THE

House of Assembly Debates

(UNOFFICIAL REPORT)

PARLIAMENT 2003 – 2008

HOUSE OF ASSEMBLY

Tuesday, August 8, 2006

Pursuant to the adjournment, the House of Assembly met at 10.15 a.m. on Tuesday, August 08, 2006.

PRESENT

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

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

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

Hon. Dame B. A. MILLER, D.A. B.C.H., (Senior Minister, and Minister of Foreign Affairs and Foreign Trade)

Mr. G. W. PAYNE, Q.C.

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

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

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

Hon. R. R. FARLEY, B.Sc., J.P.,(Minister of Housing and Lands)

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

Hon. Dr. J. X. WALCOTT, M.B., B.S., F.R.C.S. (Edin.), J.P. (Minister of Health)

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

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 Energy and the Environment)

Hon. Miss M. A. MOTTLEY, Q.C., LL.B. (Minister of Economic Affairs and Development)

Hon. T. A. PRESCOD, B.A. (Minister of Social Transformation)

Hon. J. J. S. ATHERLEY, B.A., B.Sc., J.P. (Minister of State, Prime Minister's Office)

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

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. DEPUTY SPEAKER: The House is now in Session.

MINUTES

MR. DEPUTY SPEAKER: The Minutes of Wednesday, August 02, 2006.

Hon. Miss M. A. MOTTLEY: Mr. Deputy Speaker, I beg to move that the Minutes for the Honourable the House of Assembly for its meeting of Wednesday, August 02, 2006, which Minutes have been circulated, be taken as read.

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

MR. DEPUTY SPEAKER: If there are no corrections or observations, then let these Minutes stand confirmed.

PAPERS

Hon. Miss M. A. MOTTLEY: Mr. Deputy Speaker, I am commanded to lay the following:

1. Value-Added Tax (Refund) (Marjorie Davis) Order, 2006.

2. Barbados Economic and Social Report, 2005.

3. Annual Report and Accounts of the Barbados Agricultural Management Co. Ltd., for the year ended 30th June, 2005.

4. Instrument Adopted by the International Labour Conference at its Ninety-second Session, held in Geneva, in June 2004, concerning Human Resources Development: Education, Training and Lifelong Learning.

5. Shipping (Incentives) (Yellowfin Water Sports Inc.) Order, 2006.

6. Shipping (Incentives) (C.R. Cruises) Order, 2006.

7. Shipping (Incentives) (Maxi Yacht Challenge Inc.,) Order, 2006.

Hon. J. X. WALCOTT: Mr. Deputy Speaker, I am commanded to lay the following:

1. The Annual Report of the Chief Medical Officer for the years 2002-2003.

FIRST READING OF BILLS

Hon. Miss M. A. MOTTLEY: Mr. Deputy Speaker, I beg that the Defence (Amendment) Bill, 2006, be read a first time.

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

10.20 a.m.

Tuesday, August 08, 2006

(EDITED, PUT IN ORDER)

SUSPENSION OF STANDING ORDERS

Hon. Miss M.A. MOTTLEY: Mr. Speaker, I beg to move that the following Standing Orders No. 6, 16, 18, 20, 42(5), 43 and 44 be suspended for the remainder of today's Sitting.

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

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

GOVERNMENT BUSINESS

ORDER NO. 15

Rev. J.J.S. ATHERLEY: Mr. Deputy Speaker, the amendment being brought before the attention of the House might be seen by some to be a minor amendment and perhaps in relative terms with respect to how legislation is outlined with reference to these matters, it may, in fact, be considered to be minor. However, it seeks to provide for a situation where we may in the context of the upcoming World Cup provide for both the smooth and speedy movement of passengers into and through the region while at the same time taking into consideration issues with respect to security.

Mr. Deputy Speaker, World Cup will provide for us a tremendous opportunity to showcase the region and for us in Barbados to showcase our domestic offering. Sir, as you know, the event being a global event would attract the attention of over two billion people around the world and, certainly, we anticipate that there would be several multiple thousands who would physically come to the region to attended upon these games.

Sir, whether we speak with respect to team participation and their relatives, whether we speak with respect to the officials of the various organising committees at various levels or those who would be designated to provide for decision-making within the context of the games, whether we talk of sponsors and the like, we are talking about several multiples of persons who would attend upon these games. In fact, the last information which I had suggest that if one bears reference to ticket sales to the moment, Barbados could anticipate the passage of over 53 000 people into and through our shores at the time of the World Cup and these numbers are continuing to climb.

Mr. Deputy Speaker, therefore, the question has to be asked and responded to as to how we can facilitate that movement in our region given our resources and given the peculiarities of travel into and through the region, and to facilitate the movement in a smooth way, which bears reference to the matter of security.

Mr. Deputy Speaker, in one instance it was considered that recourse might have been made to a mechanism or facilitate such as a swipe card that would be part and parcel of the facilitating mechanisms put in place at that time. I think this has been discontinued not only on the basis of the extremely high cost attached to it but some of the other technological logistics which would be involved in putting something like this into place at this time. Sir, therefore, what has been proposed as an adequate mechanism to help us both to take care of security matters as well as to facilitate the smooth and speedy passage of people into and through the region, is an advanced passenger information system. The proposed amendment to the immigration laws is intended, therefore, to facilitate the implementation of that type of mechanism.

Mr. Deputy Speaker, it would simply work in this way. Sir, carriers both aircraft as well as vessels, inclusive of cruise vessels in this particular context, coming into the region will be mandated by force of this law to ensure that advanced information with reference to vessels as well as

passengers is given to designated authority in the destination State. That is, a vessel coming out of an extra-regional State of origin would be required to provide to the immigration authority in Barbados, if the vessel or aircraft is coming into Barbados, information with respect to the vessel and passengers who would be carried by that vessel. Sir, that information is required to be electronically transmitted to the destination State in this case Barbados, if you are coming to Barbados, in advance of vessel leaving its last port of call or State of origin.

Mr. Deputy Speaker, the objective here is to ensure that the early advance information system would put receiving authorities in a position to know whether or not there are passengers aboard that vessel who are considered likely to pose a threat to the security interest of the receiving State. Obviously, sometimes for various reason, persons travel under fraudulent or false documents and the information system is supposed as well to help us to better address by in advance of departure from its place of origin, by identify such persons and making reference to their document in terms of numbers, therefore, putting persons of authority in receiving States in a position to understand whom they are receiving.

Mr. Deputy Speaker, by force of law, carriers will incur a penalty if they are delinquent in transmitting this information. The practice in the past has been that aircraft vessels and ocean-going vessels arrive in this country and there is no provision for advanced information on passenger lists and manifests given to the immigration authority because, force of law does not now mandate it. Therefore, we are now looking to a situation where force of law is brought to bear on this situation and, therefore, the information is provided and failure to comply will have a penalty attached to that.

Mr. Deputy Speaker, we believe this mechanism could help us to counter any potential security threat. Obviously, if you are going to the employment of such a system, the issue of the technological platform which would help to facilitate such a system comes into question. Therefore, part of the issue which we now have to deal with in the region is to ensure that each host venue - in this instance, Dominica has subscribed to the employment of such a facility - would have to ensure that there is a sufficient domestic platform which would allow for receipt and transmission of such information in the context about which we speak today.

H109/10:30

Sequence 3

Tuesday, August 8, 2006

Rev.J.J.S. ATHERLEY: There is cost attached to that. The question of connectivity also comes into fore. Obviously, we would have a situation where the immigration authority has the capacity for connectivity, to be the law enforcement authority, the police. Sir, obviously, we are talking of a technological platform, which is going to facilitate the passage of information, an adequate storage of information, and by means of connectivity, the transmission of information among ourselves.

In addition to this, it has to be that measure which allows for the access of information, out of the international policing and law enforcement and other security related databases, we speak of databases of Interpol and others. The Government of the United States of America has been kind enough to offer its assistance, in significant ways to ensure that type of connected platform is established and that kind of passenger identification information is available to us here in the Barbados and the Caribbean.

Sir, I think that the Governments of Barbados and other States of the Caribbean would, feel that there is a level of indebtedness. It is important that we would be able to not only to host these games successfully, with regard to all of the logistics in place, in terms of those who visit our shores, having what they would consider a good time, enjoying the games, especially if the West Indies should win the World Cup. It is also important that we are able to host these games, in the context where our subregion of the Caribbean does not become the scene some incident of violence associated with terrorism or some mass crowd incident which is as a result of terrorism, and that the Caribbean is not seen as a haven for terrorist activity, and such a soft target for terrorists could feel that this is their newest playground, if I may use those terms.

Sir, therefore, the system is intended to help us to secure Barbados, to facilitate the movement of persons, by provision of specific identifying information. Sir, the Schedule to the Bill, would speak to the fact, that there is a specific set of information, a specific data set, which is required for this purpose. It relates both to aircraft and passengers.

Mr. Deputy Speaker, one would have to make reference to that Schedule if one is to derive an understanding of the type of information we are talking about. This information is very much in keeping with the data set which is provided for under International Civil Aviation Organisation (ICAO) guidelines, as well as under IATA guidelines.

Sir, with respect to the information relating to vessels, and vessels, in this context are intended to refer to all types of carriers, whether air or sea transport. The

legislation as it applies at the respective domestic levels would have to make amendment where, in fact, there is no clarity. This legislation speaks to vessels, referred to in this context as aircraft, as well as ocean going vessels weighing over one hundred tonnes.

With respect to aircraft, we are talking about flight identification, airline code and flight number, or vessel identification, as the case may be, with respect to ocean going vessels, schedule departure date and time, schedule arrival date and time, the last place or port of call, that is the originating country, place or port of vessel, where it will initially arrive, that is the receiving country, if it is coming to Barbados, our domestic jurisdiction, and the subsequent port of call if the vessel or aircraft, will go on to another port of call within the country and the number passengers carried on that aircraft or vessel.

There is a specific set of data relating to individual passengers and this will be related to the number attached to the official document used by the passenger. The State, organisation or official designated authority that would have issued the travel document; the type of document; the expiry date of the travel document; the official given name and surname; nationality, date of birth and gender. In a circumstance where the matter of a visa applies, the request would be that the visa number, date of issue of visa, place of issue of visa and the document number which would be used for travel.

Sir, this is some of the information which is required. Sir, as I said, it is guided by what is provided for under the International Civil Aviation Organisation regulations, and under normal processes attached to arrangements governed by IATA. The legislative change is necessary to ensure compliance by the travel entities.

Sir, in the context of all of this, the business of information sharing becomes extremely important, but information sharing within a specific context where there are significant security considerations. It has been decided that there will be a regional central information defusion focal point.

I think that Barbados has been recommended as the country which would become the central focal point for the defusion of this information across the wider Caribbean. So that information from the United States of America, is fed into the Barbados system and then from the Barbados system to the other islands.

Sir, this is what this legislation is requesting. Perhaps, that is a point that I would want to commend this Bill to this Honourable House. There are other matters to come before this House very shortly in relation to the facilitation of movement and issues of border security, pre-clearance and the common CARICOM visa, which would be the subject for wider discussion. The Advance Passenger Information System, is a mechanism used to facilitate travel into and through the region, as a result of the World Cup event. Therefore, the region is going to been seen in nine host venues, plus Dominica, as a common domestic space, and for purposes of travel, we are trying to ensure that facility attaches, but that security is also high on the agenda.

Sir, this mechanism that provides for us to have available to our authorities here at that level of Immigration Department information in advance of the arrival of passengers. In fact, the departure of vessels or aircraft from ports of origin would help us tremendously, to ensure that we do not create the circumstance, where persons bent on violence, acts of terrorism and other illegitimate acts and criminal activity, can operate because of laxity in the system.

Sir, on the basis of this, I want to commend this amendment to the Honourable House.

Mr. Deputy Speaker, I thank you and beg that this Bill be read a second time.

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

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

10.40 a.m.

Sequence 4

Tuesday, August 08, 2006

House 109, Sequence 05, 10.40 p.m.

Hon. Miss M.A. MOTTLEY: Before we go into Committee, I beg to nominate the Honourable Member for Christ Church West as Chairman of Committees for today's Sitting.

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

Mr. DEPUTY SPEAKER: If that be the will of the House, so be it.

COMMITTEE

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

Clauses 1, 2, 3, 4 and 5 were called and passed.

The Schedule became to Schedule to the Bill.

On the motion of Rev. J.J.S. ATHERLEY, seconded by the Hon. R.R. FARLEY, Mr. CHAIRMAN reported to His Honour the DEPUTY SPEAKER the passing of one Bill in Committee, and Mr. DEPUTY SPEAKER resumed the Chair and reported accordingly.

On the separate motion of Rev. J.J.S. ATHERLEY, seconded by Hon. R.R. FARLEY, the Bill was read a third time and passed and cited as the Immigration (Amendment) Act, 2006.

ORDER NO. 16 – THE PRE-CLEARANCE (ICC CRICKET – WORLD CUP WEST INDIES 2007) BILL, 2006.

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

Rev. J.J.S. ATHERLEY: Thank you, Mr. Deputy Speaker.

Again, as with the Immigration Amendment Bill, the intention of this matter, Mr. Deputy Speaker, is also to ensure that smooth and easy movement into the region, through the region is facilitated, in a context of serious reference to security considerations.

Pre-clearance measures are already employed in both international as well as regional jurisdictions. The Bahamas, for instance, has pre-clearance arrangements with the United States of America. All pre-clearance, as a measure seeks to do, is to allow the authority, immigration or customs, authority of a receiving State, to set up facilities in a State of origin, that the process of pre-screening of passengers might take place.

The basis upon which this is being proposed under the legislation before us, is one of reciprocity. There will be in the Caribbean context, reciprocal arrangements under Agreement between States, which would allow for instance for the Barbados Immigration and Customs, to set up a facility, for example, in Jamaica, whereby our officials, on Jamaican soil, in an officially designated area by the Jamaican Authority, would be allowed to pre- screen certain passengers, as well as goods, luggage, and carry items, prior to their departure, for Barbados, whether by aircraft or ocean going vessel.

I said the basis is one of reciprocal arrangements. Certainly, the Heads of Government of CARICOM, at their recent meeting, would have endorsed this proposal for the employment of pre-clearance measures. In order to give effect to that in our jurisdiction, we have therefore to ensure that there is a legislative platform put in place that allows us here in Barbados to enter into that type of reciprocal arrangement with any other State. Therefore, we might be able to accommodate pre-clearance measures, if Trinidad wanted to do that on our domestic space here, or if we wanted to do that in the Trinidad jurisdiction.

This would help us to streamline procedures and reduce congestion at port of entry. Sir, when pre-cleared passengers, and the passengers who would be subject to pre-clearance measures are clearly prescribed, when they come into this region and enter into this type of system, these travellers then become domestic travellers. Therefore, a person leaving Trinidad who has been pre-cleared by Barbadian immigration or custom officials in Trinidad and Tobago comes into Barbados as a domestic traveller, because he has been already pre-cleared through the regulatory authority.

Like I said, to help us to avoid congestion, obviously, Mr. Deputy Speaker, our ports of call are not necessarily so structured, so constructed and designed, so operated in the normal context, as to allow for the expanded and expected numbers who will come to our shores for the World Cup. Sir, just as the advanced passenger information system allows us to get a heads-up on those whom we are receiving, then, pre-clearance measures will also help us to get a heads-up as to those who are coming through, and help us to deal with the matter of potential congestion at our ports of call. Therefore, it is extremely important that we put this into legislation, so that we may facilitate others and that we also may be facilitated by others.

Prescribed passengers make reference to those passengers who are either team players or team members. There is provision also that their accompanying relatives are also designated as prescribed passengers.

House 109, Sequence 05, 10:50:14

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Rev. J. J. S. ATHERLEY: Prescribed passengers also refer to officials of the various organising committees in relation to the Cricket World Cup, both at the regional and the international level, to officials who would be supervising the actual events, to the Media, both international and regional, and to the sponsors and other specialists who are attached to the execution of the events.

Mr. Deputy Speaker, it is expected that each State, which would enter into this reciprocal type of arrangement, would provide a clearly designated prescribed area where only those who fall into the category of prescribed passengers would be allowed passage or allowed to congregate.

Mr. Deputy Speaker, strict penalties will be attached to persons who either contravenes the privilege of pre-clearance by declaration of false information and to persons

who, without authority, would enter into a designated pre-clearing area and then refused to leave when asked by the legitimate authority.

Mr. Deputy Speaker, in the case of a Barbadian immigration or custom official operating in Trinidad and Tobago, the legislation seeks also to give authority to that official in relation to the performance of his office in good faith and, with a fair sense of judgement, immunity from the domestic authority and the domestic administrative mechanism. Sir, Barbadian officials operating in a pre-clearance circumstance in Trinidad and Tobago, like I just said, carry the authority of the Barbadian legislation with them into that circumstance for the pursuit of their legitimate duties.

Mr. Deputy Speaker, we need to see pre-clearance as well as the advanced passengers information system in the context of the wider security frame which is being established in the Caribbean. As I said, we are facilitating movement, but we are also making serious reference to security considerations. We need to see that in the wider context of the security architecture which have been put in place to be employed in the Caribbean at this time and at the time of the Cricket World Cup.

Mr. Deputy Speaker, out of this, one should anticipate that among the legacy benefits which should emerge for our sub-region would be benefits in relation to the security architecture that we have put in place. There is no reason that the use of advanced passenger information systems should cease in the middle of May or June. That is something which is intended to continue. Pre-clearance measures, however, are established for the period of the Cricket World Cup and just beyond into the middle of May.

Mr. Deputy Speaker, the legacy benefit of a stronger and a more enhanced security platform in the region is one of which we should be cognisant. Mr. Deputy Speaker, it will cost some money. I think the Heads of Government have decided on a US$13 million programme which would help us not only to put an architecture in place but certain components of that architecture would be such that there is an enduring benefit to the region especially with reference to the matter of the use of technology.

Mr. Deputy Speaker, for the first time we have now in place a Consul of Ministers who have been charged with matters of law enforcement and regional security. We also have in place an implementation mechanism for the management of crime and security issues. These are parts of the architecture which has been put in place.

Of course, reference would be made, leading up to and during the Cricket World Cup, to the support which can be had from the generosity of international donor countries, whether it is through aerial response mechanisms, through maritime response mechanisms or whether through disaster management mechanisms, which would help us to address various aspects of the security threat posed to our region because of our size, of our lack of capacity, of our vulnerabilities and of the coastal exposure of our domestic circumstance.

Mr. Deputy Speaker, we are saying that the architecture which the region is now trying to put in place is to address matters of security not only through mechanisms for further collaboration among ourselves but through support from international donors.

Mr. Deputy Speaker, I would not want to speak too much about the security issues. I am not as well-informed as others and the security issues are such that there is not everything that you can say. Therefore, I would just want to say that the pre-clearance as well as the advanced passengers systems are measures which are being put in place to help us to develop the kind of fabric around us that would be conscious of the threat to our security so as to be able to respond to it in significant, meaningful and effective ways, while at the same time facilitating movement so that we have an event of which we all can be proud.

Mr. Deputy Speaker, I think the important thing to note here therefore is that we are talking about reciprocal arrangements and talking about movement through a single domestic space, which is made up of ten sovereign states.

Mr. Deputy Speaker, I think that is a tremendous step forward for the Caribbean, which the Media has largely ignored, but which the Heads in the St. Kitts meeting have actually set in place. The Heads of Government at the St. Kitts meeting have actually set in place a single domestic geographic space through which people can now travel with ease of movement. Sir, the pre-clearance mechanisms are designed to help with such.

Mr. Deputy Speaker, the reciprocal nature of the arrangements, the authority which would be vested in the regulatory bodies of the domestic or the receiving State - even though they are physically present and operating in another sovereign State - immunity from administrative supervision of that receiving State and the penalties attached for persons who would give false declarations and therefore want to contravene and abuse the privileges of a pre-clearance system, are the things which I think we ought to note.

Mr. Deputy Speaker, I have clearly tried to identify those persons who are listed as prescribed passengers and the responsibility of the destinations State as well as the obligations of the receiving State in the whole scenario.

Mr. Deputy Speaker, I would therefore want to commend this measure to the House's attention and to its favour as well.

Mr. Deputy Speaker, I thank you.

Mr. D. J. H. THOMPSON: Mr. Deputy Speaker, I would not be long on this matter. Mr. Deputy Speaker, I was obviously under the assumption, since we were hearing from the junior Minister in the Prime Minister's Office, that he would have at least said something to this House about his senior's call for a more lax and understanding approach by immigration officers in Barbados to certain Caribbean nationals.

Mr. Deputy Speaker, I posed that because I want to be assured by the junior Minister...

Rev. J. J. S. ATHERLEY: On a point of order. I think that it was inaccurate to suggest that the Right Honourable Prime Minister has made a call for a more lax approach to immigration matters by immigration authority in the Caribbean.

Mr. D. J. H. THOMPSON: Mr. Deputy Speaker, I now know why the junior Minister did not talk about it because he obviously does not know what the Prime Minister said and therefore he could not address it.

Mr. Deputy Speaker, the Honourable Member for St. Peter made it abundantly clear that he expected Barbadian Immigration Officers to use a less heavy-handed approach in dealing with certain Caribbean nationals.

Rev. J. J. S. ATHERLEY: On a point of order. Mr. Deputy Speaker, the Honourable Member is misleading the House. I thank the Honourable Member for St. John for restating what he attempted to say in the first place. There is no way in my mind or any reasonable person's mind where you can equate any call for less heavy-handedness as being the same as a call for a lax approach.

House 109 Sequence 6

11.00 a.m.

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Mr. D. J. H. THOMPSON: Mr. Deputy Speaker, I am even more dumbfounded. Sir, I stress to you again that I am not surprised because the Junior Minister obviously neither understands the content nor the language used by the Right Honourable Member for St. Peter. I am, therefore, going to say that he asked for a more lax and less heavy-handed approach by Barbados' Immigration Officers. That is part of the public record.

Mr. Deputy Speaker, I am saying, according to my interpretation, that the Right Honourable Member for St. Peter has asked for both approaches. In other words, there was a direct assault and attack on Barbados' Immigration Officers by the Right Honourable Member for St. Peter, in relation to their handling of certain Caribbean nationals.

Asides.

Mr. D. J. H. THOMPSON: It was published in the local newspapers. Therefore, I want to be assured by the Junior Minister, who is the substantive Minister, who has responsibility for the Immigration Department, that he is sure that members of the Immigration Department are carrying out their lawful duties. If they are not, that would be a different matter.

Mr. Deputy Speaker, Barbadians travel all over the world and we expect people who meet us at airports, whether those people are from the Immigration Departments or Customs Officers, to treat us in a fair manner. The vast majority of us are travelling on correct passports. We are travelling with visas and with money in our pockets, at least to enjoy a vacation. We are not travelling to try and confuse immigration officers with information that is not correct. It is true that there may be many who travel to the United States of America, who may intend to stay longer than is desirable, but when they are passing that point, that is not their immediate or current intention.

Mr. Deputy Speaker, the point I want to make is that if the Government has a policy in relation to Caribbean nationals, it must state what is that policy. If Government has a special policy, in relation to nationals of a particular country, Government must state that policy. Sir, I am going to make the point that the Prime Minister's statement was buttressed by a very off-handed and nonsensical remark made by the current President of the Republic of Guyana. His remark was that he is trying to do his best, in the face of criticisms from the Opposition.

Sir, of course, we live in an era where it is perfectly legitimate for leaders of political parties, in other countries, whether they are temporary or otherwise, whether they are there through a fair system of election or otherwise, whether they practise social justice or otherwise, for them to comment on the internal politics of other countries. Therefore, apparently it is perfectly legitimate for those kinds of statements to be made.

Mr. Deputy Speaker, I would want to know if the President of Guyana is saying that Barbados' laws should be broken, to facilitate the policy that he has, which might not be the policy of the Government of Barbados. I would want the President to state whether the Prime Minister of Barbados is saying that Barbados' laws should be broken,

in order to facilitate a policy that the President of Guyana has, which is not really the policy of the Government of Barbados.

Asides.

Mr. D. J. H. THOMPSON: Mr. Deputy Speaker, it is a riddle but it can only be a riddle, unless they are on a dance floor dancing with each other to music that none of us in here can hear, and I mean the President of Guyana or the Prime Minister of Barbados.

Asides.

Mr. D. J. H. THOMPSON: Mr. Deputy Speaker, we have to bring it down to reality and I am depending on the Honourable Member for St. Michael West, whom I believe has had some responsibility for immigration matters for a while, to indicate to this Honourable House what is the current Government's policy, in relation to the movement of Caribbean nationals, at all level, not only at the professional level. Mr. Deputy Speaker, I am not talking about people visiting Barbados and remaining here, or about persons working or living here, but about Barbadians living, moving and investing in other countries.

Sir, we seem to be at the stage where we have some very lofty ideals, that the Right Honourable Member for St. Peter, who has confessed that he has broken the laws of Barbados before and, therefore, I am not surprised that he would advise immigration officers to do the same, is espousing a personal policy in relation to the Caribbean Single Market and Economy, which is not buttressed by the fortitude to introduce legislation, to do the things he wants to do, at a personal level. Mr. Deputy Speaker, these inconsistencies alarm me.

If we are moving towards the free movement of persons, the Government must have the courage to get up and say so. If it is true they want to open up the floodgates, they must also say so. If they are instituting a Guyana policy, they must say so to the President of Guyana, so that he would no longer interfere in the internal affairs of Barbados, by commenting on the stance of the Opposition.

Mr. Deputy Speaker, our position is abundantly clear. We expect public officers to discharge their obligations to the public with fearlessness and with integrity, but also using a customer service approach that helps people to understand they are welcomed to Barbados, as long as they abide by our laws.

Mr. Deputy Speaker, I do not think that any message should be sent to the Immigration Department and the officers working there, that there is a particular category of persons for whom they must use a more sensitive approach, one bordering on breaking the law or, in fact, breaking the law, unless that is the Government's policy. Therefore, if it is the Government's policy, then the Junior Minister should tell us that.

I thank you.

Hon. Miss M. A. MOTTLEY: Mr. Deputy Speaker, I will not follow the road taken by the Honourable Leader of the Opposition, who, once again, was clearly seeking to use a platform to stoke what is a relatively easy flame to be stoked because of the fact that immigration matters in any country, could be matters that could inflame sensibilities and sensitivities.

Mr. Deputy Speaker, it brings to mind the words of Blood's calypso last Friday night, a classic calypso, which, I think, would be around for a long time: "The theme of interdependence". I think it is the third verse of that calypso that spoke to the fact that even the mighty United States of America has to rely on immigrants because of the fact that no economy or no society can ever grow without some level of immigration. Therefore, at this time of the emancipation season, it also brings to mind the fact, that when I delivered the first emancipation lecture and did the research for it, this Parliament, in 1850, was debating the issue of Barbadians going to Guyana. At that time, there was an exodus of Barbadian to Guyana and the Parliament was debating whether they could put measures in place to restrict the flow of Barbadians to Guyana because of the fact that they were taking away from the population they had to rely on, in order to carry out their business in a post-emancipation society.

Mr. Deputy Speaker, in this regard, therefore, if persons were to stand back long enough, they would see the cycles of waves. Persons would also understand that every great civilisation and every country that has prospered, has always had to do so by reason of a combination of talents. They would also see that any entity, including families - that is why we do not want to promote in-breeding of any type - any country or community that does not have a regular flow of people from outside that unit, would tend to atrophy.

11.00 a.m.

Tuesday, August 08, 2006

(EDITED)

Hon. Miss M.A. MOTTLEY: Mr. Deputy Speaker, I believe that at some point this debate has to be carried on without the rancour of partisan politics. I believe that there are legitimate concerns on the part of the population of Barbados in relation to the nature and scale of immigration into this country. Sir, I also believe that the discussion must take into account that once you start to see the levels of

improvement in our quality of life that it is also a fact that the majority of the domestic population would move away from tasks and jobs they no longer want to do or that they feel they have been trained beyond those jobs and hence the jobs still have to be done and, as with every other region in the world, it is an immigrant population looking for a better life for their families that would come in and tend to do those jobs.

Mr. Deputy Speaker, the Honourable Member for St. John hopes that President Jagdeo and our Prime Minister would meet and talk, which the Honourable Member for the City has described sotto voce as fantasy. Sir, it might be fantasy on my part but I trust and hope that we could have a mature discussion as a country without partisan politics and one that allows us to determine what is the appropriate level and scale of immigration we believe to be appropriate to Barbados, in order for us to build out this economy and to continue to build on the gains which the society has but equally, cognisant that we ourselves in our past, have had to use emigration, Barbadians going out in order to better themselves, family and general economic circumstances of the country.

Mr. Deputy Speaker, I really want to speak on the particular and peculiar arrangements of the legislation before us. I have the honour of being Chairman of the Subcommittee at the regional level in CARICOM for the preparation of the national security measures for World Cup, 2007. These two pieces of legislation, the Pre-clearance Bill and the Amendment to the Immigration Act were crafted in order to be able to keep a safe and secure environment not just for our own citizens but equally for anyone visiting. Sir, we are cognisant that there is a risk attendant to the staging of these games not because of any domestic matter per se within any of the countries but because, in the world which we live today, people look for any background to be able to stage terrorist acts in order to make their political points.

Mr. Deputy Speaker, the truth is that World Cup is the third largest global games coming after FIFA's International Cricket World Cup and coming after the Olympic Games. It is in that context combined with the nature of the countries participating in Cricket World Cup, countries who themselves, in some instances had historical conflict, countries which have domestic internal conflict like Sri Lanka and in that context, we have to be sure that we have put every measure in place that will mitigate against our being a background for the staging of any form of terrorist acts that would lead to loss of life or loss of property, whether of our own citizens or of those visiting.

Mr. Deputy Speaker, separate and apart from that major consideration, we have also to be mindful that there is the distinct difficulty that we face that if there is a level of dissatisfaction - nothing to do with security - with the processing of passengers and goods through our multiple countries, then there is likely to be deleterious economic consequences, which would go to the heart of our economy and can cause us difficulties since in the case of eight of the nine countries hosting Cricket World Cup, tourism is one of the major foreign exchange earners upon which these economies rest.

Mr. Deputy Speaker, in those circumstances, apart from the security considerations, it cannot be that people moving from one country to another country, particularly given the constraints of accommodation, land in a particular country on a day that a game is being played and cannot be processed in time to attend the particular games at the particular stadium. Sir, that would lead to difficulties that would give us negative publicity, negative promotion and we would then be put to spend additional funds in order to be able to negate that negative publicity.

Mr. Deputy Speaker, I ask this House today to support the comments made by the Honourable Member for St. Michael West, who did a yeoman job in presenting not only this Bill but the one which previously passed the House a few moments ago. Mr. Deputy Speaker, it is a case of us seeking to put measures in place in relation to the pre-clearance. This Bill will expire on May 15, 2007, and is specifically for Cricket World Cup, in order to be able to facilitate the pre-clearance of teams, umpires, sponsors, officials, their spouses or dependants, all the entities which are necessary to be in place before a game can start and in relation to the Immigration Amendment Bill, which passed just now, that is not, however, limited by time but would become part of the laws of Barbados because we have a need to be able to receive the advanced passenger information on an ongoing basis long after Cricket World Cup.

Mr. Deputy Speaker, I do anticipate, however, that in the same way that countries in the region, The Bahamas has entire pre-clearance arrangements with countries like United States of America, that a time may come when Barbados may choose to have pre-clearance arrangements if only because it is easier to clear people here, going into that port of entry, than it is sometimes to deal with other complex situation and circumstances and the volume of people in those airports into which we would be travelling from here.

Mr. Speaker, It is in that vein that late last year while I was still Minister for Immigration that I had discussion with the American Government. I am aware that those investigations are taking place now as to the feasibility of that pre-clearance. I am also aware that the current Minister of State for Immigration as well as the Minister of Tourism will be the ones who have the responsibility for continuing that work. Sir, this opportunity during Cricket World Cup would give us a chance to see how best it could work since

they are also physical and logistical consequences to the issue of pre-clearance.

Mr. Deputy Speaker, I want to say that we are happy that we have been able to reach an agreement among ourselves regionally in relation to the advanced passenger information which would apply not just to the issue of the airport but also to cruise ship passenger coming in. Before an airplane leaves a particular jurisdiction, the manifest will come and that manifest will be checked in an essential clearing house, which will be in Barbados, as the Minister indicated, and a determination would be made as to if there are any persons on board who need to be refused entry. Sir, in those circumstances, not only will we be checking against databases provided by the United States of America but equally Interpol and equally our own regional watch list which we will be created for the first time because traditionally, our cooperation in security and intelligence matters in the region has been to the North Atlantic countries but not among ourselves.

Mr. Deputy Speaker, in the context of a single market and single economy, I have always maintained that it is not only legal people or legal funds that would move freely but those interested in nefarious and criminal activities or those who want to wash dirty money. Sir, in that context, one of the lasting legacies from Cricket World Cup, in my view, and one of the historic decisions taken by the Heads of Governments in July, in Basseterre, St. Kitts is the whole question of setting up a regional intelligence framework as well as...

H109/11:20

Sequence 8

Tuesday, August 8, 2006

Hon. Miss M.A. MOTTLEY: as us agreeing to cooperate on this issue of advance passenger information.

Sir, from a tourism perspective, it would make Barbados a more attractive destination, because it means many of the difficulties could be reduced that would have been previously experienced in terms of the length of time, and of processing people through the airport. As you know, even though we have expanded the airport and have done so wonderfully, - it is really a beautiful job that has been done, we are still under pressure, because in a very real sense we are expanding at a greater rate, than which was originally forecasted. These kinds of measures, including the additional number of immigration officers that were hired earlier this year, will assist in ensuring that issue will no longer be one of the niggling things that we have to contend with, as we welcome people to our shores and continue to earn the money that help us to keep this country stable and secure for our citizens.

Mr. Deputy Speaker, I want to support this Bill. There is much more still to be done at the regional level. It is anticipated that the Bureau of Ministers of National Security, myself as Chairman, and the Cricket World Cup subcommittee will be meeting with the Prime Minister of Trinidad and Tobago and the Secretary of State for Homeland Security of the United States of America on Friday this week. Many of these issues will be further fine tuned. We have a team of CARICOM officials who are now in Washington meeting with the Homeland Security to settle the operational protocols and to put the things in place that would allow us to be operational from January 2007.

Mr. Deputy Speaker, we look forward to the coming of the games, not just for those visiting from overseas, but moreso for Caribbean people, who will have the benefit of a golden period of free movement within the region from January 15th to May 15th, because the advanced passenger information data will allow us to know who is coming in without us necessarily having to stamp their passport. Therefore, we need to be able to move people through quickly, while in no way compromising the security risk that would face our individual countries.

I ask all Honourable Members, therefore, to support this legislation which is before this Honourable House, and for the Minister of State in the Prime Minister's office and the Minister of Tourism to continue the negotiations with other countries like the United States of America, that will allow us to have full-time pre-clearance arrangements with third countries outside of the Caribbean region.

I am obliged to you, Sir.

Mr. DEPUTY SPEAKER: The Honourable Member for St. Lucy.

Mr. D. St.E. KELLMAN: Mr. Deputy Speaker, from time to time one gets the impression that anything associated with the American Government is not good. It is clear to me that this amendment has been taken from the policies of the American Government. As you are aware, if you are going to the United States of America, traveling travel through Puerto Rica, there is no need to clear immigration at any other port. It is clear to me that even though you pretend that there is nothing good to be learnt from the Americans, we have already adopted their style. I am happy to see that this Government has finally recognised that there is something good to be learnt from "Uncle Sam".

I also want to say that we must not stop at the primary school stage of learning. We must now move to the secondary and tertiary stage. It is clear to me that because of World Cup 2007, the Immigration Department is going to be in great demand and the cost of operating

that department will be substantial. In light of that, I believe that we need to do a little more copying again from the American Government, recognising that Barbadians cannot be asked to bear this burden. This cost must be passed on to persons using the Immigration Department, only.

I am suggesting that even though some people did not like the way the American Government financed the new headquarters in Wildey, we as a Government should do some copying to learn how to finance the cost of our immigration services, as it relates to outsiders and not necessarily to our own.

Sir, I believe that Barbadians are being ask to finance costs. When you look at it, these costs are directly related to persons who are not Barbadians. I do not think that the masses should be called upon anymore to continue to 'fork out' money to pay the cost of other citizens who do not have a direct connection to this country. Sir, the masses, some of them, do not even have a passport, yet they are called upon to finance the cost for other people using these particular services.

Mr. Deputy Speaker, as from today, I am asking the

Government of Barbados, to adopt the American approach to financing their immigration services, so that we too can have a proper building for the staff of our Immigration Department, preventing them from operating in a substandard situation as they now do. We will be able to improve the commercial side of the Immigration Department without that expense falling on the citizens of Barbados.

Sir, it is not by accident, that the American Government has demonstrated to us in Barbados how we can finance new headquarters. I want to hear the proposal coming from the new Minister of Immigration, whom I believe, based on what I have been hearing lately, should not be a minister without a portfolio, but should be one with a portfolio.

I have observed, in the short space of time, that this minister has assumed his position, he has demonstrated and behaved as a minister with a portfolio. This is no junior minister. This is a minister who has demonstrated why he was chosen to the Cabinet of Barbados. Sir, this minister has shown where he stands within the Cabinet of Barbados, and I believe that a portfolio should be assigned to him.

Asides.

Mr. D. St.E. KELLMAN: Sir, I am saying that the Honourable Member is deserving, because he is behaving like a minister that has a portfolio. I believe that he is deserving to have that attached to him because of the job he has performed. To be honest with you, it is only Parliamentarians who would know that he is a minister without a portfolio. Mr. Deputy Speaker, this minister has demonstrated that he has the capacity to perform like any of the other ministers, and this minister has even done better than some of the ministers with portfolios.

Asides.

Mr. D. St.E. KELLMAN: Sir, if there were a score card to be marked, this minister would get a nine out of ten and not a zero out of ten. This minister, no photocopy, has stamped his brand on his ministry and nobody would believe that he is administering with a particular ministry whose portfolio is held by somebody else. I might even have to warn the Prime Minister, because this minister is now performing like a Prime Minister. I am saying that you have to watch and see if this Honourable Minister is now a dark horse in the race, because surely this minister is behaving as though he is bolting to higher heights.

Sir, we need to copy things that are good and work well for others. Mr. Deputy Speaker, when I analyse what the American Government has done, within the Caribbean, how they have been able to finance projects, I believe that we have an approach to copy and we can do well to copy that approach, given to us by our friends up north. We too can find a new and innovative way, to finance the headquarters for the Immigration Department , allowing the officers to operate in facilities that are suitable, based on their respective duty.

Sir, in terms of the wider policy of immigration, I have already said that we need a clear immigration policy.

11.30 a.m.

Sequence 9

Tuesday, August 08, 2006

House 109, Sequence 10, 11.30 a.m.

Continuation of: Mr. D. St.E. KELLMAN:

Sir, the immigration policy that we have in Barbados is anti-Barbados, and it is not working in the interest of Barbados. When one looks at a country that is starved of resources and where the main resource happens to be, the people of Barbados, clearly the immigration policy that we are practicing is anti our resources. If the resources are your people, and you are using an immigration policy to dilute your people, then something has to be wrong with the immigration policy that you are practising.

Sir, we need to have an immigration policy within the Caribbean, which would allow Caribbean people to be

seen as tourists, and not to have Caribbean people believe that they must have a right to move from a country with resources to a country that is starved of resources, and to create a demand on the State.

Sir, if you look at it, it even interferes with the per capita of the country. I am saying that we are now practising an immigration policy that is creating headaches for the Minister of Finance in this country. It is interfering with the statistics coming from international organisations because if we are to look at the true division, it cannot be 270 000. It has to be 270 000 plus, divided by whatever figure that you are using.

I am saying today, that this particular Bill coming before this House, allows us now to have a new platform and a better understanding of where we have to go. There is no crime, Sir, and I will support any Government that allows Caribbean people to come to their territory as tourists. There is nothing wrong with that, Sir.

Sir, there is greater worth for any country to see people as tourist, than to see them as part of the population, especially, when you are operating in a country that does not have the resources to support its own people.

Sir, this is why I do not have a particular problem with the Guyanese. I honestly believe that they should be welcome to Barbados as tourists. Sir, if we have a demand and a labour shortage that should be done, but if one looks at a wider immigration policy, and a base on resources, Barbadians should be seeking to go to Guyana, instead of Guyanese seeking to come to Barbados.

Sir, this is why the CSME, approach and the "E", approach in CSME, must be carefully studied. As it stands now, we are having a problem, where a lot of our young men and women who are willing to work. I do not buy this notion that young people in Barbados do not want work. That is not true.

Sir, the young people want to have an opportunity to get work but the problem is that there are people in Barbados who are now using the immigration policy against the Barbadian citizens and giving the excuse that young people do not want work. In truth and in fact, they are looking for cheap labour, and blaming the young people for not wanting work.

Sir, young people are excited. They are now seeing now the immigration policy as a situation of pushing them further back in the dark age. This pre-clearance cannot be one-off. This has to be permanent. This particular Bill cannot only be for World Cup. This Bill must remain to deal with our Caribbean brothers and sisters, because in the same way we need to knew who come for World Cup, we also need to know who is coming on other occasions. It cannot be treated like the Sunset legislation. This particular Bill must be used to regulate the population of Barbados and to put a proper immigration policy in place.

Sir, we have to understand that a country, where you have a Prime Minister admitting that the foreign reserves of the country as earned, cannot support the country, we cannot continue to allow the foreign reserves to be diluted any further. Sir, if your house does not have in food for everybody in the House, and you invite more persons to eat from the pot, it means that you are reducing the food in the House for those who have been in the house previously. Sir, again, we need to have an immigration policy that will increase the amount of food to go into the pot and not decrease the amount coming out.

Sir, those of us who have found ourselves on the upper end of the ladder and cannot appreciate the lower end, would not be able to appreciate this comment. Those of us who do not understand and appreciate the lives of techno-peasants would not understand a speech like this.

Asides.

Mr. D. St.E. KELLMAN: Sir, the Honourable Member for the City is asking me to let it die. I have always respected the opinion of the Honourable Member for the City, who would not have used those comments because of her breeding, and I know that the Honourable Member understands the misuse of the word.

Asides.

Mr. D. St.E. KELLMAN: Sir, in the Caribbean what we need to see is an immigration policy that would allow the pot to expand, instead of having a contraction of the pot. It is clear to me, Sir, that the pots and the contents are not expanding and they are reducing because of a bad immigration policy.

I think it is foolhardy, Sir, for one to give the impression that because people express concerns about what is happening in Barbados, a country that does not have any resources, a country that is not producing the necessary foreign reserves to support its people, and a country that is operating on borrowed time, that it is wrong when the citizens of the country object to certain immigration policies coming out of the particular country.

Sir, I am saying that we need to have an immigration policy that would allow an expansion of the economy. But when one listens, Sir, even to the Governor of the Central Bank, as the fair lady reports on the Immigration policy of Barbados, it is clear that the Governor of the Central Bank understands that you cannot continue to use an immigration policy to support the economy that is led by construction. This is clear.

Sir, it is also clear that our biggest problem cannot only be a problem of protection, but it has to be a problem of immigration. Today, Sir, we cannot come to this House and do a two-line approach to this particular Bill, for the simple reason that it is too important.

Sir, our immigration policy must be fully discussed in this House. It must be discussed as it relates to the GDP and the social side of Barbados, and everything that you can think about. For the simple reason, Sir, the thing that will decide the future of Barbados is its immigration policy, as it now stands. Clearly, if we do not do something about it, we will continue to dilute our people and we will not produce the way we should.

Sir, it is a farce to believe that we have something to offer someone from outside because our people do not want it. I am saying from the Floor of the House today, that it is a sick excuse. It is an excuse where people want to reduce the cost of operation, and they are using that as an excuse for the simple reason that they do not want to give back to their own. Sir, a country like Barbados that has used the educational system to uplift its people, cannot now want to use immigration policy to put its people back in those dark ages. Sir, we must appreciate what is happening.

House 109, Sequence 10, 11:40:14

Tuesday, August 08, 2006

Mr. D. St.E. KELLMAN: Mr. Deputy Speaker, as I walk around Barbados and I listen, I get the impression that the young people of Barbados are no good, but that is not true. There are young people in Barbados who are producing and producing better than some senior people who have experience. Mr. Deputy Speaker, I want to defend those young people in Barbados who have been pushed to the sidewalks and the streets of Barbados because of the immigration policy of Barbados. Mr. Deputy Speaker, if given the opportunity, these young people will perform.

Mr. Deputy Speaker, there is an even bigger crime. There are some senior people who, in seeking to protect themselves, that will encourage them, as soon as they land on the job, not to perform. That is selfishness. Sir, sometimes we need to protect our young people from some of the people they have to associate themselves with. Sir, as soon as our young people land on the job market, they produce well, but a couple months later after associating around certain people, you wonder what is happening. Sir, I am saying that as politicians we need to correct that because we are now finding our young people being locked away or on the streets.

Mr. Deputy Speaker, we have to make sure that any amendment or any Bill that is introduced into this Parliament is a Bill to better Barbados and not to make Barbados worse. As I said already, Sir, when you invite people to your country and the five-year clause is used, then the population cannot be 270 000, it has to be 270 000 plus the conversion. Therefore, whatever resources you have, cannot be divided by the 270 000, it would have to be divided by the higher figure.

Mr. Deputy Speaker, I have said already in this Parliament that there is a need for changes within the Statistical Department as it relates to the way they produce statistics. The old formulae being used are not working in the interest of Barbados because the figures that they give are true, based on the old formulae but not true based on today's happening. Therefore, I am calling for some radical changes to occur in that department so that we could really appreciate what is really happening in Barbados instead of having this false belief that everything is well and we continue to use a statistic of 270 000 for the population in Barbados when in truth and in fact it is much higher and the dividing factor is much higher.

Mr. Deputy Speaker, we continue to use the smaller figure for the simple reason, it throws up the figure that looks good. I do not want that, Sir. I want to see what is actually occurring within the system. Sir, this country will be better served if we appreciate the true population of Barbados and make the necessary adjustment, three months, six months, seven months. It might even take the Opposition to be in Opposition for some members to understand what I am saying.

Mr. Deputy Speaker, there are some who are on the Government side who will not be able to appreciate this point now, but in the next couple of months they will argue the same point as if it is a new point. Mr. Deputy Speaker, the chief offender of that will be the Honourable Member for St. Michael South and his cohorts, but we do not mind. The truth is, it must be told. Those who pretend they do not understand will come back in here or will deliver the same speech somewhere else, whether it be at Port St. Charles or at the Hilton Hotel.

Mr. Deputy Speaker, the Minister responsible for immigration would do well to see this not only for the Cricket World Cup, but as a step to deal with the immigration problems of Barbados and to deal with the many problems that might occur within the next few months as the Minister remains in charge of this particular Ministry.

Clearly, Sir, with a change of Government, we would be able to appreciate this much better than the present Government. Mr. Deputy Speaker, what was said would not allow this Parliament to appreciate what we are saying, it is only when we put it in action that people would be able to understand it and realise the social revolution

that would be created because of this particular amendment.

Mr. Deputy Speaker, it is clear that this amendment has been copied from the United States of America Government. I have always said that the Government is very good at copying, but the problem comes with the implementation. Mr. Deputy Speaker, as you would know, there is nothing wrong with the copying, the problem will be with the implementation.

Sir, I know that the Honourable Member for St. Michael East would understand this particular point even though it is coming from "Uncle Sam" and he will not be misled by his boss from the other section who would tell you that it should come from Chavez. Mr. Deputy Speaker, I know that the Honourable Member is much smarter than that. The Honourable Member now understands the meaning of being part of a Cabinet and understands the importance of having trade and not just borrowed money.

Sir, a lot of people believe that a foreign policy must be based on borrowed money. Mr. Deputy Speaker, the late Right Excellent Errol Barrow has always stated that he believes in dealing with countries that provide trade and not loans. Sir, I think that many of the Governments within the Caribbean would do well if they go back and read what this great man had to say.

Mr. Deputy Speaker, what I have observed within the Caribbean now is that there is a borrowing mentality and not a producing mentality. Sir, in order for the Caribbean countries to really have a CARICOM Single Market and Economy, they have to learn to produce. That is why I have said that we must see a country like Guyana that has all the resources as the "E".

Sir, our immigration policy must be slanted in a way to work the resources of Guyana instead of allowing Guyana to give up its people who should be producing to build for the Caribbean. Sir, I do not know why we are allowing an immigration policy to deplete a country that has all the resources and allowing countries that do not have a stake in the particular country to harness the resources. Sir, it is because of bad immigration policies within the Caribbean region that we are not able to fully exploit the CARICOM Single Market and Economy. Sir, we need to go back to the table and understand the importance of the "E" and understand that until we can work the E, we will not be able to work anything else. We have to work the "E" first, and the "E" can be found in Guyana.

Mr. Deputy Speaker, I want to see the drain that is coming out of Guyana stop. I want to see the Caribbean governments having an immigration policy in place that would allow the Guyanese to appreciate the resources they have in their country instead of driving the Guyanese from the resources of the Caribbean. Sir, it is all because of a bad immigration policy and lack of proper planning as it relates to developing the E in CARICOM Single Market and Economy. Sir, we need to see a reverse foreign policy, a reverse immigration policy and an appreciation for the resources of the Caribbean. Sir, I am saying that the resources of the Caribbean can be found in Guyana, and we must have the immigration policy to match that.

Mr. Deputy Speaker, the brightest Guyanese are leaving Guyana and going all over the world, and leaders feel proud about it. I am telling the Guyanese people that they should not be proud of leaders who would like to see them give up their rights in Guyana, that they need to have an immigration policy not only here in Barbados but in Guyana with the necessary coming together of the Heads, the resources and the capital to harness the resources of Guyana so that it can be for the interest of the people of the Caribbean as well as to develop Guyana so that the Guyanese can be back where they use to be.

Sir, I want to speak about Guyana like how the late Right Excellent Errol Barrow used to speak about it. Sir, I could see the capacity for that to occur again but you must have the right people in place and the right understanding to be able to achieve these things. I am saying that in copying this particular amendment from the American Government, we need to understand what they have done and to expand on it.

House 109 Sequence 11

11.50 a.m.

Tuesday, August 08, 2006

Mr. D. St.E. KELLMAN: Mr. Deputy Speaker, I am saying that if we want to copy, let us copy the good things, and that this is a good thing to copy from the American Government. We must also understand that as a small country without resources, we cannot continue to finance the external side to our immigration, by allowing the people of Barbados to finance things, which they have not incurred. We have to ensure that the matching revenue or even a surplus could be found for running those departments, so that we could also have our own headquarter. The American Government has shown us how to do it and we need to use that example.

We also need to have a Caribbean approach to our immigration policies and not only to our foreign policies. Sir, I must say that the Caribbean approach to our foreign policies is a very frightening one because when I hear certain leaders within the Caribbean speaking, it seems to me as though everybody wants to operate on borrowed time and not on producing time. Sir, for the Caribbean to

go forward, it cannot go forward on the foreign policy approach only. It has to be the new immigration approach, one that understands what we must do to better our people.

Mr. Deputy Speaker, I thank you.

Hon. N. A. LYNCH: Mr. Deputy Speaker, I am in deep physical pain, the day after the revelry. I am also in deep psychological pain, in trying to decipher the philosophical abstract to which we were just treated. Sir, even for me to try copying this one would be a tad difficult.

Mr. Deputy Speaker, I am not trying to reflect upon anything for which you could have made a ruling but I do not think that the Honourable Member has even connected, in any way, with the concept of the pre-clearance facility and what is the objective and intention of this particular Bill.

Mr. Deputy Speaker, to begin with, this debate has nothing to do with copying anything from the United States of America. As a matter of fact, the analogy used to try to equate this to what happens in Puerto Rico or in some other jurisdictions of the United States of America, is again a lost analogy or lost example.

Sir, Puerto Rico is considered to be a territory of the United States of America. The issue is that there are pre-clearance facilities in other jurisdictions, which are not territories of the United States of America. For example, there is pre-clearance facilities in Bermuda and in the Cayman Islands, in which a passenger is able to clear US Immigration and Customs authorities, even before he or she enters into the United States of America. Therefore, when persons reach the United States of America, they are able to go through Immigration and Customs without any problem.

Mr. Deputy Speaker, I would have thought the central issue to be discussed here, would have been the concept of a pre-clearance facility, as this would have been the precursor and forerunner for what we might be able to do in Barbados for the future.

Asides.

Mr. D. St.E. KELLMAN: On a point of order. Mr. Deputy Speaker, the Honourable Member is misleading this Honourable House, by giving the impression that it is the Bahamian officials who clear Customs. Sir, that is not true. It is actually the American Immigration and Customs officials, who clear persons travelling.

Asides.

Hon. N. A. LYNCH: Mr. Deputy Speaker, I never mentioned who clears who. All I said was that persons travelling are cleared within the Bahamian jurisdiction and that once reaching the port of the United States of America, persons would have had pre-clearance customs and immigration facilities.

Mr. Deputy Speaker, that is not even the point. The point is that once we are able to create this type of facility, it has been proven that it has acted as a tool for marketing, particularly to USA customers coming into other jurisdictions, or those who would want to travel to the United States of America.

Mr. Deputy Speaker, Barbados has been in discussion, on a number of occasions, with authorities of the United States of America, regarding the concept of creating such a facility in Barbados. Sir, with regards to what happens within a pre-clearance facility, once there is the spacial requirements that the USA Immigrations and Customs need or find adequate, it would help with creating employment within one's own jurisdiction.

Mr. Deputy Speaker, I would have thought that the argument would have been that if we could use this as an example and as a forerunner for creating a basis for having such pre-clearance facilities in Barbados, that because of our distance from that of the United States of America, as compared to other jurisdictions in which this has been done, it would give us a better advantage, in terms of marketing our own tourism product to the United States of America.

Mr. Deputy Speaker, part and parcel of this issue centres around the concept of space at our Ports. Sir, only last week, in Trinidad and Tobago, at a Meeting of Ministers of International Transport, we were able to put in place a Task Force of Ministers of International Transport and Civil Aviation. This Task Force is to look at how we could ease the process by which people travel through the Caribbean, during the period of Cricket World Cup, 2007. Once we are able to broker that successfully, we think we could mirror this by creating one space for people to travel. We think we could do this and that it could remain after the Cricket World Cup, 2007.

Mr. Deputy Speaker, I would have thought that would have been the concept under which we would have debated the concept of pre-clearance facility. Sir, Barbados is the only jurisdiction, as has been proven last week, which has a pretty good lien on the number of passengers, who would be travelling, either through their seaport or its airport, during the period of the Cricket World Cup, 2007.

Mr. Deputy Speaker, once we are able to identify the number of people, it seems that an influx of visitors, outside the normal requirements of what we would have in our port, is going to require that there be more space to be established. Clearly, there is going to be human resource

requirements, some technical assistance that would be needed, technology expertise and hardware, to facilitate this passage.

Mr. Deputy Speaker, what has been done is that CARICOM has now been able to create the Terms of Reference for this new Task Force of Ministers of International Transport and Civil Aviation, to ensure that we do have all the requirements in each jurisdiction, so that when people come through...

Sir, one of the things that would happen would be that even though people would be allowed to enter a particular country, for example, St. Lucia, they would then be allowed to travel into Barbados or St. Vincent, without going through Customs and Immigration. Therefore, in this regard, we have to ensure that all the facilities at each jurisdiction, can mirror each other and that they all give the same sense of security, and that we do have the spacial requirements necessary.

Mr. Deputy Speaker, those are the issues that are fundamental to a concept such as this. We are pre-clearing people and would want to ensure that everybody has the same level of security and the same level of requirements, as there would have in the other jurisdictions.

Mr. Deputy Speaker, I want to clarify that CARICOM has created this Task Force of Ministers of International Transport, to ensure that we have similar facilities at all ports throughout the region, and that this Task Force states its Objectives and Reasons from what happens within CARICOM. Sir, in my opinion, this could be a very advantageous point for marketing our resources, if we are able to create such a pre-clearance facility.

Mr. Deputy Speaker, I would like to think that all the things we do within the Cricket World Cup, 2007,sets the stage for what we continue to do after that period is over.

Mr. Deputy Speaker, I am obliged to you.

Hon. Rev. J. J. S. ATHERLEY: Mr. Deputy Speaker, in wrapping up this debate on the matter of pre-clearance measures, I would like to make a few remarks. Sir, unlike the Honourable Member for St. Michael South, I would not attempt to judge the Honourable Member for St. Lucy to harshly. In fact, my opinion is that the Honourable Member has delivered a submission, which was sufficiently worthy of himself, asked that it should be readily accepted by all of us who have heard it.

Mr. Deputy Speaker, the concern though is that the Opposition has perhaps not used this opportunity to speak to matters of importance. If we are talking about the provision for pre-clearance and the circumstances that are being outlined, clearly we are talking about some measure of sovereignty being seeded by individual States within the Caribbean region.

H:No.109 (12)12:00 noon.

Tuesday, August 08, 2006

(EDITED, RETYPE CLAUSES)

Rev. J.J.S. ATHERLEY: I think it is an importance step in the right direction with reference to how we seek to govern ourselves and with reference to various processes in the future but there was no mention of that at all.

Mr. Deputy Speaker, security is an extremely important issue in the international concept and it becomes an extremely important issue for us with reference to the Cricket World Cup but there was no mention of that at all. I am disappointed that the Leader of the Opposition, the Honourable Member for St. John would use the Opposition not to speak about pre-clearance but to launch an attack on the President of Guyana and the Prime Minister of Barbados.

Mr. Deputy Speaker, in my view, that was a contribution not worthy of a junior member of Parliament and a contribution coming from one who should have benefited from long and extended years in Opposition. It is a contribution coming from one who, for longer periods that I have to date served as a junior minister in the Prime Minister Office. I thought we would have had a contribution of much greater substance than we had today. I thought preclearance was an important issue which should have attracted more substance from the other side.

Mr. Deputy Speaker, we are clear on this side that there is one policy implemented and executed by the Immigration Department of Barbados under the policy directive of the Government of Barbados with reference to all Caribbean people and all the member States of Caribbean. We are guided by one policy to all of them so that whether one is Guyanese or St. Lucian, one is subjected to the same stipulation and is covered by the same immigration regulation as if one were Trinidadian or Jamaican because there is one policy.

Mr. Deputy Speaker, the Opposition continues to miss the point that the immigration policy of any Caribbean State now and the immigration policy of Barbados must in some respect become subject to the treaty arrangements which now govern life and movement of people in the Caribbean context. Clearly, identified for us under the dictates of those arrangements are the categories of persons to whom free movement now applies and the Schedule for inclusion of other categories of persons. This is a policy which is effected by the Government of Barbados through

the Immigration Department and applies to all CARICOM nationals. Sir, I think we need to be clear about that.

Mr. Deputy Speaker, I thought that the Opposition would have recognised by now that the Barbados community longs to hear their certain voice and position with respect to things like Caribbean Single Market and Economy. It is unfortunate that one does not know where the Opposition in this country stands on the matter of Caribbean Single Market and Economy and free movement of people because they have spoken with a different voice, a confused voice and serious differences of opinions still exist amongst the members who have spoken on behalf of the other side on issues of the Caribbean Single Market and Economy and free movement of persons.

Mr. Deputy Speaker, the World Cup is perhaps the most significant event which has taken place in this region. The Barbadian community does not know the Opposition's certain position on the matter of the Caribbean hosting the World Cup and the participation of Barbados in that and I think it is unfortunate.

Mr. Deputy Speaker, in these days we are very concerned about the investment trajectory of this country. The Barbadian community does not know what is the certain position of the Opposition with respect to the investment trajectory we should follow in Barbados today. Sir, I am making the point that I do not think history would absolve the Opposition from their failure to embrace their responsibility to devise and formulate certain positions on these matters and to speak with clear voice on issues of such tremendous importance.

Mr. Deputy Speaker, I just want to commend this measure to the House and in wrapping up express those few words.

I beg to move this Bill be read a second time.

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

On the separate motion of Rev. J.J.S. ATHERLEY, seconded by Hon. R.R. FARLEY the House resolved itself into Committee, Dr. W.F. DUGID in the Chair.

COMMITTEE

Dr. W.F. DUGID R.D. MARSHALL: This House is in Committee.

Clause 1 was called and passed.

Clause 2 was called and passed.

On the motion of Hon. Miss M.A. MOTTLEY, seconded by Hon. R.C. EASTMOND, Mr. Chairman reported to His Honour, the DEPUTY SPEAKER, the passing of one Bill in Committee without amendment and Mr. DEPUTY SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Hon. Miss M.A. MOTTLEY, seconded by Hon. R.C. EASTMOND, the Bill was read a third time, passed and cited as the Value-Added Tax (Amendment) Act, 2006.

Sequence 13

Tuesday, August 8, 2006

Part 7,Clause 15 and 16 were called and passed

The First Schedule became the Schedule to the Bill.

The Second Schedule became the Schedule to the Bill.

On the motion of Rev.J.J.S. ATHERLEY, seconded by Hon. R.R. FARLEY, the Chairman reported the passing of one Bill with amendment in Committee and His Honour the DEPUTY SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Rev.J.J.S. ATHERLEY, seconded by Hon. R.R. FARLEY, the Bill was read a third time and passed and cited as the Pre-clearance (ICC World Cup West Indies 2007) Act, 2006.

RESUMPTION OF THE SECOND READING OF THE SMALL BUSINESS DEVELOPMENT (AMENDMENT) BILL, 2006

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

Mr. R.L. SEALY: Mr. Deputy Speaker, the matter before the Honourable House relates to a number of amendments to the Small Business Development Act. I think it is appropriate that we look at how effective the original Act has been, in achieving its desired objectives. The amendments proposed are quite laudable. Its use relates to allowing more businesses to participate for whatever benefits they can enjoy, under the Small Business Development Act. I think that it is useful for us as the House to look at the effect of the original Act.

Sir, when the legislation was passed in 1999, it was set up to establish a regulatory framework to facilitate the growth of the small business sector. I certainly can recall when the Honourable Member for St. Michael North, was the then minister responsible and was certainly very excited, that this piece of legislation had been brought and it was even described as revolutionary, in terms of what it

could potentially do. That is the term I heard being used by, not only the Honourable Member for St. Michael North, but other Government Members in bringing that piece of legislation.

Sir, if we have now come in 2006, to the point where we need to amend this Act, I think it would be useful for us at this point to see to what extent the revolution has succeeded and where are we in 2006 in terms of the small business sector.

I am satisfied that it is not only about setting up the legislative framework, it is not only about the institutions you create, it is what impact they have. Again, at the time the legislation was put in place, we were told that the Democratic Labour Party had done nothing for small business, while it was in Government. In fact, during the structural adjustment and stabalisation, the public service vehicles, the so-called ZRs, that entrepreneurial opportunity for ordinary Barbadians was provided, that entrepreneurial was facilitated through a direct government act. It is not fair to say that entrepreneurism simply died during that period. I know that sector has other problems and it needs to be properly regulated, et cetera, et cetera, but the Honourable Member for St. George North is hard at work at that.

Sir, the point I am making is that when we look back at that period it was not all bad. In fact, because job opportunities were perhaps a bit limited, many persons were propelled towards self-employment. To that extent it was not a bad period for entrepreneurism.

I think that the Government, in its promise to target small businesses for development, must understand that rhetoric is fine, but there must be a connection between the rhetoric offered to the sector, and the reality of their experience. The gulf between the rhetoric and reality would have to be narrowed, because the reality is, when you speak to most small businesses, many of them who have attempted to access the Government departments, that purport to be there in their interest, report encountering all sorts of bureaucratic hurdles and lots of red tape. In fact, if we are to go on the basis of some of the figures that we heard, in terms of how the Enterprise Growth Fund, the FundAccess and all of these institutions have been doing, you can see that certainly there is room for much improvement.

Mr. Deputy Speaker, if I turn to the amendments, one area I think that this Government can look at, even within the very context of this very process we are going through, is how a small business is defined. I am of the view that we can increase the $1 million in capital. It may sound like a lot but when you think about it, if ten or fifteen Barbadians decided to get together to form a business, they may have all been paid out from a company and have the intention of starting a small hotel or a small manufacturing plant, with each putting up $100 000 in equity, would not qualify for any of the wonderful benefits under this particular piece of legislation.

12.20 p.m.

Sequence 14

Tuesday, August 02, 2006

House 108, Sequence 15, 12.20 p.m.

Continuation of: Mr. R.L. SEALY:

...I am suggesting that is a correction that even can be made during the course of this exercise, if it is the will of the House. On that same note, I do believe that $2 million in annual sales, is also too small and that figure can be increased to widen the net, so that no only Barbados businesses in their embryonic stages can benefit, but even in the adolescent phase.

Sir, I do not think the idea or the intention that small businesses should remain small. If you have the will and the drive, then you should see the world as your oyster and if the Government is serious as truly developing, as is said in the title, developing small business, then they should want to assist, as they go beyond the embryonic point and through those adolescent years.

Therefore, maybe if it could go up to $5 million in annual sales, and we could go up to maybe $2 million or $3 million in paid up capital, we could in fact, impact a wider array of businesses. To that extent, maybe even the question of the number of employees can also be looked at because there is a cap of 25. It is not inconceivable that for example, persons that operate those janitorial firms and so forth, could find themselves losing out, because they may employ 26 or even 35 persons, and that maybe that whole definition component, needs to be re-looked.

The other thing, of course, while you are on that issue and I understand the position that the Government, on insisting that you be incorporated to benefit, but I do believe that the very same reason that the Honourable Member for St. Michael North East outlined in her introduction, it was a few weeks back but I remember her talking about persons selling fish on Friday, and people who may have a job but they may still have an entrepreneurial drive to earn some extra monies and so on.

It may not make sense for you to incorporate in certain circumstances when you are involved in some minor trading on the side, but at the same time, I think the legislation can be perhaps a bit more flexible in allowing

for so proprietorships and partnerships, to also enjoy some benefits under this particular piece of legislation.

I would hope that maybe some of those comments, in the context of the definition can be looked at and how we define small business and how we define the small business sector and where, in fact, we anticipate in the context of our national development, the role that these businesses can play in our country.

It is my view, as well, that there are a number of deliberate actions that the Government can take to develop these entities. I remember very well, Mr. Deputy Speaker, the 1999 General Election, which was the first election I contested, probably do not have too many happy memories from it, but the point, because of the result, but I remember a Manifesto document that the Democratic Labour Party put out, which spoke about 40 per cent of Government's goods and services going to small businesses. You could call it, sort of an affirmative action plan to help develop businesses.

I am of the view that something or some formula similar to that can be looked at, with respect to aiding businesses that have maybe even benefited from the same Government agencies, and that the question of Government contracts, some sort of preferential arrangement can be put in place for businesses that have received, not only financial, but technical assistance from a Government development, that that should pre-qualify you to get an opportunity, not that you are guaranteed that you would get it, but to get an opportunity to receive a contract vending a good or service to your Government, the very same Government that is assisting your development, should then turn around and should use you, with respect to its efforts at governing the country.

I think that the Affirmative Action Plan for small businesses is something that actually can be dove tailed into any serious Government plan, that looks at developing small business.

I am sure, Mr. Deputy Speaker, if you were to do a straw poll of all the contractors at the UDC, probably less than 1 per cent of them would have been beneficiaries of some sort of action plan for developing small business. It is good that you are bringing more businesses into the whole opportunity of allow them to have Government contracts, but if they are not properly equipped at how to manage themselves, if they have not had the opportunity of the training and the technical assistance that is out there, then it stands to reason that there is a stronger likelihood - not that it will always happen - that they can become unstuck.

I suppose the UDC, situation is a good example of that and, maybe, if one can look at a training programme for businesses, and then give them the opportunity to provide the goods and services for Government, a lot of those disasters would not necessarily occur. Therefore, I think that in providing opportunities for small businesses to participate in that exercise, it makes a lot of sense.

I remember hearing, Mr. Deputy Speaker, of a situation where someone who had qualified for funds from a Government agency, a small business, had been told quite correctly that the funds had to go straight to the supplier of whatever it was they were borrowing the money for, and they wanted to get these items from another small business person. They were told, no, that the check had to be written to a large company in Bridgetown.

Again, you are sort of defeating the purpose. If it is that you are trying to develop a sector, then you should not force the small businessmen to, in turn, go as a matter of course to large entities all the time. They should be allow to trade with one another among themselves because that is ultimately how you would develop the sector and that is ultimately how meaningful relationships can be developed that can lead to joint ventures and the like, down the road.

It is about creating a culture. It is not only about creating one business here and one business there in that sector or this sector, so that you can get up and say, well, you know, we have spent $11 million and we have created 100 businesses and we employ 1 200 people and it goes beyond that, because very often those businesses some of them admittedly will fail. But the more important aspect is having created the climate and culture of entrepreneurism, where no longer an entrepreneur would be somebody who perhaps did not make it professionally, so went and started a business. There was a view that entrepreneurs were actually second class professionals, if you want to call it that. If you were not good enough to acquire a traditional a profession, law, medicine, et cetera, then you had to go and start a business.

I think we are going beyond that now and we recognise that there is nothing at all less than dignified about being an entrepreneur. In fact, there is a lot of positive about it and I speak of someone who, for my entire adult life, I have actually been an entrepreneur, I guess, and a professional. The point is that I have not worked for anyone now in quite a while, and I do not think that there is anything less than dignified about that.

The Government should look at creating a culture that is friendly towards entrepreneurism and should do all in its power, as well, and should use its might, its diplomatic might, by way of taxation and being able to provide benefits, et cetera, to make the environment, altogether a bit fairer for entrepreneurs.

Mr. Deputy Speaker, I have some very strong views that given the amount of economic growth we have seen in

Barbados lately, we should not only see many more small businesses, but many more of these non traditional businesses should be a lot larger and should be enjoying a greater stake of the economic pie.

Fortunately, Mr. Deputy Speaker, the economic growth that we have seen lately has been trapped by a significant amount of growth in big businesses. We have seen the growth of near monopolies. We have seen consolidation in several sectors, mergers and so forth in insurance, banking and the supply of food...

House 109, Sequence 15, 12:30:14

Tuesday, August 08, 2006

Mr. R. L. SEALY: We are seeing suggestions that almost all of the conglomerates are doing extremely well, but to what extent is it trickling down.

Mr. Deputy Speaker, I would challenge Government to do an audit as to exactly where today are the entities, FundAccess, Enterprise Growth Fund, the BIDC Specialist Assistance Programme Innovation Fund and the Youth Entrepreneurship Scheme, which was once the Honourable Member's responsibility. I think it is time.

The Honourable Member should have a better idea of to what extent these policies are really working and to what extent are we really seeing the pie being shared in a more equitable manner. Mr. Deputy Speaker, there is ample evidence to suggest that is not occurring. Sir, rather than go based on the naked eye, we can develop the empirical data. I certainly know of persons who have accessed funds from one of these entities, and they are no longer in business. Therefore, are they still included in these statistics that we are hearing, I do not know. I understand it is not the easiest process but at the same time...

Asides.

Mr. R. L. SEALY: The point, Mr. Deputy Speaker, is that we need to look at what extent we are seeing this sector truly developed. There is a feeling out there, certainly among the small business persons that I have interacted with, that it is the big businesses that are flourishing in these times and that the economic growth is being enjoyed disproportionately by the conglomerates, by the larger concerns and by the foreign investors and not by the small businessmen. I think that the Government needs to look at this closely.

Mr. Deputy Speaker, all of a sudden, I am hearing from the Minister of Finance that we have a pending crisis because of this $500 million deficit on the balance of trade. Mr. Deputy Speaker, the Democratic Labour Party has been saying that for some time. The Minister of Finance is suggesting that this is why he must offer concessions for so many of these large projects involving foreign investors coming from 'over in away' because we have to start to earn more foreign exchange to allow for us to narrow the difference between what we are importing and what we are producing in terms of goods and services.

Mr. Deputy Speaker, it is my humble opinion that an area that can be looked at for narrowing that gap is developing your domestic enterprises. The foreign investors come in, and yes they may bring in money to develop the project on the capital account, but those construction projects will consume foreign exchange on the current account and can, to some extent, worsen your situation in the short run, whereas if you develop more production and can develop a small business class that is export oriented, you can help to narrow the gap of what we are importing and what we are producing and hopefully delay any potential crisis that could occur from such.

Mr. Deputy Speaker, it is not only about actual production and exportation of goods even though that in itself should be encouraged. I am talking about even greater participation of smaller entities with respect to our tourism industry. I remember hearing some time ago that a great percentage of every dollar that is spent in that industry goes back overseas because of the amount of importing that is done in the hotels and restaurants, et cetera. Mr. Deputy Speaker, perhaps, we need to look at ways and means of having greater interface between small businesses and medium size businesses and our tourists. For example, Mr. Deputy Speaker, the duty-free sector.

As it is right now only big businesses can get involved in the duty-free sector because of the requirements. You have to have a hefty bond and you have to have a warehouse. There has been talk, I believe in both parties, about looking at the St. Maarten model and maybe giving Barbados a duty-free port for certain items, not across the board.

Mr. Deputy Speaker, because of the clear skill that Barbados has demonstrated in buying and selling in the retail sector - a lot of our small business persons seem to like that particular operation - I feel that if we could make it possible for them to participate in the duty-free sector, that n itself could also earn the much cherished foreign exchange and encourage more of the dollars that come in with the tourists to actually stay here and for less of the dollars to go back out, which is a problem in the tourism sector, and would work toward alleviating the issue that we seem to have.

Mr. Deputy Speaker, I would have thought that this Government would embrace that. I remember that when the Cruise Terminal was developed by the last Government, it

received a lot of 'stick' from the Barbados Labour Party when they occupied these benches. Therefore, to see that the Cruise Terminal is flourishing still, 13 years into the Barbados Labour Party rule, and the Pelican Craft Market is suffering, would again show that there is no serious attempt at trying to draw small businesses in a more meaningful way into the tourism sector.

Mr. Deputy Speaker, it is amazing that the Cruise Terminal was this terrible initiative that was undertaken by the Democratic Labour Party, but this Government has done absolutely nothing to truly involve the craft persons and the small business persons in a more meaningful way in the tourism sector. I think that deliberate Government policy could see that become a reality, and it could in fact help to deal with this pending crisis we are told we may have if we do not start to produce more.

In that respect, Mr. Deputy Speaker, I think that the small and modest size producers of goods need to come under the microscope and have deliberate Government policies focus on them. Mr. Deputy Speaker, as a manufacturer in this country or as an exporter for that matter of any service or good you would be a little concerned in trying to understand exactly what is Barbados' position with respect to foreign trade.

We have been told, Mr. Deputy Speaker, that the Doha Round with respect to world trade has virtually collapsed. There are suggestions that it may restart and that all may be well, but whatever happens, ultimately, we are just spectators where Doha is concerned. The issues there involved the larger countries and we are not sure whether or not the Round would be concluded. At the same time the Free Trade Area of the Americas has gone into permanent rigor mortis. We are even hearing now that the CARIFORUM/EU situation and the partnership agreements from Cotonou are also having some problems. I believe that the Honourable Member for the City of Bridgetown, while at an ACP meeting, referred to the fact that the Development Agenda has been dropped, and it is all about trade now. What this means is that having freed up our markets for goods from overseas, once again our producers will find themselves having to face fierce competition.

Mr. Deputy Speaker, now that these free trade theatres are all in a state of either paralysis or collapse, what is the position of the Government of Barbados that place great store in these free trade theatres and all that they promise and all the promise they would have had for expanding market access to small and modest size businesses. I need to understand it. What are we suppose to tell business persons who were looking forward to all of this access to the hemisphere, to the wider world and to the European Union markets, et cetera?

House 109 Sequence 16

12.40 p.m.

Tuesday, August 08, 2006

Mr. R. L. SEALY: Mr. Deputy Speaker, what I would say to this Government, is that what the Democratic Labour Party was always saying still stands. We said that whether or not there are those free trade areas, if you would do all you have to do to strengthen your productive base, whether it is in trade arrangements on a bilateral or a multilateral basis, you would be able to excel. In fact, now that we are seeing the movement away from the multilateralism, the Ministry of Foreign Affairs and Foreign Trade, cognizant of the fact that the producers and exporters need to have market access, must now work overtime, in terms of negotiating bilateral or double taxation agreements. This could be at the CARICOM level or otherwise but these things must now be negotiated in a manner that would benefit our local producers of goods and services. That, in itself, is what small business development should be all about. There should be a combination of policies.

Mr. Deputy Speaker, I hope you would start to understand what I meant, when I spoke about the might that Government has, by virtue of not only the amount of goods and services they need to function, the money they spend but on the diplomatic front as well and what that could mean for the small business community.

Mr. Deputy Speaker, I mentioned those few points with a view to helping the Government to understand that if they see this sector as being so pivotal, then they must look to encourage it, and to encourage it in every sense of the word.

Mr. Deputy Speaker, there is a particular issue in relation to small business development that this Act touches on, that I need to mention, which is venture capital. There is a Venture Capital Fund, administered through the Enterprise Growth Fund. There is also a Venture Capital Fund, I believe, administered through the Small Business Association, that is also underwritten by the Government of Barbados. Sir, both funds have been undersubscribed. There is a reluctance of small business persons to access venture capital. There is a feeling that you have to invite strangers to come and to be part of your Board and therefore, to participate in your decision-making process. Sir, this feeling among small business persons have generally not gone down well and therefore venture capital, as such, has not been able to work.

Mr. Deputy Speaker, I am of the view that maybe a greater educational efforts needs to go into this because it can provide working capital of a very affordable nature

because of the fact that no interest is paid on Venture Capital Funds, only that they would have to be purchased some time in the future, as the business starts to flourish. Therefore, this is an area I think that because it has not caught on, clearly it needs to be looked at in a very special way. Sir, that, in itself, I think, is the answer for a lot of these businesses which complain about the red tape they confront at commercial banks, credit union and some of the very entities.

Mr. Deputy Speaker, I would want to say that any serious effort by the Government of Barbados, not only to have its own venture capital funds more accessible and to have them pushed more but also to encourage other entities, would be welcome. There is nothing wrong with some of these financial intermediaries that are making so much money. There is nothing wrong with them establishing venture capital funds also. In fact, Government should be willing to create the environment to encourage it, as it could provide a serious impetus for the development and growth of many businesses.

Mr. Deputy Speaker, another issue I want to touch on, is the apparent reluctance of commercial banks to encourage their customers, who happen to fall into the category of businesses, which this Act is looking at, to approach the Credit Guarantee Scheme of the Central Bank of Barbados and what Government could do about that. I am not sure and maybe Government could do something.

I know in Trinidad and Tobago and in Jamaica, they have gone the route of an export/import bank, which is separate from the Central Bank altogether. Therefore, if we are going to look at the sector, that is an idea that could be considered. That is to say, if it is going to be established with an idea of streamlining, not necessarily to transfer another set of bureaucracy and maybe to create another entity, for the sake of creating an entity but if indeed an import/export bank could be established, that could enhance the opportunity for exporters, to access funds to finance what they have acquired on confirmed orders.

In addition, that perhaps might be an answer to getting around the apparent dysfunction that surrounds the Central Bank's Credit Guarantee Scheme for exporters because clearly in the commercial banking sector and maybe the Central Bank's side, I do not know, there is not enough being done in that regard. Mr. Deputy Speaker, we meet exporters all the time, who have to turn down orders for no other reason other than capacity. Very often, when we say capacity, we do not mean production capacity, we mean having the wherewithal financially to finance the raw materials and the inputs, in order to export what needs to be exported.

Mr. Deputy Speaker, therefore, we need to look at all of these different areas that impact the lives of the many individuals, who are involved in entrepreneurial pursuits. Sir, I speak about the vendors and about those medium-size businesses that may employ between 20 to 45 persons. I am saying that entire group is the front-line of your national enterprise, and that all should be done to encourage its development.

Mr. Deputy Speaker, I believe the right combination of efforts on the part of the Central Bank, the right mix on the part of the diplomatic efforts and right combination of efforts on the part of the Ministries involved in that aspect of Government's life, could truly see this sector develop and grow from strength to strength. I believe too that the right mix involved in the Barbados Investment and Development Corporation and all of the other entities, such as the Enterprise Growth Fund Limited, that have been established for providing financial, technical and professional resources, could truly see this sector develop and grow from strength to strength.

Mr. Deputy Speaker, unfortunately, it is no longer a case of what might sound good or what might seem desirable. It is a case of what we need to do, in order to survive in this very harsh environment in which we live. We need to produce more. We need to have a strong, small and medium-sized business sector, that could export, that could produce goods we no longer have to import but that could trade with each other, in order to have a truly buoyant and vibrant sector.

Mr. Deputy Speaker, it is a situation where the Democratic Labour Party is prepared to support efforts that might sound nice. The idea that the legislation is going to make it possible for some businessmen in Barbados to have a reduced rate of corporation tax - Barbados is too heavily taxed anyway - that we can access benefits, while working out an arrangements with the National Insurance Scheme and VAT, among others, no one is going to say that it is a bad idea.

Mr. Deputy Speaker, I will conclude on exactly where I started, that is by saying it is all nice to have the legislative framework or the institutions but ultimately it is what you are doing, to create the culture, in order that we could see that these entities develop and that they would feel as if they are a part of the national economic picture and not as outsiders looking in, while other larger entities become larger, consolidate and enjoy heavier profits.

12.50 p.m.

Tuesday, August 08, 2006

(EDITED)

Mr. R.L. SEALY: Sir, that is what small business development is about. It is about dealing with the whole

combination of things. Those are the issues which I think this Government has fallen down on in some respects.

Mr. Deputy Speaker, I am a responsible politician and there have been some efforts but we need to do more. Sir, the Government needs to do it more energetically and get things going in order to avoid any potential crisis which the small business sector could prevent by being actively productive.

Mr. Deputy Speaker, I am obliged to you.

SUSPENSION

Hon. Miss M.A. MOTTLEY: Mr. Speaker, Sir, I beg to move that this House be suspended until 2.00 p.m.

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

The question that the House be suspended until 2.00 p.m. was put and resolved in the affirmative without division and Mr. Deputy Speaker suspended the House accordingly.

H109/12:52

Sequence 18

Tuesday, August 8, 2006

RESUMPTION

Mr. DEPUTY SPEAKER: This Sitting is resumed. The Honourable Member for Christ Church East.

Hon. R.R. FARLEY: Mr. Deputy Speaker, I rise in support of this Bill to amend the Small Business Development Act. The legislation before us is really quite clear in establishing the reasons for these amendments, which are to allow us a wider range of activities in which small businesses can be involved and benefit from this legislation.

14.00 p.m.

Sequence 19

Tuesday, August 08, 2006

House 109, Sequence 20, 2.00 p.m.

Continuation of: Hon. R.R. FARLEY:

Therefore, this really seeks to expand legislation, which is already very generous in its provision.

Indeed, Sir, a Small Business Development Act was a path-breaking piece of legislation, because for the very first time in Barbados' history, there was created incentive legislation specifically designed to empower small businesses. Previously, legislation was driven by the industry sector and successive Governments have identified industries, which they believe, and rightly so, represented an opportunity for economic development and empowerment of this country.

Therefore, there was legislation to provide benefits for manufacturing, under the Fiscal Incentives Act. There was legislation to benefit tourism, under The Hotel Aids Act. There was indeed, Sir, various bits of legislation to benefit agriculture, especially the sugar industry. There was therefore that sectorial approach, Sir, and it was felt that those sectors so identified - international business and financial services in more recent times should qualify for their incentives, based on foreign exchange earning capability or potential and large scale employment.

What the Small Business Development Act was based on, Sir, is a recognition that underpinning all of that broad-based success in those sectors, is really the development of a new broad class of entrepreneurs and that success in business of whatever kind, provides the most viable, the most sustainable, the most effective and efficacious foundation, on which we could look to build those new and important industries.

Therefore, a school aged child, a teenager or a mature adult, but any person, Sir, engaging in any form of business activity, from selling snow cones to putting on a fete on weekends, to selling clothing on the weekend or to colleagues at work, to having a catalog or mail order business, to running a small garage, to opening a store in Bridgetown, provides a range of experiences and builds human capacity, such that this person becomes the potential business person to engage to any of these most sophisticated areas. Sir, they have not only empowered themselves through wealth creation but they have also learnt, through the 'University of Life', and through the hard knocks of business, how to get things working.

We recognise, Sir, when we created this Small Business Development Act that we came from a socio-cultural, socio economic background, where the majority of our population had, in fact, been property. We are the descendants of former slaves. Indeed, Sir, not only in slavery but in the post-slavery period, there were various legislative impediments standing in the way of the majority of the population from being engaged in entrepreneurial activity.

Therefore, we recognise, Sir, that nothing short of a strong Affirmative Action Programme, using the same Parliament, using the same legal process, that would have

kept us out of business in the past, to put a legal process in place, to encourage us to be in business, in the present and well into the future.

We were not prepared, Sir, to merely pat ourselves on the back, and determined that having passed this Small Business Development Act, that it should stay there to be admired as a museum piece, because the proof of the pudding is always in the eating. We recognise, Sir, that there was a need to continue to review, improve and expand the ranges of activities that could benefit under this legislation.

Sir, the benefits are substantial, not just from an economic point of view, Sir, but from a social point of view and the small entrepreneur, the first generation black entrepreneur in his family, was as entitled to a 'leg-up', by way of incentives, as was a large Barbadian entrepreneur or an overseas investor, coming with a large project, either bringing a lot of capital into the country, or by employing many people. Sir, that was the philosophical foundation and the very solid economic and social planning, which underpin our decision to have this legislation.

Sir, we recognise that there were some changes to be made. We had to revise the criteria, so that small businesses could more easily qualify for the legislation. We also had to improve the system of application and the processing, but the most fundamental change in this amendment, Sir, is the change of the Income Tax rate to be paid by small businesses.

Now cast your mind back, Sir. When the Small Business Development Act was first past, Income Tax, corporate and personal, had a top rate of 40 per cent. We made the determination that one of the strongest incentives we could provide to small business was to have small business pay a lower rate of Income Tax. And that the Government, rather than taking a significant share of the profits of those business enterprises will leave those profits in the business, to allow for reinvestment in the business, the purchase of new machinery, the training of staff, investing in new business opportunities, because businesses could only expand at a profit.

Sir, we recognise as well that the differential between small businesses, to which we were giving these incentives and the larger businesses had to be maintained. Sir, we undertook a very comprehensive system and process of Income Tax Reform, where in this very Chamber, the Rt. Honourable Member for St. Peter unveiled his tax reduction. He did not do it in a piecemeal manner.

Sir, we set in legislation, by way of amendments to the Income Tax Act, a programme for both lowering the top rate of Income Tax and raising the tax-free level from the bottom. Sir, we took a decision that Barbados had to be the most competitive country in the Caribbean Region, not only in the production of goods and services, but also in the way that our taxation works.

We made a determination, Sir, that we had to match the lowest Corporate Tax rates in CARICOM, which, when combined with having a superior legal framework and the most sophisticated business support framework, would put us in a position to be able to host Headquarters Companies. It is part of the vision for the CSME that there would emerge, a series of Pan Caribbean Companies, Pan Caribbean in ownership, global in scope. We determined that Barbados was the most perfect location for those companies. Therefore, Sir, the top rate of 25 per cent on all companies, is part of that vision and strategy.

House 109, Sequence 20, 14:10:14

Tuesday, August 08, 2006

Hon. R. R. FARLEY: Sir, even though the 25 per cent rate of tax is much lower than the 40 per cent and even though the 25 per cent rate of tax would have been applicable to small businesses previously, we determine that they had to be a differential between the rate that small businesses would pay and what their larger counterparts would ultimately pay. Therefore, this amendment puts that 20 per cent rate of income tax for small businesses on the table making it even more attractive for them than for their other business colleagues.

Mr. Deputy Speaker, we are satisfied that this legislation has worked and it has increased the number of small businesses in operation in Barbados. Sir, both by way of the legislation and the supporting services available to small businesses, we have sought to introduce some level of formality and structure to business in Barbados to ensure that the businesses are able to grow from small to large and also that the businesses are structured in such a manner that they are able to outlive their founders.

Mr. Deputy Speaker, one of the unfortunate realities that they had faced in the past is that there have been over time a number of very successful small black businesses, some of which even grew beyond small to large, but too many of them did not survive beyond their founders and too many of them were not in a position to attract outside investment either by way of equity injection or in some cases by way of loan facilities because of the informal nature of the structure of the business.

Mr. Deputy Speaker, in many cases, when you examine the way they operated, they were large self-employment enterprises more so than businesses. Sir, this legislation encourages incorporation, it encourages the production and the maintenance of financial records and

financial statements and it encourages businesses to maintain the access to the incentives and to maintain good standing with the National Insurance Scheme and other corporate responsibilities. Sir, we recognise, and research has shown, that many businesses as they expand, and they need to reinvest and they need to go to new markets were hamstrung by a 10-year history of debt to the Government and by an absence of records. Therefore, if they wanted to go to a bank manager to obtain financing for new equipment, they had no way of proving what has been the performance of the business over the years. Therefore, we not only created this legislative framework to better regulate and facilitate the growth of small business, but gave a series of administrative and institutional support.

Sir, I recall that at the beginning of this legislation, we made a determination that we would provide financial support to help businesses incorporate. Sir, incorporation is one of the requirements for this legislation and is an important step in the direction of formulising businesses.

Sir, while small businesses will always be with us, it does not necessarily have to be the same business remaining small. Sir, we are really creating an escalator where businesses could start from the bottom and work their way to the top and there would always be a new set of entrepreneurs. Therefore, these amendments by way of expanding the range of businesses which could qualify for this support and assistance under the Small Business Development Act, and by way of further lowering the already low rate of income tax, must be seen alongside the other work which this Government has done.

Sir, what is that work? That work can be seen in the financial and technical assistance support provided by a range of Government agencies and agencies supported by the Government. Sir, you would remember that the Small Business Association, the true voice of small business people in Barbados, was a fledgling and struggling institution, an institution that faced an uncertain future.

Sir, we made a determination that we could not as a country be serious about this goal of empowering small businesses and not put small businesses in the same position as the hoteliers with their Hotel and Tourism Association, and as larger businesses with the Barbados Chamber of Commerce and Industry, where they know that they have an institution to be an advocate and to articulate their views, where they have an institution that is able to pay full-time staff to undertake research, to follow through on decisions made by elected members of their boards and to provide other support, training and otherwise. Sir, we committed to fully funding the administrative cost of the Small Business Association Secretariat for a number of years. We further committed - these were not empty commitments, this was putting our money where our vision was - to providing funding by way of venture capital through the Small Business Venture Capital Inc., which is run through the Small Business Association.

In addition, this Government constructed the Small Business Centre on Fontabelle, which for the first time provided a one-stop shop of support for small business people. Sir, they could leave home and go down to Fontabelle without 'butting' all around by going into one place and being sent to somewhere else and not being able to find out who it is that is really suppose to help them.

Sir, this Government constructed that facility and staffed it with business development advisors, a group of talented, trained young Barbadian designers most of whom would have done their Associate Degree at the Barbados Community College and then gone on the European universities to do their Bachelors and Master's in design, industrial design and other things. They have been able to help small businesses in Barbados to become involved in manufacturing and in service delivery. They have been able to improve everything from their corporate identity information, their logos, their letterheads and their business cards to improving their product designs. Sir, if they have a chair, they could get it to be a better chair and a stronger chair. They improved their manufacturing processes and their product labelling.

Mr. Deputy Speaker, passing through that Design Centre has been one manufacturer who made some of the finest wines you could taste using local fruits and other products. Sir, the labelling was what would have told you immediately that it was a Barbadian home-made product. Sir, after the experience with the Design Centre you could not tell by looking at the label alone that the wine was manufactured in Barbados, you had to read the label to discover that it was made in Barbados. Sir, they have helped to source packaging, bottles and other things to enhance the products. Such has been the practical support given to small businesses in Barbados, not just the legislation and not just providing money for financing, which is very important.

Mr. Deputy Speaker, there are persons out there who would say all the nicest words about small business but they would not lift a finger or put up a single cent to provide the financing.

House 109 Sequence 21

2.20 p.m.

Tuesday, August 08, 2006

Hon. R. R. FARLEY: Mr. Deputy Speaker, therefore, the small business venture has been an important contribution in assisting us with the preparation of business plans, the kinds of proposals that one needs to take to a

bank, a credit union or other agency, in order to gain finance.

Sir, let us not fool ourselves that anybody is going to lend us money, based on a few notes written on the back of a brown paper bag. Even if you happen to know the bank manager, he is still going to need a business plan or some formal proposal because you may be his friend but he still has to answer to the Board of Directors and the regulatory provisions of the Central Bank of Barbados. He still has to be looking for a poor loan portfolio, which would put the bank at risk.

Mr. Deputy Speaker, we know that the banks in Barbados, although they should be, have not yet travelled along the road to Damascus, neither have they achieved that Paul-like conversion. They have not yet turned from Saul to Paul. They have not yet used some of their profits, to provide free business advisory services, where they would take an entrepreneur in hand and help him to prepare business plans and other proposals. Therefore, since they have not done so, this Government is doing it.

Sir, I look forward to the day when the financial institutions in Barbados would recognise that it is in their best interest, where they could help to develop their future 'big' clients, from the basement level, by working with some of the young entrepreneurs, who are new people in the business.

Sir, let us remember that it is not the persons who usually fail, only the businesses. Some of the most successful business persons we know today, are persons who would have had ten or twelve unsuccessful businesses. They might have tried something and might not have been successful with the product because of the fact that the market might not have wanted it. Sir, if you use the calypso analogy, the product produced by "Cantone", "My Car Brek Down, Cheese On, Paula Gone and Left Me But I Got She Dress Holding", who would have realised that is the top tune for the year?

Sir, this song, assessed by all technical standards, might not have been the top song of the year. Experts would have assumed that another song would have been the top song. Therefore, such as businesses. Sometimes experts would review a business plan or a product, and would have been assured it is a sure winner. Another time, they might have said that a particular one could not work, yet it does. Therefore, the financial institutions in Barbados need to show more faith in the business people, and in the same way that you do not condemn a calypsonian as being an everlasting failure because his song, in a given year, did not make it to the top, you do not condemn a businessman for life, based on the fact that one of his business endeavours has not worked.

Mr. Deputy Speaker, we are, therefore, seeking to create a new culture of entrepreneurship in this country, by providing the kind of leadership, the kind of solid institutional financial supports, to seek to drag the financial sector kicking and screaming with us into the 21st Century. We are seeking to get them to make the same kind of commitment, to show the same kind of faith, and to put practical resources behind the people who would, ultimately be their largest account holders in the future.

Mr. Deputy Speaker, in this regard, these financial institution have to hold faith with us now and to help support ventures, such as the Youth Entrepreneur Scheme, where we seek to go in at the level of the school, where we seek to have our children thinking of business as a viable and deliberate choice.

Mr. Deputy Speaker, research has shown that many of the people in the past, who have actually gotten into businesses, would have done so based on, for example, they were either technical or professional persons, who were lay-off, who went into businesses of their own because they felt they had no choice. Some of them have been technical people, employed by others, who eventually decided to work on their own.

Mr. Deputy Speaker, I would like to say that not enough persons make the decision by choice, at an early age, that business is the direction in which they would go. Sir, we need to get that point across. In fact, much of the discouragement comes from a rather unexpected source, that is from parents and other family members. As parents, we encourage our children to go and to look for a job, to go and to work for someone else, rather than working for ourselves.

Mr. Deputy Speaker, I believe that one of the things I would like to see, is the fact that parents would recognise that they could help to ensure the entrepreneurial future of their children, by putting the financial instruments in place, through things such as insurance policies, et cetera.

Sir, the reality is that sometimes when you see two youngsters of equal talent, equal education, equal drive, what would make the difference between the two, would be the fact that one of those individuals would have some means at his disposal. Therefore, in the same way we can put financial instruments in place, so that when our children are at the age, where we could pay for their university education, in the same way instruments could be put in place, so that they would have funds available to them, to allow them to embark on their entrepreneurial dreams. Those are things that we need to do.

Mr. Deputy Speaker, I want to say, as I conclude, that the Government has put its legislation, its money and its resources, where it policy lies. I also want to say that

this amendment must be seen as yet another indication of Government's commitment to developing the Small Business Sector.

Sir, we know there will always be small businesses with us but our interest is making sure that businesses that start small, are able to graduate out of the status of a small business and that it is out of the entrepreneurs of today, in whatever small measure, in several of the diverse areas, that class of individual would be the people, who would be in the International Business and Financial Services Sector. Therefore, these would be the people who would be teaming up with our musicians, producing the more than 600 songs this year for Crop Over, who would be able to do the international marketing. Out of this class of entrepreneurs would be the people, who would be the hoteliers, tour operators, and cruise ships operators of tomorrow. We, therefore, have cast the net far and wide, by way of the areas for which persons may claim benefits.

Mr. Deputy Speaker, I know, for example, that amongst the many small businesses that have claimed benefits under this legislation, have been businesses engaged in ventures, such as medical technology services to that of manufacturing and production. They also include a range of goods and services.

Mr. Deputy Speaker, this is a measure that is very much worthy of our support. I, therefore, would want to urge all Honourable Members to give it their fullest support. I thank you.

Mr. D. St.E. KELLMAN: Mr. Deputy Speaker, I rise to speak on this amendment to the Small Business Development Act, Cap. 318(C).

Mr. Deputy Speaker, when this Bill was first brought to this House, the Government was warned by this side, about the shortcomings of this Bill. We had concerns about the 75 per cent shares that are locally owned, considering at the time we were discussing the Caribbean Single Market and Economy. At that time, we raised objections to the wording of the particular Act. We also had concerns about the $l million stated capital. We queried the $2 million in annual sales and the 25 employees.

2.30 p.m.

Tuesday, August 08, 2006

(EDITED)

Mr. D. St.E. KELLMAN: It is clear seven years after that the Government has recognised that the concerns raised by the Opposition at that particular time were justified. Sir, what is even more worrying that instead of taking it a step further, Government has allowed itself to be limited by still including these sections in the amendment.

Sir, it is clear that any Government that has any foresight would not be seeking to have a Small Business Act but would be seeking to have a Business Development Act. I strongly object that in this day and age when we are dealing with globalisation and trade liberalisation and are not now dealing with Barbados as a business place, that we cannot have a Small Business Development Act and we cannot be limited by Section 3 of this particular Act.

Mr. Deputy Speaker, it is clear that the drafters and persons who designed this particular Bill do not understand what small business is about and do not understand the expectation of small businesses. Sir, $2 million in sales might sound like a large figure but those persons who deal with products like Banks Beer or any soft drinks, sugar, milk, cigarettes would know that these are items with small mark ups but items which are large in volume but do not generate profit. It is clear that one could easily match the figure of $2 million but not cover the overheads to run the business. When you speak about small business, you cannot speak about it in terms of figures but it has to be in terms of a philosophy.

Sir, people believe that once you come to Parliament and put figures that you can speak to small people and say that a small man is supposing to be making $2 million in sales but, Sir, what does that mean. Sir, you would not be included in this debate but if we were speaking outside of this building, I know you would easily tell me that $2 million on a low price item when it relates to the mark up is foolishness. We cannot limit our people to these types of statistics and come to this Parliament and behaviour as if we are operating in the interest of the masses of people in Barbados when $2 million in sales means nothing. Sir, what is 10 per cent on $2 million dollars?

Mr. Deputy Speaker, one should consider that when VAT was introduced it reduced the mark up of business people but it is a point which people do not understand. Sir, previously when you ran were running a business, you mark up on the gross purchases but now you mark up on the purchase and then you have VAT. In other words, if cost of $100 and VAT is $15, you can only now mark up on $100, not on $115 and even though you are providing cash to finance an item which cause $115, you cannot mark up on $115 because you cannot mark up on VAT but previously when you had the other taxes, you could mark up on the total cost to you. Asides.

Mr. D. St.E. KELLMAN: Sir, the Honourable Member does not understand of what we speak. In other words, you finance an item for $115 dollars but you do not mark up on the $115, you mark up on $100. Sir, you have to look for the cash to spend $115 but your return is only

on the $100 but previously when you spent $115, your mark up was on $115.

Mr. Deputy Speaker, business is about what you spend and when someone makes an investment, he expects a return on the total investment. Sir, according to the Honourable Member, you only get back the VAT when somebody buys the item. If you hold it in the storeroom, it means that you do not get any returns.

Asides.

Mr. D. St.E. KELLMAN: Mr. Deputy Speaker, there is an interesting thing. There are certain companies in Barbados making large sums of money and send a letter to purchasers giving a recommended retail price which the consumer automatically believes is the retail price. Once the consumer sees the suggested retail price, he believes it to be the price at which the item should be sold. Mr. Deputy Speaker, people do not know that the other business people have already marked up the items sometimes more than 100 per cent, that some have the gall to mark up more than 500 per cent but then dictate that shopkeepers and small business people can only 10 per cent or 15 per cent and that every year they show their books to the public making $25 million but tell the shopkeeper that if he sells the particular item that it would bring him business. It is the biggest piece of foolishness I have ever heard.

Mr. Deputy Speaker, experience would show that the particular item of which I speak, that a man driving a Mercedes or even flying a plane, would put the plane in the middle of the road to buy that item, will rush into the store and say to the cashier that he is blocking the road and to sell him the item quickly so that he does not have to block the road. Sir, that is a 5 per cent or 10 per cent item.

Sir, people selling the item would tell the shopkeeper this is how you get business but people who buy that particular item only come in only to buy the particular item and they do not care how they are dressed. Sir, they could have on the best suit in the world, they would come to buy the item but they would not buy a mint, JU-C, Coke or sandwich from that particular business but they rush in to buy the particular item. There is always the belief that once you sell that particular item, that you would get business but, Sir, that is foolishness.

Mr. Deputy Speaker, a lot of shopkeepers, over the years, have allowed this particular company which sells a product, that is not in the interest of the health of people anyhow, to fool them under the belief that if you sell cigarettes that you would get business but, Sir, that is utter ignorance. I am saying that shopkeepers over the years have allowed that type of false marketing to dictate their business. Sir, now that the light has been shone and people understand that it is unfair for people to sell that item at a lower mark up than sugar or rice. Sir, I object to anyone saying that on sugar and rice that you should get 25 per cent mark up but on something like that you should only get 10 per cent or 15 per cent mark up and they have the gall to publish a suggested retail price.

Asides.

Mr. D. St.E. KELLMAN: Mr. Deputy Speaker, the Honourable Member does not understand the effect of a suggested retail price especially when it is published. Sir, when a suggested retail price is published in the newspaper and the item is sold higher, based on your overheads, people believe that you are stealing from them. Sir, the Honourable Member for St. Michael West Central says it is nonsense. It is unbelievable because you have to live the experience to understand it.

Mr. Deputy Speaker, people have to understand that if we are not careful that small businesses would be enslaved again by persons who import the goods and then dictate what they could make.

H109/14:40

Sequence 23

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Mr. D. St.E. KELLMAN: At the same time neither the small businesses nor anybody can tell the importers what their mark ups should be. Sir, they use their financial strength in terms of their cashflow, and working capital to dictate how their goods should be sold. After you have bought the goods, they recommend your retail prices. I am saying that they need to be more businesses who can stand up and tell them that they cannot dictate the mark up of goods purchased from them.

Sir, it is regrettable that these small business people are accused of price gouging, some who do not even go past 35 per cent, especially in the supermarket business. Those persons making the large sums of money are the ones who have the 400 and 500 per cent mark up, but nobody accuses those people of price gouging or anything, but they unfairly accuse the small businessman of price gouging.

Sir, the best story that has been told about this particular situation, is the gentleman from the European Union. Even though it was said on the Floor of this Honourable House and the Other Place, by an Honourable Senator, nobody wanted to believe the two persons that spoke on the particular matter. However, now that it has been spoken by the gentleman from the European Union,

everybody now understands what has been said on this particular matter.

Mr. Deputy Speaker, what is needed is an equal opportunity for small businesses. Sir, you can bring all of these Acts, but until small businesses in Barbados have the ability to produce for themselves, and to the facility to the import, small businesses will always be in trouble in Barbados. Sir, money will be made when you have the capacity to import your goods, and you can dictate the market to cover your overheads.

I am saying that the 20 or 25 per cent that is allowed to these businesses, especially in the supermarket and mini-mart business and so on, is not feasible, especially after Value Added Tax has been introduced. When one considers that there is even greater fear - I have already said this to this Honourable House, and it appears to be a joke - that small businesses operate on disposable incomes. We are seeing in Barbados that the people who would normally support small businesses, it is not now the one-arm bandits they have to fear, these people are not now visiting the one-arm bandit, but there is a new boy on the block called the cellular phone. The cellular phone is now on the block, people who would normally spend $10 buying something to eat, are now spending $10 buying something to talk. I am now hearing the Honourable Member for St. Michael West Central say that it is currently $40 per day.

Sir, it means that money that was previously used to support small businesses, is now being used to support external businesses, which have few overheads to cover, this money is being shipped out of Barbados, reducing the disposable income and the money in circulation within the country. We believe that it is fanciful to walk about and talk, even sometimes if we are hungry.

Mr. Deputy Speaker, if we do not understand what is happening with the small businesses in this country, we will not get any further. I have heard people talk price control. If we understand the affect of price control and we thought that price control limited small businesses, I am telling you that small businesses are now worst off than ever. I do not care how fanciful the legislation, that is brought to this Honourable House, it will not change.

Sir, we need in this country a change in the taxation system, to put more disposable income in the hands of the workers. We need a facility to allow workers to work longer than forty hours per week. If we do not change our taxation system to encourage workers to produce more for the benefit of the country, the investors themselves, and small businesses would crash in this country.

I am saying that the taxation system, in this country is stifling small businesses. What is needed is not a piecemeal approach to the reduction of direct taxation but the abolition of direct taxation in this country, so that we will put more disposable income in the hands of the worker, for the worker to spend, invest and develop the country more.

Sir, I am saying that if a worker has money in his or her hands, and wishes to eat vegetables from the ground, there is no crime. If they want to eat fish from the sea, it cannot be wrong to fish to subsidise their income, but when that worker wants to buy an imported good, they should be a price for that imported good. We need to push our workers back to utilising and working the land, that belongs to them, instead of forgetting that we own the land and are still buying produce from land owned by a stranger.

I am saying that we need a radical overhaul of the taxation system in this country, because we are actually imprisoning small businessmen. Sir, because they have good ideas, but not cash, they are forced to employ people that they cannot pay, to comply with the unnecessary demands made by Government.

Sir, do you know what is needed in this country? I have said this and have written about it. We also need to move the tax accountants out of the broad room and bring in the cost accountants What is needed in this country, is for someone to show us how to reduce the cost of the item we are producing, and not show us how to reduce the taxes you have to pay. The emphasis has to be on production, not on taxation. Sir, this country is suffering, not because of taxation, but this country is suffering because of the lack of production. We seem not to understand what is happening.

Sir, if you make the shift you would get the money you want. Mr. Deputy Speaker, Value Added Tax has demonstrated that, even the dead man pays, even though he does not know he is paying, nobody can hide from Value Added Tax. We must understand that.

Sir, the fellow on the ‘block’ who feels that he does not have to produce, will have to produce because under the present system he might play as he likes, but with a Value Added Tax system he will have to get up and work a little harder. What is needed in this country is for people to work harder and longer.

It does not make sense shifting from an eight-hour-day to twenty-four-hours, if the right procedures are not in place. We are talking about what the world is doing and how we can follow, but we are not putting the mechanisms in place, so that when we make the shift, we can capitalise on it.

Do you think that a man is going to wake up one morning, decide that he is going to stop working for eight hours a day, then work for sixteen hours by accident?

There has to be a reason for the man to work, you have to create the environment for the man to work from eight hours to sixteen hours. We seem not to understand, what we have to do.

I will not stop 'Kellmanomics' because when I call the word 'Kellmanomics' everybody turns an ear, and when I am speaking it everybody is listening. They do not really understand that all the time I was talking of 'Kellmanomics'.

Asides.

Mr. D. St.E. KELLMAN: We have to understand that if we are serious about small businesses, we cannot bring an Act called the Small Business Development Act. By bringing the Act, you are saying that you want to limit people. What you want is an expansion and removal from that limitation, with people developing into big business.

Sir, do you realise that if a man makes $201 million, he is not a small businessman, anymore, even though he might be selling Banks beer and cigarettes, at a 10 per cent mark up?

14.50 p.m.

Sequence 24

Sequence 24

Tuesday, August 08, 2006

House 109, Sequence 25, 2.50 p.m.

Continuation of: Mr. D. St.E. KELLMAN:

But a man who is making $1.5 million with a mark up of 50 per cent, is regarded as a small business man, even though his profit line is much bigger, so it cannot be about a figure and people must understand that. We do not need to brand people as small business people or large business people, but we need to create an atmosphere for business people in Barbados, so that the small, medium, large and anybody could buy into it and understand where you are going.

How can you continue to limit business people to the Small Business Development Act, and tell them not to go over because if you go over, you will lose? There is a belief in this country, Sir, that the Government gives people money. If you have a business and it is losing money, there is nothing to gain. It is when you are making money that you convert some of the profits into concessions, and people have to understand that, Sir.

Asides.

Mr. D. St.E. KELLMAN: I know that you understand quite well what I am saying but some others who are 'out to sea' on these particular matters would believe that what I am saying is not relevant. Sir, people have to understand that it is not talking about it, it is by being part of the system and understanding the system, that you are able to speak on these particular matters.

Sir, what we are going through today is a waste of time. We have to realise that a small businessman is not only competing with a small businessman in Barbados, he is now competing with the small businessman in the world and we have to look and see what he is competing with and then match. Surely, Sir, it cannot be about our local Act.

It was said by the Minister, Sir, that a small businessman today could be a big businessman tomorrow. How can a small businessman be a big businessman tomorrow when you have this act to be governed by? We have to be serious and understand exactly what we are speaking of.

Sir, this fanciful and cosmetic approach to small business must change, because all this is about, is making small businesses believe that you are doing something for them, when in truth and in fact you are not doing anything for them. Sir, if you really look at it, all you are doing is limiting them from growth. What you need is the capacity to allow people to expand.

I heard the Honourable Member for St. Michael North East, while leading this debate, talking about businessmen coming together. Clearly, this is a wonderful idea, which is not new to this Parliament. The point is, when they come together and pool their share capital, they pool their sales. Clearly, Sir, if you get ten businessmen pooling their sales, they cannot be small businessmen anymore, under the Small Business Development Act.

Therefore, an idea that might sound good coming from the lips of the Honourable Member for St. Michael North East, all of a sudden, once it comes together and it gels, it is not relevant to the Act anymore. Sir, it cannot be about figures.

Sir, one of the first amendments we would have to do is to remove section 3 of the Act, then, we would have to start talking from there. It cannot be about 75 per cent of its shares being locally owned. It cannot be a million stated capital. It cannot be about 200 annual sales. It cannot be about 25 employees.

Sir, when you are putting a system in place, where you want people to be employed, you cannot then limit the number of employees in the company, you cannot limit the sales of the company, you cannot limit the stated capital of the company, and you cannot limit the ownership. As I

have mentioned before, Sir, we objected to this locally owned concept. Now, today, with the CSME, it is quite obvious that with the CSME, when you hear locally owned, it cannot be about Barbados. It has to be about the companies within the CSME.

Therefore, I am saying that we have to understand and we must have a new approach and we have to be serious about where...

Asides.

Mr. D. St.E. KELLMAN: Are you saying it cannot be about section 3? It cannot be because what you are actually doing is limiting people. You cannot limit people. You have to be more positive, and not negative in your approach. You also have to be more progressive and not regressive in your approach, as you relate to small businesses.

Mr. Deputy Speaker, all I am saying is that we must have a common understanding of where we want to carry business. We cannot be describing business in terms of small businesses or large businesses. We must have a one approach with a level playing field, and equal opportunities or small businesses and take them where we want them to go.

In other words, Sir, what we have to understand is that if we continue this type of legislation, then what we are saying to small businesses is that instead of expanding, they need to contract to stay within the Small Business Development Act, and that is not what we want. We want to see small businesses going on and developing and getting bigger.

Sir, this Act is telling the small businesses to cap at $2 million in sales, to cap at $1 million in the stated capital and to only employ 25 people. I am saying, no, this cannot be the intention of the Bill. I hope that after speaking on this particular Bill, there would be a better understanding, the Government would have a better approach to this particular Bill, and understand that it cannot be stated in figures. It has to be a particular policy and know where you have to carry people.

Sir, you cannot bring a Bill to this Parliament to keep people dependent on you. You have to be bringing a Bill to make people independent. I am saying that any new Democratic Labour Party Government will bring a Bill to make people independent and not dependent.

This Bill here, Sir, allows people to continue to depend on the Government, and to limit their outward mobility. I am saying it is wrong. This Bill should be encouraging people to expand what they have, and go further, with the help of Government. The Government should be encouraging people to expand beyond their horizons, not limiting them. This is exactly what is happening in this particular Bill.

Mr. Deputy Speaker, this Bill is still structured to an eight-hour day. Sir, when you think of it, logically, if we now take a small businesses for 24 hours that has sales of $500 000 for an eight-hour day, it means then that you are expanding. If we had one that had $1 million and you multiply it by three, that is $3 million. Am I to believe then that you would say this business is not a small business anymore, even though it is expanding?

Sir, think about a manufacturer, who is involved in the same thing. Would you prefer a manufacturer to continue at $500 000 per year, or $1 million per year, or would you want a manufacturer to produce $3 million per year? I am saying that this country is better served if you allow that manufacturer to produce $3 million a year, instead of staying within the limit of $2 million a year in sales.

Sir, what this Bill is doing is limiting this manufacturer to maximum sales of $2 million, when in truth and in fact that manufacturer could have been delivering more than $2 million and much more. We have to stop the negative approach to legislation and understand that in order for this country to develop, we need to have the positive approach to legislation.

I thank you very much, Sir.

Dr. D.C. ESTWICK: Mr. Deputy Speaker, I want to make a contribution to this debate largely from the perception that small business development has the potential to play a significant role in addressing two of the more fundamental areas of economic challenges to the Barbados economy...

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Dr. D. C. ESTWICK: ... in particular, that of import substitution as well as that of exports and therefore enhancing our foreign exchange earning capacity.

Mr. Deputy Speaker, I also then by extension believe that any measure that seeks to allow a growth in that particular sector can therefore be used quite effectively to promote and sustain economic development in Barbados.

In looking at this Bill, Mr. Deputy Speaker, there are many areas that I do agree with but there are also several areas that I have some concerns about. I am still concerned that we are holding on to an old philosophy with respect to small business development and how small business can be

used effectively. I believe that we are still confining small business by its access and unrestricted access to capital. I believe that the requirements for small businesses in Barbados to have access to capital, particularly venture capital, are somewhat onerous and difficult and prevents them from qualifying. Even the requirements of the Government institutions that offer small businesses access to capital are difficult as well. Therefore, I believe that Government has to now start looking at a new approach with respect to whether it should start seeding or be involved in some aspect of venture capital formation with respect to the growth and development of small businesses.

Sir, I believe that the philosophy whereby small businesses seem not to play the type of role that they could play with respect to Government's procurement of goods and services and to the distribution of contracts need to be looked at in the interest of the development of small business in Barbados.

Additionally, Mr. Deputy Speaker, within the context of a CARICOM Single Market and Economy and given the introduction of the Common External Tariff and the implications with respect to competition domestically, I believe that we have to start addressing how small businesses could compete effectively within this new competitive market because I am not convinced that this Bill in any way addresses any of those particular concerns.

Mr. Deputy Speaker, I think that it is also an error simply to believe that because you would have reduced the taxation rate for small businesses to that of 20 per cent that you have necessarily scored a major way of advancing small business growth and development. I think a wider application that would be, since many small business may earn as low as $20 000 per year and some may earn as high as $2 million a year, that we should be looking at a more graduated type tax system with respect to what is the earnings of that particular small business. I think it is somewhat restrictive just to look at it in this across the board concept.

Mr. Deputy Speaker, the Bill in itself speaks to the establishment of a regulatory framework that would facilitate the growth of the small business sector in Barbados and contribute towards the socio-economic development of Barbados. Mr. Deputy Speaker, if we are looking to amend the original Act, it therefore means that the Act was deficient and was not providing the type of environment and resources necessary for the growth and development of small businesses. If I am therefore to analyse this new Act with regard to whether it has in anyway altered the environment or provided the opportunities that small business really needs to grow and develop, I, at this particular point in time, have some problems that I would want to speak to.

Sir, after reviewing the Bill, I do not believe that any of the provisions in this Bill allow for any enhanced opportunity for small businesses to compete locally or regionally. I also do not believe it allows for any structured capacity for small businesses to network or to build capacity to effect opportunities via that networking. Sir, I do not even believe that it allows for any networking with large established businesses in Barbados.

In addition, I have a real problem with respect to access to capital and not utilising the Credit Guarantee Scheme of the Central Bank of Barbados to allow for the usage of that particular facility to assist with the capitalisation of small businesses in Barbados. I think it is too restrictive to think in terms simply with respect to exports. The way the commercial banks now operate, many of them largely ignore that particular Central Bank of Barbados Guarantee Scheme.

Mr. Deputy Speaker, many small business providers in Barbados who now go and attempt to access funds, apart from the requirements from multiple guarantors, find themselves in a retrogressive situation in that the guarantors want not only the entire real estate holdings of that individual to be put up but they also want their chattel property, their fridge, their stove, their television and their bed as part of the requirements. Mr. Deputy Speaker, many persons who have gone for such facilities have indicated this to me and to many persons on this side.

Mr. Deputy Speaker, I draw attention to the particular provisions required by the Barbados Agency for Micro Enterprise Development where if you are looking for more than $30 000 you have to now introduce other aspects of the security outside of just chattel property, such as mutual funds and Government bonds. Sir, the philosophy is wrong with respect to nominal sums for business development.

Mr. Deputy Speaker, I have a problem also with respect to not utilising the small business administration in a more effective way with respect to administering many of the provisions within this new legislation. I also have real problems when this piece of legislation is saying to Barbadians that they have to provide a clearance tax certificate for national insurance and for land tax and so on to register as a small business. We should not be discouraging registration because of old governance.

Sir, Government also owes many businessmen in Barbados, and many small businessmen in Barbados, large sums of money in terms of VAT rebates. Therefore, we should be looking at mechanisms to deal with offsetting the type of debt, not having as a punitive requirement where you cannot register because you owe Government. That is not the way to go in terms of developing small businesses in Barbados.

Sir, I also have a fundamental problem with the Minister having access to certain fundamental information with respect to small businesses and small business development in Barbados. As I have said earlier, I believe that the Small Business Association should be dealing with many of these provisions. I believe that there should be some privacy and confidentiality with respect to investments in Barbados when made in small businesses.

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Dr. D. C. ESTWICK: Mr. Deputy Speaker, I believe something would be fundamentally wrong, where it is going to be alleged or indicated that if I were to invest in, or to own a small business, that the particular Ministry should know how many shares I have in it, how many shares I have in any other business, how many shares other investors might have in my particular business or in any other business.

Mr. Deputy Speaker, if this is so, we would be getting into a very dangerous area, when we are getting into an area where confidentiality and the promotion of confidentiality, in terms of what we do, can turn around and can cause a number of problems in Barbados, if we do not monitor what we are doing. This is a wrong direction in which to move. It is unnecessary information. It has nothing at all to do with whether or not one earns $l million or $2 million. It is the wrong direction in which Government is going and, therefore, I will not be supporting that measure. I am also sure my Honourable colleagues would not be supporting it. It is an invasion of privacy, in a fundamental way.

Mr. Deputy Speaker, I also have some problems with respect to Section 8 of the Bill. Sir, Section 8 of the Bill speaks to the exclusion of small business. If you are approved as a legitimate small business by the Minister, it then says to you that you are excluded from benefiting from incentives in the Tourism Incentive Act, the Fiscal Incentive Act, the Special Development Areas Act, as well as the Shipping Incentives Act.

Mr. Deputy Speaker, this is not what Government should be doing. There should not be one area of business, that is confined by certain specialised Acts, for big businesses, while there is one for small businesses. That is not what should be happening. There should not be a set of generalised provisions made for small businesses and big businesses because many of the small businesses should be able to operate within those particular areas of incentives as well.

Mr. Deputy Speaker, I would want to see small businesses in Barbados not being excluded from the Tourism Development Act. I would want to see them not being excluded the Special Areas Development Act. I would want to see them not being excluded from the Fiscal Incentives Act, as is indicated by this piece of legislation.

Mr. Deputy Speaker, I also want to speak to Section 9 of the Act, and to ask a number of questions. Section 9 says:

"Section 8 of the principal Act is amended in the Section 2,3 and 4, by deleting the words "provider of loans guarantees" and substituting the words "retailer of loan guarantees".

Mr. Deputy Speaker, this is a fundamental change. When you are talking about retailing loan guarantee, I want to find out what is meant by this. I want to find out if there is now the provision of credit enhancement in Barbados. I want to find out whether or not we are going to be allowing trading of guarantees on the capital markets in Barbados. I want to find out what is meant by this particular provision and this particular change.

Mr. Deputy Speaker, I am very well aware of the third party guarantee concepts. I want to understand what is meant by retailer of loan guarantees, as stated in this Bill. In addition, I want to refer to Section 11 of the Bill. Sir, there is a provision that says that at the end of a financial year for a small business, it is supposed to provide the audited financial statements within three months, or else. Mr. Deputy Speaker, do you know what I find to be incredible? It is the Government-owned private companies and statutory corporations that are three, four and five years behind in their audited financial statements, yet Government is going to hold a small businessman, who might be struggling to make $20 000 or $30 000 yearly, to these types of onerous restrictions. That is not the direction in which we should be going at all. Government has to set the example and we have not been seeing that example from Government.

Mr. Deputy Speaker, I have another concern. I have been looking at Schedule 2 of the Bill and a Schedule that is supposed to tell me what are the fee structures to be paid for the registration, for change of registration, in the event that a director might have to be changed or might have to indicate change of shareownership... Sir, I have already expressed my concerns about the fact that these contain a cost, as it is quite clear from the Bill that if you have to institute these particular changes after registration, that there would be a cost attached to them. That is what the Bill is saying.

Asides.

Dr. D. C. ESTWICK: Mr. Deputy Speaker, the fundamental point I want to make is that if you are to make changes to directors, you would have to resubmit your registration and there would be a cost to that. Many times these are not fluid dynamics within businesses when they are changing, not only directorship but also shareholders, these are all costs that would be incurred when you have to resubmit. That is what I am reading from the Bill and unless somebody gets up and says otherwise, I will go with my interpretation.

Mr. Deputy Speaker, I have some concerns with whether or not this Bill, as it attempts the so-called enhancement of the environment for the operation and development of small businesses, as it is now structured, is going to be able to accomplish those particular provision.

Mr. Deputy Speaker, what also concerns me, is the fact that there are two sets of regulations, one for big businesses and one for small businesses. I am also concerned that I am being told that before registering as a small business, you must disclose to the relevant Ministry, who are your shareholders or if you have changed shareholders. Sir, in the same way that Government is asking small businesses to do this, do you not believe that I should be able to find out who are the shareholders of the Grantley Adams International Airport or the shareholders of the Barbados Port Inc.?

Mr. Deputy Speaker, I am convinced that in an attempt to find such information, it cannot be found at this time, yet small business people in Barbados are being told they have to tell everyone their business. That is a dangerous precedent to establish in Barbados and I will not accept it.

Mr. Deputy Speaker, I want to find out if, by the same provision, the Barbados Shipping and Trading (BS&T), the Goddards Group of Companies or Cave Shepherd and Co. Ltd., were to make $50 million, should they not have to disclose that information? Should only a small man, who only makes $100 000 a year, be made to disclose such information? Sir, I cannot accept that philosophy in Barbados.

Asides.

Dr. D. C. ESTWICK: Mr. Deputy Speaker, that is exactly what I am saying.

Asides.

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(EDITED)

Dr.D.C. ESTWICK: Mr. Deputy Speaker, Government establishes a set of regulations. Sir, my point is, that set of regulations should have some ethically defined principle that is universally applicable across the board, otherwise it is immoral. Sir, to tell me that you are going to single out a group of individuals because you earn less than $2 million a year or that your share capital when paid up is $1 million and therefore, you are confined to these set of requirements, I am saying that is not the way we should be advancing our business environment in Barbados.

Mr. Deputy Speaker, I am reasonably aware of the Companies Act but I am not going to change my position. Sir, my position is very simple. If the Companies Act in Barbados applies to small companies and big companies, why should Government establish and Act that only applies to small companies? Mr. Deputy Speaker, this where we differ in terms of philosophy and outlook. Sir, I hold my position because I know of what I speak.

Mr. Deputy Speaker, I want to find out from Honourable Members on the other side if they honestly believe that after the passage of this Bill, small businesses in Barbados, those who have registered would become more competitive within the Caribbean Single Market and Economy. I also want to find out whether the application of the Incomes Protocol is going to have the same kind of impact with respect to advancing their competitive capacity to deal with extra-regional exports. Sir, any Small Business Development Act which speaks to allowing small businesses to develop must address the competitive capacity of small businesses in Barbados to operate within that new economic paradigm. If we ever got off the ground, the international paradigms of WTO and FTAA must also be addressed.

Mr. Deputy Speaker, I have looked over the Bill trying to find these areas where the Small Business Act has been so amended to deal with those competitive issues and I do not find them. Sir, I have said at the beginning that if we are amending the old legislation and we are creating new pieces of legislation, one would believe that the new piece of legislation would expand on the old legislation to allow small businesses to have a better opportunity for growth and development in Barbados. I have said that I do not believe that this Bill in anyway addresses any of the essential areas where small businesses need to have the type of amendments necessary to effect growth and development. I believe very strongly that in no way changes the overall philosophy with respect to how small businesses are treated in Barbados or how Government deals with small businesses in terms of procurement of goods and services and in terms of small business having access to goods and capital. I believe it will have no change whatsoever in terms of small businesses being able to get

around the onerous and restrictive and repressive measures that are utilised when a small business tries to access capital from many of the agencies designated by this Administration for such.

Mr. Deputy Speaker, I have also said that I thought it did nothing to deal with the opportunity for networking among themselves or with larger businesses. I also believe that Government needs to start looking at opportunities to get involved in true venture capital investment within small businesses because the philosophy of telling a man who is going to take a risk that he should put up the only house for which he has worked for 50 years and by extension his fridge, stove and so on, is not a philosophy that allows for growth and development of the small business sector in Barbados.

Mr. Deputy Speaker, as a result of that, therefore, I give this Bill critical support in those particular areas which I have identified. Sir, I thank you.

MR. DEPUTY SPEAKER: The Honourable Member for Christ Church East Central.

Mr. R.D. JONES: Mr. Deputy Speaker, thank you very much. It is quite an interesting and engaging debate relative the Bill to amend the Small Business Act, Cap 318C. Sir, what this Bill wants to achieve, in fact, is quite laudable. If you want to allow for enhanced or improved benefits on a wider range of activity in which small businesses could be involved, there is nothing wrong whatsoever. If you want to adjust, revise or amend the criteria so that small businesses may qualify more easily for small approved small business status, there is nothing wrong with that either. If you want to make provision for an improved system regarding the processing of applications for approved small business status, there is nothing wrong with that. If you want to strengthen the arrangements for regulating the performance of approved small businesses status, there is nothing wrong with that. Sir, they are all laudable Objects and Reasons for amendment in the Small Business Act.

Mr. Deputy Speaker, we have stated quite emphatically on this side that all of these things are very well said and well articulated here on paper. How do small businesses get past the proverbial wall that they fail? There are many small businesses as designated and micro businesses that see themselves as small businesses in relation to the capacity to generate revenue and when you look at their capital infusion, they see themselves as small business.

Mr. Deputy Speaker, this Bill sets out the designation as to what can be reasonably considered a small business. The Honourable Member from St. Michael South Central already spoke to the whole issue of what should be adjusted or amended to give more room relative to the particular designations of what should be considered small businesses relative to Barbados.

Mr. Deputy Speaker, I believe that at the heart of what we are talking about is a simple construct but which has not, in fact, unravel in Barbados in any real fundamental and meaningful way. It is a construct, which has gone through many different name changes, some people talk about economic enfranchisement; some people talk about economic democracy and things of that ilk. Therefore, it is on that particular terminology and that particular premise that I want to strike at the heart of the amendment, the Small Business Development Act, Cap. 381(c). We have been excellent talkers in this country to the whole notion of economic democracy. Therefore, since we have been talkers, we have not, essentially, been great doers and we have not been able to connect the words with the action. In that of what I might consider our mental frustration first and then the whole business of doing, we have created a plethora of different support mechanisms that essentially do not work.

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Mr. R.D. JONES: ..a mental frustration and this whole business of doing, we have created a plethora of different support mechanisms that essentially do not work, because they start on the wrong premise, relative to support for small businesses in Barbados. These mechanisms have serious social and historical beginnings. If we do not understand this, both political Parties, when they are in Government, would continue to make the same error, of pelting, of throwing, I am sorry, Mr. Deputy Speaker. I was using the word that we know very well, those of us who come from the village, we know about pelting things, and we understand the imagetry of pelting. So I hope that you allow me use the word. It is very much understood. So we pelt all of these different pieces of adjustments and mechanisms at people who are involved in or want to create small businesses without fully and truly understanding the fundamental nature of the entrepreneur, might be classified as the small businessman.

Sir, we do not understand the historical and social construct through which these persons would seek to operate and to have their being, people who have been historically denied the right to be entrepreneurs way back through time, but fought against the odds to make a living for themselves. This is how it starts out, to make a living for you and your family and the idea grows and blossoms, and others become part of that business by copying some of the systems and structures that people call business. So they copy some of the structures, sometimes which are not necessary, for the efficacy of small business, as so

designated by them, not necessarily by what is contained in an Act.

Sir, a small business, can determine if he is a small businessman, not any piece of paper or law passed in the Parliament of this country. Those individuals, moreso than us in this Honourable House, understand their own reality. They understand the world in which they struggle to survive. They understand that they cannot get relative capital shopping in the wide Barbadian space, because they have to provide the bath tub, baby, water, soap, toothbrush, wash cloth and everything. Even when those things are provided, in their minds, because of the social and cultural voice, that they hear even when they sit before whoever is going to assist them, in the provision of a finance, that the answer that they will get is no. Some of them expect the no up front, and some of them believe, as they leave, the no will come a few hours afterwards, because that is how the conditioning has taken place within the society. Therefore, they rely on the pulling together of the resources of family and friends, which are not ever enough for them to make sense of the kinds of ideas that they have.

Mr. Deputy Speaker, within our society there is a fear that drives persons to their knees that if they have a good idea that idea will be stolen by somebody else. It will be stolen when I my ideas, may be not necessary a well-articulated business plan, but ideas which can be flesh out to make sense, but when I take my ideas and place it before someone ... We have heard stories in Barbados, we have heard the language of deceit and denial is fear. The whole notion of economic democracy in Barbados has to be seriously revisited. When we speak of these notions, people get scared, and I keep wondering why.

Sir, you get scared that somebody will take something from somebody else and give it to somebody else. That is not the notion of economic democracy. Economic democracy speaks to the idea of an equal chance, an equal opportunity regardless of race, colour, class, creed or school tie. I mentioned school tie because that operates too. Do not pretend that in Barbados school tie does not operate. It does. I would not say to ask the chaps of Combermere or Harison College. I would not say that at all. School tie operates.

Sir, everybody must have an equal opportunity to blossom using their intellect and create talents within our space called Barbados. Too many persons are held down even though confidently strong, even though they are brilliantly skilled. Some of the furniture that is in the home of the Honourable Member for St. James South was made by some of the best craftsmen of our fate.

Asides.

Mr. R.D. JONES: Sir, craftsmen of our fate use that aesthetic talent to create, and make those pieces of furniture that adorn the homes of many of those in this Honourable House or on the plantations, or the modern plantation houses that are constructed across Barbados.

Sir, we have had brilliant persons who have passed on and their businesses died, again, because of the whole notion of our social and cultural constructs, established within the society. It is cheaper, some may argue, to bring some furniture out of China that is made for a United States company into Barbados which will last for eight or ten months, yet we are happy with that, when our craftsmen and women design, and build aesthetically pleasing, furniture, that last alsmost forever. Sir, nothing last forever, nothing really does, but you understand the point that I am making.

Mr. Deputy Speaker, therefore, come up with Bills, they sounds pure, but they do not connect with the reality and dynamics of what happens in the Barbadian space. Nobody cares if this Bill is passed or not in this Honourable House. The small businessman out there does not care, because by and large he will stand back from it, because for him or her it would make no meaningful difference. It will not allow him to get past the stacks, of what I call bureaucracy, to ensure that he is able for the first time, to ship a 20-foot container load of some of the best hot sauce in the world, out of these shores to somewhere else. In order to ship that 20-foot container of hot sauce to wherever it is destined there is a need to get the raw materials quickly from wherever they could be sourced, if not from within the agricultural sector of Barbados, St. Vincent or Guyana, turmeric and whatever is used to make the hot sauce, so that they can meet the deadline of shipping and delivering to the place that needs it. Sir, how long do they have to wait?

15.40 p.m.

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House 109, Sequence 30, 3.40 p.m.

Continuation of: Mr. R.D. JONES:

Sir, about a year and a half ago, I went to a seminar put on by the Rural Development Commission - thanks for the invitation. One heard the agonising story of a young entrepreneur, who was looking to generate some money for herself, her workers, and foreign exchange for Barbados. There is nothing wrong with that but the agony of having to wait for eight months - and that is not my story. I do make things but they are not hot sauce or furniture - to get that little seed money to ensure that they could proceed, but by

that time, Mr. Deputy Speaker, who wants to hear you. You cannot deliver. This is the real life frustration of small business people.

Therefore, when we speak in here about all of what we are doing for small business people, that is not their reality. They see us as wasting time. They want to be able to get advice, hopefully, which they would take. I also want to make the point that there are some rigidities in some of the minds of some of our small business people, who do not want to accept advice. I understand that. We have some small business people as well who want to be the accountant, general manager, designer and move and transport the material, from whence it came. They also want to be the customs clearance agents, we know all of that but that comes out of fear, that somebody is going...

Asides.

Mr. R.D. JONES: You hear the phrase and I was about to switch into the vernacular but let me keep in the English vein, Mr. Deputy Speaker, the language of the realm.

They simply come to the conclusion that those chaps who went to the grammar schools and think that they are smart, are going to beguile them. They are going to fool them and they are going to take what they consider to be theirs. Therefore, there is the built-in mistrust of somebody else, because they started their own businesses from scratch.

We need to remove those shadows because that is what they are in many instances. There are shadows embedded in the minds of many persons who want to blossom and to develop their businesses. This country does not lack for ideas. Barbados per capita generates more ideas than any other place on the face of God's earth. That is my strong view. Who else, Mr. Deputy Speaker, would sell salted pigtails, barbecued, and Bajans would buy them.

Asides.

Mr. R.D. JONES: Ask the doctor. That is it. Who else? That is an idea. But you start with that idea and you gradually refine and you realise that you do not go for the salted pigtails, the brine is too much, but you go to something else, and you gradually develop.

We have fellows and women who sell nuts on our streets, and the way they are able now to fit in 10 nuts for $1 when one time there used to 30 nuts for $1, but it still looks like a full pack, and they are purchased. Are you telling me that the brilliance of that can be lost? Who else sells more coconuts per capita than anybody else on the face of God's earth?

Asides.

Mr. R.D. JONES: No, not Trinidad. Trinidad cannot touch Barbados. I have to look at them. I look at those too, Mr. Deputy Speaker, and they are infants compared with the entrepreneurial abilities of the fellows here in Barbados. Those fellows are too simple. Sir, Barbadians do it well. Barbadians take it, transform it and make it a profit.

Mr. Deputy Speaker, the simple point I am making is that there must be equal opportunities for all, and that was said very clearly by the Honourable Member for St. Philip West. We play around, make sport and dance. The feel must be the same feel regardless of whom you are and what business you have, Sir. This artificial dichotomy that we create about large business, small business, micro business, peasant farmer, techno peasants, and all kinds of artificial designations, do not make sense in our reality any more, if they ever did.

Sir, therefore, let us make it clear. Let us also give an opportunity, under the Tourism Development Act, for a chap that might not be able to construct at first, a 300-room hotel, but might be able to do a 40-room hotel that can cater to the movement of sports people across Barbados, and can make some money. I know this is a topic dear to the heart of the Honourable Member for St. Michael South.

Asides.

Mr. R.D. JONES: Thirty rooms or twenty rooms can benefit. Sir, do not eliminate those persons by these artificial constructs, the Fiscal Incentives Act, these things which say that they shall not be eligible. Therefore, we create one law for the Meads and we create another law for the Persians. Therefore, the Meads and the Persians constantly fight, making no sense of serious developmental issues for small countries such as Barbados.

We need more small businesses employing ten to 20 people and, maybe, 50, if the capacity can keep that, but we also need the conglomerates. We need those players who could seriously compete in the international arena. Asides.

Mr. R.D. JONES: Well, it looks that way but they are just small mites too, let us understand that, but from our concept of what are large businesses, we have some of them here in Barbados but they are small, in the wider global arena. Therefore, let us make the field level for the operation of all of these businesses, giving those persons an idea, an opportunity and a chance to grow and to develop.

Sir, many of the businesses that we call large businesses and conglomerates, when you research their histories, they started small, but they develop and they grew, and they made sense. There is also an appeal that must be made. Sir, too many of our people believe that they

must also work for somebody, because they fear their own abilities to make their own businesses work.

Therefore, let us remove those clouds of fear from their minds. Let us give them the support mechanisms, not the support which says that I am going to give you $100 000 and I am going to send a business advisor and an accountant, and you must pay them too.

Asides.

Mr. R.D. JONES: Sir, because these struggling small businesses take $100 000 from some business that was set up by Government, you must pay the accountant that they will send, and you must pay the small business advisor that they will send. The State, I believe, within our environment, must still carry a certain level of responsibility for the nurturing of people.

Sir, if a business is one aspect of people, it must also carry a nurturing for those businesses of our people. If you must have a mobile accountant, moving between ten and 12 businesses to ensure that the books are kept in good order, and today with the technology, Mr. Deputy Speaker, those small businessmen do have to be rocket scientists.

Sir, any school child who leaves Fifth Form, who understands the technology, and one of the software accounting packages, could be as brilliant as brilliant can be, to that level. Simply input your data correctly, and it cannot come out wrong, with the technology that we are utilising cannot come out wrong. If you put it out correctly, it must come out correctly.

Therefore, there is also a burden that the State places on small businesses. Again, I want to relate to the comments made with those who have gone before me from this side. They have spoken about the burdens that we place on small business. It is like a shackle. Mr. Deputy Speaker, you know when I use the word shackle what comes to mind.

Mr. Deputy Speaker, I am missing the contribution of the Honourable Member for St. Michael East on issues such as this. There is a deafening silence of the revolutionary on these issues, but if the fight and struggle must go on, the fight and the struggle will continue.

House 109, Sequence 30, 15:50:12

Tuesday, August 08, 2006

Mr. R. D. JONES: We have to provide opportunities for the brilliance of our small business people and our people. We have to remove the artificial spaces that we created around businesses in Barbados. Let us look at the lady who utilises the flour produced by the Barbados Flour Mill to make her bread on Sundays, who gradually develops a home-based business and move from sweet bread into turnovers, salt bread and other specialised cakes. Sir, by the utilisation of that flour she gives sales to a major international business which gives business to the person who is going to move it from the Flour Mill or the wholesaler to that business. We must look at the interconnection of Barbadians getting employment.

Sir, let us be more expansive in our view of business in Barbados. Let us give these small business people a real chance to make a difference, a real chance to unshackle themselves from certain mental conditioning and a real chance to say that they could be even greater than sometimes they conceive themselves to be because they have the support mechanisms all around them.

Mr. Deputy Speaker, let us give all of the young men and women, that we pay millions of dollars to educate at the University of the West Indies, at the Barbados Community College, at Samuel Jackman Prescod Polytechnic or wherever they are educated, a chance to grow and to make sense of their reality, to make sense for their family, their communities and their country.

Mr. Deputy Speaker, I believe that what this Bill is trying to achieve is not in the theory but in the practice. It is also in the understanding that there are still certain structures placed and embedded in this society which says you cannot do that. Let me give you an example before I sit, Mr. Speaker. There are persons in Barbados who could source a lot of what is being sold in Barbados - I have researched this - ten times less than the cost of some of what we see here being sold on many of our shelves.

Mr. Deputy Speaker, they do not have four walls. They are not under-invoicing anywhere. They are using the technology to source, to find out and to know. They could move it and get it in here without even knowing the faces of those that they have contact with. Those who are conversant with technology understand exactly what I mean.

Mr. Deputy Speaker, money moves across the landscape through telegraphic transfer and credit cards. They could move them, they could land them here, but then somebody is going to complain to somebody that somehow these fellows are under-invoicing. Sir, even when you take those persons who are in charge and say ‘look, I did not construct the site, it is there before your eyes and my documents are absolutely correct’, they are going to hold you up in some department of Government - that annoys me - and frustrate you, and two weeks or three weeks would past and you are dead. I am not talking about anybody bringing in motorcars. I have already been assaulted as I spoke on that, so I leave it alone for now. Mr. Deputy Speaker, we have a lot of people who import into

Barbados. We have people in this country, because the system forces them to hide...

Asides.

Mr. R. D. JONES: I will not get off this bandwagon. Asides.

Mr. R. D. JONES: The system criminalises them, that is what it does.

Asides.

Mr. R. D. JONES: That is the right word, I said forces them to hide, he used the correct word, so 'back off'. My Leader is correct. The system criminalises our people because it forces them to do things that in their Christian upbringing they do not want to do but they have to do them, it is the nature of survival. When you have to eat bread and support your children sometimes you resort to mechanisms and techniques which your Christian upbringing says is wrong.

Sir, this deplorable system that exists still of the shackles on the back of our people must be removed. What I am talking about is real. I live in the real world. I am not like the Honourable Member from wherever that Honourable Member comes. These things are real, Mr. Deputy Speaker, so they hold up the goods and they carry them through the rigor mortis and the nonsense of this and that and the other.

Mr. Deputy Speaker, there is a lot of corruption in Barbados. There is a lot of hypocrisy and terrible double standards in this country.

Asides.

Mr. R. D. JONES: Mr. Deputy Speaker, I was again slipping into the nation's language and the Honourable Member for St. John corrected me and kept me on the correct path. He is telling me not to slip into the vernacular because sometimes when you get passionate you resort to the nation's language which is easily understood by those on the outside.

Asides.

Mr. R. D. JONES: If they are, they are. I cast no stone at any man.

Asides.

Mr. R. D. JONES: Mr. Deputy Speaker, the Lord is good and His mercy endureth through every generation. Your generation might be stopped short.

Asides.

Mr. R. D. JONES: Mr. Deputy Speaker, the point is that we must give everybody an opportunity and a chance. We must give them that right to uphold their true potential whatever that is determined to be. We must also give them the structures, the guidance, the systems and the processes to make sense of their own reality which would impact on our reality as we articulate these issues in this House and which would impact on the reality of the wider Barbados.

Mr. Deputy Speaker, the ideas are good, it is not a criticism. The fundamental point I am making is to transform ideas into purpose and into meaning.

Asides.

Mr. R. D. JONES: We must do that and not merely talk in this House. Let us get those who take the idea from here as well to buy in deeply to the process and not only see themselves as paper pushers. They have to be infused with the passion and the spirit that they could make a difference.

Mr. Deputy Speaker, I thank you.

Mr. D. J. H. THOMPSON: Mr. Deputy Speaker, I was not here to hear the opening presentation of the Honourable Member for St. Michael North East and I did not hear any of the other Members on the Government side speak on this particular Bill. I am not saying that they should. If they do not have anything to say they should remain in their seats, there is nothing wrong with that.

However, Mr. Deputy Speaker, I heard the contributions on this side...

Asides.

Mr. D. J. H. THOMPSON: Yes, that is correct, but I heard him already, that was not a new speech, so I must confess that it did not strike me as one.

Mr. Deputy Speaker, I want to compliment the Honourable Members on this side for their focus in this regard because small business development, as the Honourable Member for St. Philip West said, is obviously a very critical and important part of any development strategy for Barbados.

Mr. Deputy Speaker, we hear a lot in this modern age from Ministers who are imbued with the language of the era, about globalisation, economic enfranchisement, the development of small businesses, one-stop shops, the entrepreneurial spirits and the initiatives, both legislative and otherwise, that the Government put in place.

House 109 Sequence 31

4.00 p.m.

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Mr. D. J. H. THOMPSON: Mr. Deputy Speaker, when I hear the stories of Barbadian businessmen, who have been successful in building enterprises from merely an idea into formidable businesses, of course the vast majority of them would have been established during the Democratic Labour Party reign in the l960s. Whenever one hears Mr. Ralph "Bizzy" Williams speak - and the Government is fortunate to have him on board in helping them with the flyovers, with converting seawater into potable water, along with a number of initiatives in this country - he always makes the point that the first step in building the enterprise - which he now heads - from start, was the then pioneering legislation, which the Democratic Labour Party had put in place, that is the Fiscal Incentives legislation.

Mr. Deputy Speaker, persons can speak to those in the solar heating business, who have also benefited from legislation and from tax benefits given by the previous Barbados Labour Party Government. These are all enterprises that Government in a sense singled out and assisted. And you have to have the courage to do that because your opponents would always accuse you of choosing 'yardfowls' and persons who you get 'kickbacks' from, and all kinds of things to give them assistance. But it is a model that has been practised - with similar criticisms because those criticisms cannot be avoided in a democracy - in other countries which have had successful industrial bases where you pick out people who are full of entrepreneurial spirit and have bright ideas and successful, and you help them along the way. You actually hold their hands. How do you do that? You provide them with Government patronage.

Mr. Deputy Speaker, I do not know why we are constantly afraid of this. Again I supposed it is because we may feel that when we do so, that the people who chose to give the patronage to, may do as the Prime Minister said, and overdo it. For example, cut down a tree for

$ll 000, when it could have been done for $5 000, or build a the Urban Development Commission house for $40 000 when it could have been done for $20 000. We know there are those problems.

Asides.

Mr. D. J. H. THOMPSON: Or a public bath?

Asides.

Mr. D. J. H. THOMPSON: You said you built a school and carry away all the toilet things? I did not hear you well.

Asides.

Mr. D. J. H. THOMPSON: You see what starts to happen, once we go down this line. Sir, I am saying that there can be some reasonably objective criteria set up establishing those business persons who have new ideas and whose hands Government can hold, assisting their cashflow by Government patronage.

Mr. Deputy Speaker, I feel very strongly about that. Many years ago the Honourable Member for St. Michael North East and I had 'squared off' on a minor matter but at the heart of the matter, in my view, and I did not care what anybody had said during that debate, was the fact that here you had originally a small black businessman, who started out on Baxters Road, with a one-door shop...

Asides.

Mr. D. J. H. THOMPSON: I am glad that reminded you about CARIFESTA. You are not even going to be allowed to forget it. He started a small one-door shop in Baxters Road but at that time was borrowing $27 million to invest in an enterprise, under the nose of our first named National Hero of the ten, the Right Excellent Bussa. Despite the politics I felt it was important that some of Government patronage needed to be diverted to business persons who have that kind of commitment. That was happening at a time when the Barbados economy was going through very difficult economic circumstances.

Asides.

Mr. D. J. H. THOMPSON: Mr. Deputy Speaker, I said at the time... Was the Honourable Member in the House at the time? I do not remember. What the Honourable Member an Honourable Member of Parliament then?

Asides.

Mr. D. J. H. THOMPSON: Even if I told the Honourable Member for St. George South to read it he would not because he does not like to read. Therefore, that advice would be senseless but if the Honourable Member goes back and reads the debate, he would find that was said. That point was consistently made because another businessman made the point that he had been receiving Government contracts for 26 years, supplying the School Meals Department and that he saw no reason why he should not continue to receive them. He was also very annoyed that the Democratic Labour Party had pledged in its then Manifesto that companies that had consistently

received Government contracts should offer shares to their employees and to the public, as a whole, over a phased period of time, if not that patronage should come to an end.

Mr. Deputy Speaker, that person would have built one of the largest enterprises in this country, on the back of the taxpayers in this country.

Asides.

Mr. D. J. H. THOMPSON: Mr. Deputy Speaker, it has been very well done and I compliment him for it. I also felt that in those circumstances that the fruits of the labour of the workers should be shared. Therefore, it is important that those persons be identified for Government patronage. Sir, there was a Budget in which the Right Honourable Member for St. Peter said that a certain amount of Government contracts would be allocated to small businesses. I hope it is still happening.

Asides.

Mr. D. J. H. THOMPSON: Well, so the Honourable Member for the City of Bridgetown said. That is one way but there is also a symbiotic relationship between the existence and success of large businesses and the development of small businesses because outsourcing of the activities of larger businesses particularly when they consolidate and reconfigure is one of the ways in which small businesses are spawned. In Barbados this has happened in a very limited way because very often as a member of the Board of Directors discovers that a particular kind of activity is going to be outsourced, he then gets his son, daughter or cousin, to set up a business, to provide that particular activity for the larger entity. We know that happens. How then does one ensure that more of the people who are not connected to those on the Boards could benefit?

Aside.

Mr. D. J. H. THOMPSON: Well, in a sense, it is insider trading because these persons would have inside knowledge. Where it happens in relation to a public company, it definitely could be characterised in that way but if it is a private company, in which there is no requirement to stand the test of scrutiny and they say previously we were providing this service and we are not going to provide this service anymore, that it could be sold out and they identified somebody to sell the business to and to provide the service back to the company, there is not much one could do, except call for transparency.

Sir, where there is a higher level of transparency in relation to public companies, and shareholders are given that kind of information then those shareholders, particularly the company has a large ownership base, can have the opportunity to develop new companies arising out of that relationship between them and the larger company. Sir, that is another way in which small businesses can benefit.

The creation, therefore, of employment, of ownership of share by employees in a company, who has developed a particular expertise and who can take up the challenge when that activity becomes available outside of the company, is important. Therefore, the relationship between the employees and the company, through ownership of shares and access to information, is vital. That is how small business enterprises get underway.

4.10 p.m.

Tuesday, August 08, 2006

(EDITED)

Mr. D.J.H. THOMPSON: They do not underway with Ministers dressing up nicely, presenting bouquets, awards at ceremonies, talking about Caribbean Single Market and Economy, globalisation and entrepreneurship, that is a lot of empty claptrap. It has been a diet on which people have been fed in Barbados for a long time. Just as we believe for a long time that creating business was about teaching women to make jams and dollies and we went through about 30 years of that.

Asides.

Mr. D.J.H. THOMPSON: I heard the Honourable Member for St. Thomas calling names but the Honourable Member for St. Thomas has been in politics long enough that she could have reversed that trend because the Ministry of Education was still doing it when she became Junior Minister of Education. We have, established in Barbados, fund after fund to create opportunities for small businesses. Sir, millions of dollars in taxpayers money was paid out of the Urban Development Commission and the Rural Development Commission to assist people in small business activity. This Government paid out thousands of dollars to people operating bodywork shops and the reports tell the story that the money was then used to buy a stereo set and that very often it was not ploughed back into the business.

Asides.

Mr. D.J.H. THOMPSON: The Report of the Auditor-General says that, not our reports. It seems as though the Honourable Member for St. George South is simply warming a seat in here. I would like to know that those small business persons were able to take that money and were still in operation but the reports tell us that many

of those persons who received the money were able to keep the business open for only a short time thereafter.

Asides.

Mr. D.J.H. THOMPSON: Sir, it happened to a few, strategically and closely enough to a General Election. I told the story in here of a young man who was actually put on television by the Rural Development Commission to say how much he benefited from this loan. He took the money, invested it in the business, had problems with one or two crops and six months later, he was back at square one with nowhere to go because he had served his purpose.

Asides.

Mr. D.J.H. THOMPSON: I will get to the success stories too. I know that you would not get to them because you do not know of any in St. George South. I know them and I can tell you about them, even though there are not a lot because not many of them were given effective representation in accessing the Rural Development Commission. Sir, unlike the Honourable Member for St. George North who was out there sloughing it and ensuring that at least his people got the chance to talk to the officers in Rural Development Commission, the people of St. George South could not even find their parliamentary representative.

Asides.

Mr. D.J.H. THOMPSON: I told you to stop interfering with me because, I have not troubled you at all in this debate. We are not in the 1970s, 1980s or 1990 but, if we were, it would be the same story. We are now in the year 2006 and the things that previous generations of Barbadians may have accepted, I do not think they should accept from this generation of Barbadian politicians.

I am saying that I do not think that the vast majority of people who went to those Funds were only interested in handouts. They were not only interested in getting money. They also wanted some assistance and somebody to hold their hands and to accept some of that patronage that would give them a continuous cashflow to link up their small business with some larger businesses that would assist them. For example, when the large business cannot provide that service, to be able to out-source it to them. They were also interested, where those resources were available, perhaps in accessing shares so that they could create a relationship between themselves and larger businesses. They would also be interested, if it were feasible in establishing strategic joint ventures in Barbados.

Mr. Deputy Speaker, only about four years ago, we had a long debate in here about telecommunications. I do not know if the Honourable Member for Christ Church East spoke about it today but we were told that the new telecommunications legislation would spawn a whole raft, that was the word used then, of new small businesses in Barbados in which people would be active in the telecommunications industry and those were not only persons in relation to the distribution sector. We were not only talking about them but even a lot of those enterprises could not succeed. Sir, even those who were given the licences did not have the wherewithal, the capital, which make those things succeed.

Mr. Deputy Speaker, at the time that the Green Paper was discussed, the Honourable Member for St. Michael East would recall that we made a call on this side to do more than simply providing those persons with access via the licences, that it would be necessary for Government to hold their hands, not only through the incentive structure because very often people do not understand how to get through that maze of applications and requirements which they have to meet. We said that there should be a more direct customer service relationship between Government in those areas and the new businesses that it wanted to spawn and the Honourable Member would remember that I identified ten. Sir, if it does not work so, we could as well shut up shop.

Mr. Deputy Speaker, the telecommunications area was one of the areas in which I felt it could be done. Sir, I recall the Minister agreeing with me that it could be done, not that the structure was there or that necessarily the political will was there at that time to do it. There were also very powerful forces particularly people who had benefited from monopoly status before so do not have any doubt that those forces exist. Mr. Deputy Speaker, that is why it cannot easily be done but it does not mean that we should give up because those particular forces need also to be brought on board to assist in the creation of small businesses in the areas in which they previously had monopolies in a creative way with the Government and in a transparent way as well.

Mr. Deputy Speaker, that is only one area because we have spoken about telecommunications. Sir, we live in an area in which the Government is talking with other countries about the need for us to liberalise the market and to remove the barriers, yet for people living in Barbados, the kinds of restrictions and barriers they have to face in relation to their daily operations are almost shocking.

Mr. Deputy Speaker, a few days ago, I understood that water sports operators in Barbados would now have to bear a new addition to the expenses of their business. You have the problem of being unable to solve the challenges that the vendors in Barbados have faced for a long time. We saw the problems which occur in relation to the public service vehicle sector in Barbados. We see the challenges which artists face in our country.

H109/16:20

Sequence 33

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Mr. D.J.H. THOMPSON: Sir, even the people who are selling pudding and souse and so on, at one point there was a fear that their activities would have to come to an end, because of external pressures on countries in relation to meeting certain standards, and there was to be an end to backyard butchering and that kind of thing. We have been through all of this. I wonder how all those persons on a weekend feel, knowing that is the only time of the week, that they are going to make a financial killing, as one might say, feel when they see little being done by Government, to ensure their survival and yet everything being done to facilitate the investment by others.

Sir, I have not heard the Prime Minister for a long time talking about - I do not know if he has ever said it - removing any stumbling block in the way of small Barbadians. I have not heard him for a long time. I have heard every time he gets into a tractor and has to start a new project on the West Coast. I heard him in relation to Cricket World Cup. He was not saying that I am going to ensure that there are no stumbling blocks in the way of vendors.

Sir, in fact the Minster of Tourism was not even able to fully say so, but the Minister of Finance and Prime Minister of Barbados said that he is going to move heaven and earth to ensure that the activities of the larger investors in that project are brought to fruition. We have seen that consistently, at Apes Hill and we have seen all over Barbados. The question is, who is going to be moving heaven and earth to ensure that those persons who are involved in self-sustaining economic activity, who make an investment in small business enterprise and who are doing their best in a very tough economic environment, are going to be allowed to survive.

I say that this is not a Government that wants to give any of those people assurances. Few would have been given in this debate as well, but publicly on the front page of our newspaper week after week, we can hear the extent to which heaven will be moved, the extent to which barriers would be broken down and the extent to which Government will be going into joint venture arrangements in which b valuable land will be given to joint venture partners, but if some of our small vendors in Barbados are not careful, the police will move in, knock down the shack that they have erected to sell vegetables and do other things, throw it on the back of a truck or in a cane field and the enterprise which they collectively put together will come to an end.

Sir, I have had experience in an area, which is very familiar to the Honourable Member for St. George South, Henley, a few months ago. A guy bought some tarpaulin and some other things, erected a little place where he could sell some vegetables and so on and started little projects, and in ‘two twos’ they moved in, broke down the structure and that was the end of that.

Mr. Deputy Speaker, there are many other people in Barbados today, who make elaborate plans and spend thousands of dollars to set up temporary arrangements to sell chicken on a Friday night, pudding and souse, vegetables and whatever, but who every day wonder whether the authorities in this country are going to knock down the structure which they are selling under. Secondly, they are wondering, whether they will be able to continue their business enterprise. Other people can sleep peacefully at night, because heaven and earth are going to be moved for them. The rest of us will have to die to get to heaven but they can sleep peacefully at night. Nobody is giving them any assurance in this economy today. What they are getting is bread and circuses, old talk, awards, lovely glass awards and a lot of presentation ceremonies, corsages, a lot of pretty speeches and talk about enteepreneurialship and so on. Sir, people are unveiling all kinds of things and a week later it gone bust and nobody looks back. Sir, all you hear is that two weeks ago I opened a business here. I wonder how ministers feel when they see that kind of thing happening. Nobody is moving heaven for those enterprises.

Mr. Deputy Speaker, the point that was reiterated by the Honourable Member for St. Philip West, which was made first by the Honourable Member for St. Lucy about the differential between big and small business is vital.

Asides.

Mr. D.J.H. THOMPSON: Sir, it is worse than that. The Government passed an amendment to the Companies Act in Barbados sometime ago and they would not proclaim it. It required all companies to file returns. It has not been proclaimed. As you said they tell small business people that they want ‘head and belly’, a list of shareholders, land, guarantors, business proposal and business plan, and if you go into the Registry today, Grantley Adams Inc. is one, Barbados Tourism Investment Inc., is another. If we did not know that Government owned the shares in those enterprises, because the Government itself said so, there is nothing on the public record of Barbados that would show who the shareholder of a company is. Yet, a small business person is required to give this information to Government, not under any secrecy arrangements, because at least you know that when you give it to a bank you should have an element of secrecy, but you are giving it to a government department. Sir, our Government is not zealous to protect information about us. Recent developments tell me that information about

Barbadian citizens, can go all over the place without Barbadians even knowing about it. We will get to that shortly, not today, Sir.

Mr. Deputy Speaker, information about small business, including a business strategy, very often is available, perhaps, on a database or in a file somewhere in the government department for anybody to peruse. We need to be serious about these kinds of things, because the Government gets up and shouts about banks in Barbados, and how people are being treated by financial institutions, yet the Government itself has put in place a worse system, a less protective system, a less favourable system to small business people, in this country than even some of the banking institutions in Barbados. It is against that background that I have serious concerns about the environment in which small businesses have to function in this country today.

I thank you.

SUSPENSION

Hon. R.R. FARLEY: I beg to move that this Sitting be suspended until 4.45 p.m. today.

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

The question was put and resolved in the affirmative without division and Mr. DEPUTY SPEAKER suspended the Sitting accordingly.

16.28 p.m.

Sequence 34

Tuesday, August 08, 2006

House 109, Sequence 35, 4.42 a.m.

RESUMPTION

Mr. DEPUTY SPEAKER: This Sitting is resumed.

ANNOUNCEMENTS (recommital)

Mr. DEPUTY SPEAKER: I am to report to this Honourable House that I am in receipt from the Accountant General the Accounts and Statements for the month of March 2006.

PAPERS

Hon. Miss M.A. MOTTLEY: Mr. Deputy Speaker, I am commanded to lay the following:

Export Promotions and Marketing Fund Order, 2006.

GOVERNMENT NOTICES

Hon. Miss M.A. MOTTLEY: Mr. Deputy Speaker, I beg to give notice of the following:

1. LIAT (1974) Limited (Guarantee) (Amendment) Bill, 2006.
2. Resolution to approve the guarantee of the Government, in favour of Bombardier Services Corporation of the performance by LIAT (1974) Limited of aircraft maintenance, return condition obligations and repossession containing the terms and conditions as set out in the Schedule to the Resolution.
3. Resolution to approve the grant of the sum of Four Hundred and Forty-nine Thousand, Four Hundred and Thirty-nine Dollars from the Consolidated Fund and place it at the disposal of the Government to supplement the Estimates of 2006-2007 as shown in the Supplementary Estimates No.1, 2006-2007 which form the Schedule to the Resolution.
4. Resolution to approve guarantee by the Government of the payment of the principal sum of Twenty-Two Million Dollars and interest thereon in respect of a bond issued by the Transport Board to RBTT Merchant Bank Limited.

FIRST READING OF BILLS

Hon. Miss M.A. MOTTLEY: Mr. Deputy Speaker, I beg to move that the following Bill be read a first time.

1. LIAT (1974) Limited (Guarantee) (Amendment) Bill, 2006.

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

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

Hon. Miss M.A. MOTTLEY: Mr. Deputy Speaker, before recommitting to Government Business to the Bill in question, I want to serve intention of the Government to establish a Select Committee, under the Standing Orders of this House, and to have the Road Traffic (Amendment) Bill, 2006 sent to that Select Committee, with a request that they report back by the 31st October, 2006. The arrangements in relation to the structure of the Select Committee will be given to this Honourable Chamber on Friday, 11th August, 2006, by the Acting Leader of the House.

GOVERNMENT BUSINESS (resumed)

ORDER NO. 9 (resumed)

ORDER NO. 9 – TO RESUME DEBATE ON THE SECOND READING OF THE SMALL BUSINESS DEVELOPMENT (AMENDMENT) BILL, 2006.

Mr. DEPUTY SPEAKER: The Honourable Member for St. Michael North East.

Hon. Miss M.A. MOTTLEY: I rise to close this debate, in relation to the Small Business Development Bill. There is not much that I would want to add, except to clarify a few issues, which were raised by the Opposition in this Chamber.

In relation to the point as to why, under Clause 8, persons are not allowed to benefit from other legislation, which provide incentives, such as the Tourism Development Act and others, this legislation is not the only option available to persons involved in business activity in Barbados.

Indeed, when I introduced the Bill, I made the point then that persons have an option as to what they would want to come under, but let us not forget that under this legislation, persons are not only entitled to the concessionary corporate tax rate, which we have now reduced from 25 per cent to 20 per cent, but they are equally entitled to be able to import duty-free, plant and equipment. Now, with this Amendment, raw materials, is added, so long as the plant and equipment is not for rental purposes.

These are substantial benefits, which are provided to the small businessman. Let me remind this Honourable Chamber that prior to 1998, small businessmen in Barbados paid a Corporate Tax rate of 40 per cent. This legislation sought to ease that burden, in recognition of the critical role played by small businesses, in the building of the economy.

In the circumstances, without prejudice to the other incentive-base legislation, some of which have been around for 50 years, like the Fiscal Incentives Act and now the Tourism Development Act that replaces the Hotel Aids Act, we felt that there was a category of small businessmen, who would not benefit by reason of their activity falling outside of those areas. In the circumstances, we felt that there was need for a specialised regime for small businesses.

Now, much of what I have heard in here today, Mr. Deputy Speaker, seems to be trying to pick at things, without recognising that there has been a substantial burden lifted off the back of small businesses in Barbados.

In addition to that, Mr. Deputy Speaker, let us look at what else the Government has put in place. The Government made sure that we put in place support for the Small Business Association. Never before did the Small Business Association get the kind of financial support that it gets from this Government.

Indeed, Mr. Deputy Speaker, the SBA gets an annual grant of $175 000, just to fund the secretariat, nothing to do with the businessmen themselves.

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Hon. Miss M. A. MOTTLEY: Mr. Deputy Speaker, we recognise that if the Secretariat is going to support small businesses, it has to be appropriately staffed and appropriately structured.

We also agree, Mr. Deputy Speaker, to fund them $175 000 to help them develop special projects in relation to small businesses. In addition to that, Mr. Deputy Speaker, in this financial year, this Chamber provided $1 million to the Small Business Association to help them decentralise their activities, particularly in rural Barbados.

We also have provided $1 million to the Small Business Association to be able to help persons who are afflicted with HIVAIDS to be able to fund their own businesses because we recognised that there is still a stigma in Barbados in relation to the employment of persons who are suffering from HIV and AIDS. To that extent, we felt that we needed to provide not just a safety net as we are doing with other Government programmes, but an opportunity for these people to retain dignity and to be able to earn for themselves and their families.

Mr. Deputy Speaker, one of the first acts of this Government, even before we passed the dedicated legislation, was to give the Small Business Venture Capital Incorporated money to be able to help with venture capital. Mr. Deputy Speaker, we are once again providing $3 million to that entity in order to be able to help small businesses with venture capital because we know that the issue of access to capital is a real and life issue in this country. Sir, even though it has improved from where it was 20 or 30 years ago, it continues to be a serious problem confronted by most persons wanting to set up their own businesses.

Mr. Deputy Speaker, if there is one thing which was said by the Honourable Member for St. Michael South Central, with which I agree, it is that we would have to come to recognise that we are going to have to be able to work and deal with what is a cultural issue in relation to the use of venture capital by entities in Barbados.

Mr. Deputy Speaker, when we passed the Securities Commission legislation in this Parliament, I remember making this point that it is the absence of trust that very often have led too many of our businesses to rely only on the issue of loan capital as opposed to looking at how they can pool their resources together and work to be able to build something that is competitive and that can bring about returns to those who invest.

Mr. Deputy Speaker, that is part and parcel of the cultural milieu which we have to confront because it really deals with people's sense of comfort in relation to how they work and also deals with corporate governance issues. The Honourable Member for Christ Church East made the point very eloquently that the issue in relation to the informality surrounding many small businesses is one that we have to continue to confront largely because if they are going to transition, they have to be able to be in a position to keep better records and to structure their business where there is a level of transparency and to be able to move forward in that way.

Mr. Deputy Speaker, we have also, through the Barbados Investment and Development Corporation, built the Small Business Centre in Fontabelle. Mr. Deputy Speaker, when you look at this Government's record therefore in relation to small business activity, you are not surprised by the fact that research shows that between FundAcess, the Barbados Investment and Development Corporation's programme in relation to both technical assistance and funding, the Enterprise Growth Fund Limited, the Urban Development Commission and the Rural Development Commission, they have created over 2 000 jobs. These jobs are as a result of funding and technical assistance made available to the small business sector through the combined efforts of those funding institutions or technical assistance programmes, whether they fall under, as I have said, the Ministry of Finance, the Ministry of Commerce or indeed my own Ministry through the Barbados Investment and Development Corporation.

Mr. Deputy Speaker, the reality is that there will always be those who would fail but it was in recognition that businesses would fail that this Government passed a new Insolvency Act in this country to remove the stigma that hitherto was associated with the failure of businesses and people going into bankruptcy. Therefore, for the Opposition to simply talk about one person here or one person there who did not have a business thereafter is to ignore the fact that with the best will in the world, a Government's role as facilitator cannot guarantee success of all persons entering the business arena. In those circumstances, Mr. Deputy Speaker, we felt that the other companion pieces of legislation and institutional arrangements which we have put in place are at least to keep them wanting to come back.

Sir, there are other issues in relation to funding which we are currently dealing with. The Honourable Member for St. Michael South Central adverted to some of them. I have asked, since taking up this Ministry, to have my officers look at the concept of an exportimport bank because I recognise that we need an institution in Barbados that can effectively provide bridging finance to the manufacturers such that when the payment for the orders, as they are completed, is to be made, that the institution would collect the payment. Trinidad and Tobago has had success with it, Jamaica has had success with it, and quite frankly, I feel personally that it would be a less cumbersome process than the existing Credit Guarantee funds that we have being managed by the Central Bank of Barbados.

Indeed, I look forward to being able in the future to bring back proposals to this Honourable Chamber that would streamline that access because in many instances a fellow may get a large order but the commercial banks are only prepared to lend him in installments, which prevents and precludes him from being able to access the economies of scale that he would otherwise access had he had all the capital up front in order to generate the production that he needs to do in order to sell and satisfy the order.

Mr. Deputy Speaker, I feel that with the recent increases in the manufacturing sector - and my interaction with them - that this is an area in which the Government's intervention is going to have to be more focussed. Mr. Deputy Speaker, at the same time, I recognise that many of the issues which the Honourable Members on the other side have raised are not practical either. For them to suggest, for example, that we should not seek to know who the shareholders of a small business entity are, would mean that large companies - and I am not talking about companies now like that of the Honourable Member for St. Lucy - that should not otherwise be benefiting from these concessional arrangements can split up their business in small companies and can hide behind the fact that nobody knows who the shareholders are and then all of them would then benefit from the 20 per cent corporation tax rate as well as the opportunity to import plant and equipment and raw materials duty-free in circumstance where you do not have a focussed approach to the sector which you intended to help upon passage of the legislation.

Mr. Deputy Speaker, while I am sensitive to the fact that we want to minimise the level of bureaucracy attendant to the administration of our assistance to the small business sector, I am equally conscious that we cannot do so in a way such that the legislation which we are passing becomes null and void in respect of the assistance which it is rendering to the sector.

Mr. Deputy Speaker, if you do so, all you are going to do is to make large businesses capable of continuing to

suppress small businesses because they would be benefiting from those concessionary terms with the benefit of capital that they have in other entities to allow them to be able to practise in some instances unfair practices that would run many of the genuine small businesses out of business.

Mr. Deputy Speaker, I am not going to spend too long on the comments of the Leader of the Opposition. He was in a playful mood. Yesterday was Kadooment Day, he perhaps did not get the chance to jump and therefore he felt that he would have his frolic in here today. Perhaps, what is a little invidious about it is that he did make one or two comments with which I agree, but then he spoilt it all by trying to be political in a way that, as I said, was full of frolic and almost frivolous.

Mr. Deputy Speaker, I want to say simply that there is no doubt that Government has a role to play in relation to its procurement policies. That is one of the reasons we have refused to agree that Government procurement should be opened up in terms of international trade negotiations such that we can no longer play the interventionist role to be able to help Barbadian businesses in a way that you could not do if you immediately agree to a set of procurement rules in relation to Government procurement that would open up your market to other players beyond the domestic shores. House 109 Sequence 36

5.00 p.m.

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Hon. Miss M. A. MOTTLEY: Mr. Deputy Speaker, we said no, we said that we have to be able to use the taxpayers' money, in a way that can benefit both corporate and individual citizens in this country, in relation to our procurement policy, and he was correct. The Right Honourable Prime Minister, a number of years ago, in his Economic Statement to this Honourable House, made the point that this Government was committed to ensuring that the procurement policies of Government would benefit smaller players, in relation to giving them access to contracts.

Mr. Deputy Speaker, in terms of school meals contracts and in relation to contracts of services at the Queen Elizabeth Hospital, both the Minister of Education and the Minister of Health could tell you that there is a wide raft of small businesses that benefit from being able to provide contracts.

Mr. Deputy Speaker, if there is a difficulty, it is this. I believe that we are going to have to find some kind of entity, to be able to provide bridging finance, so that if the warrants are not available to the Government departments to pay promptly, that those small businesses should not have to carry overdraft charges, with high interest, simply because they have not received prompt payment. Sir, it is in the context, therefore, of access to working capital that we have to be able to find policies - and I hope that we could do so in the near future - or some institution to help bridge the finance, even at a slight discounted rate that is less than the interest they would have paid to the banks, until such time as they would receive payment from the particular Government department.

Mr. Deputy Speaker, I am fully in support of that because I think that sometimes it is not always within the control of the Government department, to pay as promptly as they would like, because of the structure of public finances.

Mr. Deputy Speaker, I also believe we have reached a point where you cannot say that we have not done much for the Small Business Sector. Sir, I say so largely because the Honourable Leader of the Opposition purported to address the issue, as to the benefits to small businesses coming out of the liberalisation of the telecommunication sector. Sir, one only needs to do an examination of what happened when a large number of persons were lay-off by Cable and Wireless. There are a number of companies in Barbados that are providing repair services, which are contracted by Cable and Wireless. There are a number of companies in Barbados providing sale of customer premises equipment. There are a number of companies within the call centre arena that have arisen from persons who previously were associated with Cable and Wireless and other entities.

Mr. Deputy Speaker, I am saying that, over and beyond that, I am not sure what the Honourable Leader of the Opposition would have us do, in relation to a person who would have legitimately gotten a licence from Government and who ought to be able to raise his funding, based on both that licence and the business plan, to be able to participate in the sector. Sir, persons cannot say that the Government can legitimately take responsibility for the failure of entities, to be able to convert a licence legitimately granted, into a functioning business enterprise. Sir, I can sympathise with the Honourable Member, since many of those persons well-known to him, have found themselves in that predicament and have not been able to convert.

Mr. Deputy Speaker, it is an interesting thing because under other circumstances, you would hear that this Government did not and would not want to offer licences to people, who are well-known and well-associated with the Honourable Leader of the Opposition and Members of the Democratic Labour Party. Sir, persons would have received licences, but these are the things that would not occupy the Floor of this House because they are not titillating nor salacious enough.

Mr. Deputy Speaker, the fact is that Barbados is a well-governed and stable country, that does not offer patronage on the basis of politics alone. People who legitimately have good business plans or people who have good legitimate plans, have received benefits, irrespective of which Government has been in office.

Mr. Deputy Speaker, we should not seek to race to the bottom and follow other Caribbean countries where we now, because of an inability to be able to get back into office, we would now want to relegate everything into political partisanship.

Asides.

Hon. Miss M. A. MOTTLEY: Mr. Deputy Speaker, I also want to indicate that this topic will receive further ventilation when the substantive Minister speaks to it in the Other Place but I believe that this Government has gone the full course in seeking to ensure that small businesses in Barbados - and I described in my opening as nano-businesses. Sir, when you compare what is defined as a small business outside of the Caribbean, you realise the challenges that they face here and that we should be able to see the benefits, as we have started to do but when we recognise there is need for change, that we do so.

Mr. Deputy Speaker, once we carry the corporation tax rate down to 25 per cent for all other companies, to make sure that we were competitive in the context of a single market and single economy, we indicated that we would reduce it to 20 per cent for small businesses, and we have kept faith with that. We also established a $5 million Innovation Fund and every year now, we can see both young and old Barbadians coming forward to benefit from what is called the Prime Minister's Award for Innovation, to be able to see what are the new and interesting things that ought to be supported in this country, not just for domestic consumption but for export.

Mr. Deputy Speaker, I have said to Board of the Barbados Investment and Development Corporation, that I expect them to work with all competitors and participants in the Innovation Awards because even if someone does not win the Prime Minister's Award, it does not mean that they do not have a good project, which demands the support, either in terms of capital or technical assistance, as we try to build back out a productive sector, particularly where they are involved in the manufacturing of products.

Mr. Deputy Speaker, I trust and hope that these amendments would bring even further relief to the Small Business Sector. I trust and hope that the opportunities would be presented for us to see benefits beyond the more than 2 000 jobs that have been created and the significant funding that has gone on. It does not mean that all is well or that everybody has benefited but we do know that many have benefited. We also know that the legislation is meeting the intention, which we wanted it to serve.

Mr. Deputy Speaker, therefore, in the circumstances, we commit ourselves to continuing to be flexible and responsive to the sector because we believe there could be no effective development strategy for Barbados that does not place the expansion of the Small Business Sector at its core, largely as a result of the structure of our economy and as a result of the structure of our society.

Mr. Deputy Speaker, the Honourable Leader of the Opposition has sought to be invidious, in talking about the Prime Minister not moving heaven and earth. Sir, the Minister of Finance is the Prime Minister. Therefore, it is the Minister of Finance, who has seen that considerable amount of funds, to which I averted earlier, have been made available to the Small Business Sector. It is the Minister of Finance, who has also seen to it that there should be an adjustment to the corporation tax rate, from 25 per cent to that of 20 per cent.

Mr. Deputy Speaker, the Minister of Finance did not do that for the benefit of big businesses, he did it for small businesses. Sir, I have had the opportunity in the last two months, meeting with a number of small business persons across the different niche sectors in the manufacturing industry. We were not meeting with large businesses only, we met with persons in the cottage industries and persons in the craft sector. Last Monday, I met with more than 200 persons in the craft sector. I have met with the furniture subsector manufacturers, and with persons in the garment industry.

Mr. Deputy Speaker, in meeting with these persons, I did not call the Press in, because what I was doing was Government's business neither did I think it was necessary to shout from a rooftop that we were meeting with them. Sir, the Honourable Member for St. Michael South Central, if he is doing he work well, would know these things.

Asides.

Hon. Miss M. A. MOTTLEY: Mr. Deputy Speaker, we have been meeting with these persons because we believe they have a pivotal role to play. Sir, the 2.4 per cent that we have seen in the expansion of manufacturing for the first six months of the year, I would like to see that rise.

I have said that I believe Barbados could achieve $l billion in exports, within a five-year period but it is not going to happen by us simply talking. It is going to happen by us working with people. Therefore, I do not believe we have to shout from the mountain tops at every time we meet because all we would be doing would be shouting, rather than advancing the work of Government.

5.10 p.m.

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(EDITED)

Hon. Miss M.A. MOTTLEY: Sir, what is necessary are these institutional and legislative arrangements. I have indicated that where there is agreement across the Floor in relation, for example, for a more focused and dedicated institution such as an export/import bank, we are doing the work on it. We really do believe that in this day and age that it would be a more streamlined institution to provide financing rather than the cumbersome programme of all of these separate guarantee funds which exist and are managed by the Central Bank of Barbados, which tends to be a little more removed from the sector and, therefore, may not be as responsive and flexibility as it could otherwise be if persons were dealing direct with an institution who was literally taking paper, holding it, putting out the finance and collecting on the paper once the order was satisfied.

Mr. Deputy Speaker, these are the amendments before this Honourable Chamber. I thank all Honourable Members who spoke on both sides and would like to suggest that it is worthy of the support of the House. Mr. Deputy Speaker, in those circumstances, I beg to move that this Bill be read a second time.

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

On the separate motion of Hon. Miss M.A. MOTTLEY, seconded by Hon. R. R. FARLEY, the House resolved itself into Committee, Mr. R. D. Marshall in the Chair.

COMMITTEE

Mr. R.D. MARSHALL: This House is in Committee.

Clauses 1 - 5 were called and passed.

Clauses 6 - 10 were called and passed

Clauses 11 - 15 were called and passed.

On the motion of Hon. Miss M.A. MOTTLEY, seconded by DR. W.F. DUGID, Mr. Chairman reported to His Honour, the DEPUTY SPEAKER, the passing of one Bill in Committee without amendment and Mr. DEPUTY SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Hon. Miss M.A. MOTTLEY, seconded by Hon. R. R. FARLEY, the Bill was read a third time, passed and cited as the Small Business (Amendment) Act, 2006.

ORDER NO.

Hon. Miss M.A. MOTTLEY: Mr. Deputy Speaker, in August last year, the Prime Minister would have introduced amendments to legislation which would have led to the establishment of a 3 per cent cess to be placed on a range of goods in Barbados to ensure that we created an Export Promotion and Marketing Fund. He would have indicated on that occasion that it was critical that we do so largely as a result of the fact that we needed to be able to have dedicated funding in order to boost export promotion and marketing and certain key sectors such that they could realise greater returns in terms of their contribution to the economy.

Mr. Deputy Speaker, in January of this year, in his Economic Statement and Budgetary Proposals to this Honourable Chamber, he would have indicated his intentions to raise that cess from 3 per cent to 6 per cent and also to exclude a range of goods, those that were naturally zero-rated under the VAT legislation but to add to that a range of goods for elderly persons, diabetics and children, some of which I will advert to later, from the application of that 6 per cent cess.

Mr. Deputy Speaker, today I would have a few minutes ago, laid the Export Promotion and Marketing Fund Order, 2006, which seeks to exclude those range of goods.

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Hon. Miss M.A. MOTTLEY: Today I laid the Export Promotion and Marketing Fund, Order, 2006, which seeks to exclude those range of goods from the application of the 6 per cent Cess and they range from baby foods, baby car seats, baby napkins and then a whole range of items used by elder persons from walking sticks and bath chairs to incontinent, napkins, commodes, bath transfer benches, motorised lift-out chairs, walking frames, motorised wheel chairs, personal pager alarms, et cetera. Sir, it also excludes from the Cess range of items used by diabetics from sugar-free or artificially sweetened diabetic drinks, artificially sweeteners, sugar-free jams, glucose testing meters, arm strips, stainless steel jewelry for the medic alert diabetic, haemoglobin AIC testing strips and haemoglobin testing machines. Sir, all of this was done because we recognise that even in the reason of the Cess, we needed to ensure that we continue to insulate, those, who are most vulnerable in our population.

Sir, in the circumstance, when the announcement was made in the Economic Statement and Budgetary Proposals, it would have fallen under the Provisional Collection of Taxes Act, which, indeed, would have provided a lawful period from January 2006 to May 2006, since, under that legislation, the Minister of Finance, is allowed to be able to collect taxes upon a statement in the Budgetary Presentation, and that statement would be lawful for four months. The time at which it expired, May 15th, would have coincided with the period of time when the Attorney-General's Chamber was under severe environmental difficulties. I believe that this Honourable House will recall that it was unable to meet for a few weeks, as a result of the inability of the Chief Parliamentary Council's department to function to time, in order to get material here for this House to work.

Sir, this Bill is here in part as a result of that, with a validation clause that seeks to validate the collection of the Cess from May 16th until the passage of this Bill, but by the same token, ensuring that the Cess also takes effect from its original date of January 28th. Sir, if you read this Bill with the Provisional Collection of Taxes Order, you will better understand the four clauses which are here.

Sir, it, therefore, seeks to ratify the action of the Government for the two months which would not have been covered by reason of the Provisional Collections of Taxes Act. In the circumstances it ensures at the same time, by the laying of the Order today, that those items so adverted by me earlier do not fall under the 6 per cent Cess.

Mr. Deputy Speaker, I want to make it absolutely clear that when the Prime Minister spoke to this Chamber in August 2005, he gave the Honourable House the assurance that this Cess will only be in place for eighteen months. I can confirm today that is still the intention of Government and, therefore, early in 2007, the 6 per cent Cess will come to an end.

Mr. Deputy Speaker, we also would have indicated that in large measure, much of the expenditure which we are currently undertaking with World Cup Barbados will fall out by early next year . Therefore, there will be the fiscal space, within which we can accommodate the dedicated funding in relation to the Export Promotion and Marketing Fund. It is our intention to continue to see the traded sector start to perform in a stronger way than they have been.

Indeed, the Government of the Central Bank in her sixth-month update, for the first six months of the 2006, would have indicated to the country that the economy is doing well. In the first six months of this year, the economy has grown by 3.6 per cent. There are still some issues in relation to the external current account deficit but we have seen improvements in relation to the traded sector. There was a decline in tourism in the first six months of last year. We now see a slight increase in the first six months of this year, a 1.2 per cent.

I am happy to report, that in the first six months of this year, manufacturing has grown by 2.4 per cent. Perhaps, even more important than that, the domestic exports, having had a 21 per cent increase in the last financial year, have increased this year by 15.5 per cent, when you look at the fact that between 2003 and 2005, domestic exports in Barbados, increased by over $100 million. As I said, we are already seeing the trend continuing in the first six months of this year. We are doing everything within our power to see those exports rise.

Mr. Deputy Speaker, the Prime Minister would have spoken frankly, a few weeks ago, in relation to the nature of the overall problem that we have in terms of bridging that $500 million gap. Indeed, we believe that through stronger performance in the tourism sector, where we are continuing to build capacity. The manufacturing and the international business are beginning to play their part. We hope that we could bring a turnaround in the agricultural sector, particularly in the context of it having to face a unilateral reduction in prices afforded to it for the sugar industry, as a result of the decision of the European Union to reduce their prices to us.

Sir, we have indicated to this Honourable Chamber that we have a plan for the restructuring of the sugar industry. Indeed, the feasibility studies for the construction of the new multipurpose sugar factory have been completed and we are now working out the details to make it operational, as well as accessing the funding for it. It is critical that we seek to move from producing sugar as a bulk commodity, which Barbados has done for over 300 years, to the production of specialised sugars to the production of electricity, specifically 30 mega watts of electricity, and the production of ethanol which will help up reduce our import bill of oil by at least 10 per cent, given the intended 10 per cent blend with gasoline.

It is no secret that half of the reason for the rise in the external current account deficit, has been s a result of the increase in oil prices over the last three to four years. It is significant that in spite of those increases we have been able to stave off a massive decline in our net international reserves, largely as a result of careful husbandry of our resources, in addition to capital inflows. Indeed, last year we had more than $400 million in capital inflows into the country as a result of people having confidence in the economy and in the management of the economy, and seeking to bring in their money to invest.

Sir, for the first six months of the year the Governor of the Central Bank would have also indicated that the capital and financial account recorded a surplus of just

under $196 million. Therefore, even though we have not got the traded sector to be producing where we want them to be producing and even though we have had to face extraordinary increases in oil prices, we have been able to ensure that we have a comfortable position in relation to our foreign reserves with it standing just over three months and, indeed, it is comparable to any other economy that is well-managed any part of the world by reason of that index.

I also want to suggest that even if persons did not want to take the word of the Government, the fact that Standard and Poor's have reconfirmed their position and grading it in relation to the Barbados economy speaks volumes. There was much talk in the last few months about the devaluation of currency and downgrading, neither of which have come to fruition. It is not our belief that they will come to fruition in the short-term.

We acknowledge that we have to reduce the overall debt position, but let us look back and see what would have caused most of the debt to accrue in the first place. We took a position as a Government in the post September 11th, 2001, circumstances, that we had to run a counter cyclical deficit. We did so because we recognised that it was critical for us to maintain employment levels in this country. In a small society such as ours, any prolonged period of unemployment would not only have economic consequences but it would also have social consequences and consequences in relation to political stability.

17.30 p.m.

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House 109, Sequence 40, 5.30 p.m.

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

Mr. Deputy Speaker, in the circumstances, whenconfronted with the same situation - although not as dire as that of the Democratic Labour Party in 1991 by any stretch of the imagination - rather than sending home people, we chose to increase the fiscal deficit and we would also offered to the tourism sector, a guarantee of providing compensation for any loses they incurred in 2001 and 2002 over what they had incurred in the previous year, on condition that they did not send home anybody in this country. It is for this reason, Mr. Deputy Speaker, in addition to having a more expansionary Capital Works Programme ourselves in the public sector, which led to some level of an increase in debt.

We are satisfied that our debt position is sustainable. Indeed, Mr. Deputy Speaker, if you look at the foreign component of Barbados' debt, it is lower than the average debt in the rest of Latin America and the Caribbean. It is less than 30 per cent of the overall composition of the debt. Therefore, we are not going to be hard pressed, in relation to having to find foreign exchange to pay back debt in large numbers, because the largest component of our debt is, in fact, domestic.

Mr. Deputy Speaker, we also are cognisant that a significant portion of Barbados' debt is held by the National Insurance Scheme. Sir, if you look at what is held by the National Insurance Scheme, you will realise that in the circumstances, Barbados' public sector debt, net of National Insurance Scheme holdings, falls from 64 per cent of GDP, to 55 per cent of GDP.

Now, you would have noticed that I did not include publicly guarantee debt but only central Government debt. It is significant that almost ten percentage points are, in fact, held by the National Insurance Scheme of Barbados. Therefore, in terms of debt sustainability, some of the same issues do not arise.

Equally, Mr. Deputy Speaker, in relation to some of what we have gone into debt for, some of them are assets that have a value. The Hilton Hotel is the primary one to which I refer, largely because the Hilton Hotel, since having been completed in Barbados, has done better than any other Hilton Hotel any part of the world, in terms of the average occupancy rate that it has been able to maintain. Anyone who has been doing business with them, would know that it is exceedingly difficult to get bookings in that hotel now, because the average occupancy rate, I believe, has been more than 80 per cent; that is unheard of.

Now, if the Government of Barbados did not rebuild the Hilton Hotel, just as if the Democratic Labour Party Government in 1960s did not build the Hilton Hotel, there would be no Hilton Hotel at that site in this country. This is largely because the structure of our private sector is not disposed to take those kinds of large scale risks, in relation to their investment practices.

What we have done is that we said, okay, we recognise the need in the composition of our tourism sector for this kind of facility. We will build it. Once it is up and running and appropriately managed, then we would look at divesting it. I believe both the Ministry of Tourism and the Ministry of Finance have indicated to the country that they have had a number of offers, in relation to the hotel which they are analysing. Therefore, that is part of the overall composition of the debt as well.

In those circumstances, Mr. Deputy Speaker, we anticipate that there are things on the Government's books which have a commercial value, which can also bring down the Government debt. Therefore, while at first - and this is

the point that we would have made to a number of the international financial institutions - it may appear to be higher than what we would like, it is not at the stage where we are in any danger, or that would justify the Honourable Member for St. Philip West telling the country as he did two months ago, that we were on the verge of devaluation.

The circumstances are such, that luckily for us, Mr. Deputy Speaker, the proof of the pudding is in the eating. The proof of the pudding in the eating has shown that since the comments were made two months ago, there has been no further confirmation, on the part of anyone else, that Barbados is on the verge of devaluation.

In fact, Mr. Deputy Speaker, I will go as far as to say that it was a highly reckless comment because you will only cause people, who are not prepared to do their research and investigate, to feel that there was a problem which did not exist.

Secondly, is the fact that Barbados receives most of its funding, not from the international financial institutions anymore, Mr. Deputy Speaker, but from the capital markets of the world. Once we go to the capital markets, they rely on a rating, assigned to the Government of Barbados from entities such as Moody, Standard and Poor's and other institutional entities. Sir, only as recent as some two weeks ago, Standard and Poor's confirmed their assessment of the Barbadian economy.

The public of Barbados can determine whether they would wish to follow the words of an Honourable Member for St. Philip West, who is desperately trying to stave off the effort from a person, who has been putting him on the run in St. Philip West, or whether they would want to take the words of an institutional entity, who has no relationship with the Government of Barbados nor no cause to serve in these matters.

Indeed, Mr. Deputy Speaker, part of the purpose of Parliament is to hear people talk, and let him do so. But at the end of the day, when the talk is over, people will judge on the basis of performance.

Sir, if I were to summarise the challenge that we face in relation to the Barbadians economy, as I said, it is the determination to be able to close the gap on the external current account deficit. Sir, in other words, to be able to earn more and to be able to match what we are spending, in terms of imports in particular.

I am gratified that we have seen a contraction both in retained imports, as well as intermediate imports in this country, showing that some of the measures instituted by the Ministry of Finance and the Central Bank of Barbados, have begun to take effect, in relation to dampening the demand for imports, although there is still some growth. I have seen a 15½ per cent increase in domestic exports for the first six months of this year, on top of a 21 per cent increase in exports, when the record of the Democratic Labour Party was to take domestic exports down from more than $500 million, close to $300 million.

I have seen as well, Mr. Deputy Speaker, confidence of persons willing to bring their capital into Barbados, by reason of the fact that more than $400 million in private capital inflows came into this country last year and that for the first six months of this year, we are showing a surplus of $196 million.

I have seen as well, Mr. Deputy Speaker, that the general confidence has been expressed by individual investors in this country, for there is still a slew of projects in the pipeline that go beyond Cricket World Cup 2007.

Sir, if people felt that Barbados' economic activity would go into the doldrums come the end of World Cup, why would Four Seasons be starting construction in this country shortly, at the old Paradise Site. Why would CLICO, well-known to the Democratic Labour Party, be investing in the expansion and refurbishment of Sam Lord's Hotel? Why would the Banyan Ggroup out of Asia, be investing? Why would I have investors coming out of the UK and buying manufacturing plant in Barbados, in relation to the garment industry? Why would international business companies be showing, not only an increase in the actual number of licences, but the Government recorded a fiscal surplus for the first six months of this year, not a deficit?

Sir, that fiscal surplus has been largely boosted by significant increase, not in the Cess but a significant increase in corporate taxation, as a result of the contribution of the international business and financial services sector, which now accounts for almost 55 per cent of our overall corporate tax take in this country.

Mr. Deputy Speaker, as I said, let he who is willing to talk without evidence do so. We will stand and we will wait the test of time, and understand that the proof of the pudding has always been in the eating.

House 109, Sequence 40, 17:40:14

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Hon. Miss M. A. MOTTLEY: To that extent, Mr. Deputy Speaker, we are prepared to do so. Those who feel that time would run before the end of the year, I am sorry for them, but we would have the benefit of the time to look back at the performance and the indices which we have set out.

Mr. Deputy Speaker, as I said, it is our intention that the Cess would be removed at the end of 18 months. It is also our intention, as I have shown today by the laying of the Order, to keep faith with the exclusion from the cess of a range of goods for diabetics, elderly persons and children such that the most vulnerable in our community are not faced by increased prices there. Mr. Deputy Speaker, we are cognisant already that the inflation in the country has gone up a little more than we would like to see, but has been largely as a result of significant increases in transactional cost as a result of the increase in the price of oil.

Let us remember, Mr. Deputy Speaker, that three years ago the price of oil was less than $US30 a barrel, today, it is $US79 a barrel. Mr. Deputy Speaker, a small country such as Barbados has been able to so manage its resources that in spite of more than a doubling - 150 per cent increase in the last three years - we have been able still to hold our ratings with the international entities who determine what is the cost of money when we go to the capital markets to borrow money, because we cannot get it from the World Bank and entities like them anymore, and who have also been able to see that in spite of all of this, unemployment in the first quarter of this year reached the historic level of 8.1 per cent.

Mr. Deputy Speaker, we maintained, with the exception of what I have said so far in relation to the external current deficit, that we are holding our own. Mr. Deputy Speaker, in effect, what the Government of Barbados is confronted with is a restructuring of this economy and its institutions over the course of the last few years and into the next few years to prepare us for the next generation in relation to the building out of the economy.

Sir, this did not start yesterday. It started from the institutional arrangements pertaining to the Fair Trading Commission and the Securities Commission. We also have the Central Revenue Authority, which we are working on now. We are working also, as the Prime Minister would have indicated in his Economic Statement and Budgetary Proposals last year, on the establishment of a Financial Services Commission. We recognise that the tourism sector has to be modernised and built out again because it is a maturing and ageing sector. We also recognise that the absence of retooling and bringing about innovations in relation to new technologies and complying with international standards has been a constraint in terms of the manufacturing sector capacity to grow.

Mr. Deputy Speaker, while we do all of this, we have still been able to keep our net international reserves in excess of three months and we have been able to make sure that there is no human tragedy as there was in 1991, with people being at the frontline of the adjustment process. That is why I maintain, Mr. Deputy Speaker, that while economic indices and statistics are important, the ultimate objective of a Government is to carry forward development and to avert human tragedy and human suffering and to mitigate poverty. That is what this Government has decided to do.

Mr. Deputy Speaker, whether there are differences as to whether the debt should be at 80 per cent, 70 per cent or 60 per cent this year, it comes down to judgement calls. Mr. Deputy Speaker, we prefer to use a judgement call that does not put the average Barbadian on the frontline of adjustment because we know what it did to them in 1991 and 1994.

Mr. Deputy Speaker, therefore, I beg to move that this Bill be read a second time and to recommend for its support from the House that we have it in such a way that the validation period as well for the two months which are not covered by the provision of the Collection of Taxes be now covered by this Bill.

Hon. Dame Billie MILLER: I beg to second that.

Mr. D. St.E. KELLMAN: Mr. Deputy Speaker, there is no doubt that we continue to make errors in the way we deal with these important issues. There is no doubt that these measures were needed to dampen consumption. Sir, one has to recognise that this is not the first time that we have implemented measures like these. Sir, some time back we implemented the bond rates, and when you think about it there is no difference between the procedure used in implementing the bond rates and what we are now doing under this amendment to the Export Promotion and Marketing Fund Act.

Sir, if we are really serious about these measures, they cannot be seemed as a revenue raising measure, they must be used as a fund to finance the particular industries that we are seeking to protect. Sir, the same approach that I took when we raised the bond rates, I will be taking this evening. I believe that this money should not be put into the Consolidated Fund. I believe that all the funds raised from this particular venture should be put in a fund to help finance and protect the manufacturing sector. Sir, the funds that were received from the bond rates went into the Consolidated Fund and the agricultural sector and the tourism sector did not benefit from it.

Hon. Miss M. A. MOTTLEY: On a point of elucidation. The fund is a separate fund, the money does not go into the Consolidated Fund.

Mr. D. St.E. KELLMAN: Mr. Deputy Speaker, we know that it is a separate fund, but we also know that funds are set up and then the next thing you hear is that the money is transferred to the Consolidated Fund. What I am saying is that this is money that should be directly used for

the manufacturing sector. Sir, there must be a guarantee that there will be no transfer to the Consolidated Fund. Sir, it is known that all that has to be done is for the funds to be collected and then it is transferred to the Consolidated Fund.

Mr. Deputy Speaker, a commitment was also given that the money collected from the bond rates would have been used for the interest of the hotel sector and the agricultural sector, but that did not occur.

Asides.

Mr. D. St.E. KELLMAN: No, that was a new fund. The bond rates were set up a long time before we had an Agricultural Fund. The Agricultural Fund is a new thing. The bond rates were early in the procedure.

Mr. Deputy Speaker, if one looks back, one would recognise that when the bond rates were created the bond rates went straight to the Consolidated Fund and that the Opposition argued that the money should have been allocated to those industries that it was seeking to protect, that is a fact.

Hon. Miss M. A. MOTTLEY: On a point of order. The Honourable Member is misleading the House. The Agricultural Development Fund was funded from the proceeds of the bond rates. Both were done - I do not have the exact date here - around 1998/1999 when we first applied it. Sir, in any event, the bond rates represent the upper limit of duties that are charged and not the actual duties. Mr. Deputy Speaker, the Honourable Member really has to apprise himself better of the information before he speaks about it.

Mr. D. St.E. KELLMAN: Mr. Deputy Speaker, the Agricultural Development Fund came after. Sir, what is interesting, if that is true, then it means at that time when the issue was dealt with, you dealt with the agricultural sector. Why is it then that we only dealt with the agricultural sector and did not deal with the hotel sector? Sir, clearly the hotel sector was asked to purchase items at a higher rate than they normally would have purchased them at, which meant that they would have impacted on the purchasing power of the hotel sector.

House 109 Sequence 41

5.50 p.m.

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Mr. D. St.E. KELLMAN: Mr. Deputy Speaker, surely some of the revenue should have been used to cushion some of the impact of the bond rate on the hotel sector. If the Honourable Member wants to argue about that, as he has pushed his chest in the air, the Honourable Member is free to do so.

Mr. Deputy Speaker, I am saying we have to understand that when things like these occur, the particular industry that is affected, must feel the full benefit of it. If the Honourable Deputy Prime Minister is now assuring us that none of this money would be used otherwise, we are happy to hear because this argument came before, with the bond rates, and the records of Parliament will show that what I am saying is absolutely correct. Mr. Deputy Speaker, if you speak to the hoteliers and to the farmers, they would tell you that it did not occur like that, that the Agriculture Development Fund came afterwards.

Asides.

Mr. D. St.E. KELLMAN: Mr. Deputy Speaker, the argument was that the bond rates were raised, so that the cost of agricultural produce coming into the country would have been higher and the farmers would have been protected. That is the only benefit the farmers got at that time, when they were introduced. Instead, the money went to the Consolidated Fund.

Mr. Deputy Speaker, what we are now saying is that if the manufacturing industry stands to gain from this, we do not have a quarrel, but what we need to see that this money is used to better the manufacturers in terms of better equipment and better technology, so that the manufacturers would now be able to compete.

Mr. Deputy Speaker, we must also appreciate the fact that we need to become export oriented once again and that this money must be used...

Asides.

Mr. D. St.E. KELLMAN: Yes, we need to export once again. The levels of exports coming from the manufacturers are not...

Asides.

Mr. D. St.E. KELLMAN: Mr. Deputy Speaker, the level of exports coming from the manufacturing sector, as the Honourable Member has said, were previously as high as $500 million. It shows that it was foreign led, that is, most of the major players were companies coming into Barbados, were foreign base. Sir, we need to pay the same attention to our local companies that we would have paid to the foreign companies. That is why we need to bring the heads together, who are capable of delivering the goods. We need also to ensure that the capital base and the markets are there for those farmers to sell their produce.

Mr. Deputy Speaker, I have already said that in this country Barbados, we have a number of products that have export potential but we have done nothing to help in the export of those products. Sir, for example, there is an open market in the world for the Pine Hill Diary's tetra paks.

Mr. Deputy Speaker, what is interesting is if this is now happening, this should have been happening when the bond rates were raised because this argument I am making today was made at that time. Sir, at that time, I made the argument that we need to identify those products that have export potential and that we need to work with them. What I am saying this evening, I am only repeating from what I said when the bond rates were introduced. Therefore, if Government is now telling me that we are doing it today, it would mean that we would have been years late in doing it and that not having done it previously, would mean that we would have given up valuable market space. Sir, I am saying that a country cannot wait until it has a foreign exchange problem, to implement important ideas.

Mr. Deputy Speaker, if the record of this Parliament were to be checked, they would see that I had identified tetra paks, "Sweet and Dandy Mauby", among others. Sir, wherever one travels and happens to go into supermarkets, either in the United States of America, Canada or Trinidad and Tobago, one could see there is a market space for these products but that the shelves are always empty. Sir, when one questions the scarcity of these products, you are told the problem is that the supermarkets would want to carry the products but the problem is one of insufficiency of supply. Mr. Deputy Speaker, I am saying this is what this particular fund and the money from the bound rate should have been used for, to create the capacity, so that we could export those products that have the export capacity, where there is a demand for them on the marketplace.

Mr. Deputy Speaker, the problem is that once we have foreign companies and they are exporting, we tend to ignore the local companies. Sir, we do not have the marriages that we should have. I am saying we should not wait until we have a problem with our foreign exchange, for us to now see the importance of these things. We have to understand that when things are going well, we have to build on those things. We have to stop waiting until we find ourselves in a crisis position, then to appreciate the points that I have previously made.

Sir, this is the problem with this country Barbados because we seem only to operate in a crisis situation and do not understand how to build for the future. Sir, we have to start building reserves but the problem lies in the philosophy and policies of this Government. This Government does not believe in surpluses but in deficits. Therefore, if we are to be serious, we have to start building surpluses. We have to stop believing that everything we do must be of a deficit because once we have the surpluses, we can plan better and in times of crises, we would have something to fall back on, instead of having to run to the international markets, to borrow money, to be able to solve the particular problem.

Mr. Deputy Speaker, we have to understand that because tourism is doing well, it does not necessarily mean that we have to ignore agriculture, manufacturing or any other financial services. We have to understand that if we are running an economy, we need to put the same emphasis on all sectors and have them firing on all cylinders.

Mr. Deputy Speaker, it was this Parliament that I had warned that the sugar quota should not have been cut, when the Government was seeking to cut the sugar quota by 10 000 tons. When Government was seeking to do that, I came to this Parliament and said that it was bad planning and that it lacked proper advice. I also said that instead of cutting the sugar quota, we should have been increasing that quota.

Mr. Deputy Speaker, I also educated this Government on something called carry forward sugar and showed them how, if we had planned it properly, that we would not find ourselves with sugar quota problem, for the reason that once we had the carry forward sugar, whenever there is a shortfall in the current year, the carry forward sugar would have cushioned that shortfall.

Mr. Deputy Speaker, instead of doing that, Government ignored that advice and found itself short of a quota, ignoring the fact that there was a marketplace for the quota in the United States of America. We totally ignored the United States of America quota, fell short on the European Union quota and failed to deal with the Canadians.

Mr. Deputy Speaker, unless this Government could tell me, as I know, that the sugar industry is now a net user of foreign exchange, then we are in trouble. Sir, this would be so because of the fact that since the sugar industry is a net earner of foreign exchange, there was no need to cut the sugar quota. What is now clear is that we have used these funds badly, used the finances badly and we are not going in the correct direction. Therefore, if this Bill is to amend the Export Promotion and Marketing Fund Act, 2005, which cannot now be, it has to be 2006. Therefore, an amendment has to be made here. This Act cannot be 2005. If this is to do what the Minister is saying, then it would be step in the right direction but it is being done too late. It should have been done from the time the bond rates were introduce.

Mr. Deputy Speaker, we have to understand that Barbados is not run by revenue but by foreign exchange, a point I have been constantly repeating. Sir, we believe that once we have a lot of revenue, that it would run the country properly. That is not true. What we need is to have the right

amount of foreign exchange to run this country because when one looks, we are importing more than we are exporting and once we have a foreign exchange problem, we would have to deal with it.

Sir, with our local problem, whenever we have a shortfall, where the expenditure is greater than the revenue, the Minister of Finance has the capacity to come to Parliament to correct that shortfall. On the other hand, whenever we have a foreign exchange problem, what we find is that the Minister of Finance has to go to the United States of America, to meet with officials of Standards and Poor's, as if the Minister of Finance is a schoolboy, reporting to his headmaster.

6.00 p.m.

Tuesday, August 08, 2006

(EDITED)

Mr. D. St.E. KELLMAN: It is because we are not producing at the rate we should be producing that puts the Prime Minister of Barbados in a position that he has to go and kneel at the feet of the principals. Sir, I am saying that it is wrong and that it is only because we are not producing. These funds should be geared in such a way that the Minister of Finance would have enough foreign exchange that he does not have to run to the United States of America and subject himself to the officers of Standards & Poor's. The Minister of Finance should be in a position to call the officers of Standards & Poor's to his office here and have a meeting with them instead of having to subject himself to get on a plane to go to Standards & Poor's.

Mr. Deputy Speaker, these Funds should be set up properly so that we know the end result. The problem with this country is that these Funds will be set up but there would be no list outlining the end result of these particular Funds and the expectation. Sir, today we need to know the expectations from these Funds and how it would help the manufacturing sector. It is quite interesting that the Agriculture Development Fund was set up with bound rates but yet still, we saw no change within the agricultural sector. Sir, the most fascinating thing is that the Honourable Member wants me to believe that the Agricultural Development Fund was set up ever since but, if that is true, then it means that it became operational lately. When one looks at the applications, it is only within the last year that we are seeing applications to the Agriculture Development Fund even though I am told that it was set up for many years.

Mr. Deputy Speaker, we are not interesting in when the Fund was set up. We are interesting in when it became operational because this economy of Barbados is too important for a seven-year lapse to occur when you need the medicine the same time. Sir, you cannot continue to suffer the patient, fail to prescribe the necessary medication to the patient and seven years later, say that you had the medication but that it was withheld. Sir, when the patient is sick, he needs the medication.

Mr. Deputy Speaker, the Minister of Finance would be happy to know that the players to operate the Export Promotion and Marketing Fund would operate it effectively, that it would be put in place in the right time and that those sectors which need the financing would get the necessary financing so that we could see a change in our foreign exchange.

Mr. Deputy Speaker, all those sectors which expect to gain something from this particular Fund would understand that as from tomorrow they could knock at the door of the Minister and that they would be some liquid coming out so that they could help with the export market and help to develop Barbados. Sir, this country Barbados needs to export. This country Barbados needs to understand and appreciate that as a small developing country, that we cannot lay back and ignore and that what we need to do is to earn foreign exchange.

Mr. Deputy Speaker, too many Ministers, including the Minister of Tourism, believe that you can run a country on revenue and statistics. This country cannot be run on statistics. It has to be run on hard cash, what we call foreign exchange. Sir, I have said before that any Minister of Finance can deal with a revenue problem but no Minister of Finance can solve a foreign exchange problem overnight. Sir, the Minister of Tourism needs to understand that and also to understand that the particular Ministry given to him at this crisis time is even more important than before.

Mr. Deputy Speaker, until we sort out the problem in agriculture, manufacturing and the financial services, the Minister of Tourism needs to get some people in here especially during the summer season to ease the tension within the economy and protect us from having to deal with land sales at such a high level.

Mr. Deputy Speaker, the Minister of Finance will depend on the Minister of Tourism at this time even greater than before. We need to hear the Minister of Tourism speaking on these matters and to outline to the country how that important Ministry would help this country. He also needs to outline how he would help the Minister of Agriculture, the Minister who deals with manufacturing sector and how the three Ministries would come together and create a niche to solve the foreign exchange problem which we are now suffering.

Mr. Deputy Speaker, the spotlight would now be on the Minister of Tourism and the Minister of Agriculture and the Minister responsible for manufacturing et cetera

and we will not ignore the financial services but the important thing is that we need to see all of them bringing in the requisite foreign reserves for the country. It is important that once we have foreign reserves, that we can talk and demand in the market.

Mr. Deputy Speaker, I do not want to see my country like some which I see in the Caribbean, who believe that because somebody is lending them money that automatically they can change the foreign exchange policy to suit the loans. Sir, we need to keep our independence and it is clear to me that if we are having a Caribbean Single Market and Economy approach to foreign affairs, that Barbados might soon find itself behaving like some of the countries which sign on to Caribbean Single Market and Economy, as if the borrowing of money is now more important than producing. Sir, this seems to be the new foreign policy of the Governments of the Caribbean Single Market and Economy, that once you can borrow money that your foreign policy suits the capacity to borrow.

Mr. Deputy Speaker, we in Barbados have been fortunate to know and see that we have always practised a foreign policy that would allow you to dictate your own pace and would not allow other to dictate your pace. Sir, in this country called Barbados, we need to continue that policy and be champions of the foreign policy within the Caribbean and stop allowing minor players, who could not speak previously, from dictating the foreign policy of the countries of the Caribbean Single Market and Economy.

Mr. Deputy Speaker, all of a sudden, people who do not understand the importance of producing are now walking and talking in this world as if once you get a soft loan that you must be prepared to bow to persons just because they are offering you money. What we need within the Caribbean Single Market and Economy countries is for countries to buy our exports and for people to appreciate the capacity of Guyana, to understand that Guyana has the resources and to agree to buy the products coming out of Guyana instead of people agreeing to lend us money. We want them to use the money to buy our produce and not to lend us.

Sir, if we have the resources within the Caribbean, they should be no need for us to continue to borrow. We want the right to sell our produce and to sell the end results of our resources, not for someone because they have oil money and all those things, that they can use it as scratch grain to us and we will bow to them. Sir, Barbados must continue on the foreign policy which it has and must not allow the Caribbean Single Market and Economy countries to dictate that foreign policy.

Mr. Deputy Speaker, if there is any agreement to have a singular foreign policy with the Caribbean Single Market and Economy countries, Barbados must fight it because the foreign policy and the independent stance which was created by the Democratic Labour Party in the 1960s would be diluted if we allow certain players within the Caribbean Single Market and Economy countries to be able to be added and use their numbers to dilute our foreign policy.

Mr. Deputy Speaker, the capacity to sell must be the capacity we work for, not the capacity to borrow. There is too much borrowing within the Caribbean without understanding and appreciating that we too have resources. It is like the Arab countries having oil and instead of working the oil, prepare to keep the oil and borrow.

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Mr. D. St.E. KELLMAN: It is like Venezuela having oil and instead of working their oil, they want to borrow from Barbados. They would be no need for that. Sir, why are we in the Caribbean with all the resources in Guyana are still walking around begging and borrowing, when there are resources which we could work with and sell to other countries.

Mr. Deputy Speaker, if we have a surplus in the Export Promotion Fund and we do not have the manufacturing capacity no export facility in Barbados to use it, then this might be the right time to start working the E in the CSME. I said that in my opinion, we have a Caribbean Single Market and Economy approach, with Guyana has the resources, then the place to target is Guyana.

It is unfair for us to open up our country, with nothing to replenish the resources, that we on a daily basis extend to other people from the Caribbean. In the The same way that we open up Barbados for them to come in, they must open up their resources for us to work to the benefit of themselves and us.

I am very glad the President of Guyana, has acknowledged the contribution of Barbadians to the Guyana situation. The President has to understand that we as a country are supporting a part of Guyana, but in order for us to continue to support it, the resources of Guyana must be open up to us so that we can have enough resources to support that part of Guyana and to assist in developing the Caribbean. The economy and resources of Guyana, must be open to Barbadians.

Mr. Deputy Speaker, I have always said that we should not be worried about opening our door to the Guyanese. By the same breath, if we are to be helpful to the

Guyanese, the Guyanese would have to help us to help them, that is, the manufacturers in Barbados, must be able to tap into the resources of Guyana so that at least we will get some foreign reserves coming to Barbados, to help support the approximate 25 000 40 000 Guyanese living in Barbados. Sir, as a small country we cannot afford to carry an additional population, without having the resources to back that increase in population. Mr. Deputy Speaker, we must appreciate that in order to accommodate the population, we must have the matching resources.

It does not make sense for ten people to be eating out of a 'tot', then there is an increase to fifteen, with no expected fall out. Therefore, it means that more must come into the 'tot', so that those who come to eat out of that 'tot', can have a fair share. If this does not occur, you cannot have a fair share somebody will starve. Sir, we understand exactly what is happening within the Caribbean. It is only for us to work at it, with an appreciation of what has to be done, to solve the particular problem.

Mr. Deputy Speaker, I am happy to be convinced by the other side that this is not a revenue earning measure but this is to propel the manufacturing sector. It is only regrettable that when the bond rates were introduced, we did not do the same for the agricultural and hotel sectors. Sir, if we had done that, surely, we would not be now doing what we are doing, and we would have been in a better position in the marketplace.

I look forward to see the working of the Export Promotion and Marketing Fund and the Agriculture Development Fund. I also look forward to seeing the new approach to the tourism industry. I believe, at the same time, if that is the industry that is working, you must not stave it. Sir, if that industry is working, it must be kept working, so there must be a fund to ensure that it remains on top.

Sir, we need a hotel fund, a manufacturing fund, an agricultural fund and also a financial services fund. We into have to ensure that all these factors are taken consideration for a better economy and to build the reserves.

Sir, the revenue is not the problem. The foreign exchange is our problem. So, we have to ensure that we work to have the right inflow of foreign exchange into the country and not only by the sale of land. It is clear that land sales are limited, but other things are not limited.

We have an open market. Barbados is only 166 square miles, and we can only sell 166 square miles of land, but manufacturing, agriculture, tourism and financial services unlimited. We can target all of those things, but we have to appreciate that something has to be done, and it has to be done like yesterday and not tomorrow, because we have a serious crisis on our hands and we have to deal with it. Mr. Deputy Speaker, statistics will not deal with it, action will.

I have said that in order for it to happen, we have to solve a serious problem. We have to rebuild the faith of the workers, because we have asked the workers of Barbados to give up a lot, and they have done that. It is alright to talk about the manufacturing sector, what we have to do for the manufacturers, farmers, those persons involved in the financial services and the hoteliers, but the key thing is, at the end of day, the main point that is being missed by this Government, is that they are not asking, what they have to do for the workers. Once we have corrected the problem with the workers, then we can talk about anything else, because we need the workers to work, whatever we are planning. Sir, the unions need to be called to the board, and thanked for what the workers put up with since 1994, or some would say since 1991.

It is true that the Democratic Labour Party put the workers under three years of punishment. The interesting thing is, we put them under three years' punishment, but they have been under punishment for fifteen years. This Government would tell how an uncaring the Democratic Labour Party Government was, and we have only put the workers under punishment for three years, but this Government continued for another twelve years. Sir, after telling them how badly they were treated by the Democratic Labour Party, between 1991 and 1994, they extended it until now and have not apologised to the workers.

I believe that the trade union leaders in this country, have to understand why workers are reacting the way they are, it is because they are operating under stress. Sir, we need to build a relation with the workers again, the productive sectors and the country as a whole, because we need to put Barbados first, once more.

I appreciate everything that has to happen, and we look forward to working with the Government. Sir, if they do not have the ideas, we will produce the ideas, to solve this particular problem for them.

I thank you.

Mr. DEPUTY SPEAKER: The Honourable Member for St. Michael North East.

Hon. Miss M.A. MOTTLEY: Mr. Deputy Speaker, I heard the comments of the Honourable Member for St. Lucy. I take them as he really intended them. The truth is, I know that his heart is in the right place when it comes to wanting the country to produce more. It is unfortunate that his thoughts and expressions become a little muddled along the way, but I take the genuine sentiment, that there is unanimity in this Chamber as to the need for the country as

a whole, I am not talking now about Government or Opposition, but the country to be able to strive towards greater production across the whole range of sectors. It is in all of our interest, and at the same time we do that, we should o look at our own individual consumption patterns. The truth is, there is much more that we use, that we can source locally or have repaired, rather than adopting a lifestyle that simply means that we are going to be buying, buying, buying, at all cost.

Aside

Hon. Miss M.A. MOTTLEY: Sir, there is unanimity across the Chamber. I understand that to be the Honourable Member's sentiment.

18.20 p.m.

Sequence 44

Friday, August 08, 2006

House 109, Sequence 45, 6.20 p.m.

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

...I am not sure where he gets some of the other facts from, for example, that this money is going into the Consolidated Fund. I give the House the assurance that this is a separate fund. It is for export, promotion and marketing.

Indeed, the new corporation which has been established by legislation this year, the Barbados International Business Promotion Corporation, will receive its Budget from this Fund and that entity is solely tasked with the promotion of Barbados, as a destination for international business, whether it is the international financial services, international manufacturing or the Call Centre Business. In those circumstances, it will receive its funds from there.

This House has not voted any funds for it, out of the Consolidated Fund. Indeed, the Board has informed me that they should have a Chief Executive Officer in place by September, as well as the transition of the other staff, from the BIDC and the overseas offices from October. It is that entity that is coordinating much of our external promotion, in relation to exports.

The House has the assurance that this Government has not sought to put that money in the Consolidated Fund. Indeed, the Export Promotion and Marketing Fund is managed by the Enterprise Growth Fund Limited, which as you know, under the laws of Barbados, has no locus standi to deal with the Consolidated Fund.

I therefore beg to move, Sir, that this Bill be read a second time.

On the motion of Hon. Miss M.A. MOTTLEY, seconded by Hon. R.R. FARLEY, the House resolved itself into Committee on the Bill, Mr. R.D. MARSHALL in the Chair.

COMMITTEE

CHAIRMAN: This House is now in Committee.

Clauses 1, 2, 3, 4 and 5 were called and passed.

On the motion of Hon. Miss M.A. MOTTLEY, seconded by the Hon. R.R. FARLEY, Mr. CHAIRMAN reported to His Honour the DEPUTY SPEAKER the passing of one Bill in Committee, without Amendment, and Mr. DEPUTY SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Hon. Miss M.A. MOTTLEY, seconded by the Hon. R.R. FARLEY, the Bill was read a third time and passed and cited as the Export Promotion and Marketing Fund (Amendment) Act, 2006.

ADJOURNMENT

Hon. Miss M.A. MOTTLEY: Mr. Deputy Speaker, this brings us to the end of Government's Business for today's Sitting. I propose to adjourn this Honourable Chamber to Friday 11th August, as there are some matters that would have come down late this afternoon. It is intended at the end of that day's Sitting, this House should go into its Summer recess until Tuesday 10th October, 2006.

In the circumstances, Sir, I therefore beg to adjourn this Honourable Chamber until Friday August 11, at 10.00 a.m.

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

The question that this House be adjourned until Tuesday, August 11, 2006 at 10.00 a.m. was put and resolved in the affirmative without division and Mr. DEPUTY SPEAKER adjourned the House accordingly.

House 109, Sequence 45, 18:26:09

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EASTMOND, Hon. R.C.
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LYNCH, Hon. N. A.
MARSHALL, Dr. W.F. DUGID R.D.
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MILLER, Hon. Dame Billie
MOTTLEY, Hon. Miss M.A.
SEALY, Mr. R. L.
THOMPSON, Mr. D. J. H.
WALCOTT, Hon. J. X.

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EDITORIAL NOTES — NOT PART OF THE REPORT

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

EDITORIAL QUERIES

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

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

Q2. *Dates in the text.* The source gives 'Tuesday, August 09, 2006' (9 August 2006 was a Wednesday); 'Tuesday, August 02, 2006' (2 August 2006 was a Wednesday). The weekday and date do not agree; printed as in the source.

Q3. *Order No. 15.* The source gives no title under 'ORDER No. 15'; from the debate and the third-reading sentence the Bill is the Immigration (Amendment) Bill, 2006. Printed as in the source.

Q4. *Order No. 16, Committee.* The Committee record for the Pre-Clearance Bill carries the label 'Dr. W.F. DUGID R.D. MARSHALL' and then two procedural sentences reporting a Bill passed on the motion of Hon. Miss M. A. Mottley and 'cited as the Value-Added Tax (Amendment) Act, 2006', a Bill not otherwise before the House at this Sitting; the correct report for the Pre-Clearance Bill follows after a take-slip. Printed as in the source; please confirm.

Q5. *Order No. 9, third reading.* The Bill debated as the Small Business Development (Amendment) Bill, 2006 is cited at third reading as 'the Small Business (Amendment) Act, 2006'. Printed as in the source.

Q6. *Export Promotion and Marketing Fund Bill.* The heading reads only 'ORDER NO.' with no number or title. The Bill was read a first time on 2nd August as the 'Export Promotion and Marketing Fund (Amendment and Validation) Bill, 2006' but is cited here as 'the Export Promotion and Marketing Fund (Amendment) Act, 2006'. Printed as in the source.

Q7. *Adjournment.* Hon. Miss M. A. Mottley moves to adjourn until 'Friday August 11, at 10.00 a.m.', but the procedural sentence reads 'adjourned until Tuesday, August 11, 2006'. Printed as in the source.

Q8. *Take-slips.* Several take-slips have impossible entries: 'House 109, Sequence 05, 10.40 p.m.' (morning business), 'H109: 18.20 p.m.' and 'Friday, August 08, 2006' (8th August, 2006 was a Tuesday). Printed as in the source.

Q9. *Papers and Committee, spelling.* The PRESENT list has 'Dr. W.F. DUGUID', but the procedural sentences spell the name 'DUGID'. Reporters' markers such as '(EDITED, PUT IN ORDER)' and '(EDITED, RETYPE CLAUSES)' appear as headings. Printed as in the source.

DEBATE SUMMARY

(Editorial summary — not part of the record.)

The House of Assembly met on Tuesday, 8th August, 2006 at 10.15 a.m., with the Deputy Speaker, His Honour J. M. Edghill, in the Chair; prayers were taken by Reverend Canon Ivan Harewood. The Minutes of Wednesday, August 02, 2006 were confirmed. Hon. Miss M. A. Mottley laid seven papers, among them the Barbados Economic and Social Report, 2005 and the Annual Report and Accounts of the Barbados Agricultural Management Co. Ltd., and Hon. J. X. Walcott laid the Annual Report of the Chief Medical Officer for 2002-2003. The Defence (Amendment) Bill, 2006 was read a first time and Standing Orders were suspended.

Rev. J. J. S. Atherley moved the second reading of the Immigration (Amendment) Bill, 2006 (Order No. 15). He explained that, for the Cricket World Cup, carriers by air and sea would be required by law to transmit advance passenger information to the designated authority of the receiving State, with penalties for delinquency; the data set followed ICAO and IATA guidelines, the United States had offered assistance, and Barbados had been recommended as the regional central focal point for the information. The Bill passed without debate.

Rev. Atherley then moved the Pre-Clearance (ICC Cricket World Cup West Indies 2007) Bill, 2006 (Order No. 16), which would allow, on a reciprocal basis, the immigration and customs authorities of one State to pre-screen passengers in another, as The Bahamas did with the United States. The Leader of the Opposition, Mr. D. J. H. Thompson, asked about reports of the Prime Minister's call for a more lax approach by immigration officers to certain Caribbean nationals, which led to points of order from Rev. Atherley. Hon. Miss M. A. Mottley called for a debate on immigration without partisan rancour, and Mr. D. St. E. Kellman and Hon. N. A. Lynch also spoke. Rev. Atherley replied that immigration policy must be subject to the CARICOM treaty arrangements, and the Bill passed with amendment.

The House resumed the second reading of the Small Business Development (Amendment) Bill, 2006. Mr. R. L. Sealy questioned how effective the 1999 Act had been and said small business persons felt that growth was enjoyed

mainly by conglomerates and foreign investors. Hon. R. R. Farley supported the Bill, which reduced the concessionary corporate tax rate for small businesses to 20 per cent. Mr. Kellman, Dr. D. C. Estwick, Mr. R. D. Jones and Mr. Thompson also spoke, Mr. Thompson on the unproclaimed amendment to the Companies Act. After a suspension, the Deputy Speaker announced receipt of the Accounts and Statements for March 2006; notices were given of the LIAT (1974) Limited (Guarantee) (Amendment) Bill, 2006 and Resolutions including a guarantee of a $22 million Transport Board bond; and Miss Mottley announced that the Road Traffic (Amendment) Bill, 2006 would go to a Select Committee to report by 31st October, 2006. Closing the debate, she said small businesses could now import raw materials as well as plant and equipment duty-free, and the Bill passed without amendment.

Miss Mottley then moved the Export Promotion and Marketing Fund Bill, which validated collection of the cess, raised from 3 per cent to 6 per cent in the January Budget, from May 16th, and noted that an Order she had laid excluded goods such as baby foods and items for the elderly. Mr. Kellman, after a point of elucidation that the fund was separate from the Consolidated Fund, argued that the cess should finance the industries it sought to protect. Miss Mottley replied that the Fund was managed by the Enterprise Growth Fund Limited and would finance the Barbados International Business Promotion Corporation, and the Bill passed without amendment.

Miss Mottley said the House would sit on Friday, 11th August and then go into its summer recess until Tuesday, 10th October, 2006, and the House was adjourned until 10.00 a.m. on August 11.