to borrow additional funds to service the sugar industry would have to be seen within the context of what is happening, not only within the sugar industry of Barbados but within the overall financial sector of Barbados.

Sir, that cannot be faulted because I said at the beginning of my presentation that the Barbados Agricultural Credit Trust is a creature of the restructuring of the debt of the Barbados National Bank and the Barbados Agricultural Management Company Limited is also a subsidiary of the Barbados Agricultural Credit Trust but has specific responsibility for the management of the sugar industry.

Mr. Speaker, when you look at this and the recent changing of the ownership of the Barbados National Bank, you would have to start thinking. Whereas before, when the Barbados National Bank was fully owned by the Government of Barbados, the interest paid on the outstanding bonds would have easily been a paper transaction, so that the interest payments, whether they were 4 or 6 per cent, would not have actually been a transfer of income but now that the Barbados National Bank is majority owned by the Republic Bank Limited of Trinidad and Tobago, it could no longer be the case that the transaction is just a paper transaction.

I am, therefore, suggesting that it has now fallen on the Government, through these two organisations, to find the necessary interest to pay on the bonds that would have been put in the public domain in the early 1990s.

Mr. Speaker, as a consequence of it, I can now begin to understand something that I could not understand over the last year. Why is it that any other bank or entity would have been willing to pay \$3.45 per share for a share that was being offered on the market for an extended period of time at \$1.80?

In fact, let me say again that at the time when the Barbados National Bank was putting its shares on the market, the shares of the Insurance Corporation of Barbados were also on the market, and it was felt that the Barbados National Bank's shares, at \$1.80 per share, were over-valued relative to the Insurance Corporation of Barbados' share.

Mr. Speaker, I want you to stop and listen very carefully to my next point. Given that the Barbados National Bank gets the interest on the outstanding bonds, it means that the Barbados National Bank is guaranteed income almost in perpetuity for several years.

Asides.

2.00 p.m.

Mr. C. A. MASCOLL: Therefore, Mr. Speaker, could you understand now that the Government of Barbados has to look for the interest on the bonds, because it could no longer be a paper transaction that whoever bought the BNB is guaranteed of income and, may I say, sweetness, in perpetuity?

Therefore, I can now begin to understand why it is...

Hon. Miss M. A. MOTTLEY: Mr. Speaker, on a point of order. I believe the Honourable Member is sufficiently wise to know that he cannot make the allegation that they are entitled to the interest in perpetuity, without ensuring that the contract or that the future Governments, 20 to 30 or 40 years from now will make the same decisions as these Governments, in terms of rolling over and that it may well be a retirement at some point. Therefore, to suggest that a bank is entitled in perpetuity is to mislead those who are not sagacious enough to understand that this is just a smokescreen.

Mr. C. A. MASCOLL: Mr. Speaker, it is quite evident because of the nature of the indebtedness of the sugar factories, where there are no real corresponding assets, that some time in the future and, hopefully, not in the very near future, some organisation may call upon the Government to clear the debt. It has not been done. Therefore, it is possible that the bonds could be on the books for as long as we live, or shall live.

I am therefore saying, Mr. Speaker, that the income to be derived from those bonds which were issued in the early 1990s will be guaranteed income for the current owners of

the Bank. I can now begin to understand why it is that this institution would have been willing to pay not \$1.80 per share, but \$3.45 per share because it already has sweetness in every sense of the word. As I said that given the changing ownership of the Barbados National Bank, it can no longer be the case that the interest paid on the bonds is simply a paper transaction but it has to be real income.

It has taken me in excess of a year and a half to understand it, but I am saying to the good people of Barbados that once again, there was an opportunity to broaden the base of ownership of performing assets in Barbados, but that what has occurred is really a transaction that we did not fully come to terms with, except for some consideration over this current Resolution, we can now begin to understand why an institution would have committed itself to pay \$3.45 per share for a share that was being offered for \$1.80 on the market.

Sir, we know that the sale of the BNB shares was simply to facilitate the financing of the new Hilton Hotel. We are all aware of it and it has happened in a major way.

Hon. Miss M. A. MOTTLEY: Mr. Speaker, on a point of order. It is misleading to this Honourable Chamber to suggest that the Government of Barbados only sold BNB shares to finance the construction of the Hilton Hotel.

Sir, the English language is very precise and the reality is that this Government, on numerous occasions, indicated that it was our judgment, given what was happening with the Caribbean Single Market and Economy, (CSME) and the further trade liberalisation within the hemisphere, banks and financial entities had to develop a critical mass, in order to survive, be competitive, and to be able to offer a wide range of innovative financial products.

Sir, to that extent we said that, both in respect of the Barbados National Bank and the Insurance Corporation of Barbados, there needed to be strategic partners found, such that the critical mass would increase and they would be able to be more competitive. May I remind Honourable Members that all of this was at the same time we saw the merger of CIBC and Barclays into the Pan Caribbean institution of FirstCaribbean.

Therefore, the Honourable Member is wrong to seek to mislead this House and state as a matter of fact that the Government of Barbados sold its shares in the Barbados National Bank in order to finance the construction of the Hilton Hotel. The proceeds may have gone into the Public Enterprise Investment Fund or other entities and, as a result, may have gone into other productive activities for building capacity for this country.

Mr. C. A. MASCOLL: Mr. Speaker, certainly it did not fall to me to provide an explanation. It was stated by the Prime Minister of Barbados that he is on a new course

of entrepreneurship. He said that he is using proceeds now to create an environment that is more conducive to entrepreneurship in Barbados.

Hon. Miss M. A. MOTTLEY: Mr. Speaker, on a point of order. The Prime Minister may have said that but, once again, I insist that stating that we are using proceeds to build capacity in an entrepreneurial fashion does not mean that the Barbados National Bank was sold in order to finance the construction of the Hilton.

The Leader of the Opposition has a duty to this House to be more precise in the use of his language.

Mr. SPEAKER: Honourable Member, I have allowed you to go far and wide.

Mr. C. A. MASCOLL: It was not far and wide.

Mr. SPEAKER: I relate my response to you from this Resolution. I am suggesting to you not to get bogged down in the direction in which you are going. Let it relate to the Resolution before the House and let us move on, please.

Mr. C. A. MASCOLL: Mr. Speaker, it is directly related because we are discussing a loan for the Barbados Agricultural Management Company (BAMC) and I am suggesting that the BAMC as well as BACT came out of the indebtedness of the Barbados National Bank. Therefore, a loan for the BAMC must bear relation to the existing financial sector and the situation within the financial sector of Barbados, and cannot be confined to the sugar industry.

This is about borrowing money for an entity that came directly out of the Barbados National Bank. Therefore, I am repeating my position, in fact, that which could not be understood by Barbadians and not even by me and the other Opposition Members, why it is that a share that was only valued at \$1.80 for several years in Barbados, received as much as \$3.45 from an entity outside of Barbados.

I have stated clearly that when the Government owned the BNB, it only had to conduct a paper transaction for the interest payments on the bonds incurred in the early 1990s. Now that the BNB no longer is owned by majority shareholding by the Government of Barbados, it will have to look for the interest in order to pay on an annual basis for those bonds. Therefore, I am suggesting that in the sale of the BNB, it had to be taken into consideration that no longer would the interest on the bonds be a paper transaction, but had to be cash and, therefore, constituted an improvement of the income statement of the Barbados National Bank which would become RBL.

I am also suggesting to you, Mr. Speaker, that for the first time, we can now begin to understand why it is that the Government was able to get \$3.45 per share, given that reality. The reality is that the Government now has to look for interest.

I therefore, Mr. Speaker...
2.10 p.m.

Mr. Speaker, while this Resolution speaks to the question of \$60 million for the purpose of financing the sugar industry, I now wish to suggest that it would now become a burden on the Barbados Agricultural Management Company Limited to have to pay the interest on the outstanding bonds. Therefore, it cannot be simply a question of acquiring \$60 million for capital requirements over the next three years.

Mr. Speaker, the point I want to make is that part of the proceeds of this \$60 million would have to go toward the interest payments on those bonds incurred in the early 1990s.

Asides.

Mr. C. A. MASCOLL: I have to make sure that when I speak there is clarity of thought which is the strength I bring to Parliament. Perhaps, the weakness I bring is the cleanliness of my thoughts. I would not be hoodwinked again in this Parliament.

Sir, the Addenda to Resolutions have to be clear because it is very easy to come to this Parliament, as is very apparent now, and bring all kinds of resolutions and stick a small addendum of five lines at the back and then you are not sure exactly what is going on. Mr. Speaker, we owe it to the people of Barbados to make sure that whenever we debate a resolution in this Parliament that we truly understand what it is we are debating.

Mr. Speaker, we sold the entire Barbados National Bank but we never knew of the connection between the restructuring of the sugar industry and the sale of the Barbados National Bank. Mr. Speaker, never before did we know of the relationship between the restructuring and the financing of the sugar industry and the share offer to the Government of Barbados that was almost double what it was worth in the market.

Mr. Speaker, for the first time we can say that we clearly understand why it is that an institution was willing to pay as much as it did for a share in the Barbados National Bank which was not performing commensurate with the Insurance Corporation of Barbados.

Mr. Speaker, it must be quite clear now as to what the real issue is here. It is not a question of just the sugar industry.

Mr. Speaker, let me go on because this Resolution also takes us into the area of land use policy. Mr. Speaker, the

Barbados Agricultural Credit Trust Company Limited takes care of the highly indebted plantations whereas the Barbados Agricultural Management Company Limited takes care of the factories. Mr. Speaker, why would this take us into a discussion on that? Mr. Speaker, in the most recent Annual Report of the Barbados Agricultural Management Company Limited at page 5 it says quite clearly that:

“It is expected that more land will be lost in the near future. At the time of writing the BAMC alone expects to surrender in excess of 500 acres during the next year, including land at River, Dodds, Bath and Fairy Valley to the Government for various projects.”

Mr. Speaker, this therefore means that an understanding of the Barbados Agricultural Management Company Limited role takes us into an understanding of the land use policy of the day.

Mr. Speaker, it has become rather apparent that the highly indebted plantations in Barbados are not now being sold off at the rate they were in earlier times because it would require the Government to have a change in its land use policy in order to be able to effect the kind of outcome at the Barbados Agricultural Management Company Limited that it would wish to have, so plantations may only be able to convert the rab lands or land on ridges into houses in the absence of a change of use policy by the Government. Therefore, you can begin to see the extent to which highly indebted plantations managed by the Barbados Agricultural Credit Trust Company Limited could actually impact on our overall land use policy.

Therefore, Mr. Speaker, it does not surprise me when we heard from the Honourable Prime Minister that sugar is doomed. It was said in the recent Budget debate that sugar is on its deathbed, so when I heard the Honourable Member for St. Philip South speaking today about changing from sugar cane to fuel cane and trying to reposition the industry, I understood why there is a need to change because of the cost factors, the question of revenue and the overall profitability or survivability of the industry.

I understand it only too well, but I would like for this Chamber to be given more information with respect to issues when we come to debate and not to be confined to a simple addendum of ten lines that really would not describe what we are involved in so that we can begin to understand the extent to which this Resolution impacts not only on land use and the sugar industry but also on the financial sector of Barbados. Mr. Speaker, I understand the gravity of the problem we are experiencing here because this is a very far-reaching debate.

Mr. Speaker, we have heard in Barbados the Inter-American Development Bank's position that land should find its highest economic value.

Asides.

Mr. C. A. MASCOLL: All of these things are happening at once. It is not by accident. It does not appear random at all. The document of the Barbados Agricultural Management Company Limited clearly states as of June last year that plantations like River, Bath and Fairy Valley would come out of the Barbados Agricultural Management Company Limited and be given to Government for various projects.

Mr. Speaker, last year's Budget speech contained the issue of River Plantation and Bath Plantation coming out of use to be put into other things. However, you would not have been privy at the time to the fact that the Barbados Agricultural Management Company Limited is under stress in terms of being able to manage the existing portfolio because it is not getting the kind of request for purchase of plantations, perhaps, because of the failure or the position of Government not to change the land use, or because certain plantations may not have ridges or rab land that would become very attractive for the building of homes or houses. Therefore, we have to understand that this is also a technique.

Mr. Speaker, I am now starting to understand why we no longer get budget presentations around March/April. Mr. Speaker, what is happening is that the International Monetary Fund comes and does its report around November but that Report would not be made public until January/February. If the Government receives an International Monetary Fund Report around October/November then it has at its disposal the ability to inject issues raised by the International Monetary Fund in its budget presentation in November, but if you delayed your budget presentation to March/April, by the time the presentations are made the International Monetary Fund Reports would already be made public. Therefore, Government gets an opportunity to use the suggestions, the initiatives and the recommendations of this institution in its budgetary presentations once it makes presentations at the end of the year as opposed to March/April.

Mr. SPEAKER: You are going off line now, Sir.

Mr. C. A. MASCOLL: I thought I had to make that point, Mr. Speaker.
2.20 p.m.

Mr. Speaker, let us look at the whole future of the industry because we have had discussion about fuel cane. Again I quote the *Barbados Agricultural Management Company's 10th Annual Report and Accounts* for the year ended June 30th, 2003. At page 5 it states:

"The concept of fuel cane was devised by Jacques Albert-Thenet, Technical Advisor to the Barbados Agricultural Management Company Limited and he, along

with the West Indies Sugar Cane Breeding Station and the Agronomy Research and Variety Testing Unit, have started research on a limited number of varieties. Some of these have been selected as promising and research will continue, to determine the most suitable varieties and to understand the several characteristics. It is planned to increase the area currently planted and it is expected that funds will be received for research and development."

Mr. Speaker, the impression given by the Honourable Member for St. Philip South is that the concept of fuel cane has been advanced so far that it is, in fact, a natural alternative to sugar cane in Barbados. Instead, in the Report of the Barbados Agricultural Management Company Limited, we are being told that the concept was developed, perhaps only recently, that it is going to require research and development, and that there would have to be resources put in place to be able to effectively develop the technique for fuel cane.

Mr. Speaker, the delivery of the Honourable Member for St. Philip South has given the impression that we have considered the future of sugar cane in Barbados and that we have determined that it makes more sense to convert sugar cane into fuel, than it is to convert it into sugar. Therefore, we are, in fact, now embarking on an alternative form of energy in Barbados.

Dr. W. F. DUGUID: On a point of order. The Honourable Member, in his exuberance to try to bring some concept of the technology, is misleading this Honourable House.

Mr. Speaker, fuel cane gives sugar, as well as after the cane is crushed, the fibres that are left can be used for fuel. Therefore, one gets sugar from the fuel cane and fibres to produce fuel for electricity, and therefore, both can come from the sugar cane.

Mr. C. A. MASCOLL: Mr. Speaker, again I plead ignorance. I am not a technologist but would Your Honour believe that I, who have been on the earth for over 40 years, would believe that after the sugar is extracted from the cane, that there is no residual content at all that can contribute to the development of the notion of fuel cane. It would not make sense. It would be only trash. Therefore, from what would energy be derived?

Asides.

Dr. W. F. DUGUID: On a point of order. Mr. Speaker, let me just see if I can make it simpler for this self-confessed non-technical person.

The trash to which the Honourable Member is referring is what is then burnt to give the energy to transfer to

electricity. The sugar is extracted and used for sugar content. The trash is then burned economically into a boiler to get steam, which then converts into electricity.

Mr. C. A. MASCOLL: Mr. Speaker, as I have said, it is a technical matter and, therefore, I do not have a clue about fuel cane. I will concede, but I will not accept necessarily the position of the Honourable Member for Christ Church West. I respect the Honourable Member as a dentist but I did not know that he was a technologist in cane too.

Mr. Speaker, I am suggesting to you that it cannot simply be a case of believing that we have reached the point where we can simply jump into this issue. I would like to see it developed. I understand the technology that has gone before. I even understand who is driving it, and as I said I would be even more privileged to see that someone who has gone to Combermere is, in fact, fuelling this exercise.

Mr. Speaker, it cannot be said that we are, in fact, at the stage where it is an alternative if we accept the contents of the Barbados Agricultural Management Company Limited Annual Report at page 5, where it said that it is a concept that needs further development. We cannot say that it is an alternative but that it needs further research and development.

Hon. A. P. WOOD: On a point of order. Mr. Speaker, at no stage in my long discourse did I ever give this Honourable House anything besides the assurance that what is happening up to this point is work that is in progress. The Honourable Member has taken it how he wants to but I have said that it is work that is in progress.

Mr. Speaker, I have said that the Tilby Separation Plant would be installed in 2006. I also said that breeders at the West Indies Cane Breeding Station are engaged in trying to identify the best variety of this high fibre cane. I said that they have identified some varieties but they have to be propagated on farms around the island.

Mr. Speaker, does that not sound like work that is in progress? Did I not say the work that we are doing in collaboration with Professor Rawle Hollingsworth is work that is in progress? Therefore, I do not understand how the Honourable Member for St. Michael North West, who sat there throughout most of my delivery, could have risen and could have sought to mislead this Honourable House by seeking to give the impression that I said this work is completed and that we have found the alternative. That could not have been further from the truth because I did not say that.

Mr. C. A. MASCOLL: Mr. Speaker, I accept, in fact, that the Honourable Member is now admitting that it is work that is in progress, when the Honourable Member had given the impression that we had reached the stage where it is a viable alternative and that it was almost at the stage...

Asides.

Mr. C. A. MASCOLL: I am now quoting from the Chairman's Report, to suggest that it is only now work in progress.

Asides.

Mr. C. A. MASCOLL: Mr. Speaker, I would not wish to dig too much into the future of the industry because the Honourable Member for St. Philip South dealt *ad nauseam* with this matter on the question of export prices, cost, the whole question of the agronomy generally of Barbados but what has to be looked at was that in light of the difficulties stated by the Honourable Member for St. Philip South, and he used very serious language in terms of the need for radical reformation of the industry, it means that one has to question the capacity of the Barbados Agricultural Management Company Limited to service these outstanding debts, and I know that the loans are fully backed and guaranteed by Government.

Sir, again there are several other bonds, series A, B, C, that are currently being managed by the Barbados Agricultural Management Company Limited. We were told that in excess of \$114 million were committed to it over the last several years and, therefore, we could see the extent to which this would further increase its debt burden.
2.30 p.m.

It is not going to be an easy road for the Barbados Agricultural Management Company Limited and decisions have to be made. I recall many years ago in a similar kind of debate when the Democratic Labour Party was speaking to the issue of Bulkeley Factory, we were castigated for making certain suggestions. Of course, politics entered the arena and the impression was given that the Democratic Labour Party wanted to close Bulkeley but, Sir, it has been closed.

The nature and timing of the debate was prior to the election and the decision could not have been made at the time but was subsequently made. It is well documented in the BAMC report that there is no longer a Bulkeley Factory in St. George but, at the time, there was major outcry from the Other Side with respect to moving towards a one-factory sugar industry in Barbados. It appears now as if we are going towards that because there is admission from the Barbados Labour Party of the difficulty in the sugar industry and that it is almost at doomsday. That was told to this Chamber not too long ago.

Mr. Speaker, I will not bog down the Honourable Chamber with any analysis of the sugar industry because we were given an entire discussion on the nature of the industry except that an attempt was made to correlate the decline of output in the industry with a political period under the Democratic Labour Party. Sir, the Honourable Member for

St. Philip South stopped short of saying that when export prices were rising in the post 1986 period that production was in decline.

Sir, you cannot make those kinds of strict correlations with the performance of the industry and the Government of the day. Even now when we still have a quota system in excess of 54 000 tonnes, we are looking at a crop that will be less than 40 000 tonnes this year.

Sir, what has to be discussed is the movement out of the sugar industry and its impact on land use policy in Barbados, the impact on the financial sector of Barbados, on housing in Barbados and on alternative industries like cotton in Barbados. I have said from the outset that our debate today cannot be confined to what is in the Addendum because it is apparent that where we are with respect to the BAMC and BACT must be seen within the context of its genesis, that is, within the restructuring of debt at the Barbados National Bank.

Sir, I can now see clearly why it is that an asset that appeared so unattractive to others when it was fully owned by the Barbados Government became so attractive to not only a private sector entity but a foreign private sector entity. It has clearly to do with the fact that in an attempt to restructure the Barbados National Bank and establish the BAMC and the BACT that we had put in place a system where Government did not have to commit to the interest payment on the bond issue in the early 1990s.

Now that the ownership has changed and the majority ownership is no longer Government, it will have to seek the income to be able to pay the interest on the outstanding bond at the Barbados National Bank. Therefore, one can begin to understand why the apparent hidden income could have been used to explain and increase the overall share value of the Barbados National Bank at the time.

Sir, no one in Barbados had taken into consideration that the change in ownership from Government to a private entity would mean an actual commitment in interest payment and not just a paper transaction as would have occurred before. Therefore, this is going to redound to what the taxpayers can once again do in terms of propping up an industry and a bank at that time and now is being called upon to prop up the Barbados Agricultural Management Company Limited as well as the Barbados Agricultural Credit Trust.

Mr. Speaker, I see this debate in that context moreso than in the context of explaining what is presently occurring within the sugar industry but, more importantly, how the sugar industry's rescheduling of debt has affected the

financial sector of Barbados to the extent where it caused the Government of the day not to give us the opportunity as Barbadians to own the Barbados National Bank across the board but allowed a foreign entity to come in and enjoy sweets almost *ad infinitum*. It is a major concern and I feel somewhat grieved because perhaps in fuller investigation of the matter we might have been able to see earlier why it happened the way it did.

Sir, there is never a bad happening. It has taken almost a year to come, but the evidence has come clear to us in this Chamber today to show that the decision to sell the Barbados National Bank and the way it was sold was not in the best interest of Barbadians.

Mr. Speaker, I thank you.

Mr. D. St. E. KELLMAN: Mr. Speaker, I too rise to speak on this Resolution. I want to say from the outset that bonds for the sugar industry were first brought about in the 80s under the Barbados Labour Party Administration. The bonds were first issued by the Barbados Sugar Industry Limited where they were put on the market for individuals and companies to buy and were guaranteed by the Government of the day.

Sir, I am now seeing a new trend. I do not know if it has to do with the Barbados Agricultural Management Company Limited which is now different to the Barbados Sugar Industry Limited where instead of individuals having the opportunity to purchase these bonds, the company is now seeking to get the money direct from two banks at a time when there is liquidity in the system. Previously, the public of Barbados could have the opportunity to buy these bonds but they are now being given to two companies guaranteed by the public through the Government of Barbados.

Sir, I also want to say that the sugar industry was dealt a bad blow three years ago when in a budget speech the sugar quota was advisedly reduced by 10 000 tonnes of sugar, which is equal to 80,000 tonnes of cane or 120,000 tonnes of cane, depending on the recovery rate available at the time.
2.40 p.m.

Sir, that was said at a time when the Government of the day was warned that it did not make economic sense to reduce the production of sugar by reducing the cane production and that point is now staring us in our faces. This situation occurred before because we could not supply our quota.

Sir, on top of that, we have a situation where after we have destroyed the sugar industry by reducing the sugar quota by 10,000 tonnes, we are now seeking to get the plantation owners to plant canes again. Mr. Speaker, the sensible thing would have been for us to support the sugar industry as it was at the time, go ahead with the plans that we said we were going to put in and encourage sugar production by giving the support to help plantation owners to keep the plantations in sugar production. Instead of doing that, the Government encouraged plantation owners who were interested in producing sugar cane to produce house spots because they felt that if the Government was not interested in the sugar industry, it did not make sense for them to be interested in it, based on certain factors.

Sir, it was correctly said by the Honourable Member for St. Philip South that at no time that the revenue received by the sugar industry exceeded the production cost. The closest time that we ever reached a situation where the revenue came close to the cost of production would have been in 1996 when the cost of production was \$1,333 per tonne and the revenue received was \$1,312.00.

Mr. Speaker, that was the only year within the last 15 years that the cost of production came close to the revenue received by the Barbados Agricultural Management Company or Barbados Sugar Industry Limited.

Sir, what made matters worse was when the Government of the day sought to sell the sugar that would normally be used as "carried forward" sugar. They were told in this Honourable House that it was a mistake and that they should not, for political reasons, seek to sell sugar on the local market to satisfy the appetites of Barbadians to give them the impression that they were consuming local sugar. Sir, what they were doing was destroying the sugar industry.

Mr. Speaker, the Honourable Member for St. James North, the Honourable Member for St. Philip South and those who had an interest in the sugar industry would tell you that the overproduction of sugar is normally kept in stock to be used as "carried forward" sugar. Now that the quota is used and a few tonnes are being knocked about, I am hearing in the year 2004 that the last shipment will be made and the remainder of the sugar will be used as "carried forward" sugar.

Sir, the Government now understands the importance of "carried forward" sugar years after. I warned the Government in this Honourable House not to use political expediency to destroy the sugar industry but they refused the advice that was given. Sir, when the Government decided to reduce the quota by 10,000 tonnes, I also warned them. This Government cannot claim that they were not properly advised by the

Opposition because they were always properly advised when it came to anything relating to sugar matters.

Sir, not only did the Opposition on This Side at that time advised them but opposition came from That Side. The Honourable Member for St. George South warned them about the difficulties that would be created when they closed Bulkeley sugar factory without having a replacement factory.

Mr. Speaker, last night while listening to the 7 o'clock news on the Caribbean Broadcasting Corporation, I heard a news item that said that Portvale factory was the factory that will produce the most sugar of the two factories. It was Portvale factory that was announced and not Andrews factory. This is very significant because I made a famous speech on the Floor of this Honourable House.

Asides.

Mr. D. St. E. KELLMAN: All those who do not understand what I say and pretend that what I am saying is not correct, normally pay for it later and that is always the problem with this Government.

Sir, I said that no one would want to drive from St. Philip and have to turn off the road to reach a gas station. That man would prefer to drive on a straight road where he knows that a gas station is on that route. Likewise, nobody living in St. Philip and producing canes would want to deliver them to Andrews factory. They would prefer to take the highway and drive down to Portvale factory to deliver those canes.

The Government for some wise reason, they are the Government and control the country. After being given advice they do not accept it, it is not my fault. As a person with a simple mind and who does not have any authority to direct anyone, as I was told last Friday, I have an opinion. I have an opinion and I will express my opinion. My opinion is normally based on commonsense and that is sadly lacking in this country. Sir, if the people in this country do not use their commonsense, this country will be destroyed.

Asides.

Mr. D. St. E. KELLMAN: There are many poor people who would like to have the opportunity to buy some bonds. Poor people are getting 2 per cent interest and we are taking up an opportunity of over \$60 million to give to people when we could be issuing bonds so that people who have money in the banking system to buy some of these bonds would help the sugar industry. That is what I am speaking about.

Sir, I am going back to the point of Portvale and Andrews factories. It is clear, based on what is happening and the way that Portvale factory has performed this year, the evidence is there that Andrews is a bad choice to be the only sugar factory in Barbados, not only because of its location or the problem with water but its capacity and efficiency to work.

Sir, it worries me and it pains people like Mr. Oliver Hinds, a man who is not regarded by people as an engineer, and this is a very significant point. Mr. Hinds has the capacity to be the only factory manager to build a new factory in this modern age.
2.50 p.m.

He had the capacity that the engineers had to seek advice from him, and he did not have to seek advice from the engineers. He was a man called Oliver Hinds who started at Hannays factory and was able to manage and construct the largest sugar factory ever built in Barbados.

During his tenure, he was able to keep the cost at Portvale, and whenever they wanted a part, he had the capacity to use in-house labour to reduce the cost within the sugar industry. Yet, I cannot call this man, a Sir. I am saying that if I had to call anybody in Barbados, a Sir, it would be this man, because with his knowledge and capacity, and he should have been so called, by the young people of Barbados. He should have been knighted for his work within the sugar industry because he has generated a capacity to do things unknown to other people.

He has done a lot of work in the sugar industry and it pains him on a daily basis to see what is going on now. I am begging the Government to stop doing the foolishness within the sugar industry. They are only reducing the life of the gentleman, because of the nonsense going on within the sugar industry.

Sir, not only that, up to 1980 and 1981, BSIL was able to lend money to many private sector companies in Bridgetown. They had enough money to lend merchants in Bridgetown. By 1982 and beyond, instead of lending money, they had to turn around and borrow money.

Sir, do you know the worst thing about it? The reason why you see that sometimes I get very harsh on certain companies, businesses and organisations when I am speaking to this Parliament, and you heard this on more than one occasion, but I will repeat it, is that when the Barbados Sugar Industry was building Portvale factory, they had a shortage of cash, and they were advised by the Government of the day, which happens to be the present Government, to seek a loan of \$3 million from the Caribbean Development Bank, which would have been BDS\$6 million.

The Caribbean Development Bank had a bad loan on the Japanese market. Even though the sugar industry borrowed US\$3 million, the Caribbean Development Bank allowed them or forced their bad loan in the Yen on them, so that by 1986, Sir, when the sugar industry would have repaid nearly half of that loan, they had a situation where the Yen had appreciated, and they were still showing a balance greater than the original principal.

Sir, the Barbados Labour Party Administration and the Caribbean Development Bank must take responsibility for some of the problems within the sugar industry. Sir, do you know what is amazing? We, as a Government, did not learn from what happened in the sugar industry, because in 1982, the sugar industry was the first company, through the Government of Barbados, to borrow on the Japanese Yen. Yet, the Government of Barbados then turned around and borrowed large sums of money on the Japanese market, even though they saw what was happening to the sugar industry. The evidence was that if you borrowed money on the Japanese market, the capital would double.

Sir, in your normal banking system, when you borrow money, you expect the interest rates to increase but you never expect the capital to increase. This is exactly what occurred. I am saying that the problems within the sugar industry started in the 1980s. This is why I keep saying to people that if we want to do a case study with what happened within the economy of Barbados, we need to go back to the early 1980s and we would have a better understanding of what occurred in Barbados.

If you do not understand that, Sir, then you cannot appreciate what occurred within the 1990s, because what happened then was a reflection of what happened within the early 1980s. People must understand that the truth must be told from the Floor of this House.

Sir, we also have to understand that we, as a Parliament, must provide the opportunity for people to learn to understand the uses and the fluctuation of currencies. What we are doing now is borrowing money without understanding that we are not on a fixed market. If we are going to be borrowing money, we should borrow hoping that the money will depreciate and not appreciate. It seems to be, Sir, that we are not interested in these things anymore. Maybe, Sir, when I speak of them, some journalist would say that I am not qualified, and I should not be speaking on these matters, and they could only listen to these matters when they come from a technocrat.

Barbados has now placed itself within the realm that if you are not a technocrat you cannot speak on matters like these. I am saying, Sir, that we have to understand that Barbados belongs to everyone of us and once we have basic

commonsense and we can apply it, we can understand exactly what we are speaking about and we can expand on it

I am saying, Sir, we have to understand that there are statistics produced in the Economic Report. There is data and we must be able to use this data. It is okay for the Honourable Member for St. Philip South to come and quote certain aspects of the data, but the interesting thing about it is that there is a relationship between currency changes, sugar production and the price paid per tonnage of sugar.

It is okay for people to say that when the currency is up, our quota is down. We have to understand that we also have to listen to the people who warn us about this 10-year cycle. If you pick up your Economic Report, you will see that there is nearly a 10-year cycle as it relates to sugar prices.

Sir, we also have to understand that a major decision was made by the oil producing countries when they decided that they were not going to hold their foreign reserves in the US dollar anymore, and they were going to use the Euro to hold their oil reserves.

I came to this Parliament after receiving some information in the year 2001 and 2002 and made the point that the oil producers were shifting from the US dollar to the Euro and that we needed to plan, because even though the Euro appeared to be weakening at the time, we would have seen some strengthening within the Euro.

Sir, all one has to do is to pick up the Economic and Financial Statistics from the Central Bank and I believe that can be found on pages 75 to 76 dealing with the currencies.

Asides.

3.00 p.m.

Mr. D. St. E. KELLMAN: Sir, since the year 1999 the Euro has now been included in this document dealing with selected currencies and if one looks one would understand that the Euro started off at \$2 and then it fell, but it is now at \$2.38. Therefore, if one goes back to what I said previously and comprehend what I am saying now, one would understand that the information I gave to this House of Assembly at that time should not have come from me, but from the experts, the consultants and the Central Bank of Barbados.

Sir, that information was freely given, but it was not acted upon because, if it were, we would not have reduced our sugar quota by 10 000 tonnes. Instead, we would have understood the importance of the appreciation in the Euro and the impact it would have created on the revenues of the sugar industry.

Sir, we always tie certain factors together in this country. For example, when we are borrowing we just talk about the interest rates as if the interest rate is the only factor to look at when everybody knows that when you are dealing with a floating currency that the interest rate is not the only factor to deal with. Sir, when you are dealing with sugar prices it is not the amount up front but the currency and the appreciation in the currency that can have an effect on the revenues of the industry.

Asides.

Mr. D. St. E. KELLMAN: The Barbados Labour Party in a Budget speech two years ago said on the Floor of this House that the Government would be reducing the quota by 10 000 tonnes. Sir, I got up and responded to it and even produced a calculation showing the opportunity cost of the decision and also showed the Government because at the same time...

You get up on a point of order and let me lick you up.

Mr. SPEAKER: All right, come on.

Hon. A. P. WOOD: On a point of order. Mr. Speaker, I am not one who runs away from a challenge. If the Honourable Member for St. Lucy is going to lick me up I do not think he is going to do it in this Honourable Chamber. He might have to wait until we get outside, but of course, he would not succeed.

Mr. Speaker, the point of order I rise to speak on pertains to who makes the decision to reduce the quota. My understanding on this matter, and I am not wrong, is that the quota is set within the context of the European Union sugar regime. The quota is changed only after there is irrefutable evidence that the country allocating the quota is no longer able to satisfy the quota as was the case this year when Barbados was unable to satisfy its last quota and we came in short for two or so consecutive years.

The first year we pleaded *force majeure* and we were successful. We once again attempted to plead *force majeure* in the second year but we were not successful and we had to accept that there would be a cut in the quota because there was enough evidence to convince those who make the decision about the quota that Barbados would no longer be able to meet that quota, so this idea of a sugar supplying nation making a unilateral decision to cut a quota is unheard of.

Mr. D. St. E. KELLMAN: Mr. Speaker, that was made about two Budget speeches ago. My response at that time was that it was unwise. At the same time we dealt with the issue of supplying sugar on the local market. The .

Honourable Member was the Minister of Agriculture at the time and he would remember, unless he wants to pretend that he does not anymore, that I produced some calculations in here showing that it was in the interest of Barbados to continue to export the 10 000 tonnes of sugar because the argument was that it was better to sell the 10 000 tonnes on the local market than to sell it on the foreign market.

I also showed that it was in the interest of Barbados to continue to buy the imported white sugar at \$753 and to sell it at \$1 512.68. Sir, any man who can understand arithmetic would understand up front that when you import the sugar you would make a profit. Sir, I also turned around and showed that when they sold the local sugar on the market that we were not even reaching the production cost.

Asides.

Mr. D. St. E. KELLMAN: The Honourable Member for St. Philip South has to remember that.

Sir, decisions and discussions like these are things I would never forget because I know that once I give advice it will come back some day and I would be able to sit and say I told the Government so.

Sir, I told them that we were guaranteeing a market and we should maintain that guaranteed quota and that, based on the amount of money we were getting to supply the local market the Government should go forward and increase the capacity by another 10 000 tonnes to supply the local market instead of replacing the shipment and taking it out of the quota to put it on the local market.

Asides.

Mr. D. St. E. KELLMAN: Sir, the sugar industry problems should be placed right in the lap of the Barbados Labour Party. They have an obligation to hold on to this and to come to this Parliament and admit that they have made some bad decisions. Sir, the amazing thing is that they always walk around and tell people that the Democratic Labour Party do not like the owners of the sugar industry.

Mr. Speaker, the sugar industry and the agricultural industry might be industries which are making losses for the owners but those industries are making profits for the country of Barbados, therefore, the Government has a right to subsidise those industries. Sir, whenever we are making decisions based on these things, we must understand that it is the opportunity cost to the country and the profits created for the country that we have to base it on and not the losses created by the owners.

Sir, there is no doubt that the Honourable Member for St. Philip South would admit that the agricultural industry has always been profitable to the country, but the biggest mistake that was made was the decision to move from labour to mechanisation.

Sir, previously our strongest point within the sugar industry was that it brought in foreign exchange and we spent money which was of a lower amount than what we gained in foreign exchange. However, now that we have mechanised the industry, I am not sure that we can draw that equation any longer because it is clear to me that we are now spending more money outside than what we are gaining in foreign exchange.

Sir, it is unfair to the industry when we have people within the Caribbean... That is why I have always said that we should bring in people to reap the canes because they created economic activity and kept foreign exchange in the country. If anybody wants to doubt what I have been saying, this is a good case study. Mr. Speaker, those persons who want to challenge my competence on what I speak, I am ready whenever they are ready.

I thank you, Sir.
3.10 p.m.

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

Hon. N. A. LYNCH: Mr. Speaker, I rise to lend my support to this very significant debate as we continue to seek to protect the sugar cane industry in Barbados, which is a very fundamental part of our existence.

Mr. Speaker, I guess we can spend long lengths of time dealing with the financial issues that were raised by the Honourable Leader of the Opposition in relation to the Barbados Agricultural Management Company Limited. The Honourable Member for St. Michael North West has already ventilated many of the issues, as has the Honourable Member for St. Philip South.

However, I think it is important that from This Side of the Honourable House, we continue to state our continued efforts at seeking to create a basis for the continued existence of an industry which has contributed so significantly to Barbados' development from a historical and cultural standpoint and by ensuring in some measure through its operations, the future socio-economic welfare of all Barbadians.

In addition, I think the debate raises fundamental issues from a global perspective on issues of foreign trade, issues which are fundamentally important in this day. It also speaks to issues of branding and marketing Barbados, matters of

national development that go way beyond simple issues relating to the production of sugar or to the broader aspects of agriculture.

Mr. Speaker, I begin my discourse by stating that had the approach to the development of the sugar industry by the previous Administration been as visionary as the one we are now seeing by this Administration, we would not be found in quite the difficulty in which we are now, in relation to the sugar industry's development. Sir, I say that there are some persons who would like Barbados to continue forgetting the issues that fundamentally created the situation in which we are in now.

Mr. Speaker, there are some persons who would like to be totally divorced from an administration and from a philosophy of which they are now a part, even though initially they were not in the make-up of that administration.

Sir, the Democratic Labour Party Administration were at the forefront of the initial parries that Barbados made into issues of globalisation and of the changing faces of the global trade generally. They, Sir, were the ones who took the most land that was ever taken out of agriculture in this country and used it for housing and other uses.

Asides.

Hon. N. A. LYNCH: Mr. Speaker, all this talk about agriculture and its continued benefits to Barbados, hinges on the fact that between 1966 and 1972, twenty-five per cent of the arable land in Barbados was taken out of agricultural production. Sir, when we now hear about the significance of agriculture and sugar, about the most fertile lands in Barbados, where most of the sugar plantations...

Asides.

Mr. SPEAKER: Order, please.

Hon. N. A. LYNCH: Mr. Speaker, these areas were known as the bread basket of agriculture, for example, Frere Pilgrim, Neils, Rowans, Sanford, were all taken out by the Democratic Labour Party Administration.

Sir, there are also issues relating to food security in Barbados. The Honourable Member for St. Lucy has left the Honourable Chamber. He is not here to heckle. Sir, the truth cuts like a knife.

Sir, the issue with which Barbados has had to grapple in recent times such as food security, social stability, food protection, efforts of social transformation in its broadest

sense, away from sugar and sugar agriculture to the service industries, namely, tourism and international business, and using agriculture as a strategic national development area which is outside the export earning potential, were all ripped away by the Democratic Labour Party when they took all of these lands out of use and put into other uses.

Mr. D. St. E. KELLMAN: On a point of order. The Honourable Member is misleading the Honourable House by giving the impression that within the last 10 years, it was the Democratic Labour Party that had taken the land out of agriculture into housing. The evidence to prove that the Honourable Member is misleading the Honourable House is that the amount of land that has gone out of sugar production is so great that we had to reduce by one factory and are now moving to reduce by another factory because we do not have the production to prove the point.

Asides.

Mr. SPEAKER: Order, please.

Hon. N. A. LYNCH: Mr. Speaker, the fact of the matter is that even when dealing with the issue of sugar and sugar agriculture and moving beyond to non-sugar agriculture, there is a multi-functional role that agriculture plays in any society which is known the world over, particularly in small societies like ours. Sir, I think that particular issue was missed.

Mr. D. St. E. KELLMAN: On a point of order. Mr. Speaker, the Honourable Member is misleading the Honourable House. Sir, based on what the Honourable Member is saying that we should keep all the lands that produce sugar...

Mr. SPEAKER: What is your point of order?

Mr. D. St. E. KELLMAN: Mr. Speaker, I am saying that the Honourable Member is giving the impression that no land was taken out of sugar production, and in the same breadth he is saying that all lands should have been kept for sugar. He has also said that there is no need to have land available for golf courses and that he, as Minister of Tourism, will not support any Government that takes land out of agriculture to put into golf courses.

Mr. SPEAKER: That is no point of order.

Mr. D. St. E. KELLMAN: I know you will rule that.

Mr. SPEAKER: The Chair does not understand what you are saying anyhow. Honourable Member, please continue.

Hon. N. A. LYNCH: Mr. Speaker, the issues of what we are debating here today hinge upon the very nature and

concept of how we view the agricultural sector and its significance to our national development.

Sir, the point I am seeking to make speaks to the issue of the Democratic Labour Party's non-visionary approach to the issue of dealing with agriculture overall and with sugar specifically. Sir, if that were not the case, we would not have lost all of the arable lands that we have lost during that period.

Mr. Speaker, presently we are caught in a situation where there is a need to continue to restructure the sugar industry. We have made attempts before but I think this time that because of the new foreign trade issues, there is the demand that we now retool and revamp the sugar industry out of being a simple sugar industry into a sugar cane industry.

3.30 p.m.

I believe it would ensure the export and economical potential of the sugar industry because it is not viable or sustainable in its present form.

The Honourable Member for St. Philip South made the point that much of the preferential rates we have always been the beneficiary of for the exportation of bulk sugar will no longer exist and are disappearing. In addition, there are other issues that speak to lifestyle changes, the low demand for sugar globally, the issue sugar substitutes and low-carb lifestyle. Sir, all the things that our sugar industry was hinged on are now disappearing before our eyes.

Sir, in that context, the under-performance of certain entities in the industry, coupled with the global competition from other countries who can produce at cheaper rates than we and in larger quantities, certainly demand that we seek to create a better basis for the future of our sugar industry if we are to remain in sugar production.

Sir, the debate becomes emotional because there is a historical and cultural significance to the development of the sugar industry. There is a nostalgic attachment to sugar that is evident in villages and communities that are linked to sugar plantations, particularly among the elderly. People in Barbados still believe that there is no sector that can fundamentally replace sugar.

Sir, the issue of plantation houses and their significance as great houses for tourism purposes for accommodation and heritage have been as a result of the sugar industry. This Administration is preserving that legacy through this bond issue.

The linkage of a new sugar cane industry to the modern emerging industry has given us the Crop-Over Festival which has become a fundamental part of our social, community and tourism calendar.

Sir, there are environmental objectives that must constantly be adhered to, aesthetics, soil protection and crop rotation in a tourism environment where people like to drive and see the sceneries of the country and there is an aesthetic value and appreciation for the sugar cane in our country. Sir, on that basis alone, we should continue as a nation to preserve the sugar industry.

Sir, apart from all the other issues outlined by the Honourable Member for St. Philip South, there is a level of expertise in the cultivation of sugar cane that can be exported out of Barbados and there is also the guarantee of a certain number of jobs and a certain level of foreign exchange.

Sir, I believe that the socio-economic welfare of Barbados is tied up in how we deal with the sugar industry at this time. Although I believe that land must catch its highest economic use and value, you cannot divorce that totally from the social value in terms of the use of that land.

Sir, there will always be a challenge in the society relative to agriculture and the development of the newer service industries like tourism.

Therefore, we have identified land specifically for agricultural purposes but I believe that industry must be revamped to give it the best chance to linkages to other sectors. The agricultural and sugar industry continues to play that stabilising role it has played in the past relative to other industries and to social development in Barbados. The Honourable Member for St. Philip South spoke about the ability to create certain levels of independent farm efficiencies which do not now exist through consolidation and amalgamation so there is a need to create those efficiencies.

In addition there is diverse use that has been identified for the sugar cane plant outside of grinding it for sugar. The Honourable Member spoke of the Tilby Separation System and the technical issues to create it as well as the research and development activities necessary to ensure that the sugar cane industry thrives.

Sir, I want to make a significant point about the branding and marketing of Barbados that goes way beyond the sugar industry. I believe that Barbados is known globally as a destination of premium products and services, however you define it. I believe the efforts to restructure the sugar industry at the level of the sugar cane industry is in keeping with the movement towards creating a new premium branding image for Barbados.

I believe that we should produce premium products like rum and Barbados molasses. When I went to university, I used to see health food stores selling, for exorbitant amounts, what was labelled Barbados molasses. I am almost sure it did not originate in Barbados but I saw them on shelves in the United States of America. Sir, Barbados' molasses carries a premium price and we have to continue to brand Barbados at that premium level.

Sir, in marketing, branding is about the value proposition that you put to the consumer. The position of Barbados whether it be in our educational services, the quality of our personnel or tourism product, we are moving in the right direction when we speak of issues to retool and revamp the sugar industry to create a sugar cane industry that identifies and utilises the sugar plant to create premium products.

Sir, the linkage between tourism and agriculture becomes even more significant through this move and our continued efforts at creating a sugar cane industry. It also enhances our manufacturing potential as well for marketing other products. Then Barbados' products seem to be in the premium range. I believe that Barbados will continue in this effort.

3.30 p.m.

Sir, in terms of many of the arrangements by which we are going to be judged, the exportation of bulk sugar to Europe and the like, the bulk sugar terminal at the Barbados Port Inc. is being relocated and a new sugar terminal will be built at the end of the Flour Mill because the existing bulk sugar facility is going to be utilised for cruise purposes. A theme park is going to be built at the pier for cruise ship passengers at an approximate cost of \$17 million.

Sir, we are seeking to relocate the existing bulk sugar facility to the Flour Mill and utilise that facility for...

Asides.

Hon. N. A. LYNCH: Mr. Deputy Speaker, I was making the point that currently there is an existing bulk sugar facility at the Port which is used for storage of bulk sugar for exportation to Europe. In the future, the bulk sugar facility would be relocated to the area of the Flour Mill and the existing facility in the Port will be utilised to accommodate a theme park attraction, which is in the master plan for cruise ship development in Barbados. The cost of the relocation and the building of the new facility is estimated at \$17 million.

Sir, the issue regarding the bulk facility is the life that is left for bulk sugar exportation. Mr. Deputy Speaker, whatever is built at the Flour Mill facility must be built in a way that it can easily be converted into some other use. We are thinking that if we need to convert that new bulk facility, it would be converted into a cruise passenger facility.

In addition, the molasses tanks that are being used will be relocated. We plan to keep one of the molasses tanks to store water for cruise ships at night. Once those molasses tanks are removed, the Barbados Agricultural Management Company and the Barbados Molasses User Group will determine where they are going to relocate those tanks.

Sir, the sugar industry's conversion has presented an opportunity for us to be able to utilise, retool and help other industries to move forward. I believe that even though we would have spent much of our time discussing the issues that are relevant and which the Honourable Member for St. Michael North West would have already ventilated, the most significant issue, in my opinion, in this particular debate is being able to continue to brand Barbados at a premium level and that would extend to other industries which are important to the development of Barbados in the future.

Sir, we have a more forthright approach in dealing with matters relating to agriculture in Barbados.

I am obliged to you, Sir.

Dr. D. C. ESTWICK: Mr. Deputy Speaker, I want to make a formal contribution to this debate. I first want to say that this debate is one that is looking at a number of very essential elements that are pertinent to the continued development of Barbados. I believe that agriculture in its broad sense, whether it is non-sugar or sugar agriculture is still critical to the economic development of Barbados, the socio-economic culture of Barbados and the environment elements of this country. Sir, as a result, any attempt that is executed to assist in the continued development of the sugar industry, I believe I would have to pay some rapt attention to this. As a result of that, I have a number of questions I would like to ask the Honourable Members on the Other Side, given that they were in power for such a long time.

Sir, I want to know whether we have a sugar industry in Barbados or not? I want to know what, in the future, if we have a sugar industry in Barbados, is the future for it? I want to know those things given the facts of trade liberalisation impact, the loss of preferential markets as a result of those impacts, the impact of international competition, the present high level of debt and the way that debt is to be dealt with and the high production cost relative to export prices.

I also want to know about the impact with respect to the precipitous loss of agricultural acreage from sugar production in Barbados. Also, if at the same time those elements exist that we are having a decline in total cane production, with respect to the amount of sugar produced from those canes.

Sir, I want to ask a more fundamental question. Did we miss the opportunity to effectively restructure the sugar industry in Barbados? I want the Honourable Member on the Other Side to answer this question by the time I am finished with my presentation. I also want to find out what is their land use policy in Barbados as it impacts on agriculture and sugar in particular.

Sir, I heard the Honourable Member for St. Peter in the Estimates speak about restructuring and the further production and branding of sugar and specialty products. I am now hearing the Honourable Member for St. Philip South speak to new products and so on. There is a paradox here that I need to have explained and I will go through it very slowly.

Sir, colonialism has had a major impact on the psyche of the people of this region and, in particular, in Barbados. The problems that sugar is now facing did not start yesterday. In the 1980s we have seen, as part of the impact of liberalisation elements, a precipitous decline in the American sugar quota from 25, 000 to less than 5,000 that pushed this economy into a crisis position. Sir, even back in the 1980s there was a problem with production and cost and I want to find out from the Honourable Members on That Side what were the proactive mechanisms that were put in place that would have been necessary to continue the upward development of the industry?

Sir, back then, even though there was clear evidence that we would have had problems on the international market, what were the proactive moves taken by the then Barbados Labour Party Administration? They continued to produce sugar as though they were producing for the old mercantile system in England. You could only produce raw sugar and molasses from sugar cane plants.
3.40 p.m.

Where is the so-called visionary thinking back then, when they had the opportunity to have devised the type of input of technology and science, to have advanced the early elements of sugar cane development, so that we would have had a sugar cane industry by this time? I am now hearing a lot of talk about in 2003 and what is intended by the Government.

What is even more perplexing to me, Sir, is that there is a Caribbean sugar cane breeding station in Barbados that services the region and, I think that we also own the variety testing unit in Barbados. I would want to ask the Honourable Members on the Other Side, what technological inputs were placed at the time to look at changing the type of sugar plant from one that deals primarily with sucrose content and juice production. Back then, those sorts of things should have

been done, where we are now hearing about biomass production. The development needed to occur in those early stages in order to have a co-generation element for electricity.

What about the production of alcohol directly from sugar cane juice? It has been happening in Brazil and Mauritius for years but they are supposed to have been a proactive Government, so I then asked the question, which I will ask again, what is the future for the sugar cane industry in Barbados?

Mr. Deputy Speaker, I have reviewed the Budgetary Proposals and Financial Statements, as well as the Estimates from 1994 to 2003, looking for specific far-reaching programmes to rescue the agricultural sector and specifically to affect restructuring of the sugar industry. Amidst all of the talk and rhetoric, Sir, it saddens me to say that I cannot find one of them.

It was only in the Budgetary Proposal of 2001, and the Budgetary Proposal of 2002 that superficial attention was paid to the agricultural industry and the sugar industry in Barbados. This is after this Administration was in power for eight years.

Asides.

Dr. D. C. ESTWICK: Let them go and check the Budgetary Proposals and Estimates for themselves.

I would like to ask the Honourable Members what type of sleep the Administration was in, whether it was REM sleep, a deep sleep, or a pending election in 2003, that there was a quick move to include superficial proposals to deal with the agricultural sector and sugar in 2001 and 2002.

Asides.

Dr. D. C. ESTWICK: Those are the facts.

Sir, I do not mind all the talk about a proactive Government with respect to agricultural development. It is nonsense. It never occurred. Furthermore, Mr. Deputy Speaker, I am convinced that the Barbados Labour Party Administration intends to lay prostrate the sugar industry in Barbados. I am also convinced that there is already a plot to effectively look at a way to ensure that such comes about and I would explain what I am talking about.

How else can one explain that in 1967, the sugar industry produced 208 000 tonnes of sugar from 64 acres of canes planted? In 1992, there were 54 000 tonnes of sugar produced from 23 000 acres of canes, and in 2003, there were

only 36 000 tonnes of sugar produced from 18 000 acres of canes. Therefore, between 1970 and 2003, there was a 30 000-acre loss of arable land in Barbados that was taken out of sugar production, which is 60 per cent.

Asides.

Dr. D. C. ESTWICK: Sir, the Honourable Member can get up and try to refute what I am saying. I will send him to the evidence.

Mr. Deputy Speaker, let me give a piece of information to further support what I am saying. I mentioned that the sugar industry got into trouble in the early 1980s. At the time, Sir, the assets of the sugar industry were valued at about \$4 000 per acre. This is with respect to the field crop sector of the industry. The debt then, Sir, was estimated at \$5 000 per field acre.

Therefore, even way back then, under the Barbados Labour Party Administration, the industry was in difficulty. This is the reason why the arrangement with CitiBank or CITICORP to float the original bond occurred. The revenue that was being generated from the field crop sector and the factory sector could not support the industry.

Mr. Deputy Speaker, now I am hearing that the Democratic Labour Party is the cause of all the problems in the sugar industry. I want to say to the Honourable Members on the Other Side that not one sugar factory was manufactured in Barbados since 1950. The strategy then was...

Asides.

Dr. D. C. ESTWICK: The important thing is, Sir, that none of them were fabricated, whether here or any other place and brought here. The strategy was to utilise the defunct factories, and use equipment to construct a factory. This is how we got Portvale which was put together from Vaucluse and Porters and equipment from several other places.

The essential point, Sir, is that by the 1990s the old sugar factories of Bulkeley, Andrews and Portvale had a grinding extraction capacity rate of 91 per cent and the average sugar recovery was 82 per cent. In other words, the plants were so old and inefficient that the industry was in trouble in those years, but I am hearing that it is the fault of the Democratic Labour Party.

In 1994, Mr. Deputy Speaker, there were 104 indebted plantations in the Barbados National Bank. This Administration did not honour an agreement that was

established when an arrangement between the IMF, CDB and Government agreed to have, out of the Consolidated Fund, financing for in-crop and out-of-crop expenses of the sugar industry in Barbados.

3.50 p.m.

The Democratic Labour Party of the day, recognising the difficulties in 1993 understood that 40 out of those 101 sugar plantations were so heavily indebted that they were leased to the Barbados Agricultural Credit Trust Company Limited to be managed through a subsidiary known as the Barbados Agricultural Management Company Limited.

Sir, it is important to bring that into this debate at this time because out of those 101 plantations 61 were left functioning independently under the Barbados Sugar Industry Limited. So, by the time this Administration came to power in 1994, you had a two-tier management system of the Barbados Sugar Industry Limited and the Barbados Agricultural Credit Trust Company Limited.

The Barbados Agricultural Management Company Limited was dealing with the administration and the Barbados Agricultural Credit Trust Company Limited was dealing with the financing as a producing entity dealing with the debt. Mr. Deputy Speaker, I will get to the reasons why I raise these issues now.

Sir, it was the Barbados Labour Party that decided to abandon the arrangement that was established then with the Caribbean Development Bank, the International Monetary Fund and the Government to have the ongoing financing for the sugar industry to be done out of the Consolidated Fund. What they opted to do was to float bonds. Therefore, this is one of the bonds that we are now dealing with. This is the fourth issue that would have been floated on behalf of the Barbados Agricultural Management Company Limited.

Sir, I am asking the Government if it is the policy or if it is the responsibility of the Barbados Agricultural Management Company Limited to manage the Barbados Agricultural Credit Trust Company Limited in order to manage and recover the debt owed to the Barbados National Bank? I want this explained to me. I also want to know if the interest payments with respect to the bond are to be paid to the Barbados Agricultural Credit Trust Company Limited or if it is to be paid to the Barbados National Bank or who owns the Barbados National Bank.

Sir, I believe that if the debt of Barbados Agricultural Credit Trust Company Limited owed to the Barbados National Bank, and now the Barbados National Bank is owned by another entity, that there has to be some mechanism in place for that entity to recover the debt. Sir, I think the Leader of the Opposition spoke correctly to this issue earlier so I am not going to delve into it in much detail.

Mr. Deputy Speaker, I also want to find out what this \$60 million loan is for. It is said that it is for out-of-crop financing, but I do not believe that, Mr. Deputy Speaker, therefore I must ask the question, why would this Government sit idly by since last year and allow the Barbados Agricultural Management Company Limited to operate on an overdraft and paying large sums of interest payment to the Barbados National Bank or the now owners of the Barbados National Bank?

The cane crop did not start on time because of any union or labour problems but because they did not have any money for spare parts. Why not solve the problem earlier? I am hearing about a proactive Government, a Government that is doing this and a Government that is doing that.

Mr. Deputy Speaker, I also want to find out why it is that when three factories were in operation that the average loan or the average bond issue was approximately \$24 million, but now that we are reduced to two factories the total loan or bond is now \$60 million. That does not make sense to me. Previously, three factories, Bulkeley, Portvale and Andrews were in full operation and now we are down to two factories, instead of going for less money they have gone now for almost three times the previous amount. I therefore want to find out what the additional money is going to be used for.

Sir, it is quite interesting that out of the proposals which the Ministry of Agriculture was looking at with respect to going to the two-factory scenario that it was indicated they wanted \$60 million to upgrade Andrews Factory and they would have carried a \$6 million loss on the book, so I do not know how they come up with these figures. It may well come to the same \$60 million. Let them go and check the data, Sir.

Mr. Deputy Speaker, what concerns me with respect to the future of the industry is that if we only had 18 000 acres of arable land in sugar production and we are talking about restructuring the sugar industry and there is a projection for further land to be lost out of agriculture, by that time we decide whether we want to have a sugar industry or not, there may not be enough arable land in Barbados to support it. The commonsense thing that should have been done if the Government had a sensible land use policy would have been to determine these elements in a proactive scientific way.

Sir, none of the Honourable Members on the Other Side can tell people how much brown sugar they want, how much special sugar they want or how much they want to export, so how then are they going to determine how much acres of arable land they are going to put in agriculture in the next 15 years? All of the Honourable Members on That Side are lost. They do not understand agriculture in Barbados and I am convinced that the plan is to destroy the sugar industry.

Mr. Deputy Speaker, I am hearing about cotton now but I want to ask them some questions. Have the Honourable Members on the Other Side solved the production problems in cotton. Cotton is an indeterminate crop which means that it blooms at different times of the year so they cannot go and use mechanisation at one point because they are only going to get a small portion of the cotton crop. They have to use their hands to pick the type of cotton that we have.

Mr. Deputy Speaker, there is also a problem with yield. In Barbados you require about 1 200 to 1 400 pounds of Sea Island Cotton for it to be profitable, but we are only producing between 400 and 500 pounds, so what nonsense I am hearing about going toward cotton?

Sir, cotton is a crop that has the protection to erode the small percentage of top soil that we have, so if they do not plant the 18 000 acres of land in sugar, what are they going to plant it in? Tell me.

Mr. Deputy Speaker, I also want this Administration to explain the function of the Barbados Agricultural Credit Trust Company Limited. I want to find out if its responsibility is to sell off the plantations they are managing with the debt to recover the debt. I also want to find out why Alleyndale Plantation, which was supposed to be put into cotton, was sold for \$3 million. Mr. Deputy Speaker, I know that sooner or later there is going to be an application for a subdivision of that place but a lot more is going to come out of that later. 4.00 p.m.

I also know about the several other plantations that were sold, some in portions, some in total, in order to cover the debt. Sir, all of this land is out of agriculture, and I do not want Government to tell me any foolishness about this is a Government which is interested in agriculture. This is foolishness.

Mr. Deputy Speaker, could this be a Government that understands food security? Sir, what is even more bothersome to me is that Government does not understand that in an economy where one is boasting of high domestic liquidity, where one is boasting about high net international reserves that are borrowed, Government will have to establish a sinking fund for these loans that will contribute to the total national debt, which is already \$4 billion – this smart Government!

Mr. Deputy Speaker, I drive around Barbados and as the representative for St. Philip West, I am still concerned that whenever I pass through Six Roads, I can see some of the best agricultural land, three or four feet of soil...

Sir, the point is, where is the land use policy that will determine what percentage of land, not in terms of its superficial elements but in agriculture? If Government wants to develop a particular industry in the future, what studies would they have done to project that they need to have "X" numbers of the best acreage of land for sugar? What has happened over the last 10 years is that the best agricultural land has been taken out of production – and this is a proactive Government!

Mr. Deputy Speaker, sometimes I wonder what is the sense in coming to these debates. I am not here to become involved in small talk, neither am I looking for friends. What I am interested in is that there is enough land in Barbados so that my grandchildren could get a piece for a house and enough remaining if they want to engage in small farming, that they can do so behind the house.

What I am also interested in, is that if we want to maintain a sugar industry, we have to stop selling off the best agricultural lands in Barbados. It is obviously a paradoxical position if Government is selling off the best agricultural land and saying that at some time in the future, they will restock the sugar industry. How would this be done if there is no land?

Asides.

Dr. D. C. ESTWICK: Mr. Deputy Speaker, the Honourable Member has no authority to speak in this Honourable House. He was given a job to protect the people from Cable and Wireless and he ran from it and resigned.

Asides.

Mr. DEPUTY SPEAKER: Honourable Member, let us get back to the subject at hand.

Dr. D. C. ESTWICK: I will get back, Sir. Mr. Deputy Speaker, I only have one other point to make and it relates to whether or not we are taking food security seriously.

Asides.

Dr. D. C. ESTWICK: Sir, I believe very strongly that the Honourable Member from the South needs to understand that one can use an adverb in two forms but I would not get involved in that.

Mr. Deputy Speaker, the point I wish to make is that a land use policy would help to determine the agricultural policy, a housing policy and elements of one's industrial policy, because land is needed in order to provide for those types of industrial developments.

Sir, when I look through all of the Budget debates and Estimates from 1994, this Government only finds time in 2001, after they had to remove a non-performing Minister and now has one who is performing worse. Sir, none of them knows anything about agriculture in Barbados.

Sir, I guarantee you that because there is no understanding of the scientific and technological inputs in a structured way in order to look at effective nutritional elements, yield elements, the type of plants that have to be produced within our climatic elements to organise with respect to producing so-called high-fibre canes or canes that would allow alcohol production... Whether one could produce Xanthorium or Xanthorium Gums, whether you could produce lightning from it, whether one could produce medicines from it, like Cuba and Mauritius, and we own and operate a Research Centre here in Barbados – a proactive Government!

Asides.

Dr. D. C. ESTWICK: Mr. Deputy Speaker, I am quite willing to help those Honourable Members who might need help because it is obvious that neither of them has a clue about agriculture. They might be physically and chronologically aware of it but they all have geriatric brains.

Asides.

Mr. DEPUTY SPEAKER: Honourable Member, could you rephrase that statement, and you have one minute.

Dr. D. C. ESTWICK: Mr. Speaker, in that minute I want to revisit where I first started. Do we have a sugar industry in Barbados? What is the future for the production of primary sugar products in Barbados? Have we carefully evaluated whether a sugar industry, with variable products, can survive given the high production cost relative to export, the precipitous loss of acreage and all of the other yield declining parameters?

Mr. Deputy Speaker, with regards to the Total Canes Per Tonne of Sugar (TCPTS) I think we have only produced... I like to quote these figures because I like to put these things in the face of the Honourable Member for St. Philip South. We have produced 18 tonnes of canes out of the acreage, a massive drop in cane production which is precipitous in all forms, and we are facing trade liberalisation and loss of preferential markets. Where is the proactive elements that we have been hearing about all day?

I thank you.

Hon. K. D. SYMMONDS: Mr. Deputy Speaker, if I was asked what element of the exercise to which we were

just treated, perhaps it would only be that one aspect where the Honourable Member for St. Philip West poses the question, which I am sure was in all of our minds as we listened to him. Why do we bother to come here?

Mr. Deputy Speaker, the Honourable Member took us through the period of 1994 to 2004.

4.10 p.m.

The Honourable Member carried us through every epoch of Government in Barbados but does not seek to address the issue as raised by the Honourable Member for St. Philip South when he refers to the fact that an export price for sugar in this country was at its highest ever between the decade 1986 to 1996.

Sir, I have often said in this House that I have grave difficulty, especially with persons of my generation, when the only type of analysis that is brought to bear on a political dispute is that the Barbados Labour Party did X, Y, Z, or the Democratic Labour Party did X, Y, Z and make themselves out to be holier than thou. Sir, that is the level to which the Honourable Member wishes us to sink.

Sir, during the decade 1986 to 1996, this country's production level was at its highest but the receipt plunged. We are not going to hear the Honourable Member for St. Philip West say anything about this. He will not tell us that in 1993 when the Democratic Labour Party left office that the production level was 48 000 tonnes but that in 1986 when they took office that it was 111 000 tonnes. Sir, it will not be part of his exercise but we are being asked to engage in a discussion which is taking us nowhere fast if we are to anchor ourselves to the level of debate that is being offered from the Other Side.

Mr. Deputy Speaker, I prefer to say to this House that there is value to be found in the view that we need to subscribe to a multi-functional value of agriculture. If you understand the importance of embracing the multi-functional value of agriculture as a philosophical point of embarkation, you will accept that Both Sides have presided over what can only be described as a disappointing performance in Barbados, but that is not the issue, Sir. The issue is that there has been a multi-functional purpose especially with respect to sugar cane.

I have heard the argument that we would do well to take the vast majority of sugar cane lands out of production. The Right Excellent Errol Walton Barrow said he did not want to see a blade of cane from St. Philip to St. Lucy. The reality is that good sense has to prevail at times so we cannot take the lands out of sugar cane production in totality.

Sir, the view articulated by Honourable Members on the Other Side in the past had been that you should take sugar out of production and build low income houses.

Today, if we go into St. George, you hear lovely names like Rolling Hills as if you were in Florida because the land that was sugar producing land is now being sold to so-called low income earners at \$20 per square foot. Sir, this issue has to be bigger than what the Democratic Labour Party did in 1976.

Mr. Deputy Speaker, there are some who talk about taking the land out of production and putting it into a tourist related exercise like golf courses. This Parliament knew of a Government under the Democratic Labour Party when a massive proposal was put to the country to have a quarter of the arable land made into golf courses, but let us not visit that wary route because there is no benefit to be found for the Honourable Member for St. Philip West on that route. Sir, there must be a time when truth prevails in these matters.

Mr. Deputy Speaker, we have to get to the basic reality that this Government is charged with responsibility to advance the interest of the people of Barbados and the issue of sustainable development in the country and it must embrace the multi-functional value of agriculture.

Mr. Deputy Speaker, I am satisfied that in my constituency people view the agriculture industry as essential and no amount of persuasion is going to get them to feel that environmental preservation of the landscape is not fundamental to what they consider their well-being and best interest. Sir, there are people in my constituency who wish to benefit from the land for the Landless Programme because they are young, aspiring, innovative and wish to go out and make money in agricultural endeavours.

Sir, people who work in my campaign have a burning interest in being part of products which are environmentally efficient, in alternative products that have marketable value such as organic poultry farming and they want an opportunity to engage in it.

Sir, I cannot be part of any game-playing to make people believe that it is the end-all and be-all for the agricultural issue because we are talking about a vastly important issue called the sustainable development of this country in a rapidly changing international climate. Sir, I make no apology for saying this because we have to be serious about this matter.

Sir, apart from the Honourable Member for St. Philip South and the Honourable Member for St. Michael South, no one said a word about the importance of continuing to build among the domestic trade linkages between the agricultural industry, the tourism sector, the Schools Meals Department and the Hospital.

Sir, we cannot speak in terms which do us no credit by saying that the Democratic Labour Party or the Barbados Labour Party did this or that because it has to be bigger than that. Sir, this has to be a debate about the sustainable development and future of this country.
4.20 p.m.

Mr. Deputy Speaker, I make the point that if we wish to look at some of the failings, then there are two levels at which we can look at it. There was a domestic environment which has not served to develop the Barbados sugar industry well and we have to face that reality.

Sir, when the Barbados Agricultural Management Company Limited was created in 1993, it was created to execute Government's policy in the sugar industry. It was at a time when the Company was heavily indebted to this country and it owed the Barbados National Bank \$138 million.

We have to pause for a moment and forget about the partisan politics and ask the question, at what stage was the same criteria that we know that is applied to talented young black Barbadians today who go out there with an idea like organic poultry farming, an idea that would transform the land for the Landless Programme into something viable and meaningful? At what stage was the same onerous level applied to them as was applied to some of the plantation owners in Barbados of time gone by?

Sir, we know that the history of it was that people were allowed to utilise overdraft facilities beyond their capacity, and in some cases, to repay. That is not something for the Barbados Labour Party to be condemned about because when they came into office the debt was at \$138 million. Let us understand that this is something that has become ingrained in the psyche of this country. Therefore, let us make this debate something that would say to Barbadian people that there was a weakness in the administrative system and that a developmental thrust was missing.

Sir, it is all well and good to lend people money but I know that the Honourable Leader of the Opposition would agree that a far better approach would have been to attach to that loan of funds, this cyclical overturn of funds to the same businesses that were failing consistently, that there must have been a connection between those loans and management, the appropriate standards of management, an appropriate proficiency, an appropriate management plan and a business development plan. Where is the evidence that this is what was being attached to the indebted plantations in the industry?

Sir, I suggest that those are the things that this Chamber needs to speak to. They need to speak to the lack of skilled and the lack of qualified personnel who were in managerial

level. We have to ask ourselves whether the same criteria is applied to some of the young graduates of the University of the West Indies?

In my constituency, a stone's throw from my constituency office, I have two first class honour graduates from the University of the West Indies who are struggling to get work but they have the ability that many of the millionaires who are running plantations did not have but they were benefiting, so we have to assess the system and the feeling in the system.

Sir, I am not coming in here to be party to any ongoing foolishness that should have been buried when the founder fathers of the two parties were buried. Let us go on to another generation of development. It is a shameful thing that part of a new generation ...

Asides.

Hon. K. D. SYMMONDS: There were two levels of problems, the internal and the external pressure. I feel that it is important given my portfolio in this Government to speak somewhat to the external pressure.

Sir, the point has been made by the Honourable Minister of Public Utilities that a lot of the pressures which were applied to the Barbados industry were really external pressure on the European Union sugar regime and that is the regime from which we derive preferential access.

The point has to be made that today the issues of market access, export subsidies and aggregate domestic support are burning issues on the international trade table that are affecting our sugar industry. We had an opportunity a few months ago to sit in here and have a full and candid debate on international trade but that was not something to be embraced by the Other Side because, perhaps, they found no relevance to it. Market access, export subsidies and aggregate domestic support are burning issues which are affecting the ability of our sugar industry to continue to enjoy the kind of preferential access that it had enjoyed before.

The Honourable Member for St. Philip South broke it down. He spoke of the World Trade Organisation challenge by Brazil, Australia and Thailand. The Brazilians and Australians were represented here at an ambassadorial status. They both indicated to me that their countries have no difficulty with the preferential arrangements we enjoy, but they strike at the heart of the same preferential arrangements because they want market access for themselves. They struck at the heart of the same preferential arrangements because they recognised that even though the Europeans gave us that preferential arrangement, that preferential treatment from which we benefited was rooted to domestic support in the European Union.

Sir, they were looking after their sugar farmers at the same time they were giving us a little ease and the Australians and Brazilians said that they are not party to that. They said to them to do what they have to do for Caribbean countries but do not be subsidising your own people to our detriment.

Sir, therefore, again we suffer. We do not hear the Opposition on that note but if you listen to the wisdom, the sagacity falling from the lips of he who knows all, even sometimes as much as the Lord Almighty, one will get the impression that he who professes to be a master and expert on everything, it is all about the Barbados Labour Party.

Sir, the impact of everything but arms initiatives were mentioned by the Honourable Member for St. Philip South, a situation in which a country that never before would have had access to a European market like Vietnam and a lot of the far eastern countries that are producing sugar which is about ten times cheaper than Barbados and in tonnage that we would never and have never been able to compete against.

We can take, St. Kitts, Jamaica, Trinidad and Barbados' total production and we will still would not come to half of what Vietnam is able to put on the European market. Mr. Deputy Speaker, an initiative, call everything but arms, allows them to get access. The Barbados Labour Party is to get blame for that too, if you listen to he who knows everything or professes so to do.

Sir, there is a saying that the higher the monkey climbs the more he shows his tail. The more the Honourable Member professes to be all-knowing, the more he professes his omnipresence, the more we realise how little he really knows.

Mr. Deputy Speaker the reality is that on the 1st May, the European Union took 10 more countries into its Union and each of those States has an interest in getting their competing product with our sugar onto the market. It is only so much that the market can hold. Again, it works to our detriment. Last but not least, we are trying to work out an economic partnership agreement.

Sir, I do not think that people fully understand what we are up against. In 1975 we benefitted with Europe under a sugar Protocol with the European Union. For an indefinite period of time we were guaranteed access and we were guaranteed set prices for specific quantities of sugar cane. Sir, 1995 came along and Portugal informed the European Union that they have refining capacity and they needed sugar to fuel and satisfy that refining capacity. They turned, among other places, to CARICOM. They said to come on board and we will give you an SPS, (Special Preferential Sugar) regime, and you will sell your sugar into the

European Union (EU), so we benefitted from a second tier of preferential treatment.

4.30 p.m.

The reality is that because Portugal had an interest in maintaining their refining capacity, whenever there was a shortfall, then it went to somebody else in CARICOM. If Barbados failed, at least Jamaica, Guyana or somebody else might benefit. This kind of relationship, Mr. Deputy Speaker, did not exist and does not exist under the original Protocol in 1975, so that when we fail to meet or when we have the shortfall that we hear so much about in here, we lose forever. It does not even accrue to any of your CARICOM States.

Therefore, in a setting, Mr. Deputy Speaker, when we are talking about building economies of scale, when Trade Ministers of this region sit side by side and last week, Agricultural Ministers would have been working out the technical difficulties of so rationalising the agricultural industry that there may be two or three large refineries in this region, as opposed to having little ones dotted hither, thither and yon. Even as we sit down and try to rationalise and re-rationalise the industry, we realise that we are in danger of losing because of a shortfall in Barbados, the whole of the Caribbean suffers. This is the magnitude of what we are against.

This House has to understand therefore, Mr. Deputy Speaker, that the time for change is now. What we are saying therefore is that we cannot expect for evermore here after that we are going to be done, given gifts and good will from Europe. We have to redefine that which we are doing and retool that which we are offering and rethink our product.

This is why the Honourable Member for St. Philip South had to spend so much time in here speaking to the future of the sugar industry. Imagine my surprise and disappointment, Mr. Deputy Speaker, for I imagine yours, when the Honourable Member for St. Philip West – he who knows more than anyone, barring God – comes in here and, after a masterful 3½ hours or more presentation, wants to know if there is a sugar industry and what is the plan for the future. Then, Mr. Deputy Speaker, the only thing to do is to say that we agree with how he ended, where we have to wonder why we come in here at all.

Mr. Deputy Speaker, I am at a loss as to what form of language we have to use. Budget after Budget in recent times has been dedicated to the question of how we will rationalise and change this industry. The Leader of the Opposition, while we are on the question of Budgets, because you know, we have been treated today to a spectacle, Sir, that shocks us.

It was even said in this Chamber today, Mr. Deputy Speaker, that the reason why there is, and I quote his words: "a de-link between the Estimates exercise and the Budget for the Budget now to be in the latter part of the year..."

Or what I think he wanted to say was Economic Statement,

"...is because of the fact that an IMF Report would come in midyear or thereabouts."

Mr. Deputy Speaker, what have we heard in recent times, the last one that the IMF could have been informed about, Project OASIS to give little black-skinned boys of the block of Barbados \$1 million. This was born in Washington D.C.? This was an IMF proposal? Is that what this Chamber, this House, this Government, this country is being asked to swallow from him who would be another Prime Minister of Barbados?

A number of businesses, under the auspices of the International Business Ministry, benefitted from a \$500 000 injection, to advance the way in which they market their product. This came up in the last Budget. This could not have been written by the IMF. It does not follow any of their prescriptions.

Mr. Deputy Speaker, the fact that we would transform the sugar industry into a sugar cane industry, a statement made by the Prime Minister in the last Budget, could that be a prescription from the IMF? The question has to be asked at what point do you draw the line in this Chamber today? Sir, enough is enough and there is a minimum beyond which you will not sink, in an effort to sensationalise oneself? This is what has to be asked.

Mr. Deputy Speaker, I feel that the Honourable Member must not be sent home without knowledge. He wants to know if we have a sugar industry. The answer is "Yes". He wants to know if it has a future, the answer is "Yes". It has a future. He wants to know where is the future? The future is to be found in re-changing and retooling that which we do. He wants to know if we have a course of direction? We do. We want to build a Barbados brand. Does he understand what is the significance of a Barbados brand? The Barbados brand is to give the mark of excellence and uniqueness, where ultimately, to use the internationally recognised intellectual property rights, so that Barbadian sugar and the derivatives of Barbadian sugar cane can, for the first time, carry with them, intellectual property rights in this country.

Mr. Deputy Speaker, he wants to know how it can be done? We want to have an idea. We want to breed and plant fuel canes. He, quite rightly, pointed to the fact that there is what he calls, he who knows all, a Caribbean central sugar cane breeding station. In fact, Sir, the correct title is West Indies' Central Sugar Cane Breeding Station.

The reality is that you do not begin by saying you are going to take and transform a whole industry overnight. There has to be a systematic approach to the studies. There have been a number of studies commissioned and this is not news. The Honourable Member was present in this House, Sir, when the Budgetary Proposal was made. The Honourable Member was present in this House when the Economic and Financial Policies delivered on 25th November, 2003, by the Prime Minister were laid. He was present. I saw him. I even had the unpleasant exercise of talking with him after the presentation.

Mr. Deputy Speaker, he knows that the Prime Minister made it clear after that exercise that the Ministry of Agriculture in collaboration with Michigan State University was in the process of exploring all possible uses of the sugar cane. He, who knows more than anyone barring God, was heard on the Floor of this House today to say that you have, first of all, to be exploring what you are going to do with it because you cannot do it overnight. When it had been made clear to this House by none less than the Prime Minister that we had already engaged Michigan University, not he, and I believe that is his problem, because he knows more than Michigan University's professorial staff.

Mr. DEPUTY SPEAKER: Honourable Member, to whom are you referring?

Hon. K. D. SYMMONDS: I beg your pardon, Sir, the Honourable Member for St. Philip West.

Asides.

Hon. K. D. SYMMONDS: Mr. Deputy Speaker, I want him to come to the Christian understanding that there is a tremendous potential for generating intellectual property from these products.

In addition to that, there is tremendous potential for providing raw material for assorted manufacturing. It hurts the heart to have to re-go this route again. I should not have to speak.

The Honourable Member for St. Philip South was at great pains to point out how even the rinds, I made a note, Sir, he said that the outer rind of the cane could be used to produce cane wax and other value added products and the hard rind could be used to produce panels and other construction materials depending on the outcome of the pre-investment studies.

Mr. Deputy Speaker, you could not want it more clear than that, and you ask about what the future is? The future is that we have contracted with a reputable internationally

recognised and respected university. We are engaging in studies, before we go and spend the people's money. We have to understand the economies of scales and the feasibility but the point is that there is a macro-plan for the future.

4.40 p.m.

Mr. Deputy Speaker, as the Honourable Member has asked so many questions, I want him to explain to this House how it is that when they realised between 1986 and 1993 that there was a plummeting taking place in terms of the production that they did not seize the opportunity to exercise similar vision and to try to search for a similar capacity for this country to protect that indigenous resource which we are here discussing today. I thank you for your indulgence, Sir.

Mr. R. L. SEALY: Mr. Deputy Speaker, I just need your indulgence for a moment to put a few things which we heard in the contribution of the Honourable Member for St. James Central straight. The Honourable Member for St. Philip South, in his rather long-winded and at times repetitive presentation, openly said that where matters pertaining to the foreign trade aspects were concerned, he was going to give way to the Honourable Member for St. James Central.

Mr. Deputy Speaker, it is a little unfortunate that some very useful homework on his part, it seems, went amiss because all of those external issues he spoke about are not new issues. Mr. Deputy Speaker, if we are going to correctly analyse the situation, we have to recognise that these are matters that should have been dealt with by this Government from the very early years of their Administration. These are matters that were before them even when the Honourable Member for St. James Central was on this Side and would have been criticising them.

Hon. K. D. SYMMONDS: On a point of order. Mr. Deputy Speaker, I rise on a twofold issue. Firstly, I may have had the painful experience in working with the Opposition out of the House but I was never on that Side of the House.

Secondly, it is impossible for a Government to have been dealing with what the Honourable Member calls "external issues" when amongst them is a World Trade Organisation challenge by Brazil that was only laid within the last few months. Therefore, it is to make a mockery and a nonsense of what the ongoing international negotiations are all about.

Mr. Deputy Speaker, I spoke to the DOHA round of negotiations. Mr. Deputy Speaker, the DOHA round of negotiations only took place last year. Mr. Deputy Speaker, I spoke about new enlargements. Mr. Deputy Speaker, anyone with a working knowledge of international business,

as the Honourable Member is shadowing, would understand that new enlargements took place on May 1, 2004, so how could you be dealing with it when you first came into office in 1994?

Mr. Deputy Speaker, I talked about an economic partnership initiative. Mr. Deputy Speaker, an economic partnership initiative was launched on May 16, 2004, so how could you be dealing with it when the Government came into power in 1994?

Mr. R. L. SEALY: Mr. Deputy Speaker, are we to understand that the junior Minister of Foreign Affairs and Foreign Trade who has acted as the Minister of Foreign Affairs and Foreign Trade for more days than the Minister of Foreign Affairs and Foreign Trade has served, because she is always travelling, wants to suggest...

Hon. Miss M. A. MOTTLEY: On a point of order. The Honourable Member cannot come in here and mislead this Honourable Chamber. He has no facts to prove what he is saying, and what he is saying is not true. In case he does not understand, I am the Minister of Home Affairs, not the Honourable Member for the City of Bridgetown, so as Minister of Foreign Affairs and Foreign Trade part of her job is to travel. Mr. Deputy Speaker, this is the kind of nonsense that this Democratic Labour Party Opposition is continually reducing this House to as if we are in some school debating among school children.

Mr. DEPUTY SPEAKER: Proceed, Honourable Member.

Mr. R. L. SEALY: Mr. Deputy Speaker, I was merely making the point that the Honourable Member for St. James Central has acted as Minister of Foreign Affairs and Foreign Trade on several occasions.

Mr. DEPUTY SPEAKER: Honourable Member, could you deal with the subject matter? You have said so already.

Mr. R. L. SEALY: I am dealing with the matter. I did not say what the Honourable Member has said and I am only correcting.

Mr. DEPUTY SPEAKER: Just hold on a second. Honourable Member I want you to deal with the Bill which is before us.

Mr. R. L. SEALY: Mr. Deputy Speaker, new enlargements occurred last month officially but that was talked about for at least a decade and it is continually being talked about. There are other countries looking to get in as well. Mr. Deputy Speaker, that is not a new issue. That did not happen on the May 1. The Honourable Member for

St. James Central knows that the Anything but Arms Initiative was talked about since 2000. It has not come to fruition yet. The successor to LOMÉ was talked about since the late 1990s. It officially came into being in June 2001, I think it was.

Mr. Deputy Speaker, when the Honourable Member for St. Peter was naming his Cabinet in 1999, he adjusted the portfolio of the Honourable Member for the City of Bridgetown because she needed more time to deal with a very hectic agenda in terms of the various free trade theatres and agreements that had to be set in place, so I would not accept that all of a sudden we have to deal with these external questions as if they were new when it is just not so.

Asides.

Mr. R. L. SEALY: The issue of the World Trade Organisation challenge might be new, but the Government should have been aware of what was happening with the bananas protocols and should have recognised that our day of reckoning with sugar would have to come at some point in time, and should have been dealing with it.

Mr. Deputy Speaker, that is the only point we need to make on this issue of preparing ourselves for the future of the sugar industry. The Government of Barbados has to accept that it has moved late and I fear it may even be too late, so we need to be pellucidly clear on that matter.

Mr. Deputy Speaker, the 1999 Manifesto of the Barbados Labour Party spoke about increasing sugar production to 17 000 tonnes. However, under the leadership of the Honourable Member for St. Philip South we went from 45 000 tonnes down to 33 000 tonnes. Both the Honourable Member for St. James Central and the Honourable Member for St. Philip South forgot to mention that fact in their presentations. All of a sudden we can hear from about 1986 to 1993 when the world market price was good and look at the declines, but they cannot extend it. Mr. Deputy Speaker, we want to be partisan when it suits us but then we want to put on this cloak of nationalism when it suits us as well and it cannot work.

Mr. Deputy Speaker, we on this Side well recognise the difficulties with this industry. You do not have to be a rocket scientist to recognise that the future of sugar will not be like its past, but let us move forward in a spirit of intellectual purity. Mr. Deputy Speaker, it is only reasonable that if the Barbados Agricultural Management Company Limited is going to be borrowing \$60 million that we should hear more or what precisely is the plan for the sugar industry in the correct context.

Mr. Deputy Speaker, when I say "We", I think it is only reasonable that the people of Barbados should also be engaged in this exercise. I am not satisfied that we should be having a debate on the sugar industry which is being slipped in with a bond issue debate because the Barbados Agricultural Management Company Limited needs money badly. It is my understanding that this debate is being carried to the Senate tomorrow.

Hon. Miss M. A. MOTTLEY: On a point of order. Mr. Deputy Speaker, the Honourable Member has been in here for a year now and ought to know that language such as slipping... The Government does not slip in a bond resolution before Parliament. This is the highest court of the land and it is about time that his language reflects the fact that he is now in the highest court of the land. This Government does not slip in anything, therefore, he is imputing improper motive to the Government by suggesting that, Mr. Deputy Speaker.

Mr. R. L. SEALY: Mr. Deputy Speaker, it is about time that the language of some of the resolutions that come before this House are not botched and perverse so that they would not require an apology a few weeks later.
4.50 p.m.

Mr. Deputy Speaker, all I am saying is that the country, and not the Honourable House of Assembly, needs to enjoy a full and thorough debate on the future of sugar or the sugar cane industry. Sugar has played too critical a role, not only in our economical development but socially and culturally. Therefore, this tremendous shift, this transmutation that we are doing, is one that should occur by involving all of the interested parties, meaning the entire citizenry of Barbados.

Mr. Deputy Speaker, there is need for a comprehensive debate...

Hon. Miss M. A. MOTTLEY: On a point of order. Mr. Deputy Speaker, the Honourable Member once again is misleading this Honourable Chamber and must find his facts before coming here.

Sir, since the year 2000, there have been at least two national consultations by the Minister of Agriculture and Rural Development on the sugar industry. There has been the establishment of a tripartite commission, reflecting Government, labour, and the private sector, on the future of the sugar industry.

Sir, the reason why we are now at this stage is because this has undergone the most thorough consultation in respect to changing the future of the industry from a sugar industry to one in which we rely on sugar cane and all of the possible by-products that can flow from it. Therefore, to say

that we have not taken the public into our confidence as to the future of the industry, is to mislead this Honourable Chamber.

Mr. R. L. SEALY: Mr. Deputy Speaker, I heard the Honourable Member and I laud her for the work that was done but there is more that needs to happen. I believe that a debate like this should not even be partisan. It should be truly national.

Asides.

Mr. R. L. SEALY: I am only responding. Sir, had the correct tone been set, perhaps the debate needed not to have gone down that line.

Mr. Deputy Speaker, for example, the Honourable Member for St. James Central speaks about the fact of our new relationship with the European Union (EU). Perhaps now that we are talking about having a branded sugar, the Honourable Member could be looking at ways and means that the new Economic Partnership Agreement could work to our advantage in the restructured sugar industry. Perhaps these are some of the ways that we could hear from the Honourable Member and not the partisan hankering aspects of hunting that we saw going on, on the Honourable Member for St. Philip West, who is only trying to share some ideas on where the industry needs to go as it affects his constituents.

Mr. Deputy Speaker, linkages with other areas as well, for example, Guyana which still has a relatively viable sugar industry. Why do we not look at possible joint ventures with Guyana, given the relative profitability of their industry to us? These are the kinds of ideas we should be looking for in terms of taking the industry forward.

Hon. A. P. WOOD: Mr. Deputy Speaker, on a point of elucidation.

Mr. R. L. SEALY: I am not giving way. The Honourable Member spoke for 3 ½ hours this morning.

Mr. DEPUTY SPEAKER: Honourable Member for St. Michael South Central, the Honourable Member has risen on a point of elucidation. Could you give way?

Hon. A. P. WOOD: Mr. Deputy Speaker, for the benefit of the Honourable Member for St. Michael South Central, I would like to inform him that there is such an association in the Caribbean called "the Sugar Association of the Caribbean (SAC)". For many years now, the leaders of the industry in Barbados, Guyana, St. Kitts, Trinidad and Tobago, Jamaica, along with a number of others, would have discussed many issues on every possible topic for moving the industry forward.

I just thought that to be informative for the Honourable Member for St. Michael South Central because he obviously is not aware of such an association.

Mr. DEPUTY SPEAKER: Proceed, Honourable Member.

Mr. R. L. SEALY: Mr. Deputy Speaker, I am speaking of something which is a little deeper than the Sugar Association of the Caribbean, which is perhaps what should have happened to him when he was Minister of Agriculture.

Asides.

Mr. R. L. SEALY: Mr. Deputy Speaker, when I entered this Honourable Chamber in May, our national debt stood at \$3.9 billion, and we have added to it significantly even in that brief year. I believe, and will join hands with something which the Honourable Member for St. James Central has said, that the generation of politicians that has just entered this Honourable House must occupy their minds, or must be seriously concerned about the way in which this debt has climbed.

It has come under attention from some international institutions and I do believe that as we look for a future for this sugar cane industry and as we look to incur further debt in that effort, we need to have a clear plan of where we are going.

Mr. Deputy Speaker, it is for that reason that I can associate myself fully with the remarks made by the Honourable Members on this Side, and I sincerely hope that these efforts and comments would be taken on board as we look to develop a future for the sugar industry that has been so vital for this country.

I am much obliged to you.

Hon. G. A. CLARKE: Mr. Deputy Speaker, I rise to speak in this debate and to look at the sugar industry as I see it, while growing up in a society in which sugar was king. I grew up in the heartland of St. George, at a time in the 1950s when there were approximately 26 sugar factories and approximately 76 950 acres of land under sugar production. Sir, during that time there was more than 250 000 tonnes of sugar being generated in this country.

Mr. Deputy Speaker, I recall not only planting, cultivating and cutting canes, but living around the sugar production in this country. That is why I believe I have a duty to say that the industry has declined to a mere shadow of what it was during the 1950s and that it is not king anymore. We believe that this industry has provided enough for this country, not only in terms of providing jobs but there

was a time when most of our parents and grandparents were employed in the sugar industry, which still provides more than 5 000 jobs.

Mr. Deputy Speaker, when we look at some of the things that industry would have produced or would have helped to produce over the last 50 years, we could point to the fact that at a time when there was a mono-culture society, this sugar cane industry gave rise to the Deep Water Harbour, the Grantley Adams International Airport, a modern Bridgetown, the Queen Elizabeth Hospital, *et cetera*. 5.00 p.m.

Sir, the sugar industry provided the background to modern Barbados in a way that if it was paid the dividends it deserved, I believe more could have been given to the industry at this time.

Mr. Speaker, the sugar industry has provided for Barbados just as the tourism industry is providing for modern Barbados and the investment to this country is large. Sir, when I grew up in St. George, all the estates produced sugar cane but today, out of approximately 15 estates only 10 are still in production, Drax Hall, Buttals, Woodlands, Fair View, Bulkeley, the Valley, Applewhaites, Constant, Fisherpond, Redlands and they provide employment for the poor people living in the heart of St. George.

Sir, large plantations went out of production in the 50s and 60s and some are now producing agriculture and are out of sugar production. Sir, Cottage Grove, Golden Ridge, Lower Estate, Walkers, Rowans Park have vast lands but are now out of production.

Mr. Speaker, if these 10 regaining estates should go out of production, what would happen to all the lands around St. George? Sir, we have not found a stable crop to replace sugar even though we are producing more than 210 acres of cotton. It is my understanding that within the next year more than 500 acres of cotton will be produced in Barbados as the Ministry of Agriculture seeks to diversify the agricultural sector in this country. I do not believe that the production of cotton could, at this time, satisfy the employment level in the agricultural belt and unless cotton can replace the sugar industry, there will always be a role for the sugar industry in this country.

Sir, when I was growing up, I felt that Government should not get involved in the sustainability of the sugar industry because I felt that proper management should have been in place. However, I have changed my attitude because I realise that sugar has not been profitable for a long time because the production cost, labour component,

transportation and various inputs are very high. Therefore, Government has a duty with proper management in place, to continue its support for the sugar industry in this country.

Sir, we have a duty to ensure that sugar continues to bring in foreign exchange because we cannot rely solely on tourism or manufacturing so we have to put more resources in the sugar industry.

Sir, this Resolution which is seeking to guarantee \$60 million for the sugar industry will help to provide the support necessary for the input of non-sugar production and also help to keep the industry afloat. Sir, for the last 10 years we were seeking to put a management structure in place and I hope that at this time we would see the industry level off and keep it between 40 000 or 50 000 tonnes of sugar production which would satisfy our quota in the European market and provide sugar for local consumption.

Sir, we cannot get back to the levels of the 60s, 70s or 80s but we have to produce 40, 000 or 50 000 annually and with other non-sugar production it would make the country and agriculture one because we cannot rely solely on one industry.

Sir, the by-products of sugar such as molasses and its contribution to the rum industry must be seen as part of the sugar revenue of this country. Also, the Ministry of Agriculture should be looking at the total capacity of the sugar industry and what it generates over time.

Sir, we spoke about the fuel cane production and at Groves, in my constituency, is the cane breeding plant which has been doing a tremendous job in trying to diversify and helping to create a new breed of cane for generations to come. The Sugar Cane Breeding Station employs a number of persons as scientists as well as local persons.

There is room for the sugar industry and on this Side, we have no doubt that the industry is here to stay. Sir, other jurisdictions like Antigua do not have a sugar industry and when you go to these jurisdictions there are barren lands. Sir, I would not want to see the fertile valley of St. George without sugar cane. I believe that cotton is a stable crop but, Sir, it cannot replace sugar at this time. 5.10 p.m.

There are many persons in this country who have been looking at the production of cotton but I do not believe that it can replace sugar at this time. Cotton used to be a stable crop in this country and there is room for it. We also know the value of cotton to Barbados but in terms of replacing sugar at this time, I believe it is still a far way off.

Mr. Speaker, the Honourable Member for St. Philip West asked if there is room for the sugar industry in Barbados. I believe that the answer is "yes". There is room for the sugar industry in Barbados and that all of us should stand readily to support the industry which has helped this country over the last 50 years and that will continue to provide valuable foreign exchange to this country. It will also continue to provide employment in this country and it has contributed significantly to the upkeep of modern Barbados and certainly it will continue over time to provide that mechanism to support our people.

Sir, I believe that we have a duty in this Honourable House to help the sugar industry and the management of it. I understand that we have the Booker Tate management team still in place and I wonder how long will we be asking the foreign component to help manage the industry. Succession planning must be put in place so that local people could once again manage the industry and the future of our industry.

Sir, years ago local persons managed the industry and they did a satisfactory job. Then there was a lull between the 1950s, 1960s and 1970s and succession planning was not put in place. I hope that the new generation of managers would take the industry forward to attain a quota of 40,000 and 50,000 tonnes of sugar in order to sustain this industry and keep it viable. I believe that if this is done, with little support from Government, the industry will go far into the future.

Sir, when we look at support for the industry, I know many countries would say that they do not give agricultural support but we have seen the great United States of America put price support behind the agricultural sector. Sometimes it is not called a subsidy but many countries still provide support to their agricultural sector.

Sir, we as a small developing country must help the agriculture industry, especially sugar which has provided the critical support to this country for over 200 years. Sir, it is not now king but we believe that it can still help this country.

I thank you.

Mr. R. D. JONES: Mr. Deputy Speaker, the Resolution before us seeks to acquire \$60 million to support the Barbados Agricultural Management Company in dealing with the sugar industry of Barbados. The sugar industry of Barbados has very strong historical roots going back approximately 350 years, maybe slightly older than the City of Bridgetown, a period which we now celebrate.

It is an industry that, during the late 16th and 17th centuries, was referred to as the most precious jewel in the King's crown and that had to do with the notion with the

kind of resources and revenue that was being generated from sugar production in Barbados, and to some lesser extent, St. Kitts, *et cetera*, to England.

Therefore, traversing that period until now, it is a very strong symbiotic relationship between the production of sugar, rum, molasses, *et cetera*, and the Barbadian person regardless of the particular complexion. Sir, for many years, within the plantation economy of Barbados, there was an intermix of manager, overseer and labour in the field which had a rigid demarcation relative to colour and racial orientation.

Sir, to some extent there is a perception that this continued into the 20th century and even now there might be the perception that this is the case, even though the Barbados Agricultural Management Company tends to look after a lot of the previously indebted plantations that were involved in the production of sugar.

Mr. Deputy Speaker, we have arrived at a stage in 2004 where we, in our minds, continue to argue that there is still some life for sugar and sugar cane production in Barbados. We need to be particularly definitive in that assertion. If we are saying that this is the case, then we need to move away from the rhetoric which glibly falls from the mouths of many.

Sir, of course, it is not easy to make the transition from being a talker to being an actor. Those who on Tuesdays regale this Parliament with their presence and who get caught up in the Zulu passion, such as the representative for St. James Central, will not take us to the reality that we truly need. Sir, that is, if the decision is taken, then all of us who are policymakers in this Chamber, those who are outside of this Chamber and those persons to whom the Barbadian sugar is a quality item, then we all must work towards the achievement of that objective. Sir, that is where we have to go.

Mr. Deputy Speaker, I respect some of the ideas and contributions of the Honourable Member for St. Philip South. He, like myself, is part of the rural sector of Barbados and like many tens of thousands of Barbadians, when we open our jalousie windows or our windows that open back from their hinges, we look across hundreds of acres of cane fields.

Our parents, either those who are overseers on plantations, foremen in sugar factories or those who worked with the hoe or fork to dig cane holes or who "headed" canes onto donkey carts recognise the contribution that the sugar cane made to the development of ourselves. Sir, even though many men in this Honourable Chamber, economists and lawyers, who may pretend that they did not drink of the molasses, syrup, raw or crack liquor that many a time kept them alive.

5.20 p.m.

This pretense does not live up to the reality that you, Mr. Deputy Speaker, and I truly understand, but many persons like to run from their origins. Sugar and the sugar cane industry is part of the life blood and science of Barbados.

I am one, Mr. Deputy Speaker, who recognise the harsh realities of our times. I recognise there is a war in the wider world relative to small economies. I recognise there is a war relative to the price we can obtain for our primary products, particularly sugar in this instance. I recognise there is a war to change the pattern of our taste and there is a war to detach us from those things which we find useful for our survival and development.

Sugar has been part of our landscape, and even within the turmoil or the tumultuous period that we are in, we have to persist with the sugar cane industry in Barbados. I want to identify, Mr. Deputy Speaker, why we have to do that. The first point is that the Barbadian sugar product is a superb product. This is what we must understand, therefore, it must be marketed as a premier product in the world. This has been said before but we have not had any action on its relevance. It is the talk but not the walk. It is the talk but not the action.

In a statement, Mr. Deputy Speaker, from the representative for St. George North, he identified the representative for St. Michael South as speaking of synergies between tourism and agriculture. From time to time, Mr. Deputy Speaker, I might be fortunate to go to some hotel, being invited by someone who has the resources to pay for lunch for me there, and as you reach to sugar your tea, where does the sugar come from? It is not a Barbadian product.

They are talking the talk but they are not walking the walk. When I look at the little writing on the label, I want to see: "Produced in Barbados". I have been known to reject most of them and said, "I do not want that, bring me some Bajan sugar when it can be found."

Mr. Deputy Speaker, this is where we have to go. We are talking it. We are good at expression and, possibly, one of the most lucid expressionists can be found in the Junior Minister in the Ministry of Foreign Affairs, the representative for the Constituency of St. James Central. There is no walking, it is simply talking and if there can be transfer of that kind of intellectual verbiage into action, then this country can be satisfied that its young people will carry this country forward well.

Let us hesitate, Mr. Deputy Speaker, because the evidence which is now before us says that those of us who are more than 50 years old, Mr. Deputy Speaker, must

continue yet awhile, because those who speak with such tones, as the Honourable Member for St. James Central carries long and yet does nothing.

Asides.

Mr. R. D. JONES: This is why the shift must take place where we must move from the...

Asides.

Mr. R. D. JONES: Yes, we must have research, development, and studies, but we must move beyond the stage of studying into the stage of implementation and execution. We are not having the execution.

Mr. Deputy Speaker, I am not an agronomist, a technologist, or the Honourable Member for Christ Church West who would prefer to remove the mulch, which is the trash, from the land of Barbados and put it into the furnaces in order to fuel the burners at the various sugar factories. I prefer, Sir, to keep the trash there which acts as a mulch to keep the moisture in the soil and keeps the grass down, but utilise the bagasse as the fuel to make our furnaces work.

Mr. Deputy Speaker, I am sure that the Honourable Member for St. Philip South whose father worked for many long years in the sugar industry all his life, would have turned behind and whispered to him, "You were wrong," as the Honourable Member for Christ Church West is becoming so wrong on so many issues that he needs to maybe fall at the feet of the Honourable Member for St. Philip South and learn, as a result of your whole ancestral movement through the sugar cane industry of Barbados.

Sir, that is the misrepresentation and the misunderstanding of the misrepresentation of the reality. This does not surprise me because there are many men who would want to cling now onto this type of debate and topic, in order to link themselves to the working-class who struggled in the pond grass fields and in the sugar fields of Barbados over the years of sacrifice.

Mr. Deputy Speaker, even now, old men and old women who worked in the fields of this country, are the ones that we should ask for their advice and to guide us most securely through these most desperate times, relative to this industry. I made the point that I do not want to see its disappearance.

The second point I want to make, Mr. Deputy Speaker, is that sugar cane is a grass. I am not a scientist, but I know that Barbados has an extremely narrow top soil layer. Sugar cane for hundreds of years has kept most of this land from being washed into the sea. Its replacement by grass, sand

and water stretched over many hectares of golf courses, is not enough to save the land from degradation.

Sir, even though some will argue that golf courses tied as an aspect of the delivery of part of the tourism product is absolutely important, we have to be careful that as we strip our land of this product that, in fact, we are making it impossible ever to recover that land for any other food purpose. Therefore, we have to be careful of its removal because of the notion of degradation.

Mr. Deputy Speaker, I have always stated that with the talent we have in this land, when mobilised and motivated, can do what this country wants. I want to repeat, talent once mobilised and motivated can do what this country wants, that is, to move the sugar industry from mere producers of the raw product of the primary product called sugar, into other areas of production, relative to by-products and subsidiary products of the sugar industry.

5.30 p.m.

Mr. Deputy Speaker, for many years between January and June when the land would have been dry many a small man and woman in the villages of Barbados were able to feed their cattle from the tops of the sugar cane until the rainy season commenced again. Many pigs ate of the sugar cane and produced quality pork for those who love pork and many of the small people in the villages who reared the pig were able to send their children to school. Mr. Deputy Speaker, many persons in this Chamber might not be part of that ancestry and maybe many were but would now pretend they were not.

Mr. Deputy Speaker, we have to look again at those things which made production real and which made life real for our people. Mr. Deputy Speaker, I carry no blame. I hold no responsibility. I was not involved. I did not sign on any dotted line for the removal of any of the sugar cane plantations of Barbados, so I would not hang my head in shame.

Mr. Deputy Speaker, as part of the massive movement we had in this country of youth groups that went out in the Easter vacation, I cut many a cane for poor people or peasant farmers in Barbados and load them to be transported to such places as Searles Factory. Mr. Deputy Speaker, I am sure you remember that name.

Mr. Deputy Speaker, I have no quarrel with the amalgamation and the development of one technologically strong vibrant new sugar factory in Barbados. I recognise economies of scales and the changing patterns over time. However, Mr. Deputy Speaker, we were planting the destruction of the sugar industry by the putting together of a hodgepodge rather than making the kind of investment in the industry that was necessary decades ago.

Mr. Deputy Speaker, Portvale Factory was developed out of used parts.

Asides.

Mr. R. D. JONES: Mr. Deputy Speaker, that new technologically strong and vibrant sugar factory must be put in place now. Mr. Deputy Speaker, when I drive through parts of Barbados, I marvel at its responsiveness to agriculture. Mr. Deputy Speaker, fortunately or unfortunately, the representative for St. George North had his genesis in the St. George Valley, yet the one reasonable point made by the representative for St. James Central is that even that land now is being changed for another purpose. Even the most productive land in Barbados that gets the most rainfall for the production of agricultural products is being taken out and exclusive high-cost housing is being established.

Mr. Deputy Speaker, historically across this country, owners stop producing on lands and leave them fallow for 20 years, pay the taxes on them and then claim that they have not been in production.

Asides.

Mr. R. D. JONES: Mr. Deputy Speaker, we have to be serious because when we are discussing this issue it is about more than the sugar cane industry. It is about agriculture, food safety and food security.

Mr. Deputy Speaker, there will come a time, maybe I will be long gone joining you in either heaven or in the other place, I do not know, Mr. Deputy Speaker. We just exercise faith, but we do not know.

Mr. Deputy Speaker, I hope that as the misery engulfs the Honourable Member for St. Thomas that she would understand that even in that part of Barbados where sugar cane is produced all through the rolling hills, the undulating plains of that beautiful parish, that she too can suck of the sugar which was her nourishment as she grew up in this country.

Mr. Deputy Speaker, we have become a nation exposed because we rely on others to provide our food. Mr. Deputy Speaker, there was a time when many of us in our beds saw the spar of the yam coming through.

Asides.

Mr. R. D. JONES: Yes, the growth from the yams which we used to put under our beds. It was in St. Thomas as well. My good friend, the Honourable Member for St. Thomas, when we were at another place spoke to me in strong tones

about the taste of yams from St. Thomas and how she liked it with salt fish imported from Canada, so this is nothing new. Mr. Deputy Speaker, we have been friends for over 25 years and I bring no tales out of school because I too agree with her because there is nothing, as the Honourable Member for St. George South would tell you, like a good white yam. It does not take your teeth out.

Mr. Deputy Speaker, food security is absolutely important for this country so we must have a mix utilising our arable land which is specifically earmarked and never touched. Mr. Deputy Speaker, if for some reason we run out of land for outward housing development because every Barbadian believes that they must have their own bucketful, we should not touch that because food security is important and we would need then to go up.

Mr. Deputy Speaker, hundreds and thousands of Barbadians have left this shore to live in basements or on 1st, 2nd, 3rd, 4th and 5th floors comfortably without worry, but every single man in Barbados wants to have his 2 x 4 on a 6 x 4 in a country that is only 166 square miles maybe with only 110 acres or hectares of land, that can no longer work. Mr. Deputy Speaker, all we are doing is encroaching more and more onto our arable lands and getting involved in speculation, so we marginalised the land and then we speculate on it.
5.40 p.m.

Mr. Deputy Speaker, we make millionaires and multi-millionaires out of the speculation of our land and we, therefore, need to stop that as well. Sir, it will not stop and cannot be stopped when the speculators out there believe that we in this Honourable Chamber are their friends. We must not be their friends only but must be the friends of all Barbadians, where we are protectors of the rights of Barbadians for food and nutrition.

Mr. Deputy Speaker, the irrational approach to agricultural production must change. We must look at the kind of linkages into the agro-industrial production centres of Barbados. We have visionaries, young entrepreneurs involved in the agro-industrial production of Barbados and yet they cannot source the majority of their raw material from this country. They must be able to do that. They must be able to tie their production in the agro-industrial bases, relative to the increased volume of production in the fields of Barbados.

Mr. Deputy Speaker, if that can be done, the \$60 million that will be passed in this Resolution will be well spent in the sugar industry but, by its extension, we will have increased production of sweet potatoes, yams, *et cetera*, products of this country which are still a heavy demand in

the former Metropolis of England. We know that airlift might be a problem but we must find ways and means around these difficulties.

Mr. Deputy Speaker, Honourable Members must not convict themselves in this matter on this day by not taking action. Those who are charged with the responsibility, either in this Place or in the Other Place, must dust themselves off, must mobilise and motivate those around them, and let us get sensible, reasonable and practical approaches to the elevation of our sugar industry and agricultural production from the current morass that it seems to be in.

I thank you, Mr. Deputy Speaker.

Hon. Miss M. A. MOTTLEY: Mr. Deputy Speaker, I rise to contribute in this debate and in so doing, would wish to commend the Honourable Member for St. Philip South for a comprehensive and expansive statement in relation to the history of the sugar industry, as well as to its future.

Mr. Deputy Speaker, indeed, those on the Other Side who would have spoken, who have indicated that they were not aware of the Government's position on the future of the sugar industry, clearly chose not to listen to the debate or were incapable of so listening. Therefore, in the circumstances, it is regrettable that this opportunity to engage the Government in a serious way on aspects of a restructuring of the sugar industry in Barbados has been lost.

Mr. Deputy Speaker, since becoming the Government, we have signalled that the international environment within which we are functioning, as well as the domestic challenges facing the sugar industry, inherited and getting worse as they were over the last few decades, meant that it would be absolutely critical that we should take decisions in relation to the future of the industry.

Mr. Deputy Speaker, I appreciate that many of the persons currently here would not have been here then, but as a Government, one of the first debates of October, 1994, in which we were engaged, related to the future of the sugar industry and to the fact that we were going to try with it, as it was then, and has been structured over the years, for one last time.

Mr. Deputy Speaker, we kept faith with that promise but the reality is that over the course of the last decade, a series of additional challenges have come to the fore. Sir, while there was much song and dance and beating of chest from the Honourable Member for St. Michael South Central as to how long he has been hearing about the "everything-but-alsms" initiative and about how long he has been hearing about the fact that the sugar protocols will come to an end in

2006, the reality is that we are now at that juncture in time where we have already started to do the work for the restructuring of the industry.

Mr. Deputy Speaker, we know that before this first decade of the 21st century is over, arrangements for subsidised pricing for sugar, which would have been put in place as far back as the 1943 Commonwealth Sugar Agreement, subsequently replaced by the 1958 Arrangements, will come to an end, and that the days of being able to get prices that are higher than the world's market price would no longer be available as an option for the sale of sugar. Sir, much has been said in this debate over the years about that fact.

Mr. Deputy Speaker, it is also regrettable that the Opposition, once again the Honourable Member for St. Michael South Central, should have sought to cast this debate in circumstances where this Government is seeking to determine the future of this sugar industry behind the backs of the people of Barbados. Sir, what are the facts?

Mr. Deputy Speaker, when the Honourable Member for St. Philip South became the Minister of Agriculture, there was a national consultation on the future of the sugar industry. After that national consultation, there were other meetings with various stakeholders. Ultimately in March, 2002, there was the establishment of a tripartite commission, I believe chaired by the Chief Agricultural Officer, including representatives of the private sector, the labour movement, and the University of the West Indies (UWI).

Sir, the Commission continued to meet with the stakeholders. There was even a strategic retreat which led to the more detailed examination of options. Subsequent to that, there was then the engagement of the Caribbean Business Enterprise Trust, which has produced a document in excess of 200 pages, in respect of a five-year business plan for the sugar cane industry.

Mr. Deputy Speaker, over the course of the last three years, we have said enough publicly, amongst the stakeholders, and within this Parliament, to signal that the time has come for us to be able to depart from the way in which we have treated the sugar industry in the past 300 years, in circumstances where we believe that it is absolutely critical to retain a sugar cane industry.

Mr. Deputy Speaker, we do so for a number of reasons. The continued survival of rural societies in this country depends on a vibrant agricultural sector. Sir, I thought I would have heard more from persons such as the Honourable Member for St. Philip West on this kind of issue because the quality of life that persons who live in rural Barbados enjoy

would be inextricably linked, in my view, to the Government's ability to maintain a strong agricultural sector both in sugar and non-sugar.

Mr. Deputy Speaker, that is one of the reasons why we would have established a Rural Development Commission because we feel that the drive towards the complete urbanisation of Barbados is not one that we as a Government, would wish to support. We believe too that it would have deleterious consequences for the people of this country.

Secondly, we feel strongly that the aesthetics as well as the ecological characteristics of this country must be maintained and, to that extent, there are very few plants that can still withstand Barbados' soil structure to do well, while at the same time, creating a viable opportunity for earning a living for those who are involved in its production.

Sir, sugar cane being a grass is one that over centuries has proven to be one on which we can embark. The difficulty with the sugar industry is that the production cost of sugar is higher than what we can obtain as a price. This has been a fact for decades but it has been cushioned by the fact that we receive a subsidised price but that subsidy is coming to an end.

5.50 p.m.

Sir, like with all other industries within the economy of this country, those who invest will ask themselves if they can realise their capital and get an investment if they participate. While we may feel a lot of sympathy and there may be romanticism surrounding the industry, the reality is that in the future, people's participation, as has been in my view, since Independence has been driven more by the availability of options for the use of capital rather than simply feeling that there should maintain their involvement because they have been in it for decades or centuries. Sir, these are the realities we face as we seek to deal with the restructuring of the sugar industry in Barbados today.

Mr. Deputy Speaker, it is also significant that we have had to deal with the great problem of the debt of the industry. Sir, because successive Governments have continued to provide the framework for support of the debt, it means that we have at some point to take decisions. Despite the talk of the Democratic Labour Party, when they had the opportunity between 1986 and 1994, they presided over the biggest decline of the sugar industry in the history of this country. Sir, production was reduced by more than half at a time when the price of sugar had increased to the highest ever up until that point.

Mr. Deputy Speaker, let us remember that there has also been a decline in the price available for sugar in this country

which came on the heels of almost a decade of decline of the sugar industry. Sir, up until 1986, production in this country exceeded 100 000 tonnes but by the time the Democratic Labour Party left Government in 1994, it was down to 50 000 tonnes despite the fact that the price of sugar was virtually doubled in those eight years.

Sir, we had to fight with the lack of interest on the part of persons who took their acreage out of sugar. We had to encourage them to get back into production and, in circumstances where they had been out of it for years, many of them were reluctant because of the dimness of the future that lay before them. Sir, with the external difficulties in relation to the market, there was clearly a lack of interest for them to revitalise the sugar industry.

Mr. Deputy Speaker we, therefore, took the decision that the sugar industry must be restructured to allow us to concentrate on a sugar cane industry that allows us to be able to extract as many by-products from the cane to be able to maximise the intellectual property rights that will be derived therefrom, to be able to allow for the co-generation of electricity that will meet 15 per cent of national need and to be able to allow us to look at the possibility of using the cane peel for wax products as well as construction material when compressed. Sir, the research and development work on the cane wax has already started.

Mr. Deputy Speaker, we have already determined that in circumstances where our ability to produce molasses for Barbados rum has declined significantly over the years and that we are going to benefit from the Barbados brand not only in sugar but in rum because they are associated with excellence the world over.

It is regrettable that over the years we have had to import molasses in order to meet domestic needs. Therefore, one of the objectives of the restructuring of the industry is to allow us to produce a much larger quantity of molasses to service the domestic rum industry.

Mr. Deputy Speaker, for the last 20 years at least I heard across Barbados, even before the days of the call-in programme, people bemoaning the fact that we should not sell sugar as a bulk commodity but that we should sell small bags of Barbados sugar. Mr. Deputy Speaker, much of it has been talk but for the first time in the history of this country, Government has put a serious proposal, has a business plan, is doing a pre-investment feasibility study to determine the economic and financial viability of the industry in its restructured format, not for the sake of occupying libraries but for the sake of making serious decisions about the future of this industry to allow us to be able to maintain a strong agricultural sector because we believe it to be important to

the success of the rural society as well as to the overall quality of life in this country.

Mr. Deputy Speaker, this generation may have the unfortunate task of making decisions that will change the nature of Barbados' history in relation to agriculture production for the first time since modern settlement. The reality is that we do so cognisant that we have that responsibility because for the majority of our economic history, it has been sugar that has paid the bills for the people of this country. Therefore, Mr. Deputy Speaker, we will treat to these responsibilities in a serious way and in one that engages all the stakeholders.

Mr. Deputy Speaker, I want to make a wider point. There will be a period of time culturally and psychologically when people will not want to associate with agriculture because, for too much of our history, agriculture was associated with the oppression of the majority of our citizens.

Sir, after one generation of independence, it is in our interest to be able to encourage young persons to return to the pursuit of agriculture as a viable financial and economic activity in circumstances where they can be their own bosses and where they can meet their cost of living and financial support issues while at the same time assisting the Government of Barbados to be able to reduce its dependence in relation to imports, particularly in non-sugar agriculture, in the production of food crops.

There was, in my view, a wisdom in the legislation passed on or about the time of the War which required a certain level of production of food crops on every plantation because of the inability of being able to access imported foods in those days to feed the domestic population. Sir, in my view, we do not have to wait for the War to do that again.

I am happy that the Ministry of Agriculture has already started to articulate how we are going to seek to improve our production in non-sugar agriculture as it relates to food crops and products to be able to work assiduously at being able to reduce the import bill and the reliance on external food crops and products in this country.

Mr. Deputy Speaker, I believe there are opportunities for young Barbadians in agriculture and that it has the potential ultimately to be able to expand beyond the 5 000 now employed in that sector either directly or self-employed. It is not going to be in the framework of agriculture in the past or the old peasantry class as we knew it but in the context of being able to use modern methods of production and being able to pool persons together to be able to buy in bulk so as to reduce the input costs which would otherwise be exceedingly high, because of the small units of production.

6.00 p.m.

It would be in the context of the Ministry of Agriculture accepting that it has the capital base to be able to develop the market intelligence to better match production with markets and, therefore, the stories that we have all heard of there being a glut in onions because everybody produced onions at the same time will not be a common characteristic of production in agriculture in Barbados largely because we will be planning better.

Mr. Deputy Speaker, it will be a future where the Government recognises that not only is Barbados a water-scarce country but the consequences of it being so mean that access to irrigation to get the best possible yield from our agricultural commodities is threatened, unless we can put a framework to expand the irrigation scheme beyond what exists to other persons and entities across the island. Mr. Deputy Speaker, these are the characteristics, in my view, of a modern agricultural sector.

I believe there are tremendous opportunities in fisheries, not just in the traditional modes that have been undertaking. Our Caribbean sea continues to attract people from as far away as Korea and Japan, not because they know how to fish any better than us but because they have the capital to be able to invest in the technology and equipment in order to do the serious fishing that they get returns from.

Sir, in a sense while Barbados has one of the more modern fishing industries in the region, we have to move to the next step to better exploit the fact that while we have 166 square miles of land, we have far more water out there from which we can derive economic benefits. Without prejudice to the matter with Trinidad and Tobago, there are other areas where we can fish freely and easy, especially to the east of Barbados and in terms of restructuring and retooling the fishing industry.

Mr. Deputy Speaker, all of this is set in the context that we are at the crossroads in relation to the sugar industry but we are definitive in our views as to the needs for a strong agricultural sector, not only for economic reasons but for the preservation of rural society for environmental reasons and aesthetic reasons.

Sir, we do so cognizant that there has to be an energising of young Barbadians to be able to take up this challenge in order to be part and parcel of this sector. We do so recognising that apart from the challenges that the sugar industry faces, the trade liberalisation process has placed acute pressure on domestic agricultural production over the last few years and we will have to continue to argue internationally in respect of our right to be able to provide income support within the agricultural sector, to be able to allow them to be competitive in production within our market, at least.

Sir, the Government in every Budget since 1994 has put extensive support frameworks and technical assistance frameworks to support the agricultural sector. We have gone beyond lip service because we believe, as we do today with this loan guarantee for \$60 million, that it is our role in respect of ensuring that we create the framework for a viable agricultural sector.

Unfortunately, until the dust settles on those negotiations of the World Trade Organisation, and the economic partnership agreement with the European Union, and within the Free Trade Areas of the Americas, there will still be some uncertainty in relation to how we would be able to proceed and what levels of support we will be continuing to maintain in relation to the domestic agricultural sector. Suffice to say, I believe that we have strong reasons because there is no developed country any part of the world that does not aggressively support their agricultural sector.

Sir, before I sit, I want to engage the Leader of the Opposition on comments which he made in relation to the Barbados National Bank. It is interesting that he should speak glibly about the fact that the reason he believes that the Barbados National Bank attracted \$3.45 for their shares instead of the \$1.80 is because of the sugar portfolio.

Mr. Deputy Speaker, that is his view, but it is an unfortunate view that does not reflect to the rest of Parliament and the country what truly is his training? At the end of the day, a judgement would be made to the value of any company on its entire portfolio, on its liabilities, and the sugar portfolio is only one small aspect of the Barbados National Bank's portfolio. In the same way that the Mutual would have paid a much higher price for the Life of Barbados' shares when they bought them and what they were trading at before the Mutual announced their intention to takeover, there was a similar difference with the Barbados National Bank's share value prior to the take over by the sale to the Republic Bank of Trinidad and Tobago, equally in the same matter of A.S. Brydens.

Sir, at the end of the day, the fact that this portfolio existed within the Barbados National Bank does not in and of itself cause you to leap to the conclusion that this is the reason why people were able to buy the shares at \$3.45.

Sir, I go back to the point that I made that it was the judgement of this Government, unfortunately it is the judgement of others within the financial sector of the region, that in order for financial entities to survive in this early part of the 21st century in relation to the challenges posed by the creation of a Caribbean Single Market and Economy, or a Free Trade Areas of the Americas, that critical mass is absolutely essential in order to be competitive and to be able to have the size and presence in the market to be able to make the difference and withstand competition from outside.

I believe that would have been the judgement of those who sought to buy the shares in the form of the Republic Bank of Trinidad and Tobago. I am not going into that any further except to say I find his comments very curious and, perhaps, his entry into this debate of the Barbados National Bank issue was, perhaps, to tell the rest of us in this Honourable House that a decision made by the then Minister of Finance, the Honourable Member for St. John his predecessor as Leader and some would want to suggest his successor, was one that could not be supported by anybody with a sound mind.

The then Minister of Finance, the Honourable Member for St. John, forced the Barbados National Bank at the time of the restructuring to issue bonds at an interest rate of 4 per cent in circumstances where the cost to them of raising the money for those bonds exceeded the 4 per cent. The Barbados National Bank was forced into a lost-making position from the very start in relation to these bonds.

I believe that the Honourable Member for St. Michael North West, the Leader of the Opposition, only wanted to highlight that fact to the rest of the country that when the then Honourable Member, then Minister of Finance, the Honourable Member for St. John, had the opportunity to be Minister of Finance and to treat to the serious problems of the restructuring of the sugar industry, he forced the Barbados National Bank to do so at a loss.

Asides.

Hon. Miss M. A. MOTTLEY: Sir, let us go back to the documents. I am going to come to the legality associated with that since the Honourable Member for St. Philip West likes to advocate and pontificate matters which relate to the Law of which he has no knowledge but this is the record of the Democratic Labour Party in relation to the sugar industry.

Mr. Deputy Speaker, the Report of the Accountant General 1993-1994 is already a document of this Honourable House. When you look under the column marked: "Net Proceeds of Sale"...
6.10 p.m.

Asides.

Hon. Miss M. A. MOTTLEY: You do not have to look at the writing because what I am showing you is a big blank space.

There is absolutely no entry under "Net Proceeds of Sale", because there was no cash coming in and, if ever there was a breach of the Financial Administration and Audit Act,

it is this. I want to refer the Honourable Member to the Auditor-General's Report 2001, page 18, paragraph 2.32 where it was referenced by the Auditor-General that this arrangement was put in place, and was never brought to book.

Mr. Deputy Speaker, it was never brought to book because the cash was not there and, as we all know, we operate on a cash basis. If we had an accrual form of accounting, then it could have been brought to book, but it was done in breach of the Financial Administration and Audit Act, and at an interest rate that was less than the cost of the money to the Barbados National Bank.

Mr. Deputy Speaker, we are going to hear about who and who should not be raising money in here, or what should be the role of the Barbados National Bank, or what caused the Barbados National Bank to be so. Sir, that is the record of the Democratic Labour Party. I hope that the Honourable Member for St. Michael North West, at some future date, will assure the country that he was not the advisor of the Minister of Finance when this transaction was forced upon the Barbados National Bank.

Mr. Deputy Speaker, to prove the difference, this Government, on every occasion that the debt has come to be retired or rolled over, whenever we have rolled over an aspect of this debt, we have used the opportunity to allow the Barbados National Bank to get interest that is commensurate with the interest at the time that the roll-over is taking place, so that they would not have had to continue carrying that debt at a loss. Sir, we have been doing it from 1995 right forward, assiduously, because there were a series of issues.

The last point I want to deal with, Mr. Deputy Speaker, is that for the Honourable Leader of the Opposition to suggest that this gives the owners of the Barbados National Bank something in perpetuity is nonsense. We do not know that it is in perpetuity because the time-frame for the debt is not in perpetuity. The ability to roll-over does not mean that you are going to roll-over in perpetuity because we have continued to retire some of this debt, year after year. We have rolled over some and we have retired some.

Therefore, Mr. Deputy Speaker, I want also to say that even when the Barbados Government was the sole shareholder of the Barbados National Bank, the debt has been reflected. Any interest that we pay has been reflected in the Estimates of Expenditure and Revenue laid in this Parliament, year after year.

Therefore, to suggest that some new figure will have to be paid now that the ownership structure of the Barbados National Bank has changed, is nonsense. In every year that we have spent money on interest, it has been reflected

in the Estimates of Expenditure and Revenue, unlike the actions of the Honourable Member for St. John who saw to it that he did not reflect and bring to book this debt, on the part of the Government of Barbados.

I would only say, Mr. Deputy Speaker, that I would have hoped that they would have remembered this when they were speaking about HRL and taking money out of the Treasury Account, without parliamentary approval. Sir, suffice it to say I understand that the Leader of the Opposition has learnt the wisdom of his ways now, and has recognised that when the Government transferred that money to HRL out of the Treasury Account, we did it under the Financial Administration and Audit Act amendment.

I would like the Leader of the Opposition the next time he speaks to these matters, or perhaps should I say the Honourable Member for St. Philip West, to tell me under what authority it was done between 1991 and 1992, when \$13 million over a series of tranches were passed on to the BACT, out of the Treasury Account without parliamentary approval or without the approval of Cabinet.

Dr. D. C. ESTWICK: Sir, on a point of elucidation. I really did not want to interrupt the Honourable Member but I thought it is necessary to reflect on a statement made when the Honourable Member indicated that between 1986 and 1994, the Democratic Labour Party presided over the most precipitous decline in the sugar industry and export of sugar in this country.

I want the Honourable Member to look at the Composition of Domestic Exports, Table H-5 page 97 and it would be clearly indicated that when we remitted office in 1994, Sir, we were exporting more than 60 000 tonnes of sugar. Between 1976 and 1986 the average production of sugar was about 50 to 55 000 tonnes. There was only one year, when production was 106 000 which was 1980.

Therefore, the point is that it is incorrect to say that the Democratic Labour Party presided over a precipitous decline in the production of sugar in Barbados. When we left office, we were producing more sugar than between 1976 and 1986. It cannot be correct.

Hon. Miss M. A. MOTTLEY: Mr. Deputy Speaker, my only response to that is that the facts speak for themselves. It is even acknowledged by the Democratic Labour Party that they presided over a precipitous decline.

I thought that the Honourable Member was getting up to tell me that I was incorrect when I said that \$13 million was given to the BACT between 1991 and 1993, over a series of transactions, without the legal authority of the Financial Administration and Audit Act—because Section 25 was passed by the Government in 1998—without parliamentary approval, and paid out of the same Treasury

Account that they complained about with the loan to HRL, with the notation, Mr. Deputy Speaker, that it was an advance. In fact, Sir, they wanted it to go straight to the BAMC. The BAMC had no powers to borrow.

Mr. Deputy Speaker, I want the Leader of the Opposition to tell me when next he speaks in this debate about HRL and Treasury Accounts, to let me know whether he was an advisor to the Minister of Finance, when monies were paid out over a series of transactions, amounting to some \$13 million without parliamentary approval, without the approval of Cabinet. There was no statutory basis because this Government passed the Amendment in 1998 that allowed it to do the same thing with HRL. Mr. Deputy Speaker, the Honourable Member for the Opposition knows best why he chose to make the Barbados National Bank an issue in this debate.

As I say, I think he is prepared to take these side glances, because the real issue is that he wanted to reflect that the Honourable Member for St. John, when his moment in time came to restructure \$200 million of debt to the sugar industry, chose to force it upon the Barbados National Bank, as a loss making transaction, forcing them to take only 4 per cent.

6.20 p.m.

I am not making it up, it is here in the Accountant-General's Report—at a time when if they took the money from normal domestic savings accounts they would have been taking it at 3 per cent and by the time they added in the administrative cost they would have long past the 4 per cent that they were getting back on the money and if they took from the fixed deposit accounts they would equally have been making a loss, so \$200 million in debt.

Mr. Deputy Speaker, not satisfied that we carried the Barbados National Bank down year after year carrying this debt, but when the time came to put a new framework in place, you put them to carry water in a bag that had no bottom and were it not for this Government adjusting the interest rate every time there was a roll-over, that loss would have continued.

Mr. C. A. MASCOLL: On a point of order. Mr. Deputy Speaker, I sat and listened attentively because you cannot accuse the Democratic Labour Party in the early 1990s as having done what the Honourable Member for St. Michael North East is suggesting because it is as a result of the actions of the Democratic Labour Party that the Barbados Agricultural Credit Trust Company Limited was formed to assist the Barbados National Bank out of its misery with the excessive debt burden that it had carried for many a year as a result of the failing financial circumstances of the sugar industry.

Mr. Deputy Speaker, I do not like to talk about when I sat in an office without a computer and kept the company of a 60-year old man for most of the seven months I was over there between January and July of 1993.

Mr. Deputy Speaker, the Honourable Member for St. Michael North East has not denied that Royal Bank Limited is going to benefit substantially, not only from the revised interest paid on the bonds, but from the assured and guaranteed income to be earned on the bonds that were issued in the early 1990s. Therefore, all the RBL has to do is to look to get some normal business as a commercial bank.

Therefore, it is without doubt a fact that this Administration would have known that that guaranteed income could actually have been passed on in the form of a higher share value which occurred. The Honourable Member for St. Michael North East as well as the Honourable Members on that Side know it, so it does not make sense going back to 1993.

The truth is that we have had a situation in which the Barbados National Bank shares almost doubled because of the guarantee of income and the guarantee of benefits to be derived from this bond in perpetuity which has occurred. The bonds have no bases. There are no real corresponding assets that can be valued at \$240 million.

Mr. DEPUTY SPEAKER: Honourable Member, you have made your point. Proceed Honourable Member.

Hon. Miss M. A. MOTTLEY: Mr. Deputy Speaker, I look therefore for the time that has been taken away.

Mr. Deputy Speaker, the Honourable Member clearly either wishes to continue to deliberately assert untruths to this House or he is hard of hearing. Mr. Deputy Speaker, there is no such thing as a bond in perpetuity. If an economist can assert that there is a bond in perpetuity, then we can better understand why he is the one facing the statements of no confidence within the Democratic Labour Party.

Asides.

Mr. C. A. MASCOLL: Mr. Deputy Speaker, on a point of order.

Hon. Miss M. A. MOTTLEY: There can be no point of order, if I sit, Mr. Deputy Speaker, because my speech would have come to an end and if I choose not to speak, Mr. Deputy Speaker, he cannot come up on a point of order.

Mr. DEPUTY SPEAKER: You still have 30 seconds.

Hon. Miss M. A. MOTTLEY: Not if I choose not to.

Mr. C. A. MASCOLL: Mr. Deputy Speaker, I do not want to appear to be giving a lecture but there is actually a security that has the name "perpetuity" because it is the same thing occurring over and over again. Mr. Deputy Speaker, until an international financial institution comes to Barbados and determines that the debt should be paid for, that debt is going to be carried on the books almost indefinitely. Until a Government of Barbados is in a position to have almost \$400 million to pay off the indebtedness, it is going to be carried and rolled over and rolled over.

Mr. Deputy Speaker, I am saying that within the next 10 years RBL would have benefitted substantially from the interest to be derived from the bond. It does not matter whether or not it is 10 years, 20 years, 40 years or 50 years. They have enjoyed and will continue to enjoy such a benefit.

Mr. DEPUTY SPEAKER: Honourable Member, you have made your point now. Could you proceed Honourable Member for St. Michael North East?

Hon. Miss M. A. MOTTLEY: Mr. Deputy Speaker, it is significant that the Honourable Member for St. Michael North West has chosen to get up and speak about whether RBL is going to benefit this amount or that amount, but in the five minutes he spoke just now he has not addressed his role as advisor to the Minister of Finance when they would have advanced \$30 million to the same Barbados Agricultural Credit Trust Company Limited in circumstances where there was no authority of Cabinet to do so from the Treasury Account.

Mr. C. A. MASCOLL: On a point of order.

Mr. DEPUTY SPEAKER: The Honourable Member is about to finish.

Mr. C. A. MASCOLL: On a point of order. Mr. Deputy Speaker, again the Honourable Member is misleading this House. I have said that my appointment, unfortunately, to the Ministry of Finance in January of 1994...

Asides.

Mr. C. A. MASCOLL: I am saying it because I sat at the Ministry of Finance and did hardly anything during that seven-month period.

Asides.

Mr. C. A. MASCOLL: I am being honest. I do not have to hide. Mr. Deputy Speaker, the now Minister of Agriculture and Rural Development who was the then Director of Finance did not allow apparently the Government to permit me to even enter into a meeting and I sat, but let me make this substantive point.

the status of the sugar industry, that is an assessment and evaluation of the industry in its historical context. Sir, importantly too are the plans of this Government for the necessary transformation of the sugar industry into a sugar cane industry.

Mr. Deputy Speaker, the Honourable Member for St. Michael North West has accepted that those three areas were extremely well covered. Sir, but up comes the Honourable Member for St. Philip West, hot and sweaty, ready to rant and rave, and asked many questions pertaining to things that I had taken my time and gone through, in recognising the importance of this debate.

Mr. Deputy Speaker, this Honourable House may well look back at this debate as one that pertains to an issue and to a subject which has defined a new course for the sugar industry. It will show that what we were doing in here could at some later date be looked at as one of the defining days in the economic history of this country.

Mr. Deputy Speaker, I said that so as to let this Honourable Chamber understand the new significance of what this Government is trying to do, it has extremely far-reaching implications and I can assure you that once what we are aiming to do can meet considerable success, it means that a sugar industry in a form that we know it to be for many years, would have changed its direction to ensure that sugar cane cultivation still has a place in the future of Barbados.

Mr. Deputy Speaker, the Honourable Member for St. Philip West wanted to know what has happened in the 1980s with sugar production and made reference to the fact that why is it that we did not have any plans for sugar production then. Sir, I will give you the facts.

In 1981, the level of sugar production was 97 500, and if we were to listen to the Honourable Member for St. Philip West, one would think that in the first half of the 1980s, the sugar industry was obliterated. Sir, by 1986, sugar production was 111 000 tonnes.

The Honourable Member also got up a few minutes ago in an attempt to refute a statement of fact which was made by the Honourable Member for St. Michael North East in respect of the Democratic Labour Party presiding over the most precipitous decline in exports of sugar production. 6.40 p.m.

Let me give you this information in a periodic sense and then you would be able to form your judgement.

Sir, I have before me Table 16 of the "Digest of the Central Bank of Barbados, 2003". Export of sugar per

thousand tonnes, the period 1961-1976, a decline from 153.7 thousand tonnes to 92.6 thousand tonnes. Sir, from 1976 to 1986 when the Democratic Labour Party was in power...

Asides.

Hon. A.P. WOOD : It goes from 92.6 thousand tonnes to 98.6 thousand tonnes. Over that period the end figure is larger than the initial figure. Sir, from 1986 to 1993 it declined from 98.6 thousand tonnes to 48.4 thousand tonnes.

Asides.

Hon. A. P. WOOD: Sir, if that is not the most precipitous decline, I am wrong.

The Honourable Member for St. Philip West tells us that he does his research, *et cetera*. He wanted to know what the Government's policies were to boost production in the sugar industry. During my discourse I was at pain to say that this Government, true to its commitment to the sugar industry, provided varying types of support to the industry since 1994 when we came to power.

Sir, one of the first things we did when we came to power in 1994, in order to arrest the decline in sugar production, was to encourage persons to plant more cane and we introduced a replanting incentive scheme and every year between 1994 and 2000, the independent farmers have been getting...

Asides.

Hon. A. P. WOOD: By the year 1997, it declined from 48,000 tonnes in 1998 and when the replanting incentive scheme took root, it increased to 64.6 thousand tonnes and then it dropped again to 58,000 tonnes, and it has been declining since then.

Asides.

Hon. A. P. WOOD: Mr. Deputy Speaker, the Honourable Member wants to know what the money is going to be used for. I would think that since he sits next to the Honourable Member for St. Michael North West and they seem to talk a lot, notwithstanding the muddle that he put himself in earlier today...

Asides.

Hon. A. P. WOOD: We know that the financing for the Barbados Agricultural Management Company, for some time now, has been done in two ways. Sir, for the in-crop activity the Barbados Agriculture Management Company would

the status of the sugar industry, that is an assessment and evaluation of the industry in its historical context. Sir, importantly too are the plans of this Government for the necessary transformation of the sugar industry into a sugar cane industry.

Mr. Deputy Speaker, the Honourable Member for St. Michael North West has accepted that those three areas were extremely well covered. Sir, but up comes the Honourable Member for St. Philip West, hot and sweaty, ready to rant and rave, and asked many questions pertaining to things that I had taken my time and gone through, in recognising the importance of this debate.

Mr. Deputy Speaker, this Honourable House may well look back at this debate as one that pertains to an issue and to a subject which has defined a new course for the sugar industry. It will show that what we were doing in here could at some later date be looked at as one of the defining days in the economic history of this country.

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Asides.

Hon. A. P. WOOD: We know that the financing for the Barbados Agricultural Management Company, for some time now, has been done in two ways. Sir, for the in-crop activity the Barbados Agriculture Management Company would

receive a loan and they would repay that loan immediately from the sale of the sugar.

Asides.

Hon. A. P. WOOD: The in-crop activity is financed from the sale of the sugar and that has always been the case.

Asides.

Mr. DEPUTY SPEAKER: Honourable Member, please address the Chair.

Hon. A. P. WOOD: Sir, when you come into this Honourable Chamber you have to be prepared to listen because the out-of-crop financing is met through the issue of these bonds. This is the fourth bond issue and all of these bond issues target financing for out-of-crop activities and we know what happens out-of-crop. The factories are prepared, the staff has to be paid and the fields have to be prepared, *et cetera*, and that is where the money is used and the Honourable Member for St. Philip West should know that. However, we should not be surprised.

The Honourable Member also asked if we have a plan for the sugar industry and for cotton. It is most unfortunate when Honourable Members can come into this Chamber without any knowledge of what has been going on and before they ask a question or, indeed, before they arrive early and listen, or ask what has been happening, they come and make ridiculous statements. They open their mouths and whatever comes out comes out.

Sir, this Administration in respect of the consultative process that was gone through in order for us to get this five-year plan for the sugar industry and a similar five-year plan for the cotton industry, if all of these things were done via a consultative process and if he were here he would know that the sugar cane industry Tripartite Committee was the follow-up to the Tripartite Task Force on sugar, which was engaged back in 1999 and produced its report in 2001 and which led to part of the way forward to the establishment of the sugar cane industry Tripartite Committee which convened a stakeholders meeting in November 2002 and which made a series of recommendations for the way forward. Arising from those recommendations was the business plan for the industry about which the Honourable Member for St. Michael North West spoke.
6.50 p.m.

Sir, a similar thing was done in the case of the cotton industry about which the Honourable Member for St. Philip West would not know. Instead, the Honourable Member said that we had a plan to destroy the cotton industry. Sir, anyone connected to the Democratic Labour Party would know about destroying the cotton industry and bringing into

disrepute activity in the industry. I will say no more on that matter, Sir.

I want this House to be assured that in the same way there is a plan for the development of the sugar cane industry that there is a plan for an integrated West Indian Sea Island Cotton industry. Sir, in 2003 an in-depth business plan was prepared to assess the feasibility of transforming the Caribbean West Indian cotton growing industry to a private sector-led West Indian Sea Island Cotton integrated textile industry.

Sir, the plan sought to provide a five-year road map for developing a Caribbean-based integrated industry. The Barbados Government was integrally involved in facilitating the incorporation of Exclusive Cottons of the Caribbean Inc. (ECCI) on February 5, 2004. Sir, these things are happening in Barbados, but the Deputy Leader of the Opposition asks us if we are doing anything else beside trying to destroy cotton.

Dr. D. C. ESTWICK: Mr. Deputy Speaker, on a point of order. The Honourable Member for St. Philip South is misleading the House. At no time in my presentation did I enunciate any position. I made no statement with respect to the destruction of the cotton industry in Barbados. Sir, I said that it was because of the movement to develop such a cotton industry in Barbados that there were plans in place to undermine the further development of the sugar industry in Barbados. Sir, I will not allow the Honourable Member to mislead this House and the people of Barbados.

Hon. A. P. WOOD: Mr. Deputy Speaker, Barbadians would and heard and *Hansard* can be checked at a later date. This Company, Exclusive Cottons of the Caribbean Inc., was established to lead the transformation of the regional cotton industry from being an exporter of lint to be a supplier of certified West Indian Sea Island Cotton in finished goods thus maximising shareholder benefits of being involved in the value-added processes.

The current shareholder membership of ECCI includes both private sector and public sector interest in Barbados and Jamaica. In respect of the production targets, it is anticipated that output over the five-year period would reach 9.6 million pounds of Sea Island Cotton from 8 000 acres in Barbados and Jamaica at an average yield of 1 200 pounds of Sea Island Cotton per acre. This level of output can be transformed into 2.56 pounds of spun and dyed yarn which will be knitted or weaved into consumer items.

It is projected that the Company's net earnings over the initial 5-year period could amount to US\$243 million from the sale of high quality value-added luxury goods in the international markets. Sir, over \$1 million in foreign exchange expenditure would be saved as a result of having to import less animal feed in the process. Sir, in respect of BAMC, if

the Honourable Member was here earlier, he would have heard that BAMC is looking to increase its acreage under cotton cultivation but the plan is to increase the yield.

Mr. DEPUTY SPEAKER: Honourable Member, please wind up.

Hon. A. P. WOOD: Mr. Deputy Speaker, I end by thanking all persons who have made a contribution to this debate. I hope that all Honourable Members understand the significance of what was done in this Chamber today and, notwithstanding, the lack of understanding of the issues displayed by some Members on the Other Side that they would leave here better informed and use the opportunity of what transpired today to put themselves in a better state of readiness when we reconvene in this Honourable Chamber and when they seek to make contribution to the debate that it will be based on proper research, better consultation and better analysis of data because we expect a higher standard of debate to ensue in this Honourable Chamber.

Mr. Deputy Speaker, we have had a long and rich debate on this important issue and I move that the Resolution be now passed.

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

VOTE OF CONFIDENCE

Hon. Miss M. A. MOTTLEY: Sir, this brings us to the end of Government's Business today. Earlier today, the Leader of the Opposition would have given notice of a motion of no confidence brought against the Government of Barbados.
7.00 p.m.

In accordance with the best traditions of Parliamentary practice and procedure, Mr. Deputy Speaker, it is the intention of this Government to suspend any further Government Business in this Parliament, until the completion of that no confidence Resolution.

It is therefore the intention of the Government to ensure that on Tuesday, June 29, 2004 at 10 o'clock that we will commence the debate in relation to the Resolution of which notice was given by the Leader of the Opposition today, as we believe it to be a serious matter, meriting the urgent attention of this Parliament.

In those circumstances, we anticipate that in the event that all persons wishing to speak are not given the opportunity to finish their speeches before Tuesday night, we are prepared, if necessary, to meet on Wednesday, June 30, to bring the debate to closure, for what the Opposition believes to be the basis of no confidence in the Government. I will say no more at this stage, given the fact that this debate will provide ample opportunity to speak to the lack of precedent in relation to what is being done here today.

ADJOURNMENT

Hon. Miss M. A. MOTTLEY: Mr. Deputy Speaker, I beg to move that this House be adjourned until Tuesday, June 29, 2004 at 10.00 a.m.

Hon. R. R. FARLEY: I beg to second that, Sir.

The question that this House be adjourned until Tuesday, June 29, 2004 at 10.00 a.m. was put and resolved in the affirmative with division and Mr. DEPUTY SPEAKER adjourned the House accordingly.
7.02 p.m.

CONTENTS

MINUTES

Hon. Miss M. A. MOTTLEY 1

Confirmation of Minutes of the Meeting of
Tuesday, June 8, 2004.

PAPERS

Hon. A. P. WOOD 2

The Annual Report of the Barbados National Oil
Company Limited for the year 2002 to 2003.

Hon. N. A. LYNCH 2

The Annual Report of the Barbados Tourism
Authority for the years 1999 to 2000 and 2000 to
2001.

PRIVATE MEMBERS' NOTICES

Mr. C. A. MASCOLL 2

SUSPENSION OF STANDING ORDERS

Hon. Miss M. A. MOTTLEY 3

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

GOVERNMENT BUSINESS

ORDER NO. 6 – RESOLUTION TO APPROVE
THE GUARANTEE BY THE MINISTER
RESPONSIBLE FOR FINANCE OF THE
PAYMENT OF THE PRINCIPAL AND
INTEREST NECESSARY FOR THE
REDEMPTION OF THE BONDS TO BE
ISSUED BY THE BARBADOS
AGRICULTURAL MANAGEMENT CO. LTD.
IN THE SUM OF BDS\$60 MILLION FOR
THE PURPOSE OF FINANCING THE
SUGAR INDUSTRY 3

Hon. A. P. Wood, 3,52; Mr. C. A. Mascoll, 16;
Hon. Miss M. A. Mottley; 16, 45; Dr. W. F.
Duguid, 20; Mr. D. St. E. Kellman, 22; Hon. N.
A. Lynch, 26; Dr. D. C. Estwick, 29; Hon. K. D.
Symmonds, 33; Mr. R. L. Sealy, 38; Hon. G. A.
Clarke, 40; Mr. R. D. Jones, 42.

VOTE OF NO CONFIDENCE

Hon. Miss M. A. MOTTLEY 55

SUSPENSION 14

ADJOURNMENT 55

Hon. Miss M. A. Mottley, 55.

SPEAKERS IN THE ISSUE

CLARKE, Hon. G. A. (St. George North)
DUGUID, Dr. W. F. (Christ Church West)
ESTWICK, Dr. D. C. (St. Philip West)
JONES, Mr. R. D. (Christ Church East Central)
KELLMAN, Mr. D. St. E. (St. Lucy)
LYNCH, Hon. N. A. Lynch (St. Michael South)
MASCOLL, Mr. C. A. (St. Michael North West)
MOTTLEY, Hon. Miss M. A. (St. Michael North East)
SEALY, Mr. R. L. (St. Michael South Central)
SYMONDS, Hon. K. D. (St. James Central)
WOOD, Hon. A. P. (St. Philip South)