
THE

House of Assembly Debates

(UNOFFICIAL REPORT)

PARLIAMENT 2013 – 2018

HOUSE OF ASSEMBLY

Tuesday, December 6, 2016

Hon. C. P. SINCKLER: ...peninsula just on the outskirts of Bridgetown which we call the Hilton Hotel. The Hilton Hotel has a very close relationship to the hearts of many Barbadians, most of all a Democratic Labour Party Administration because it is under the leadership of this particular party, I believe, nearly 50 years ago when this property and the concept of having this property developed on that site as a leader in the tourism sector generally of Barbados. Indeed, I am being reminded by the Minister of Tourism, whom I am sure will speak more eloquently and more knowledgeably to this point, that it was opened on Independence Day in 1966 by Uncle Wynter, so it is a Independence hotel, it is an installation, it is a major asset within the tourism industry of Barbados and it is a property that is very close to the hearts of Barbadians.

The original property which lasted up until, I think, the early part of this century was demolished and a new property was put in place by the last Administration, and I think quite wisely so because the original property had basically outlived its natural usefulness in the context of what we know. It was small in size for the growing and burgeoning tourism sector and the very high demand particularly for temporary business accommodation and of course resort accommodation. We are moving quickly into a digital age where we require new things in terms of installations so the old property had run its course, and a very good course it had run, and this new property was put in place.

One of the things that emerged from the negotiations with the Hilton International and Needham's as they put the contractual arrangements in place for the management contract of the property was an extremely important element in the context of what we understand today to be the management of modern accommodation enterprises and assets within the context of an industry, that was, given the very heavy usage of such a property, very high demand,

with lots of visitor traffic coming through, substantial numbers of workers as well, and given the position geographically and environmentally of the property to the beach side... I make the point, which the people who are experts in this area make, that this Hilton Hotel is extremely attractive because it is one of the few hotels in the world in which each room is a beachfront property, in other words, ocean view, you could see the sea and that is because it is on the peninsula so it has that added value. However, because it is beach side, so close to the sea, as you know the environmental conditions can be pretty coarse with the salt spray coming off of the sea and so on. Even more importantly than both of those or equally as importantly as both of those is the fact that this business in tourism, as the Minister of Tourism would tell you, is so highly competitive, so ever-changing, the demands so expansive, and a far more sophisticated travelling public and visiting cohort that properties now cannot remain static, cannot allow themselves to become run-down or cannot forsake or ignore the importance of regular maintenance. An important element in the contractual relationships between Needham's and the Hilton International people who are responsible for the day-to-day management of the property as they conduct their business up there was that specific clauses be put into those agreements to ensure that continuous maintenance of the property be kept as an iron-clad requirement for that relationship to continue.

The reason why I say this is important, Mr. Speaker, is because we have seen and know all too well not only in the recent past but before that several hotel properties and accommodation properties, several properties generally even outside of hospitality, have suffered from this particular poison of having been constructed but not being maintained. It is an unfortunate practice that has seeped into our development culture where we produce and celebrate great buildings and structures but then have a significant challenge maintaining them to the standard required for them to continue to be as attractive as they were when they were first unveiled.

This state has not befallen this Hilton Hotel because the contractual arrangements required that a special fund be established. I believe it is called the FF and E Fund, Furniture, Fixtures and Equipment, and out of that comes resources periodically for upgrades to the hotel to make sure that those things which naturally because of usage and time and environmental conditions will fail or will become compromised are attended to with a degree of regularity and with a certainty that does not allow them to get to the stage where they become an embarrassment to the management of the property or the owners of the property and clearly an irritant to the visitors or the other people who have to use the property whether Barbadian or non-Barbadian.

Mr. Speaker, I can say without fear of contradiction that that process has worked exceedingly well for the property at Needham's where we have seen that over the past 12 years of its existence, I believe it is 12 years now, it has been kept in a reasonably good condition and has not befallen itself into a state of general disrepair to affect its attractiveness and its quality. These things in the industry trade get things attached to them, stars or diamond or whatever they put on them and now you have all of the sensitivities of the Internet and people do these things, so this has kept up.

Mr. Speaker, also in the Agreement are considerations, provisions and agreements between the teams for a major upgrade because after 10 years or so things start to wear and tear, and even though you may do the regular maintenance, you have to go in and do a major spruce up to the property.

Approaching that 10th Anniversary of this new property, the management of Needham's under the direction of the Ministry of Tourism and the Minister of Tourism in collaboration with our partners at the Hilton Hotel agreed that it was the time to begin the process of major refurbishment at the property and so they set about to have that work done obviously by way of public tender under the very strict rules of the Hilton Hotel because Hilton International has certain standard codes that you have to meet in relation to the types of things you put in, the furnishings, the paints, the general restructuring, the equipment and so forth, and under that arrangement that process starts.

Mr. Speaker, I mentioned earlier about the Fund in which from the inception of the property amounts of moneys were set aside into that Fund to assist with the maintenance, and also to contribute to the general upgrade when that became necessary. Mr. Speaker, in and around 18 months or so ago, in collaboration between the Board of Needham Points Ltd., the Ministry of Tourism and the Ministry of Finance and Economic Affairs, it was determined that given the potential estimates for the cost

associated with doing this major refurbishment of all of the rooms at the Hilton, that it was conservatively estimated at around BDS\$21 million. The Fund had \$19 million in it for that particular purpose -- not that it had \$9 million only -- but \$9 million was set aside for the major upgrade. The Needham's Point Holdings Limited would therefore require additional \$12 million through a private placement in the financial markets, to be able to complete that work.

Mr. Speaker, the Minister of Tourism will speak more specifically to what has taken place in terms of that work, but I am happy to report to this Honourable House this morning that the first phase of that work has been completed, that is, the first 200-odd rooms have been completed. I happened to see a number of those rooms by way of a tour and it is really quite transformational what they are doing up there, and in order to get on with the second phase of the work the company approach the Government of Barbados to satisfy the requirement of the financial institution, in this case, First Citizens Bank Barbados Limited, for a loan of \$12 million to be supported, first by a Letter of Comfort, then laterally taken out, as is required by law, by a sovereign guarantee issued by the Parliament of Barbados.

Mr. Speaker, I say it is a reasonably pleasant experience for a Minister of Finance and Economic Affairs to come to this Honourable House to ask for this Resolution, even within the environment in which we are, because these resources are going towards continuing to ensure that an excellent asset that we have at Needhams, in our most critical industry in Barbados, that is at the asset itself that employs several persons, that is, the Hilton Hotel, that that work can continue into the future and that the value of the property can be maintained.

Mr. Speaker, it is absolutely important because the value of the property now is substantially more than it was when it was first constructed. As you know how these things depreciate, sometimes it is very difficult to maintain that type of value. Mr. Speaker, we happy that we can do this this morning to assist the Hilton Hotel. I do not have to speak about these things. The Minister, I think, should take the praise for the work which his team is doing in relation to the Hilton Hotel, for all of the awards that it has had, the outstanding work that they are doing in relation to that. My job is relatively simple this morning to put before the Honourable House the Resolution as contained, to speak as to why we are seeking to get a guarantee from the Government for \$12 million. Needhams Points Limited is a company that does not receive Government's transfer. We do not have to put money into the corporation. They pay their own bills. We are happy with that and long may that continue. My understanding is, and the Minister can confirm, that they are now in a position where they are getting a small profit on what is called the owners' return

on the investment, which has been increasing every year for the past three or four years.

Mr. Speaker, this is a good story to tell. Sir, by way of information for Honourable Members and for others who may be following the debate. The terms and conditions set out as follows:

BORROWER: Needham's Point Holdings Limited.

LENDER: First Citizens Bank (Barbados) Limited.

FACILITY: Term Loan

AMOUNT: \$12 million

CURRENCY: Barbados dollars.

PURPOSE: To assist with the renovation of the Hilton Barbados Hotel.

Repayment Terms: 10-year loan. Interest only during the drawdown/refurbishment period of one (1) year after, thereafter amortised over a

nine (9) year period, repayable in monthly

blended payments of BBD \$147 054.18.

INTEREST RATE: 6.5 per cent annum. Fixed for three (3) years, thereafter subject to three (3) years resets with a floor of 6.5 per cent.

Interest will be calculated on the actual number of days elapsed and 365 days;

FEES: 0.5 per cent of the facility amount: BD\$60 000;

SECURITY: (i) Letter of Comfort [to be replaced by a Parliamentary Guarantee for BD\$12 million;](http://www.barbadosparliament.com/uploads/bill_resolution/12ae02cdee9fd689087b4b14ceacb2cc.pdf#page=2)

[SECURITY: (ii) Lien over a debt service account to be funded by a minimum of six (6) month's payments.](http://www.barbadosparliament.com/uploads/bill_resolution/12ae02cdee9fd689087b4b14ceacb2cc.pdf#page=2)

[Mr. Speaker, with those few words, I therefore beg to move that his Resolution do now pass.](http://www.barbadosparliament.com/uploads/bill_resolution/12ae02cdee9fd689087b4b14ceacb2cc.pdf#page=2)

Hon. R. L. SEALY: Mr. Speaker, I beg to second the Resolution. I think that the Minister of Finance and Economic Affairs has ably introduced the matter and spoken to the saliency of the Resolution. I will only buttress that introduction by starting off by sharing him in the delight to bring this matter to the attention of the House and the country, it is a good news Resolution at several levels. I think that it is important to acknowledge where precisely you are coming from. The Minister of Finance and Economic Affairs made reference to the fact that the Barbados Hilton opened its doors on Independence Day. When I say Independence Day I mean 'the Independence Day' November 30, 1966. Mr. Speaker, 50 years and a few weeks on we are here discussing a Resolution about refurbishing the said property in order that it can continue to do what it has been doing for the last half century for many years to come.

Mr. Speaker, I think it is fitting because we have just come out of a period of celebration of acknowledge of our achievements as a nation State that we should also salute the visionary who made the Barbados Hilton at Needhams Point a reality. Mr. Speaker, it is important to do this, the truth is that when the idea was first posited of a 300-plus hotel in the early 1960s, there were people who thought that the late Right Excellent Errol Walton Barrow, Edwy Talma and Wynter Crawford has lost their minds, that it was craziness that they could even think about that. It was considered to be a wild notion but as I say, every single one of those gentlemen can feel vindicated in their celestial rest because clearly we can see that it was an idea ahead of its time.

Mr. Speaker, the information that I have is that The late Right Excellent Errol Walton Barrow and Wynter Crawford met with Comrade Hilton personally in New York in the early 1960s to bring the Hilton here, so that it was at the very highest levels of the then Hilton International that endorsed the idea of having a Hilton in Barbados. It was one of the first Hilton properties outside of North America. Mr. Speaker, this is interesting history, another very interesting bit of history, Hilton Barbados, the original one, the atrium that existed there I am told from architectural historians that was the first hotel property in the world to have an atrium. The atrium that existed at the original Hilton Barbados, I am told by architectural historians, was the first hotel property in the world to have had an atrium. Unfortunately, we all know what happened in 1999 and the new Hilton does not have an atrium; but the point still is that we need to be aware of these historical realities. One of the regrets, I understand, is that when Barrow and Crawford went to New York City to meet with Conrad Hilton, they also met with the Sheraton people with the idea of doing a Sheraton at the Heywoods Estate. That never occurred. That site eventually did work its way into tourism, and of course Barbados is yet to have a Sheraton property. It is one of these things that happen, but

everything happens for a reason; fortuitously, Sheraton became Starwood, and Starwood has recently been taken over by Marriott's, so everything comes out in the mix because we do have a Courtyard by Marriott's here at Hastings. The history, I think, is still important because we are still very much in that mode. I know there are those people who would like to think that history started in 2008, but the truth is that we still need to acknowledge how we have come to this point and, again, salute the visionaries for having the idea that we should have a Hilton International property in Barbados.

Of course, Mr. Speaker, the ownership relationship, as far as Government is concerned, is through a company called Needham's Point Holdings Limited. The Board is appointed by the Government, and it is that Board which has responsibility for the property. As was mentioned already, in 2005 it reopened its doors after the implosion; this is ten-plus years on. We are at that point where the property is a little tired and even a bit bedraggled in some areas, and we need the refurbishment. I again do not think there is any reason that we should have any disagreement on the need for this exercise. Indeed, it is precisely for that reason that the company has maintained the FFE (Furnishing, Fixtures and Equipment) account, as it is called; a reserve account which had \$10 million that it could commit to this exercise. Along with this Resolution where we are borrowing \$12 million, the Hilton is in the middle of a \$22 million upgrade. The main areas that this project will entail will be to provide new, modern, fully equipped rooms, taking into account unique design and of course meeting all of the requirements of the operator - the Hilton brand requirements -- and differentiation between standard rooms, suites with the little parlour areas in which you can have a meeting, and executive rooms which would have access to the executive facilities as well. Indeed, a number of those parlours will be converted to full room facilities.

There is also a proposal to upgrade the eighth floor; what they call the Prime Minister's Suite. You hear of most hotels having a presidential suite; in our case there is a Prime Minister's Suite, and that suite of course is named after former Prime Minister Harold Bernard St. John. There are also five rooms which were previously used as a spa, and these will be put back into their correct use as rooms. I would say that the Hilton only recently has built a spa, so there is a purpose-built spa at the Hilton which is doing extremely well. In its short life, it has been on the receiving end of awards from Hilton International, and I think that is something they should be commended for. On that note, immediately adjacent to the spa is a gym, which is popular not only with our hotel guests but with locals. It is there, and the rates are reasonable in case Members or anyone within earshot are interested in a gym membership. It has modern facilities and is convenient, so you can keep that in mind.

There are other things being done; things like the common areas, the elevator lobby areas and the corridors are all being upgraded and refreshed. As I said, with wear-and-tear from a hotel that enjoys heavy usage, clearly those are things that you need to do. Tile work is being stripped out and redecorating is being done. There are new drapes, beds and the various bits around there, case goods including a Serenity bed programme as well, new bathroom vanity sets including showerheads, faucets to be replaced, and of course toilets to be upgraded with a more efficient model. I also would mention that, with just a few additional sockets, the electrical situation of the hotel is quite up to date, apparently, from what we have been advised.

Mr. Speaker, we are going from having 350 rooms to having 355 rooms. As I mentioned, there are five rooms coming back into operation, and the process by which this exercise has been done has been in the summer months which tend not to be as busy. I cannot really say "low season". Hilton is one of those hotels that generally has good occupancy year-round. It is not as seasonal as your traditional leisure product, because it is a businessman's hotel as well as a hotel that has a strong leisure product. It will have occupancies that are usually strong year-round, so during the summer of 2015 one hundred and fifteen rooms were refurbished, and during the summer of this year 139 rooms were refurbished. Of course, during next year's summer we will therefore be expecting to refurbish the 100 that remain. Obviously, we were able to use the FFE reserve account to get the project going, but we are at that stage now where we are deep into the First Citizens loan funds, and while, yes, they will extend arrangements on the basis of a Letter of Comfort signed by the Minister of Finance, clearly we need to tidy up this situation because we have the last set of refurbishing to do and we would not necessarily want to be in breach of either the rules on the banking end of things or indeed of how Government should operate with respect to guaranteeing loans to Government-owned entities.

That is where we are, and that work continues apace. The Hilton Hotel is still a proud emblem of our tourism industry, and it will probably continue to be for some time to come. As I said, that was in many respects the hinge point by which we were able to move into modern tourism, and it did so as a result of deliberate action by early Democratic Labour Party visionaries. Again, many people did not see it that way. We can report this year that income for the hotel has indeed grown significantly. As a matter of fact, last year, 2015, the income from the hotel -- and this is the income to the Government of Barbados -- was \$2.424 million, which was an increase of 56 per cent in 2016 over 2015. In essence, the hotel is making money. It is registering profit. It is a Government-owned entity that is not costing the Government, the people, the taxpayers a red cent. Far from that, it is earning for us. Therefore, it is in that context that the financing was easy to access. It is in

that context that we had to continue to preserve and protect the asset. Therefore, this refurbishment programme that has been skillfully scheduled to occur over a period of time, such that the operations continue, we not have to close down the hotel and fix it. We phased it over a period of time with the appropriate guest comfort and so can still be assured that we continue to do it.

The Hilton Barbados was, in fact, recently acknowledged by Hilton International as the best hotel they have in the Western Hemisphere and they received that award. I mentioned the Spa receiving an award as well and the hotel is doing well. It is enjoying great occupancies. Of course, many Barbadians are employed and are enjoying the benefits of how Hilton is doing.

It is also contributing in no small measure to the overall tourism industry and I do not think we should make light of that, and certainly in the context of where we have come from and where we have to go, the Needhams peninsula does have a lot of potential. There is potential for even more rooms on the peninsula. Also Government is actively looking at the conferencing facilities, as well, on the peninsula and how they can be indeed improved, how they can be created, create an appropriate facility. This is again something that has been talked about for years but this Democratic Labour Party will actually get it done. We are working on that element. So officials from the Ministry of Tourism, BTI, the Ministry of Finance are working with the same team at the Needhams Companies, to see how best we can create that facility that will also further enhance the value of this property and other properties to come in the peninsula. There is enough real estate now. You must remember, Mr. Speaker, the refinery is no longer there and, of course, even Light and Power's facilities they do very little generation at that Garrison site anymore. So they too have some real estate they can put into the mix, and we can do something more meaningful with that very precious piece of real estate called the Needhams Peninsula.

I think, again, Mr. Speaker, this is a small loan in the context of what Government is usually called upon to guarantee. It is for a good purpose and therefore with a sense of ease I associate myself with this Resolution. I believe I also have to second the Resolution.

Thank you, Mr. Speaker.

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

Miss S. BRADSHAW: Mr. Speaker, I too would want to contribute to this Resolution to contribute to the development of the Hilton Hilton, by way of Government borrowing \$12 million from First Citizens Bank Barbados Limited to assist with the renovations of the said hotel. Sir,

I believe on this side there is no strenuous objects in terms of the request by Government to have both Parties agree to this Resolution today. Indeed both Parties have been at the forefront in assisting with the Hilton Hotel and the development of the Hilton Hotel. Obviously the Democratic Labour Party would have continued some of the efforts whilst the property had been demolished and it was reopened. At various points both administrations would have paid both in terms of injections of large sums of money, to ensure that the property was developed to where it is today. We have no disagreement with the other side as it relates to improving the hotel plant. Certainly on this side both Shadow Ministers of Tourism and former Ministers of Tourism have indicated to this administration from the outset of its tenure that tourism being and playing a pivotal role in the Barbadian economy, we needed to ensure sufficient investment was given to the sector to allow it to remain at the beacon of generating income for this country.

Sir, what I would wish Honourable Members on the other side perhaps to address, maybe the Minister of Finance in his wrap up is, we have heard much said about the Needhams Peninsula and the need for perhaps expansion in terms of the hotel rooms, in terms of other conference facilities at the site, all things I believe are necessary to improve the hotel plan. What however the Honourable Minister of Tourism did not address was the issue of the oil spill which would have taken place at the Needhams peninsula point. As you would have been aware there would have been some issues under the last Barbados Labour Party administration as it relates to a position we had with respect of the cleanup of the facility. I have heard in recent reports this administration has indicated there were plans on the way for engagement between the Barbados Government, and certainly contractors or the Government and the People Republic of China, to construct a facility on the Needhams Peninsula for a Performing Arts Centre. So I do feel that it would be a great benefit to the country to have some kind of update as it relates to that situation.

The twelve acres of land, which is in the middle of the Needhams Peninsula have been unoccupied for several years, since Mobil Oil would have ceased its operations at the refinery here. Back in 2004 the Barbados Labour Party would engaged the services of a company to basically clean up the site because we recognized it posed a significant threat, certainly not just to the surrounding business and property owners, but indeed to the Hilton Hotel in Barbados. So work would have started by Fetton who would have prepared to construct a retainer wall underground to remove and to prevent the migration of additional contamination of the site. The job has been started. It has never been completed because it was caught up with some legal issues. I believe the matter found its way to court. An injunction, I believe, was filed in the High

Court of Barbados and Mobil Oil then sued both the Barbados Government and also Feton. It forced the stoppage of work. As you would appreciate this is several years later. The Government of Barbados would have taken office in 2008. I believe negotiations would have taken place and the contract would have been renegotiated. It was announced that work would have started and at this stage I think the Minister of Finance and the Minister of Tourism, certainly would allow us to benefit from an update as to what is happening with the site.

No difficulty developing the Hilton Hotel. No difficulty with any plans in place to construct anything on the Needhams Peninsula, but I do feel the issue of oil spills on that particular site, which is obviously very close to the Hilton Hotel could potentially pose some issues as it relates to our borrowing of money, upgrading the site, should there be any other incidents, I would hope that in the wrap up the Honourable Minister of Finance would certainly seek to address that as well. Bearing in mind this property would have made a profit for the first time in 2011. Obviously it speaks to the fact that tourism is an industry that requires significant injection. It is still in its embryotic stages. I think you have heard the pleas from this side, certainly over the course of the last year begging for injection into the hotel industry to allow not just the Hilton Hotel of Barbados to undergo improvements, but certainly for hotels both the small sector hotels, as well as the larger hotels to be given the infrastructure to be able to borrow money.

It is a fact that hotels are some of the most indebted in this country, particularly because they have to compete with other territories who have in recent times become more attractive. It would also be useful, I think, to speak to the issue in terms of moving the tourism plant of the Hilton Hotel, whether again -- we can improve the facility but we also have to, I think, speak to the issue of where Barbados stands in the market place as it relates to the marketing of the tourism product. We are well aware that Government has owed significant sums to creditors. Again, this administration remains silent on these issues, but it is a fact that we can spend \$12 million upgrading the Hilton Hotel, but will also have to spend millions to certainly market the hotel as well to get persons to come here. Yes, an increase from 500 rooms is certainly necessary but it does come with an additional responsibility on the part of the Barbados Government to enlighten the country as to its indebtedness in relation to marketing, because we do not want to have simply an improved plant, but then we have difficulties in terms of what we owe our creditors in terms of being able to market the very product which turns so many things in our economy around.

Sir, that would be my intervention. I would hope the Minister in his wrap up would certainly touch on providing the country, certainly with an update and also the hoteliers in terms of the various Funds which have been established

over the course of the last few years, to access these funds to improve their hotels. It is easy for Government to inject into the Hilton Hotel because it has a vested interest in the Hilton Hotel, but we must accept there are other hoteliers out there, other businesses, who themselves, because of the last few years of dealing with several financial difficulties, have found themselves unable to meet some of the requirements in terms of financial bank obligations. So I think it would be important in this debate certainly to hear from this administration what the status of those loans is. Are the hoteliers accessing them? Are there difficulties with accessing them? Are they too going to be in position where they are going to be on equal footing with the Hilton Hotel over the course of the next few years, or are we going to find a situation where there is a significant imbalance in terms of one hotel having serious injection, whilst others are still struggling to maintain and to have a consistent approach to the hotel plant of Barbados?

I thank you, Sir.

Mr. SPEAKER: The Honourable Member for St. Peter.

Rt. Hon. O.S. ARTHUR: Mr. Speaker, I am not going to oppose the matter before the House but would just like for the sake of continuing consistency to raise a few concerns. There is a very important study commissioned by the Caribbean Development Bank published in 2015 about debt sustainability, and it indeed referred to certain important conclusions. It is subject to evaluate what have been the factors that have given these quite substantial rise in Government debt across the Caribbean, not just in Barbados, and came to the conclusion that the increase in debt where that debt because of central progress operations per se, but Governments guaranteeing of debt of enterprises, Government having to subsidise institutions to cover their losses, and it urged that if you are going to get out of the debt that attention has to be paid to Government issuing of guarantees. None of the debt in the Caribbean for example, take Barbados, Mr. Speaker, people talked about how Governments have been both Bs and Ds, but few people would remark upon the fact that on the books of the Government of Barbados is \$500 million in the sugar industry debt. Twice the Government of Barbados has had to take over the sugar industry debt in Barbados. We have had to take over the debt way into the operations of the Barbados Development Bank, and it goes on and on. St. Kitts had one of the highest debts of the GDP ratio in the region, not that the Governments were bad, but because the sugar industry failed and the Government had to take over the sugar industry then.

A lot of debt problems in the Caribbean arose from the fact the Government issues guarantees in the belief that those guarantees would just be contingent liabilities, but then they become real liabilities and it is also true in

Barbados, Mr. Speaker that a lot of the private sector initiatives are that if they can only obtain a Government guarantee.

The point I want to make in this debate is, Barbados has become if we are going to be serious about dealing with the debt, we have to come to a state where enterprises involved in commercial activity have to treat the commercial investments as commercial investments, and they cannot believe that the Government of Barbados must have to guarantee every commercial investment. There has been a culture that has evolved over the course of the last 50 years that nothing happens unless the Government guarantees it, or nothing happens unless the Government gives substantial incentive. If we are going get out of our current economic problems, we are going to have at some stage to reach a point where commercial investments stand on the strength of their own intrinsic logic.

The word must go forward that the Government is not in a position to guarantee everything. The Government is not in a position also to indulge in what I call corporate paternalism, to grant massive incentives every time there has to be an investment in our country. Investments here as elsewhere must come more and more to stand on people taking risk and getting profit as a return for taking risks.

I think we have to change that culture, that nothing happens in the Caribbean, nothing happens in the private sector in Barbados, unless somebody says how we get the Government to guarantee this or what is the package of incentives that we must get in order to make this happen. The word must go forward that the incentive must be you are in business to make a profit, let the Government be an enabling environment in which you can make a profit, but stop asking the Government to guarantee everything.

I would urge Members to read the William Demas Memorial Lectures published by the Caribbean Development Bank. Jamaica has a connection with the project. They built a new port, did a large number of things, but the Government had decided it is no longer giving guarantees. It is no longer putting up the equity because commercial projects have to stand on the strength of their own viability. It is going to take a while before people accept the change in the culture, but as elsewhere we really must move closer and closer to that point of realization if we are to get out of this situation.

Sir, this is a project where and the stage at which -- I am not criticizing the project, but at a stage an enterprise is doing well it should be able to go to a bank and say this is my plan for the expansion. I need to raise the resources. I can show you the project in relation that support the viability of the investment and get the financing on the strength of the logic of the investment per se, without having to brand it and embellish it by getting a Government

guarantee. I am satisfied that this is a sound investment and will be a sound investment, and will adapt for itself, but the countries that say you can only pay if the Government guarantees if you assume too much with us.

Sir, I will say that it is country that does have, because for too long culturised people to believe that nothing can happen unless the Government supports it. May I say, Sir, it is not only in the hotel industry. In the energy sector, people who are making investments in energy development should feel that those investments should pay for themselves without the Government having all the time to give incentives or guarantees.

I am not going to stand in the way of the continuing work at the Hilton, but it is the accumulation of these things that happen over time without objecting to any that has put us in the present situation when we are among the group of countries in the world that has the highest ratio of debt to GDP. It comes of a Government guaranteeing debts, having to make substantial transfers to cover the loss of commercial enterprises and Government having put up money to correct the impaired balance sheet of commercial enterprises.

I wish that we could come to a point where investments like this we are talking about today can go forward and all across the private sector is the attitude that we are in the business to take risk.

Sequence 6

Sequence 6

INSEERT S7 JULIETTE

Tuesday, December 06, 2016

Hon. D. St.E. KELLMAN: ...that the financial institutions tell all of the profitable companies to come to the Government and let us guarantee it because we are happy with them.

Mr. Speaker, I am grateful to you, and I thank you.

Mr. SPEAKER: Yes, Honourable Member for St. George North.

Mr. G. A. CLARKE: Mr. Speaker, I rise to clarify a number of positions which the Honourable Member for St. Lucy seemed to be ... First of all...

Hon. D. St.E. KELLMAN: On a point of order. The Honourable Member is misleading the House. I did not ... anything, Sir.

Mr. SPEAKER: Yes, that is not parliamentary, so withdraw it and let us move on.

Mr. G. A. CLARKE: Mr. Speaker, the Honourable Member forgot...

Mr. SPEAKER: Honourable Member, withdraw the comment please.

Mr. G. A. CLARKE: I withdraw the comment.

Mr. SPEAKER: Thanks.

Mr. G. A. CLARKE: Mr. Speaker, it was the Honourable Member who criticised the Barbados Labour Party several years ago when we sought to refurbish the Hilton Hotel. The Hilton Hotel that you now have is a new Hilton Hotel that was built by the Barbados Labour Party at a time when the Democratic Labour Party felt that we should have refurbished the old Hilton Hotel. At that time, the then Prime Minister felt that that to demolish the Hilton Hotel and put a new image to the Hilton Hotel was necessary, and we were criticised at the time by the Honourable Members on that side.

Mr. Speaker, I am very pleased to hear today that the Barbados Hilton Hotel is the best hotel in the western hemisphere. When the Minister of Tourism got up and gave us a part of the balance sheet I was going to ask the question: Where is the balance sheet for the Hilton Hotel. Is it profitable? He said yes, that it has made a profit of \$2.42 million this year over last year and that it is projected to make another 56 per cent profit over 2016 in 2017 so the Hilton Hotel is doing well.

Mr. Speaker, I want to congratulate a former Prime Minister, Harold Bernard St. John who was put in charge of this project at the time. Harold Bernard St. John, a former Prime Minister, who was very dear to my heart, was a very enlightened person and he spent his life on this project. Mr. Speaker, I understand that the Honourable Member said that a presidential room or a Prime Minister's room is named after Harold Bernard St. John but I feel that the entire hotel should be called the Harold Bernard Hilton Hotel. I am serious because this is the man that gave tremendous service to this peninsula. Mr. Speaker, it is important for us not only to recognise when people have done yeomen service to this institution but to the other institutions.

Mr. Speaker, I believe that the Hilton Hotel is an excellent project. It is profitable. As I am understand it we are moving from 350 rooms to 355 rooms. Of course, in today's society hotels of that magnitude sometimes make a lot of losses.

I would want to say, Mr. Speaker, that I believe that the Honourable Member for St. Lucy has missed the point, which is, that this guarantee that we are approving today is adding to the debt of Government, and so we want to ask the question: Is it possible for some enterprises to stand on their own? I am saying that the financial institutions in Barbados, the credit unions and the banking sector, are flushed with money but they do not like to take risks. The Honourable Member for St. Lucy needs to understand that a guarantee does not mean that Government has to pay back the money, the Government only pays back the money if the institution defaults, that is where it is and that is why I said that the Honourable Member is ... the whole thing. I am saying, Mr. Speaker, that this hotel has shown profitability over the last...

Mr. SPEAKER: Honourable Member, I already cautioned you about the use of the word... It is unparliamentary to accuse a Member of such.

Mr. G. A. CLARKE: I was not deliberate, Mr. Speaker.

Mr. SPEAKER: Very well, so you are withdrawing it.

Mr. G. A. CLARKE: I am saying that he sought to mislead us by saying that... I withdraw the word.

Mr. SPEAKER: Yes, withdraw it. Fine.

Mr. G. A. CLARKE: Mr. Speaker, surely the Honourable Member made the point that we are saying that it is not going to Government, that financials are not dealing the Government. Nobody has ever said that. We have done many guarantees in our time as well but the point is that Government must do guarantees for many of the statutory boards, and I am asking why is it that the private sector cannot give loans to these companies like the Hilton Hotel or the Airport that are making a profit without a Government guarantee. I believe, Sir, that you need to understand that the nature of the financing institutions in Barbados is that they do not take risks, they encourage people to save but not to take risks, so that the agricultural sector, the tourism sector and all of the other sectors must go on their own unless Government gives a guarantee.

Mr. Speaker, I believe that we have to look at that very carefully. It is important for us to have these Letters of Comfort from time to time. For example, I believe that Letters of Comfort should only be given to institutions that may fail and to those institutions that have a social dimension to them like the National Housing Corporation. The Hilton Hotel has no social dimension. It is fully corporate and I feel that the Government needs to tell the institutions here that they need to look at these things. If you are going to give a guarantee for a sporting complex

that may not make money and is not profitable I could understand that, but we have to draw the line because this in itself is adding to the balance sheet of the Government to show that you are further in debt which you do not necessarily have to pay because I am sure that a company like the Hilton Hotel will definitely pay for this.

When we talked about the Hilton Peninsula, there were a lot of words going around today and I believe, Mr. Speaker, that it has to do with management. We have heard about the problem of sewerage in the beach on the South Coast and it is true that the Hilton Hotel can be affected and we believe that the Government must put a management system in place in order to protect this. The word has gone forth that you have problems on the South Coast. I must say that a couple weeks ago the Minister of Health cautioned the Minister of Transport and Works about opening the sluice gate. I was here when he made that point. He made the point that we definitely need to manage what is happening at the sluice gate in Worthing because it could lead to further problems down the coast. It has nothing to do with the Minister of Transport and Works, the Minister of Housing and Lands, the Minister of Health or the Minister of the Environment. These are things that need to be managed from day to day and that is why I made the point since 2008 that it seems to me that there is too much Government involvement, that whenever there is a problem the Minister has to put in his hand, why should he. The Chief Technical Officers in the Ministry of Transport and Works and in the Ministry of the Environment should be held responsible. Obviously, you may say that in our Westminster system the Minister is ultimately responsible, but in most of these things, and I said so when we were dealing with the water problem. Mr. Speaker, I said so some time ago when dealing with water, you cannot ask the Ministry of Health to physically go to St. Joseph and supply water.

Mr. SPEAKER: Honourable Member, are you still speaking on the matter that is before this Honourable House?

Mr. G. A. CLARKE: Yes, Sir.

Mr. SPEAKER: It seems to me as if you are going a bit far. Please if you can concentrate on the matter that is before this Honourable House.

Mr. G. A. CLARKE: Mr. Speaker, I understand, but we definitely need to manage the process. We need to manage the beaches. It does not mean that the Minister has to physically get there. I am talking about the peninsular at the Hilton, which is very important, Mr. Speaker, we have to protect our beaches, the white silky sand. Mr. Speaker, I am sure that you are aware of these things. Therefore I feel that a system must be put in place to manage what we have because tourism is still our business.

Mr. Speaker, I do not want the Government to feel that we on this side are hoping for the worse, we are not, we want to ensure that Barbados gets the best. We want to ensure that Barbados is managed properly. We want to ensure that tourists can keep coming here. Mr. Speaker, I want to say to the Honourable Member for St. Lucy that I have no interest in seeing Barbados fails, I want to see Barbados succeeds but you have to change your philosophy on a number of things and to ensure that we succeed. I am obliged to you, Sir.

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

Hon. A. D. BRATHWAITE: Mr. Speaker, I would want to make just a short intervention because this debate has taken what I consider to be a very interesting turn. Mr. Speaker, over the last couple of years in Barbados you have heard so much discussion in terms of Government involvement as opposed to private sector involvement, which areas that Government should be involved in, whether or not Government should be involved primarily in social activities as opposed to revenue-generated corporation activities, ec cetera. Mr. Speaker, the truth is, when one examines the history of Barbados, unless Government intervenes when this country in 2016 would not where it is now. Mr. Speaker, you hear now, for example, about Transport Board. Sir, transport was offered by the private sector for a long time, you had the Elite Transport, Rocklyn Transport, ec cetera, but Government had to intervene because that was the only way to ensure that the people of Barbados were able to be transported to work, to church, down to the industries, ec cetera.

Mr. Speaker, we speak about a tourism plant. For a long time Heywoods Resort, St. Peter, was owned by Government and then sold to the private sector. The private sector of course then abandoned it and said they were not interested in it. Yet again Government said in the interest of the country we have to get involved. Mr. Speaker, it is not that Government wants to get involved in corporate activities, but Government has to get involved because we have a primary responsibility to provide jobs for our people.

Mr. Speaker, there comes a point in time when you say yes that you agree... Mr. Speaker, I listened with interest to the Right Honourable Member for St. Peter and I am glad, actually, that time has allowed the Honourable Member to reach the stage that he has reached because in fact, prior to 2007 when we had hundreds of millions of dollars in debts that were off books in this country, the Right Honourable Member for St. Peter understood then that this debt was for developmental purposes and so it was necessary and therefor was 'no big thing' but now in 2016, while having the hindsight and being able to read other

people's works, we now hear a different story in terms of when should Government become involved in activities.

Mr. Speaker, I am not an economist but I do know based on the history of Barbados that in almost every area where Government had become involved, that if left to the private sector would not have been done, and we can go through them. In the area of education, I heard the Honourable Member for St. George North speak, even though the Honourable Member had it wrong, that Government should not just be involved in social activities. Mr. Speaker, in fact, if Government is only involved in providing education and healthcare, then many of the other things that have made Barbados what it is today would not be the same. Mr. Speaker, so that yes, we understand and yes, we would rather not be involved in many of the activities in which we are involved, in particular being very conscious of our debt situation.

Mr. Speaker, the Honourable Member for St. Michael South East in her presentation speaks of the Needhams peninsular, the Honourable Member speaks of how important for it to be developed by us as a country. We had the Mobile site there, which has been there for many years. No one has stepped up and say to Government to give it to us, let us develop it, *ec cetera*. Mr. Speaker, typical of what happens in this country, if we were to start cleaning it up today and start to laying blocks, somebody is going to come along today and ask that they be allowed to do it. Mr. Speaker, we cannot just sit down and say that we are not going to do anything because we are the Government and that we are going to wait on the private sector to do it, because if we were to wait on the private sector... Mr. Speaker, for example, we have to develop from Bridgetown right up to the peninsular if we are to provide economic opportunities for our people that we want to.

Mr. Speaker, I say to my colleagues, yes, we must look at our debt situation but we also have to make a judgement in terms of is it more important to have the criticisms of the International Monetary Fund and of those who know it best on the call-in programmes, or it is more important to invest in programmes that provide hundreds if not thousands of jobs for our young people. I believe that once we invest in programmes that are developmental, once we invest in programmes that afford jobs in this country to our thousands of young people who graduate every September, then we are on the right road because that is what we are elected to do. There is that balancing act. There is no Government in the Caribbean prior to 2016 and probably after 2016 who would be able to provide all of the social services that it does, unless there is some element of debt. There is none whatsoever, we are not so fortunate. Mr. Speaker, not even Trinidad and Tobago with all its oil and gas was able to provide all of the social services that it did.

Mr. Speaker, I hear all the discussions, I heard all the talk about what Government should be involved in, *ec cetera* but we must remain conscious, we must balance our social responsibility to provide education, healthcare and jobs for our young people in particular against our level of indebtedness. It is not as simple as that. We simply cannot turn over the country to those in the "private sector" who say to let them run it. Mr. Speaker, I go back to transport as a good example. If Government moves out of the transportation system tomorrow, then my constituents might have to pay probably \$20 every day to come from St. Philip South down to Bridgetown. If you multiply that by two I do not see it would be worth it for them to come down Bridgetown to work, so that there are some areas in which Government must continue to become involved.

Mr. Speaker, I think you agree with me. Sir, I just wanted to make that slight intervention in terms of the balance that you must make as Government, in terms of what Government invests in as opposed to what Government does not invest in, and that it is not always as simple as that because there may be an element of risk, because you are going to be involved in furthering the debt situation you say no, because a country must still continue and we have a wider responsibility to ensure that our young people still have a bright future. I am obliged to you, Sir.

Mr. SPEAKER: The Honourable Member for Christ Church South.

The Hon. J. D.E. BOYCE: ... Mr. Speaker, thank you very much for the opportunity to say a few words on this Resolution asking Parliament to approve the borrowing of some \$12 million for the continued development, maintenance, refurbishment, call it what you may, of the prized possession at Needham's Point, which is referred to as the Barbados Hilton Hotel. The history of the Hilton property has been well put today by Honourable Members on both sides who have spoken before me, indicating the significance of those very early pioneers in the tourism industry identifying that location as a prime developmental opportunity for our tourist industry. Every time I have occasion to visit the Hilton Hotel, I reflect on the fact that it is one of the prized properties of this little island, and we must compliment both parties, really, over the 50 years. It is coincidental that its creation, as the Honourable Member for St. Michael South Central made the point, coincides with the date of Barbados' Independence; November 30, 1966. I recall, of course, over the past couple of weeks we have had celebration of the staff on the achievements of the Hilton Hotel. I had occasion to meet one of my friends from the Maxwell area who worked for many years at the Hilton Hotel, and we always used to have very friendly exchanges whenever we met, and we did so again outside the bank on Monday morning. We reflected on the wonderful entertainment that used to be provided at the Hilton. Of course, there was the beautiful Barbadian ware,

because it has a reputation for serving very Barbadian dishes, and this has been a hallmark of the Hilton Hotel.

The Honourable Member for St. George North is trying to indicate that I had the opportunity too to work from time to time at the Hilton Hotel; for pennies, Mr. Speaker, but you know the kind of person I am. I have never been one to go after large sums because I would not know what to do with it anyhow, Mr. Speaker, so I prefer to remain modest as I am and try to assist wherever I can. In those days, that work was mainly to do with energy conservation and renewable energy at the Hilton, and we would have spent a lot of time speaking to the owners of the property, the Chairman and members of the Board of Directors, and the engineering team of course, as to how we could help with the conservation of spending at the hotel in terms of energy. Of course, we know today what has evolved in terms of energy conservation in our hotel properties and indeed in our homes, and we know how that has impacted on the environmental footprint, so to speak, which Barbados boasts so much about.

Mr. Speaker, tourism is our business and we must continue to play our part, so the support of both sides on this \$12 million Resolution today is a significant indication of this consensus and the important need for the people of Barbados to understand that, whereas we may differ from time to time in terms of how we get there, the facts are that we need to understand that at every step of our development important decisions must be made which will bring about the kind of sustainable development opportunities for employment and the growth of Barbados. Thank God that the sad story that is sometimes painted of our country is not really the story which most of the world has of Barbados. There will be incidents from time to time which will cause us to step back and to change gear, so to speak, and to do things differently. Yes, the Honourable Member for St. George North, in what I found to be a very nice, wide-ranging and open presentation this morning, made the point that as politicians, it is important that we speak and represent the interests of the people we serve but also that we have, as Ministers of Government, to understand where the technical and political divide may occur. Even as the Honorable Member indicated, it is important to request and require that the technical experts, in the different areas where they serve, must be allowed to do their jobs. Sir, we must demand of them from time to time that these things be respected. The question of policy and the broader areas by way of approach and emphasis may lie with the political directorate, but certainly when it comes to technical decisions, these have to be left to the technical people with, of course, some input from any decent and well-serving Minister of Government.

That is why I was very interested in the comments being made in respect to the issues at the South Coast Sewage Project, and I want to thank the Honourable

Member for reminding you, Sir, and the Chamber that I was at pains in the very recent past to indicate some of the dangers which I could see developing in this area. I must at the onset, of course, indicate my support for the concerns of the residents of Christ Church South and indeed the entire Barbadian population, with respect to what is happening in the operation there. Remember that the connection here, if it is not obvious, is that the outfall from the South Coast Sewage Project actually goes out to sea in the ocean outside the Needham's Point peninsula; some 1.2 kilometres, I believe. Indeed, I am heartened by my last communication with the Chief Medical Officer of Barbados, in that the technical team charged with reporting to the Government on the situation is about to table their first substantial report, and I am fairly comfortable in my mind that action is being taken in terms of procurement of the spares required to carry out immediate repair to the equipment at the South Coast Sewage Project so that this plant can be fully operational. To reflect on the fact that it may not have been the best designed sewage plant in the world, though it might be true, will not do anything for the residents. It will not do anything for us as a country, so we have therefore to bite the bullet and carry out the repairs at the plant, Sir. At the same time we need to be sure that we do not mislead the public.

The plant, even with its design shortcomings, was designed to, yes, separate the solids in our sewerage at the intake but also to oxygenate and so deodorise the effluent in a primary treatment facility. We have to appreciate that the South Coast Sewage Project is a primary treatment plant, very similar in operation to the Bridgetown sewage plant which is also a primary treatment plant.

11.59 a.m.

INSERT S11 JULIETTE

Tuesday, December 06, 2016

Hon. J. D. E. BOYCE: ...important from this Chamber to have that message out there in the public, the Ministry of Tourism, the Ministry of Health, the Ministry of the Environment and Drainage and the Ministry of Transport and Works are working to make sure that this situation is controlled and repaired. What we do in the long-term in terms of dealing with the final management of our sewerage and what stage we take it to in terms of the treatment levels - do we move from primary to secondary to tertiary level, yes we should, yes we might want to, but then we start to encounter the same issues that we are talking about today - who will pay the hundreds and millions of dollars that are required to bring these things to that level of assurance. The technology is there, but can we afford it. Can we pay for it? Are we prepared to face a water rate in Barbados which would be commensurate with

that kind of treatment? I say we need to think about these things very carefully as we look at these situations.

The decision to do primary treatment and to resort to outfalls offshore are not decisions that are made willy-nilly but are scientific decisions based on the level of treatment that has taken place at the plant and the ability to dissipate that water, that sewerage, that treated effluent, in a large enough space or in a large mixed of natural occurring water in the sea so as not to impact our lives or limb. Sir, that is a technical decision made by the technical people and then offered to Government as solutions. Sir, that has been a little bit of a diversion but still, I think, extremely important.

Sir, it really speaks to the whole question that we are looking at in terms of the Hilton Hotel and the development. I was really heartened to hear the references to the kind of prizes which the Hilton Hotel has been awarded of late, the fact that it has been seen as one of the flagship properties of the Hilton chain and that it has won the Hemispheric Award for the Hilton Hotel, that should almost be the entire world, Sir. I mean these are things of which we have got to be proud.

Mr. Speaker, I talk about workers because I am big on this matter. The fact is that I was asking that same friend of mine about the awards... I believe there is a namesake who would have gotten the longest serving award at the Hilton Hotel in this Honourable Chamber today. The people who keep that Hilton Hotel together are the kinds of people that we have got to hold on to. When you go there you see faces that you think you would have seen for 50 years that is the truth because they look so familiar and you wonder if anything has changed. It looks like everybody from 1966 are still young and vibrant and working and producing at this flagship property in Barbados. It has certainly won the flag for tourism in Barbados. It has developed as one of the major conference centres in the island second only by way of size to the Lloyd Erskine Sandiford Centre at Two Mile Hill. It is this kind of record as I say which we are supporting today. It is this kind of record which we as a people must understand and continue to support.

We would have to come back here, I am sure, in years to come to do similar actions to make sure that this property and other properties in the country are well maintained and maintained to a modern standard. Today when you go into a hotel unless you deliberately select a heritage property for other reasons you really want to be served with all of the technologies, you do not expect to be looking around for a Wi-Fi connection, you expect it to be automatic, you expect that you could go to your control panel and not only control the temperature of the room you might even want to be able to go as far as to control the temperature of the shower which you would have at some

stage during your stay and you would want to control the volume of your music in your room. These are the realities. If you cannot do that, Sir, you are selling a different kind of product but if you want to sell a modern tourism product you have to be able to be technologically savvy, you have to have these kinds of developments and these kinds of improvement and so I definitely herald the work being done at the Hilton Hotel. I congratulate the team at the Hilton, the Chairman and the Members of the Board and of course the management and those people who work so hard to maintain the quality.

The improvements, as I said, are absolutely necessary and are fully supported certainly by this Honourable Member. As far as I am hearing, Sir, no one really has indicated other than the fullest support for this Resolution for the Government to go ahead and guarantee the borrowing of this \$12 million for the continued development of this very important property in Needham's Point in St. Michael.

Mr. Speaker, Sir, with those few words, I certainly want to associate myself fully in the support of this Resolution and thank you for the opportunity to make those few comments.

Mr. SPEAKER: Yes, the Honourable Prime Minister.

Hon. F. J. STUART: Very briefly, Mr. Speaker, I just thought I needed to add my voice in support of the Resolution before the House for the borrowing by Needham's Point Holding Limited of \$12 million to assist with renovations at the Hilton Barbados Hotel.

Appropriate praise has already been showered on the Hilton Hotel. It is an admirable showpiece in Barbados and does much for the enhancement of Barbados' reputation as a tourist destination. The Hilton Hotel was opened to business in 1966 but the Official Opening took place in 1967 and I well recall that it was Prime Minister Barrow who delivered the Featured Address and made the point that even though there might have been people who thought that he should have taken some credit for it that he did not want to take any credit for it, that if any order of precedent was going to be taken in the matter, his words, that the name of Wynter Algernon Crawford should come first, that it was Mr. Crawford who spearheaded the move to get a Hilton Hotel in Barbados and all credit should go to him in that connection.

Mr. Speaker, ever since then the Hilton Hotel has been a source of great pride for Barbados. The old Hilton Hotel did well and did well enough that by 1999 the previous Administration thought that the property needed to be enhanced and the old Hilton Hotel was imploded and the present Hilton Hotel was built. It is a very attractive

property and continues to render very great service to Barbados. To have won the Hemispheric Award which it has won and to be the kind of showpiece it is, has certainly done great credit to Barbados and justifies the foresight that Mr. Crawford showed in the 1960s when he decided that he was going to pursue the establishment of a Hilton Hotel here in Barbados.

Mr. Speaker, at the time when Mr. Barrow disavowed any substantive connection with the bringing of the Hilton here and decided to ensure that all credit went to Mr. Crawford, he and Mr. Crawford had broken over the issue of Independence. Mr. Crawford had lost his seat in the House of Assembly in the November 3, 1966, General Election, and had gone into political retirement, but the facts were sufficiently cordial that Mr. Barrow had decided that that kind of tribute had to be paid to him.

Mr. Speaker, I listened with great interest to the speech of the Right Honourable Member for St. Peter on this issue and I think the concerns which the Honourable Member raised, in terms of Governments having to guarantee loans like this are properly raised. I do not share the Honourable Member's optimism, of course, that we can get this culture dismantled in the foreseeable future. This is a very deep-seated culture that will take some time to eradicate. I was reading very recently the American sociologist, Lester Ward, who was writing on American corporate culture in the 19th Century. Ward, of course, was a 19th Century sociologist, in fact, sometimes he is referred to as the father of American sociology. As far back as then, he was talking about the same kind of culture that people in the corporate sector liked to use the expression 'welfarism and paternalism' when the State is bestowing any benefits on the poor defenseless labourer or the unemployed and they basically label all of this welfarism and paternalism while they themselves employ a group of lobbyists to ensure that they can get as much out of the State as possible.

Mr. Speaker, Lester Ward said, if you call what the State does for the poor, defenseless labourer paternalism, that is eminently preferable to what is done for the corporate sector which he call 'maternalism'. He said maternalism is a greater source of shame than the paternalism that people in the corporate sector were talking about, where the State was reaching out to the poor and the defenseless.

Mr. Speaker, it continues and of course in this case it will be noted that it is not just the company that is borrowing that is insisting on the Government's guarantee, it is the bank, so that even in the banking sector that belief in the entrepreneurship and the culture of risk-taking in the society is very, very limited and the banks too look to the Government to be the last stop in the event that something goes wrong.

Mr. Speaker, this is going to take some time and because our Governments want to make sure that economic activity continues to roll over, because as the learned Honourable Attorney-General said, we have to be concerned about providing jobs for our people and keeping economic activity alive, and because in many respects investors are basically in a very sophisticated form of blackmail, they hold Governments to ransom by basically saying to them that if you cannot back us on this, they can go elsewhere and do it, you find yourself in a position where Governments have to see their contingent liabilities spiral upwards just to keep economic activity going and to protect the very people who are always criticising Governments for inefficiency and so on, from themselves.

Mr. Speaker, the point has been made that Governments have had to take over from the private sector in Barbados projects that Governments have confidently believed the private sector could have taken and ran with. We have a Transport Board today, as the Honourable Attorney-General pointed out, because of virtual blackmail that took place in the mid-1950s in respect of the demand by the private concessionaires for increased fares. The Government had to step in and take over everything and create the Transport Board which we still have today. Nowadays, we hear that public transport system should be put in private hands but it came from private hands.

Mr. Speaker, the public likes to ask Government about the Four Seasons Project, that is a private sector project in which Government had to get involved because ultimately the failure was not Government's, it was a private sector failure, but Government had to get involved and is still involved trying to get that project back on its feet. The Honourable Attorney-General mentioned Almond Beach, Heywoods. That used to belong to the Government, it was put in the hands of the private sector, I personally had to sit down with people who said to me that they got into that but that they were really not interested in any hotel business and so they want to offload it. Mr. Speaker, these are the choices that you have to have to make all the time as Governments in societies and economies like ours.

Mr. Speaker, I used to hear the late Sir Harold St. John say on the Floor of this Honourable House between 1994 and 1999 when I coincided in here with him, that the Honourable Member does not listen to those people who say to wait on the private sector because if Governments do not do anything, then nothing would be done. The Honourable Member said it in here in speeches over and over again. Mr. Speaker, these are realities that we have to face. I have to confess to sharing the sincerely expressed concerns of the Right Honourable Member for St. Peter but as I said, I must caution the Honourable Member against optimism because this is not going to change in the short-term, this is a culture that is deep-rooted and 50 years of nationhood in the life of any country is still a very short

time, even in the richest countries of the world, for example, the United States of America. We are not talking here corporate paternalism in the same sense in which we are talking it but we came into contact recently with the expression “too big to fail” and it all ends back up with the taxpayer and the State. When things are going well, we hear how inefficient the State is and when things start to go badly, it is to the inefficient State that those who are failing to turn, and if the State turns its back, then of course the people who suffer are the very people who the State exists to protect. Therefore we just have to face these realities. We have to continue to work at changing the culture and continuing therefore to make sure that we create a more vertebrae private sector culture in Barbados and in other parts of the Caribbean so that the concerns raised by the Right Honourable Member for St. Peter will receive appropriate attention and his hopes attain to appropriate fulfillment, but as of now I think we have to accept that this is the lot and portion of Governments in the Caribbean of which Barbados, of course, is one.

I want to congratulate the Hilton. I think it has a corps of very good employees and a very competent Board that has been managing its affairs quite well. Its management, of course, has been very level-headed, and we can only as a Parliament continue to wish the Hilton Hotel well. Of course, I heard mention made of the Needham’s peninsula and the cleanup there of the oil spill and so on. That is an issue that has been engaging the attention of the courts. I know that the matter has gone to arbitration, or was supposed to go to arbitration. Then there were issues raised about the arbitrator. That matter engaged the attention of the court and a decision was made, so the next steps now have to be taken to get that whole issue with the cleanup of the Needham’s peninsula -- the old Mobil site -- and all those processes completed. It has been very messy business; the financial arrangements in respect of the cleanup. My own view is that, on the facts that have been made available to me, Government has been shafted in all of this but we have to get the cleanup done. That area of Barbados is too important to the country as a whole and to the tourism sector to just leave it hanging around, but I think that we have to be a lot more prudent in the future when we are entering into these arrangements with international players who represent themselves as having certain capacities and, of course, quoting very attractive figures. Only then, once they have got on the inside track, they want to change the scope of their work and, of course, expose Government to having to pay horribly large sums of money. That is a story which now has to be closed as soon as possible so that we can make the best possible use of the Needham’s peninsula, but I think that in the context of what the House is discussing -- the loan of \$12 million from First Citizens to be guaranteed by the Government -- that I have to give this Resolution my full support. I am obliged to you.

Mr. SPEAKER: I am obliged. Yes, the Honourable Member for St. Michael North West.

Hon. C.P. SINCKLER: Thank you very much, Mr. Speaker. I want to thank all Honourable Members for their contributions to this Debate. As I said when I started, I think this is a useful thing which we are doing here. We know what the purpose is and we know why we are doing it, and I think that is important. I wanted to thank Members for their contributions, which were generally pretty good. I want to thank the Right Honourable Prime Minister for his contribution, which basically wrapped up the Debate up for me. I just want to say that where the Prime Minister quite generously spoke about corporate maternalism, he was being very generous in not saying corporate welfarism, because in another tone you could very well call what he described “corporate welfarism”, but we are not going to be in that mode or vein today. Similarly, in the comments pertaining to the Right Honourable Member for St. Peter, there are useful and genuine comments, I believe, that he has expressed relative to the issues pertaining to the incurrence of debt by the Government; whether direct debt or contingent, particularly for companies in which the Government is principal shareholder. Those companies are assumed to be or should be operating on a strictly commercial basis, and on that basis ought not to have to be forced by financial institutions to ask their shareholder for a Guarantee, because they should be able to paddle their own canoe and pay their own way. I would say, though, in this context that we should take cognisance of the fact - as I know the Right Honourable Member for St. Peter knows quite well -- that the tourism sector, even though it is the largest and most successful sector in Barbados contributing handsomely to our own economic development over a number of years, and will probably continue for many more decades to come, is considered to be a very fickle sector among financiers. A lot of financial institutions, banks in particular, have taken some fairly heavy hits in recent years in the tourism business, and a lot of them actually have said that they would prefer to get out of financing big tourism projects and properties. This is not really Barbados per se. We have had some issues here, but up the chain in other countries -- not just Barbados and the region -- in other parts of the world, the financial institutions have taken some fairly stiff lashes in relation to their loan portfolios relative to loans advanced to hospitality entities in particular. They are very shy to do additional funding.

This is one that perhaps could have been done. The value of it is very small and the company is doing reasonably well. We in the Ministry of Finance always push back on these things, but of course three things obtain in this:

1. The arranging fees that we always complain about.
2. The interest rates, and

3. This requirement for a Government Guarantee.

I agree with the Honourable Member that we have to be circumspect about how we engage a culture where people feel that it becomes a level of automaticity; that whenever you are lending to a Government company the shareholder must provide a Guarantee. It is not something you should encourage; but given the nature of what we are doing, perhaps we allowed this to pass for this occasion.

I was also drawn to another point he was making in relation to concessions. We are not going to have a full Debate about the offering of concessions, because I take the point that he is making and which others have made; the International Monetary Fund for sure makes that point very vehemently. I think, coming from the Right Honourable Member for St. Peter, it is instructive, because he himself has been known to be quite generous in giving concessions to many tourism projects. Even if now in his retirement years he has seen the light of not being too excessive in giving concessions, I congratulate him for at least his Road to Damascus experience in relation to this particular matter, and I take counsel from him on it. We know how this business works. I think, seriously, he has studied some of the text, and I have read some of the research, and there is a concern among responsible economists and others about this race to the bottom, where countries are now being pitted against each other to offer more and more concessions to investors so that they can get the investment. You feel that you are going to get left out if you do not join the party, and you very well might be left out if you do not join the party, but I think that it is an issue which, certainly for CARICOM and Caribbean countries in particular, we have to have a discourse at that level about what we as countries are prepared not to offer or spaces that we are not prepared to go into when it comes to these things.

I heard the Member making a point -- I did not necessarily agree with him -- that the concessions which we offered the Sandals group or chain of properties or resorts were too excessive and that they have contributed or are likely to contribute to revenue shortages. I would be intrigued to see the empirical data and analysis to which the Honourable Member attaches such a fairly bold and resolute statement. Perhaps he does have it. I have not seen it, and I know he will share some of that with me but I know that in the context of Barbados, I cannot say that I have seen any such empirical evidence existing.

12.38 p.m.

INSERT S15 JULIETTE

SEQ 16 BLANK

Tuesday, December 06, 2016

RESUMPTION

Mr. SPEAKER: Good afternoon Honourable Members, this Sitting is resumed. Honourable Members, when the suspension was taken, we were on Government Business and with that we shall continue.

ORDER No. 16.

RESSOLUTION TO APPROVE THE GUARANTEE BY THE MINISTER OF FINANCE OF THE PAYMENT OF THE PRINCIPAL AND INTEREST IN RESPECT OF THE ISSUANCE OF A BOND IN THE SUM OF UP TO BDS\$73 MILLION OR THE UNITED STATES OF AMERICA DOLLAR EQUIVALENT ARRANGED BY ANSA MERCHANT BANK LIMITED FOR THE PURPOSE OF PROVIDING WORKING CAPITAL SUPPORT FOR THE BARBADOS AGRICULTURAL MANAGEMENT COMPANY LIMITED AND TO PROVIDE FUNDING TO THE COMPANY'S EXPENSES AND COSTS RELATING TO THE BARBADOS CANE INDUSTRY SUPPORT PROJECT.

Mr. SPEAKER: Yes, Honourable Minister of Finance.

Hon. C. P. SINCKLER: Thank you very much, Mr. Speaker, Sir. I take the opportunity in introducing this Resolution to alert the House that as we did earlier today we are doing another Resolution to guarantee, in this case, a more substantial piece of money but to an equally critical aspect of our economic and social development in Barbados, that is, what we should call the remnants of our aged old and centuries old sugar industry.

It should be borne in mind that the matter in the Resolution of \$73 million which we are guaranteeing is not a new set of resources that we are apportioning or setting out for the Barbados Agricultural Management Company Limited (BAMC) but are resources borrowed by that institution or organisation to assist in two principal matters: First, in relation to the restructuring of the sugar cane industry in Barbados, which of course as you know is a matter that the Minister of Agriculture and Water Resource Management has been pursuing with some degree of vigour over the last few years; and secondly to assist with the operational requirements for the Barbados Agricultural Management Company Limited.

This is a matter, Mr. Speaker, that has been ongoing for a number of years, that is, that the entire process of the sugar industry has changed. The preferential arrangement which of course we had for many, many years has now come to a halt contingent of course on the adjustments which were made by the European Union under the Common Agricultural Policy or CAP as it is called with the advent and the emergence of the World Trade Organisation

and the liberalisation of trade and in particular the dismantling of the regional preferential arrangements under which commodities in particular were accommodated and provided for.

Over the years when we were a top sugar producer and exporter into the European Union we had benefitted substantially from those injections of capital, from the segmentation of markets on a preferential basis, from an arranged price which was better than what was being offered on the world market and of course from having had duty-free access to those markets into Europe.

With the advent of the World Trade Organisation in 1995 following on on the Marrakesh Agreements that would have led to the creation of that organisation and the updating of rules relative to the General Agreement on Tariff and Trade (GATT), those preferential arrangements which basically amounted to really to a subsidisation of the production of sugar and other commodities in developing countries, former colonies of many of the European centres of power, came to an end and with them some very painful and tough decisions had to be made and continue to have to be made in order for the adjustments to occur. Of course, quite a bit of that transpired under the last Administration and to their credit they recognised that it was a challenge and they tried somewhat perhaps not enough to move to a stage where you would have a restructuring of the industry to allow for something to emerge.

Mr. Speaker, that body of work lay pretty much incomplete and this Administration in coming to office in 2008 was saddled with the responsibility of trying to sort out how we would move forward with bringing a new culture to that part of our agriculture from growing canes to the production of sugar and exporting that sugar to Europe and receiving monetary beneficial reward or compensation for it understanding very well as we do that the model on which hundreds of years of intervention in this part of agriculture was really at an end.

We know, however, as the Honourable Minister of Agriculture and Water Resource Management would no doubt point out as he has pointed out on several occasions in here during debates whether it was in the Estimates where we debated agriculture or otherwise, that transitioning out of traditional sugar is not an inexpensive exercise, it is an extremely expensive exercise and is one which is fraught with much difficulty and even for some people involved in the industry with trepidation because we understand that even though sugar is no longer king in Barbados and tourism and other activities have taken centre stage, because this plantation type economy that we have developed has been centred around a particular set of activities for hundreds of years, it is not so easy as people seem to believe it is that you could just, as the old people would say, knock off the sugar industry like a hoe handle

and then rush off into the sunset pretending that hundreds of years of history, imbedded relationships, incestuous relationship and so on no longer exist because that is really not true, and so we have, as the saying goes, hastened slowly to try to develop an appropriate response first for a restructuring of what we believe ought to emerge from the remnants of what is left of the sugar industry but understanding however in the context of what we are dealing with that to exit without a particular set of things in place, in other words, an orderly exit would be to create far greater damage to Barbadian economy and society than anybody in Barbados would want to have happen. So we have tried and are continuing to do so. Mr. Speaker, part of that strategy has been to know that, unfortunately, even though nobody wants to have it happened, Government still has to subsidise the remnants of what remains of that aged-old centuries-old sugar establishment. It is a painful exercise, because those of us who made the cost associated with doing it, whenever we have to contend with it, and the Ministry of Agriculture, Food, Fisheries and Water Resource Management and his team when we come to Estimates, when we look at what we have to do we often scratch our heads and say that we would really prefer not to have to do this but that we know that, frankly, in this context, it is impossible not to do it.

Mr. Speaker, for example, let me speak on the financial end. Given all of the years of incurrence of debts and other costs and liabilities, even in a semi-reformed sugar industry back in the 1990s as done was the late the Honourable Member for St. Joseph as Right Honourable Prime Minister and Minister of Finance and Economic Affairs at the time, even with the assumption of that debt and that halfway house experience towards restructuring, because it was not a full and complete restructuring and we know that it was not so because we were expected to go on and to do a fuller restructuring, even in the context of that, we knew that now today the Government of Barbados has to outlay more than \$50 million a year only in debt service commitments to the Barbados Agriculture Management Company and its other appendages, so that even before you begin to provision properly for the maintenance of what is the age-old sugar industry enterprise, Government has to find over \$50 million of debt service.

Mr. Speaker, one would ask why would Government persist in doing so, why are we continuing to incur such large cost to keep that together. I am not an agricultural expert, I am certainly not a sugar expert but I know that if we take by example what other countries have gone through and the environmental, ecological, social and other challenges that have emerged from a disorderly exit out of sugar, we know that Barbados being the type of economy it is, that it can ill-afford that type of luxury if ever it can be defined as a luxury. Therefore when we hear people asking why are we doing this, what is it that the world price for sugar is below the cost of production in Barbados, why is

Government subsidising the difference between the cost of production and the value price that you get at point of sale for bulk sugar in the European market. Why are we importing sugar at one cost and exporting ours at an entirely different price. These are the questions that people ask.

Mr. Speaker, the Right Honourable Prime Minister spoke very previously about corporate materialism and I said some people call it corporate welfarism. When they look at what is happening in the sugar industry, some people say that it amounts to a sophisticated form of corporate welfarism. We do not throw such a wet blanket on it, but honestly, Mr. Speaker, if we were to have a frank and honest discussion about what has transpired, not only under this Administration, but under previous Administrations as we have sought to keep that sugar industry going, understanding full-well that in addition to the earnings of foreign exchange that we get, that there are nearly 5 000 people who are directly employed in industry both directly and indirectly and many more who surround it and that if we cut it off, we would therefore cut off those people.

Mr. Speaker, we did it because we know that environmentally the cultivation of sugar and the maintenance of fields and even factories have contributed to the environmental protection in Barbados; it has contributed to the effervescent foliage in the country towards the tourism sector but even more importantly, we know as well that the way in which our soils have developed over the hundreds of years of practicing growing our sugar, the cultivation of sugar cane and the production of sugar in Barbados, that a substantial part of what we do in non-sugar crop agriculture, if we were to dismantle and allow to disintegrate the sugar industry in a disorderly fashion, that part of the agriculture sector would simply be decimated and we would not be able to enforce our own domestic national food security strategy, as the Ministry of Agriculture, Food, Fisheries and Water Resource Management has been seeking to do so manfully, so bravely and brilliantly over the years.

Mr. Speaker, when we bring a Resolution like this somebody may ask why we are still giving the sugar industry \$73 million, why are we still investing this amount of money. Sir, the issue is that we just cannot abandon it and so this Resolution in terms of the resources which we had borrowed a couple of years ago from Ansa Merchant Bank, which predominately was for the transition out of sugar, but when we landed into difficulties with the maintenance and delivery of the crop for 2015 and 2016, we had to divert some of these resources, unfortunately, to the Barbados Agriculture Management Company operation -- and hopefully the Minister of Finance and Economic Affairs would find the money to re-divert it into where it was originally intended to go. Mr. Speaker, we had to do

that because it made no sense then for us to have a restructuring plan all sorted out and forging ahead whilst the very foundation on which we are standing collapses under us at the same time. Mr. Speaker, therefore we approached Ansa Merchant Bank. Of course the Barbados Agriculture Management Company under the Barbados Agriculture Management Company (Sugar Bonds) Guarantee Act, Cap. 255, to seek financing to be split not evenly, but between assisting with the preoperational cost of Barbados Agriculture Management Company to ensure that it could deliver the crops for 2015 and 2016, but also a substantial amount of the resources to go into the restructuring of the cane industry under the Barbados Cane Industry Corporation (BCIC), another company created by the last Administration, not fully articulated and fully funded by was created by them as a structure through which this restructuring of the industry would go.

Mr. Speaker, we therefore approached Ansa Merchant Bank for \$73 million. The bank tested the market and came back to us and said that it was still possible for us to get it. There was still quite a bit of interest and enthusiasm about doing it. In fact, there was quite a bit of enthusiasm in the marketplace, if I remember very well and the Ministry of Agriculture, Food, Fisheries and Water Resource Management can confirm, for our idea of constructing a new multipurpose factory with the intent of not only doing sugar but also high-grade molasses and the generation of electricity.

Mr. Speaker, we approached them in relation to that. We also included a very important element of the work, that is to do field work, what they call to upgrade the field to get crop growing situation back on a footing that we can be able to increase our production of sugar cane, and naturally, moving on from that, increasing the level and output of sugars. There are a lot of other things that can be said. I am not proposing to begin in the House in that particular regard, but will respond to questions from the other side -- the Minister is here, of course - in relation to the financial dynamics of it or otherwise, but just to say that we often have a criticism from, again, people in the private sector about Government deficit and Government debt. When you decompose a lot of the expenditures which Government has, particularly a lot of the locked-in statutory expenditures that the Government has in relation to financing operations in Barbados in different aspects of our economy and society, one would see that quite a bit of it really relates to private sector activity and is supporting the very private sector people who complain and criticise the Government for not bringing its deficit down and not being more efficient, and so forth. This is one example, because what the Ministry of Agriculture is now doing in terms of the restructuring of this industry -- and there are other things which they have put in place which I have not mentioned yet -- would amount now to a third generation set of reforms for an industry which is predominantly a

private sector industry, which started as a private sector industry many centuries ago and which, because of certain failures, has ended up on the backs of the taxpayers of Barbados; even after benefiting from substantial incentives and other provisions under the law in Barbados.

Mr. Speaker, the real essence of what I am saying and the kernel of the point that I am making is that we are all in this together, and it is okay for one side, whether public or private, to stand at one side and criticise the other, but the truth is that we are all in this together. At the end of the day, wherever there are private sector failures, the people who have to bail them out, if it is too big to fail or too substantial to ignore, are the Government and the taxpayers and the people of Barbados. This is another classic example where -- even though the Government has not created the challenges that exist but rather, on the contrary, tried to facilitate as much as possible over the years at much expense and burden to the taxpayers of Barbados -- the Government still had to end up coming in and investing substantial amounts of money to ensure that a very critical aspect of our economic, social and other life continues. This is another clear example of that.

I am not saying it to pour cold water on the private sector. Our private sector has done exceedingly well over the years, and as we celebrate 50 years of our Independence, they have done remarkably well over that period of time and many in Barbados have benefited from it. There has been growth in our Gross Domestic Product, creation of jobs, investments and earning of foreign exchange, and we are all eternally grateful for it and long may that continue. However, we have to understand that at the end of the day, all of this begins and ends with a Government platform, a public sector platform that allows for private individuals the space, comfort and confidence to be able to invest their resources and make a profitable return on those resources. Where failures occur, the private sector oftentimes has to turn to and call upon Government, and we respond in relation to these matters.

What we see here is a response in two ways: A response that we have assumed some responsibilities for management of certain aspects of the operation of the sugar enterprise -- age-old as it is, falling away as it is, challenged as it has been -- by providing operational resources through a company owned by Government and set up specifically for that purpose; namely the Barbados Agricultural Management Corporation. The other response is also looking forward, utilising resources for which we are about to issue a Guarantee if the House agrees and concurs, and looking to the future of "what next?", what is to happen after that while understanding that we just cannot leave it there on its own to falter, fail and affect so many thousands of lives in Barbados. Once again, Government has assumed its responsibility, and I think it is only fair in some respects or in every material respect that, just as

people are prepared to give Government gratuitous criticism, they also should be honest or genuine enough to give Government generous commendation, Mr. Speaker. When I say "Government", I mean it in its generic sense; I do not mean in terms of political parties per se, but to say the Governments that have had to take on this responsibility and other similar types of responsibilities in our society. Although we again lament the fact that Government has to provide a Guarantee for such an activity, we know that we do it for good purpose and good reason. We also know that -- through our own empirical understanding of what is required to transition out of sugar and to build a new sugar cane industry or to build a sugar cane industry corporation and enterprise that meets the modern-day requirements for operation in a highly competitive global environment and extremely high global standards -- it is going to cost money. It is not an inexpensive exercise; it never was and never will be. Governments have to make choices. Some governments decided to cut and run in the Caribbean and elsewhere. The choice of this Government is to salvage our industry, reform it and put it on a new footing so that it can compete globally and be a viable enterprise of benefit to Barbados and Barbadians at large.

Therefore, Mr. Speaker, with those words I cannot do anything else but commend this Resolution to the House and ask, rather I should say beg, that this Resolution do now pass.

Mr. SPEAKER: Yes, I am obliged. A seconder?

Hon. J.D.E. BOYCE: I beg to second that, Mr. Speaker.

Mr. SPEAKER: Yes, the Honourable Member for St. George North.

Mr. G.A. CLARKE: Mr. Speaker, I have to speak on this matter despite noticing that the Minister who led off this Debate felt that it was a painful exercise. He said it was a painful exercise and that it has to be done. He was not really enthusiastic about this whole exercise at all. However, it has to be done. He said that it is another opportunity where Government has to guarantee this loan from the Ansa Merchant Bank. I from the outset must say that I have my personal views on this matter and I today would not want to expose my personal views on this matter at all because I, like the Minister, have to swallow a lot of water in order to support this whole venture. Of course, the Minister might not know but I am from an agricultural community and I know that there are a lot of tricks in sugar. I am sure the Member for St. Lucy knows this as well; lots of tricks in the sugar industry and they have always been there, for 300 years.

3.02 p.m.

INSERT 20 JULIETTE

Tuesday, December 06, 2016

Mr. G. A. CLARKE: ...as well as to rebrand it and so on and so forth, so they need to be more technology-driven within the sugar cane industry.

In terms of who should own this thing, I feel that most of these estates today that we want to bring back into sugar production... For example, in St. John there is about 2 000 acres of land that are still owned by CLICO. What do we do with this land? I think that since Government has been prepared for a long time to bail out CLICO that these estates should fall into the hands of Government. I do not want to see a situation where Government would then revert these lands to CLICO or back into the hands of the private sector. If we are supposed to bail out an entity and then ten years from now the Government decides it is going to give the land back to the private sector, it makes no sense to me. The Government has to manage those lands. I am talking about Pool, Todds, Malvern, Wakefield and some of the other estates in St. John that are now run to ruin and are just growing cow-itch, bush and occasionally monkeys and so on all over the place and really causing the people of St. John... I must say that I have a lot of family and friends in St. John so I have to speak on their behalf and I hope the representative for St. John would join me in calling for the Government to really do something with the lands up there.

I am also of the view, Mr. Speaker, that a new entity should be set up. I am not sure if the BAMC is the right entity to manage these estates. I know that in previous years, I think under us and under a previous Government as well, an entity was set up to manage those estates that fell into the hands of the Government and to some extent they were doing a good job because I see the Valley Estate in St. George is still producing sugar and I am happy for that, but I want to see some of the fertile lands especially in St. John and St. Joseph... I passed through St. Philip recently and I see some land still growing sugar cane which is good but I want to see that increase, but as I said we need to look at technology to help us in terms of planting because people still use the old bill and the collins. They go out there and cut cane plants. The Minister of Tourism is looking at me as though he does not understand how you cut cane plants. He has never seen it. You cut the cane plants and you push them into the field with a fork and so on. Do we still do that? We need to look at technology. I think that since the day Dr. Hudson developed the cane harvester we have not been able to look at new technologies in terms of developing the tractor to plant the sugar plant, so we need to look at that.

I do not know what ideas are coming out of the Ministry of Agriculture and Water Resource Management and I would hope that the Minister of Agriculture and Water Resource Management would shed light to us today on what new technologies and ideas are really coming up because one of the things that is plaguing this region is the fact that we have not been innovating anything in recent years. Innovation is very low and I think this region not only Barbados but the entire Latin America region and the Caribbean have been suffering from the fact that we have not been manufacturing anything for world standards and we definitely need to see new ideas coming to the fore for agriculture. I believe that we need not reinvent things that have happened in North America or Asia but that we need to have some new ideas of our own in order to push forward the agricultural sector.

Mr. Speaker, those persons who are working currently in the agricultural sector are still the poorest of the poor and that is one of the reasons we do not attract people into agriculture. People still get \$70 and \$60 a day which is real hard. I made the point some years ago that if we are serious about agriculture we have to look at what remuneration packages we could give in agriculture. Some of the time, Mr. Speaker, these old folks still go home at the end of the week with less than \$200 or \$300 because they do not get a full week's work. Many of them still get three days and it is seasonal. When you look at what is happening to rural people, Mr. Speaker, some of the times their homes are derelict. It is true that they fought to buy the lands that the Tenancies Freehold Purchase Act gave them but some of the homes are now becoming derelict and we have appealed to the Ministry of Housing and Lands and to the Rural Development Commission for help but a lot of these people do not now get help and sometimes you find that people are losing a window and a door, the roof is leaking and the flooring is rotting and we definitely need some help for this agricultural sector because it is definitely a problem. Many of these rural people who have worked hard in the agricultural sector cannot have a decent living in their retirement and that is why we are not attracting people to agriculture, so we have to be able to give the incentives for these people to live better lives in their retirement. I am making the call therefore, Mr. Speaker, for those persons who still work in the agricultural sector for less than \$200 a week to get some form of help. I have made the point before that I felt, even when we were in Government, that the Government of the day should be able to provide incentives for those people in agriculture and give them an upliftment. It has not been done and we are still at a point where the sugar industry has been a saviour to the country. We are not there now.

Asides.

Mr. G. A. CLARKE: Mr. Speaker, we are still at a point where these people are still in need of help and no

help is forthcoming in the near future. As I said this is a problem that we have inherited and this Government has inherited it as well and we have to continue the programme but we have to be able to provide further assistance to those people who work within the agricultural sector.

I believe further, Mr. Speaker, that when we talk about the refurbishment or the reorganisation of the sugar industry that we have to set up a commission in order to look at the whole refurbishing of this sugar industry. We do not have the answer nor the Government does not have the answer because we will come back here the next 20 years with the same restructuring of the sugar industry. I believe a commission really needs to be set up comprising of those older heads and younger people who will be able to put together a programme for the next 50 years of our existence and everything has to be put on the table. Lands that are in debt to Government must be put into consideration. I personally do not think that we should be able to put these plantations back in the hands of people who have run up debt for so many years. Mr. Speaker, we started a programme here some years ago, the Land for the Landless. Now, that programme was started because we recognised that there were many farmers who loved farming but who did not have land. Sir, that had a lot of implications because there are people who are still putting their sheep and cows on other persons land, which has been a problem.

Mr. Speaker, I am not talking about praedial larceny but there are a number of farmers who want to get into agriculture, but they do not have the land. Mr. Speaker, we started that, I am not sure where it is presently but I understand that there is still a programme under the Ministry of Agriculture, Food, Fisheries and Water Resource Management. Sir, I have visited the one at River, St. Philip, but again those persons are suffering because the legislation needs to come here. There are people who do not farm, yet they reap. There are people who are not bona fide farmers yet they reap, these people sell to both Government and to the private sector. Maybe we might be sitting here and eating meat and other produce that were stolen but we do not know of that because there is no way of finding out what was actually stolen. We continue to do it but we do not have the mechanism to tell what these people have lost.

Mr. Speaker, a friend of mine told me that he lost a couple of weeks ago a whole field of carrots. I heard the Honourable Member for St. Michael Central marketing a product for a farmer in St. Lucy. At least the Honourable Member is representing the people of St. Lucy in a smart way, the Honourable Member talked about paw-paw. Mr. Speaker, the Honourable Member for St. Lucy is my friend, you might hear me talking about the Honourable Member but we were here together for a long time. I have not heard the Honourable Member mentioning anything about that

gentleman in St. Lucy who has been a supporter of his. The Honourable Member has not mentioned about those paw-paws in St. Lucy but talked about the imported ones.

Mr. Speaker, I believe that we need to continue the programme, the Land for the Landless. We need to protect them. Mr. Speaker, the other question is that of water which is needed for the farming community, even though we know we have drought conditions in Barbados. I have always asked the question, why is it that the farming community has to pay the same water rate as residential and commercial communities. I think I had drawn that to the attention of the Minister some time ago but the rates are still the same and so I think that we need to look at that carefully to see what can be done for those persons who want to farm but that because of the input cost of water and other things.

Mr. Speaker, I note that the Ministry of Agriculture, Food, Fisheries and Water Resource Management has been helping a lot of farmers in terms of subsidies. The agriculture sector is one of those sectors that have had over the years a lot of incentives, for example, for irrigation, the only complaint was that it was too slow in coming. I understand that that has improved a bit but not to the point where there is total efficiencies within the sector. Mr. Speaker, as you would know, you have to be able to provide the money at the time that a farmer would want it and therefore to keep a farmer waiting would only lead to spoilage. Sir, I would want to ensure that in the future that help is given to the people who really need this help at this point in time and at those times that they really need it.

Mr. Speaker, my final point therefore is really to say that Barbados must maintain the agriculture sector despite whatever. We know that we have been moving towards tourism and the financial services but of course we need to feed our people as well, we need to have food security. Mr. Speaker, food security is important for our country, we have to be able to feed ourselves. We also have to encourage all persons not only to eat local but also to go towards the point where we produce more for our people.

Mr. Speaker, the Honourable Member for St. Lucy and I both agree that we need to produce more products. This would help in our foreign exchange. I think this is one of the ways that we need to shore up the agricultural sector, to encourage persons out there to plant, reap and also to help their neighbours. This would help us to cut back on our import bill. It will also help the Ministry of Health because too many of our people are importing too much stuff. Sir, for example, I believe there was a time when we were producing 70 per cent of the pork that we needed in Barbados. I understand that we are still maintaining that but I believe that we can do better in terms of the production of pork and so on. Mr. Speaker, I think we can do better. I think too that we need to produce more products for our

homes, in terms of peppers, yams and sweet potatoes. Mr. Speaker, sweet potatoes are still in demand, when you can sell sweet potatoes today at \$4 or \$5 per pound it is really hard and so we definitely need to look at that.

Mr. Speaker, I noticed that the Ministry has started a programme, I do not know if it is still in the tractor services. I think that was started some years ago. I understand that many farmers in my area were asking for tractor services, there is a private sector that is doing the job. I think that is not too expensive but of course if the Government could provide a service to help those farmers, then I believe that that would be cheaper and would be more helpful to those people.

Mr. Speaker, I believe that we have to keep agriculture, we have to support it despite the fact that it was painful but it is something that we have inherited and we will continue to look at in the near future. I am obliged to you, Sir.

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

Hon. D. St.E. KELLMAN: Mr. Speaker, I rise also to support this Resolution and I have always maintained, as I have told the late Right Honourable Prime Minister, that Barbados should be the last to get out of sugar production. I strongly believe that it is something that we have to look at. We have to recognise that there will always be a demand in the world for sugar and that it depends on how the marketing is done. I believe that if you have a situation where everybody is moving from sugar, then it means that sooner rather than later that there will be a demand for the product. If you look at the sugar industry over the years, you would have recognised that there is always a slow period, that is, that the demand is not great, but that sooner rather than later you would find that there is a big demand for it and that the prices are so high that you are able to reduce some of your losses.

We will also have to recognise that there is a linkage between sugar and other crops, a linkage between sugar cane lands and the environment of Barbados, and a linkage with the tourism industry. It is easy for people to say get rid of it, but one has to recognise that even though we are only guaranteeing \$73 million today, if we get rid of sugar it might have such an impact on the economy that we will end up losing a lot more. I support the concept that we diversify but we also have to recognise that if we have put so much money into the agricultural industry, the people must appreciate that they too have a right to make a contribution. Mr. Speaker, it pains me when I drive around Barbados to see good agricultural land not being worked. As I have said to my comrades already, the measurement of growth for the country is not measured in dollars but it is measured in units, which means that as a Government we

have to do everything possible to ensure that productive lands cannot be left unworked. Every time land comes out of production, we are impacting on the growth of the country. I know, and I have said it already to the Board of the Rural Development Commission (RDC) that they also have a role to contribute to the development of agriculture and they must see themselves as the incubators, where they get the land and allow young people to work them, because you do not want large sizes which you cannot work. RDC recognises that it has three funds and that it must use those funds to empower the fellows on the block or the young people who want to be productive. Everybody cannot work for someone else, but we must create an opportunity where these young persons have someone who is prepared to go out there and ensure that they find the land.

Let me say this to this House: When I was in the sugar industry, the contribution of the smallholders was significant. It was when the factories decided to put the smallholders on the quota system that they destroyed the small farmers and then had to depend on the larger plantations. What they did not recognise was that the majority of the small cane planters were the persons who would cut canes for themselves and also cut canes for the plantations. We talk a lot in here about mechanisation of the sugar industry, but the truth is that as a country we should not allow the sugar industry to mechanise the cutting of canes. If you look at the costs of having to replant, it is all right to say that the mechanisation will get the canes cut faster but you have to look and see the damage being done to the fields and the number of times you have to replant. Whereas when we were cutting canes by hand, we had a ratooning system which would give you about ten or more, but with the mechanisation of the sugar industry you would recognise that you cannot even get three crops good. I am saying that the greatest expenditure of an agricultural industry is the replanting, so if we can get away from replanting then it means we will be able to reduce the costs.

I am saying that if Barbadians are not prepared to cut canes, Country Barbados must be prepared to get people to come and cut the canes, because there is an economic cost that will be beneficial to Barbados since you would then not have to look for the ratooning. Not only that; let us be realistic. To buy a Toft is over a million dollars, and everything that you have to service the Toft with must be imported, so the impact in a sense is not as great as when you bring people to cut canes because at least they have to buy clothes, eat food and live in a house, so the benefits are there for the country. We believe that everything that somebody comes here and put in a study we have to run with, without looking at the opportunity costs of what we are doing. I am saying that we have to recognise that our contribution sometimes impacts in a negative way. There is nothing wrong in the mechanisation of loading canes. There is nothing wrong in the mechanisation of the sugar

factory itself, but one thing we have to watch is the planting of the canes and the cutting of the canes. Once we get over that hurdle, we will solve the growth of the sugar industry and the production levels. We need to see the production levels up, and if we do not get the production levels up then it will impact on the growth of this country.

I am saying that as a country we cannot only depend on tourism. We have to see the manufacturing sector working, the agricultural sector working and the services working, and I am proud that this Government has recognised that, but we have to understand that at the incubator level there will be agencies that will also have to play the role. I am saying until we get back those smallholdings working, we are going to have a problem with agriculture in this country because we need to recreate the culture. We need to also put people in place who are prepared to go out there and drive it. There are too many people who, when you put good ideas to them, tell you it cannot work or they want to see it in a textbook. Barbados cannot work like that. We have to understand that we have to find people who are prepared to drive systems and to create the economic activity which we want in this country.

I heard the Honourable Member for St. George making a comment, but that Honourable Member must recognise that there is a belief in this country that the only revenue that can be gained is revenue from the sugar. I want the Honourable Member for St. George to listen to this, because he said it without saying it; that the only revenue for the sugar industry is the revenue for the sugar and that the other crops are not valuable. The truth is that the other crops sometimes make more money than the sugar, and the rotation of crops is also important. That is why when I was the Minister of Industry, I made that point to the sweet potato plant in St. Philip, Armag, because they felt that they could grow sweet potatoes on a constant basis without rotating. What they did not realise was that if you do it consistently, you would create 'scabby' and you would damage the whole crop system. I had to tell them, "You need to get back into sugar production, because if you do not get back into sugar production, you will create problems for yourself." They told me they would do it and I hope they have, because one of the things which people have to understand is that what the old planters had is something that we cannot ignore. You cannot plough a ground and leave it for 18 months to get sugar production, because you are not earning revenue and you are waiting too long. What you do is plant short crops while the canes are growing, so that by the time the canes mature you would have created revenue also. We in Barbados all of a sudden have run into a concept that if we are planting sugar cane, we are planting sugar cane. That is wrong. You cannot only plant sugar cane; you have to plant the other crops too.

Mr. Speaker, we have to understand, and I blame the Barbados Labour Party. I must blame them for the state of the agricultural industry in this country. The Honourable Member for St. George North would know that he had a Minister of Agriculture, now a Sir, who came to the sugar industry and introduced something called ecological groupings, and under the ecological groupings good plantations -- I want you to listen to this very carefully -- were punished and bad plantations were rewarded.

3.41 p.m.

INSERT S24 JULIETTE

Tuesday, December 06, 2016

Hon. D. St.E. KELLMAN: ...port we also get foreign exchange. For example, a couple years ago Banks Breweries was quite prepared to settle for the local market because they were comfortable but now they have recognised that they could do much better not only on the local market but also on the international market. Mr. Speaker, I want to tip my hat off to Banks Breweries for recognising that once they increase the capacity that they will reduce the cost and by increasing capacity and reducing cost it allows them to be competitive and be able to break into other markets and not having to do like other companies that decide that all they want is to increase, increase and increase prices and increase their revenue without going after increasing the output.

What we want as a country is the increased output because I will make this point over and over if we do not increase the output we will not see the gross. Even if we are doing well or get the best prices in the world it will not impact on the gross. We have to increase production. It is not only the number of tourists coming in the country but also the number of products produced in the country and increasing the number of services that will make the impact.

We have the ability after 50 years of independence and after 50 years of free secondary education to know what to do and we have to do it. Yes, we will clean up all of the problems left by the Barbados Labour Party and that is why we cannot do like them and ignore and operate on a word and that is why we set about to build the new factory because we understand that the more canes are grown the more other crops would be grown and that is why we have tackled the manufacturing sector.

We have done everything possible to ensure that companies like Banks Breweries and many other companies are doing very well under the Barbados Investment and Development Corporation. We were bold enough to do the marketing for Banks Breweries. We were bold enough to launch Banks in England and we were bold

enough to ensure that Banks Breweries had the ability to open the new plant ...under the ...made to us. I am saying that the same way we did it for Banks Breweries we are prepared to do it for many other companies because we understand that the emphasis has to be on increase production and that is why today we are here backing this guarantee because we want to ensure that the people in the sugar industry understand that the land cannot be left untilled but must be tilled. As Minister of Housing and Lands we also have an obligation to ensure that all of the lands in Barbados are being worked and we have to ensure that we find the necessary public usage to ensure that we bring those lands and find the people to work them because wherever they work them and they are working them well they are increasing production but if we stand idly by and do not do anything it means then that the growth in this country will not be what we want.

We are here as a Cabinet and as a Government to ensure that we increase the production of this country. The emphasis is on increase and we will continue to do it because we as a Government understand the hand that we were given. The other Government enjoyed the cash basis system where they were only paid the expenditure that had to be paid but we inherited a system where we have to pay the bills belonging to the Barbados Labour Party and we have to account for the bills even in our time that we have incurred but have no money to pay, so anybody seeing us with a big deficit do not believe that it is a deficit only because of this Government, it is a deficit created by the Barbados Labour Party because when they finished the Prison, the highway, the Coast Guard Station and the Judicial Centre they did not had to account for it because they were operating on the cash basis system and they paid nothing at that time. This Government came and found the accrual system and we had to bring all of them to books so now you hear people talking about how badly we are running a Government but they do not appreciate that the luxury the Barbados Labour Party were under we do not enjoy as a Government.

Mr. SPEAKER: Honourable Member, you have three minutes in which to conclude.

Hon. D. St.E. KELLMAN: Yes, please. All of the hidden expenditures they had in the debt in so on and all of the credit and all of the work-in-progress that was not accounted for this Government has to account for it. I am saying, Mr. Speaker, that when you see the deficit now and you were to go back prior to 2007 and use the same accrual system that we are now using you would be shocked to see how it would have been reported for the Barbados Labour Party.

Mr. Speaker, I want to say that I support this guarantee. I want to congratulate the Government for being bold in recognising that we are not only prepared to look

after the tourism industry but that we are prepared to look after all of the productive sectors in this country because we understand that once we look after the productive sectors the economic growth of this country would be a positive one, and we have achieved a lot without that happening in a big way.

There are people out there who believe that whenever we bring a project they have a right to run to the court and stall it. When they go to the court and stall our productive sectors, it means that they are impacting on the growth in this country. Mr. Speaker, I want to tell people that we cannot only practice politics but that we have to look to see the damage we are doing to the country by stalling the new factory and many other things like that.

Mr. Speaker, I am grateful to you for accommodating me. I want to say that this \$73 million might be a small amount because prior to 1986 the Barbados Labour Party might have guaranteed nearly \$200 or \$300 million for the sugar bonds which we have inherited also and which we would have to ensure that we pay.

Mr. Speaker, \$500 million cannot be invested in an industry without us getting back the returns as a country and we have to do everything possible to ensure that we get back the returns because when you invest you expect to get back returns.

Mr. Speaker, I am grateful to you. Thank you.

Mr. SPEAKER: Yes, Honourable Member for St. James North.

Mr. E. G. HINKSON: Mr. Speaker, I thank you for allowing me the opportunity to intervene in this debate before Parliament for the approval of a guarantee for the repayment of the principal and interest in respect of the issuance of a bond of up to BDS\$73 million to support the sugar industry of this country. As has been said by the lead speaker on this side, the sugar industry for three hundred or more years of the history of Barbados was the main support of the economy of Barbados. Of course, a large part of that was through times when labour was free and was not paid for under the system of slavery and then of course under the indentured system. Even after that we had a situation as we all now know historically where labour was tied to the plantations. Once you were living on the plantation's land you had to work there, The Located Labourers Act, and of course if you left the plantation your house had to leave the plantation's land. Of course, all of that came to change under the governance of this country before independence by the Right Excellent Sir Grantley Herbert Adams and this Barbados Labour Party when that Located Labourers Act was abolished. Mr. Speaker, times have changed tremendously, even within the last 48 years, between 1968-

1969 Barbados was still harvesting close to 200 000 tonnes of sugar cane a year largely for export under a preferential arrangement whereby the former Mother Country, Britain, accepted our sugar at rates above that of the global market.

Mr. Speaker, with the new world economic order all of that has changed and we have found ourselves every year with a declining sugar production and declining economic value towards sugar and less foreign exchange coming into the country as a result of our falling sugar production. This even though a lot of us clearly because of the historical past and our relationship with sugar we do not romanticize the sugar industry. It is still a fact that any country that is truly Independent and has an economy that is based on solid ground must pay attention to its food security. We still have 270 000-odd people living here and at any given time thousands of tourists, especially now in the month of December for the next few months or even from before with our Independence Celebrations and we have to feed out people. Sir, that is one of the necessities of life, therefore any caring or responsible Government will pay attention to food security. Therefore the continuing decline of our agricultural sector has to be of concern to Honourable Members of this Parliament.

Mr. Speaker, each year we have an increasing food import bill. I believe it is now and has been for the last few years in excess of \$600 million. Of course, this is valuable foreign exchange that is going out of the country. My question, Mr. Speaker, is, what is Government's rescue plan for agriculture in this country? We have not heard from the Honourable Minister of Finance and Economic Affairs on this issue. The Honourable Member for St. Lucy you can excuse, the Honourable Member really and truly, does not even know about his own ministerial mandate, that is housing, so you could not really expect the Honourable Member to add anything positive.

Mr. SPEAKER: Honourable Member, one moment please.

Mr. SPEAKER VACATED THE CHAIR. Madam DEPUTY SPEAKER ASSUMED THE CHAIR.

Madam DEPUTY SPEAKER: The Honourable Member for St. James North, please continue.

Mr. E. G. HINKSON: Madam Deputy Speaker, as I was saying, the Minister of Finance and Economic Affairs of course it is not his ministerial mandate in terms of agriculture but the Honourable Member did not speak towards what, if anything, is Government's rescue plan for agriculture in this country, so that some form of food security and the reduction of our import bill is dealt with.

Madam Deputy Speaker, the other speaker so far on Government's side, the Honourable Member for St. Lucy

does not even know about his ministerial portfolio which is housing and rural development, so that no one in their right senses could reasonably expect the Honourable Member to add anything to this debate on agriculture but we would hope that the Honourable Minister of Agriculture, Food, Fisheries and Water Resource Management who really and truly, one has to admit, is one of the most talented Members on that side, Madam Deputy Speaker, but who really and truly, does not show his talents on this Floor of Parliament or indeed in the public. The Honourable Member remains very silent on issues. We do not know whether or not the Honourable Member is still disgruntled about certain things that go on within Cabinet, like the rejection of his plan to rescue Barbados by the restructuring of debt, which clearly has been rejected by this Cabinet colleagues, but we would hope that we would hear from the Honourable Member before this debate is concluded on what is the rescue plan of the Government for this country, of agriculture which is an extremely important sector in Barbados.

Madam Deputy Speaker, clearly the facts speak for themselves, this Government has not treated the agriculture sector as a priority of economic activity, a sector that could employ people, a sector that could enhance the environment of this country. Agriculture has been very low on its scheme of things in terms of priorities. We have heard the Democratic Labour Party Manifesto of 2013 pledged to introduce and to enforce a modern praedial larceny legislation and that is really and truly, I think on both sides of Parliament we agree that praedial larceny is a major concern.

Mr. Speaker, the Honourable Member for St. Michael West Central, to his credit, speaks about it in his other capacity on a regular basis. We are yet four year now, after the 2013 General Election even to get a wisp of any draft of any modern praedial larceny legislation, far less such being brought in the form of a bill before this Parliament.

Madam Deputy Speaker, such legislation would of course help farmers to protect their crop production, which is necessary, but like many other promises made in terms of legislative agenda by the Government of Barbados it has not seen the light of day. Madam Deputy Speaker, similarly, a Road Traffic Bill which the Minister of Transport and Works has been speaking ad infinitum since the Honourable Member became Minister with responsibility for that portfolio. Madam Deputy Speaker, it is similar to the disabilities bill that we have been hearing about from the time the Honourable Member for St. Michael North West was Minister of Social Care, Constituency Empowerment and Community Development. Ma'am, way back in 2009 we have been hearing about that, but it still has not seen the light of day. Therefore where are we at in terms of fulfillment of

promises by this Democratic Labour Party Government to the people of Barbados, the basis on which they were elected and/or reelected in 2013?

Madam Deputy Speaker, we have not seen any new or modern Agriculture Development Act which makes provision for the implementation of the improvement and development of agriculture and for the provision of more technology in the industry as again promised by the Democratic Labour Party in its 2013 Manifesto. We have not heard about that. Certainly I have not heard about it since I came into this Parliament after that election. Madam Deputy Speaker, are we serious about trying to fulfil the mandate that the electorate of Barbados gave to us in here as a Government? The Democratic Labour Party in its 2008 Manifesto spoke about an Agricultural Act, especially relating to the East Coast areas and to the development of land there, to ensuring that certain amount of land would be maintained for agriculture and that any change of use of agriculture land would need a two-third majority of Parliament for that to be carried out. Madam Deputy Speaker, that has not been done and that was way back in 2008, almost nine years ago. How much sugar? Ma'am, we have been asked today to approve a Guarantee of upwards of \$73 million for the sugar industry, and while we on the both sides understand -- as the Honourable Member, my colleague for St. George North, said -- that there is a need to maintain a certain level of the sugar industry and certainly agriculture, we also need to look at non-sugar agricultural production in this country. Where is the plan to enhance that? Is there any programme or policy where the substantial majority or the majority of agricultural produce in this country is used by Government agencies, as again was promised in the Democratic Labour Party Manifesto of 2013 where they said that 60 per cent of the local produce would be utilised by Government agencies? Madam Deputy Speaker, is there any policy or programme to encourage or to mandate in any way the hotel sector and tourism sector, which are the beneficiaries of all kinds of concessions, including Sandals, et cetera, to utilise local produce and cut down on the foreign exchange bill, as again the Honourable Member for St. Michael West Central has been advocating, at odds in many instances with some of the Members of Cabinet on this and other issues relating to the trade and agricultural policy of this Government? The Honourable Member for St. Michael West Central is certainly at odds, and I would imagine he has been at odds with the Honourable Minister of Agriculture and the Honourable Minister of International Business and Trade on agricultural and trade policy, and we would hope that he would bring that on the Floor of Parliament; the highest forum in this land, higher than Cabinet. Let him air his views in this forum as well.

Madam Deputy Speaker, where are we in terms of sugar production, the main aspect of this Debate, of

course? It might have missed me but certainly I have not heard any public disclosure as to exactly how many tonnes of sugar were reaped this year. I believe last year it was said to be 8 000 or 9 000. It seemed to me from all appearances to be less this year, but are we down to about 5 000 or 6 000 now; so low that in fact the Government is embarrassed to say how much sugar was reaped this year? Certainly within the last few years of Democratic Labour Party governance of this country, every year has been the worst year and the lowest ever in terms of sugar cane reaped in this country. What is the Government's plan to rescue this, since we are here voting \$73 million today for the industry?

Madam Deputy Speaker, the last speaker on the Government side, the Honourable Member for St. Lucy, spoke about bringing people into the country to cut canes. This, of course, was a policy when we gained Independence. That certainly was the policy, and for years after that, certainly in my constituency of St. James North; as I believe you are aware, Madam Deputy Speaker, because I saw you down there last Election. In areas such as Lower Carlton there are many St. Lucians who, for instance, came here 40 or 50 years ago originally to work on the plantations, but this Government certainly from 2008 had a reverse policy on that issue and sought to discourage people from other Caribbean countries from coming here. We had the policy of "ever so welcome, wait for a call", and discouragement of Guyanese who were here working in the agricultural sector under the Barbados Labour Party and keeping that sector above water. They were discouraged. They were sent home, to the detriment of the agricultural sector and other aspects of the Barbados economy. For once, I agree with the Honourable Member for St. Lucy. These people were here spending money, paying rent, buying clothes, and increasing the economy of Barbados; the same economy of Barbados that independent University of the West Indies Reports, led by Professor Moore, I think, had said does at least two per cent better whenever the Barbados Labour Party is in governance than when the Democratic Labour Party is in governance, over the last 40 years. The records state indisputably that under the Barbados Labour Party the economy grows by at least two per cent more than it grows whenever the Democratic Labour Party is in office. There is no surprise. I think the ordinary man in the street who has to face challenges every day in the daily living of Barbados knows that; that they have more money and are better off whenever the Barbados Labour Party is in office.

Madam Deputy Speaker, we sent home the Guyanese who were enhancing the agricultural sector of Barbados. What is the policy now on this issue? Of course, the Right Honourable Member for St. Michael South is his own man; he does not have to go with the policies of the late Prime Minister and he seems to have developed a reasonably good relationship with the Head of Government

of the Republic of Guyana, and we can we only urge the Right Honourable Prime Minister to look at this issue. If it is, as the Honourable Member for St. Lucy said, that we need to bring in people from the Caribbean to work the agricultural industry under a regulated basis -- I am not saying en masse -- and a farm labour-type programme for a few months a year, let us do that. I know that there was an immigration draft policy to that effect. I went to a town hall meeting in the north on that issue, I think it was in 2011 or 2012, and that was one of the policy proposals that were being discussed, but we have not heard about that. That has not seen the light of day since the last Election. We have not heard about it. We do not know what the Government's policy on it is. Madam Deputy Speaker, all of these are issues that need to be addressed. We would hope that the Honourable Minister of Agriculture can address them, or if he is not capable of doing it because of his strained relationship with other Members of Cabinet, the Right Honourable Prime Minister is the person with the overall responsibility. Let us hear from him on these issues, Madam Deputy Speaker.

The Democratic Labour Party, of course, in its 2013 Manifesto, pledged to also increase food production during the next five years by ten per cent. Ten percent; that was the pledge to the people of Barbados who subsequently voted for a Democratic Labour Party Government which we have today. That has not been the case. Successive Central Bank Reports have shown a continuing decline in food production since 2013, and no increase certainly in food production. We cannot depend on tourism solely as the driver of the economy in this country. We have seen what has happened within the last two to three weeks on the South Coast where, for some reason or the other, the Government, whether through its agencies or agents or otherwise -- I do not know who took the decision because that has not been said -- decided to open some gate or door in Graeme Hall and all kind of sewerage water was in the sea and tourists have been saying they are not coming, they are cancelling, and moving out of the hotels.

4.20 p.m.

INSERT S28 juliette

Tuesday, December 06, 2016

Mr. E. G. HINKSON: .. for the past seven years. Ma'am, this is the point where the Honourable Minister of Finance and I collided about a year-and-a-half or was it two-and-a-half years ago when he held up piece of paper and said that what I said was not true and that he was going to lay a report right now before Parliament - as I say all the time I would nominate him for an Oscar Award if he were an actor - and up to now he has not laid it because the latest report at that time when I spoke was this same report that I have been handed today, so there is no transparency or no

accountability that can demand Honourable Members to vote in all seriousness of their heart and with all integrity and with full confidence on this Bill.

We are, as I said, making a leap in the dark. We do not know the state of accounts of the Barbados Agricultural Management Company Limited. No copies of any audited accounts of this company have been presented in this Parliament for the last seven years and that speaks volumes in terms of how this Democratic Labour Party has governed this country with a lack of transparency, lack of accountability and in breach of what they had promised in 2008 and really and truly is a complete disappointment and breach of the commitment which a manifesto and a social contract between the Government and the people of Barbados should mean.

I am obliged to you, Madam Deputy Speaker.

MADAM DEPUTY SPEAKER: The Honourable Member for St. Michael West Central.

Mr. J. D. PAUL: Madam Deputy Speaker, I rise to participate in the debate on this Resolution for the provision of funds for the Barbados Agricultural Marketing Corporation (BAMC).

Madam Deputy Speaker, I want to indicate that I am supportive of the Resolution. I also want to indicate that in listening to some of the contributions that I was a bit surprised really because you did not get the impression that they were completely honest in what they said because this is not a Resolution, if we understand the nuances of agriculture in Barbados and the basis upon which it was established, that we cannot understand why we have to do what we are doing now. At the centre of it really is the sugar industry but at the same time if we were to be brutally frank and honest, as has happened over the years in many other activities in Barbados, we would recognise that whenever we have an industry that is performing that a great level of responsibility is being placed upon the industry to provide employment and all of the other things that go along with it. It is similar to what is happening now in the case of tourism where because of the fact that tourism is viewed as the major revenue earner Barbadians and Government as a whole expect it to make a major contribution to the taxation of this country and to the employment that is generated in the country. If we look at it too from a historical perspective a lot of the expectations that were made of sugar and a lot of the overheads and responsibilities that were placed upon sugar were never really adjusted over the years. Even more substantially the infrastructure that we had years ago when we had a different type of industry is still in place today because we never sought to see how we could restructure it to make it leaner and meaner in terms of where we are today. The responsibilities are still there because there were politically

sensitive issues in terms of the number of people employed in the sugar industry and how do we deal with that. I heard some ridiculous statements coming from the other side which suggested to Barbadians that agriculture in itself has not been innovative in terms of dealing with the new environment that it has faced and that it has not adopted the technologies that are available.

When, for instance, I visit agricultural operations on a daily basis and I see operations like Redland, the Valley and Foursquare you ask yourself in which country does the Opposition live. They seem to be transfixed in an agricultural sector as it were 25 years ago as compared to what it is today. I am surprised that the Honourable Member for St. George North is not even aware that the wages we pay in the agricultural sector are even more competitive than what is being paid at some of the enterprises that he likes down at the industrial estates. Madam Deputy Speaker, that is a fact of life. This is not anything untrue.

Madam Deputy Speaker, I would have liked to hear a debate in which some type of creative solutions came up that would have at least addressed some of the critical issues that the agricultural sector faces. The issue is: How do we get to the point where we can shed some of the overheads in the sector without at the same time compromising the social stability of the country? That is one of the issues that we had to deal with. I think that the Government must be complimented for the fact that it has proceeded to deal with the issue in a manner that is not dysfunctional and in a manner that gives it time to resolve some of these critical issues.

Madam Deputy Speaker, we cannot overstate the point that the management of the sugar industry is doing the best that it can do under the current circumstances. There are some incentives that need to be put but they are already there and I think Government is struggling in order to put those incentives. I also wish to make the point that at the time when the country had the necessary resources to be applied to solving some of the productive issues in the country it was not applied. At a time when the resources that are available are relatively slim we have now to take the approach of putting the resources when they are available. This is not something, Madam Deputy Speaker, of which the Opposition is not aware. Not only that, it at least in itself ensures that the industry is able to proceed although again in a very limited way so we need of course to look and see how we can get a long-term resolution.

The fact of the matter is that the other parts of the agricultural sector are making significant contributions, and I just want to talk about the Barbados Agricultural Marketing Corporation because we also forget that the cultivation programme of the Barbados Agricultural Marketing Corporation is still continuing and is still

making an active contribution to the overall agricultural production. One of the things that we have consistently asked is: How do we evaluate correctly the contribution that is being made by the agricultural sector?

One of the things we also recognised is that the management in the sector must change. If we are again honest with what is happening there has been a sort of reluctance because one of the issues is that management has not recognised that it has to be intertwined with non-sugar agriculture in a very real way. Madam Deputy Speaker, the fact of the matter is that if we do not have sugar, there would be problems in relation to a lot of the land that we actually rotate from sugar into other crops. This would carry up the cost of cultivation.

Madam Deputy Speaker, these are the facts of life, because it is a critical part of the management of the soils of Barbados. Again, this is something that we have to accept, the problem really is, how we arrange a structure of overheads that are efficient and that allow sugar to be produced at the same time with the other crops, but all of that goes into a central pool which of course should be self-financing. Madam Deputy Speaker, these are the critical issues that need to be answered. These are the things, of course, that we have to do but in the meantime we still have an infrastructure and a large with which we have to deal. Of course, that is why the loans are here, because of the fact that we have not yet found a way to deal with that large infrastructure.

Madam Deputy Speaker, I also want to make the point that the private sector cannot be absolved of its responsibility in this regard, and that maybe we need to sit down and craft a structure of concessions that finds out exactly what will create the balance that we need, which happens in all countries because the issues that the agriculture sector in Barbados are really the same that are facing the developed countries. One of the points that we do not recognise is that to a large extent the agriculture sector in developed countries are heavily subsidized in terms of the subsidies that they are given in terms of the export of certain crops.

Madam Deputy Speaker, for instance, in the United States of America there are certain benefits that are paid to people within the agriculture sector even just for maintaining the land in certain conditions. We think that when we go to certain States in the United States of America and we see these nice canes along the highways a lot of agriculturalist is given rebates in some form or other to facilitate that. That also represents part of the revenue that has helped to finance and to operate the farm so that these are things that are happening in developed countries, whereas Barbados is different.

Madam Deputy Speaker, I would also say this, we have this love/hate and snob attitude which is reflected sometimes when you hear some of the comments of the Members of the Opposition. When I hear the Opposition speaks, it seems almost as if they are speaking with disdain on the presence of the sector. Madam Deputy Speaker, one of the points that we need to recognise and to understand is that in many cases the competitive advantage of goods produced in the more development State is largely because of the subsidies that they also receive from their own Governments. The sector here does not receive those types of subsidies, which is something that we need to understand. We may need to ask ourselves how can be better encourage that.

Madam Deputy Speaker, we have already said with respect to the amount of sugar that we are presently producing that it is too low. I think that we must have a clear and agreed to strategy to see how we can increase that production. We may need to see whether or not having the new factory is feasible or whether or not we can look to see to the extent to which we can actually rearrange Portvale to be able to grind the occurring amount of sugar that we have.

Madam Deputy Speaker, the truth is that the immediate objective in this industry at this time should really be how we can increase the amount of sugar that has been cultivated. That in itself will determine whether or not the investment in a new plant is justified. Critically we need to identify where our resources are going to come from, in order to encourage planters to be able to respond to the effort. Madam Deputy Speaker, in the last three or four years historically the issue is how do we get resources to the planters in time to ensure that the necessary preparation for the crop that needs to be done is done in suitable time, that those resources should be given to them on a timely basis. That is a matter of fact. Again, because of the challenges that we are facing, it has proven to be very difficult.

Madam Deputy Speaker, when I look at the amount that is being borrowed, in terms of the loan itself, we are borrowing around \$70 000 overall when we count in everything else and by and large a lot of it is going to the repayment of debt. Madam Deputy Speaker, I think one of the issues that we have to look at is how do we get to the point where we borrow but that a lot of the borrowing that we do would actually go towards trying to improve the production processes in the sugar industry. Madam Deputy Speaker, one of the issues is, we have to ask ourselves, have we paid enough attention to the matter of how we improve the production processes in the industry in order to make it more efficient over time.

Madam Deputy Speaker, maybe there are people who would tell you that because of the fact that

Government's involvement in the sugar industry has been so much, that it has limited its ability to be flexible and to make the type of decisions that might have happened had it been in a more private sector oriented atmosphere. Madam Deputy Speaker, certainly when we look at some of the other sectors in agriculture, the poultry sector or generally the livestock sector. Madam Deputy Speaker, not only that, it is noticeable that in those plantations that are privately-run in many cases you can see that they are making strides. I think that maybe we might need to have an attitude where we have a discussion with those successful agriculture enterprises to see whether or not we can at least incorporate the systems of management that they have and the extent to which we can utilise those systems of management within Government.

Madam Deputy Speaker, one of the points that we need to appreciate, understand and to acknowledge is that maybe when we took over the Barbados Agriculture Management Company we had actually inherited the same system of management which has become antiquated and maybe the system of management that you have within the Barbados Agriculture Management Company does not reflect the system of management that really should exist today in a more progressive agricultural undertaking, so that the question is, how do we transfer those more efficient systems of management to the public enterprise, in this case, the Barbados Agriculture Management Company? In a sense it is a private corporation but the fact of the matter is that by and large Government is the major stakeholder in that particular corporation.

Madam Deputy Speaker, it was also noticeable that in many instances when Government was able to rationalise some of the private plantations that they actually took over, under the previous scheme now some of the owners wanted them back. It also emphasised too that the private plantation owners at that point in time used Government as a means of rationalising the operation and when they found that they could take it back, they did. Madam Deputy Speaker, there is nothing wrong with that because I think in a sense that it is important that Government invest in terms of trying to rationalise management structures but very often it is not politically acceptable, or that politically it does not sound right and those are some of the challenges that Government has to face sometimes.

Madam Deputy Speaker, again as I mentioned, there is this love/hate relationship between the sugar industry and the members of the public and so at one point in time you hear Barbadians telling you yes, that we should support the sugar industry, then at the same time we connect it with slavery and back to those days when very often, again as I mentioned, there is this love-hate relationship between the sugar industry and the members of the public, so at one point in time you hear Barbadians telling you, "Yes, we

should support the sugar industry,” but then at the same time we connect it with slavery and connect it back to those days, and we do not recognise that the people who managed it then were very much and far different to the people who are managing it now. We should not use the fact of the mistakes that were made in the management of the sugar industry in the past as a reason not to recognise that there is a way that we can manage it in the future which can bring greater benefits to Barbados. I also want to say this: Among a lot of the products that we produce we talk boldly about Barbados rum. I saw a recent picture in the paper where there was, I think, the Prime Minister, and I think the Leader of the Opposition was there, bragging about, I think, it was the Mount Gay Rum thing in St. Lucy. We would say it is our rum, and I think because of Mount Gay’s intuitiveness in this regard that they recognise that they have actually set about trying to cultivate more sugar cane on the lands for which they are responsible. We must understand that even that effort, if we do not have a wider sugar industry, could be compromised because what we do not understand is that we still have to maintain volumes of sugar being produced in this country in order to make it profitable. In this day and age where we are talking about economies and purchasing, the price of inputs is affected by the volume that you buy.

Mount Gay has recognised one thing which I think we have not been saying to the public enough. The basis upon which we get the market access which we have for our rum is predicated upon the fact that we are saying this is local rum produced from local molasses; so we then have that special exemption because of the geographical indication that comes where it says that if you have it in a particular locality, it has a certain case profile and possesses certain properties which are unique to that particular locality. If we do not have it anymore, then we lose the reason. If we do not produce molasses anymore in Barbados, we do not then have the basis for that special access which is given to Barbados for the rum it sells overseas. What does it do then? It restricts our markets, because again our ability to access the market will be really limited. I think, really, even from the point of view of trying to ensure that we maintain a certain amount of production, it becomes critically important that we find a way to increase the current acreage that we have been cultivating under sugar cane. That is clear, Mr. Speaker.

It also offers a compelling reason that we not only support the Resolution as it is, but that all stakeholders in the industry, whether Government or private sector, who are serious about a long term future in the industry, come together and find reasonable solutions to the problems which the current industry faces. I want to say this: I listened to the discussions this morning about the question of the loan that was given in respect of the Needham’s Point operation, and the question that was asked was, “Why does Government have to give a Guarantee to the

loan for an operation that is clearly making money and that is viable?” It simply reflects the deepened conservatism that exists within our Barbadian private sector; the deep reluctance to actually invest even when the figures add up. A deep reluctance is there, and how do we deal with it? I also want to say this: At a time when we have a food bill of, I think, over \$750 million, why is the hesitancy and reservation there to see how we can aggressively as a partnership -- Government and private sector -- find a way to establish natural linkages between our farms, our retailers, our hoteliers, or anybody who can help to ensure that we actually have a way of getting sold the food which we produce; so that we do not have a situation where we have farmers throwing away good produce? This produce is grown locally, sometimes given away, while on the supermarket shelves you have the same produce there being sold at prices well above whatever. The point I am making is that it suggests that there is a kind of dysfunction in parts of the private sector which are not working very well, and we need to address that as an issue. Government needs to sit down with the private sector and maybe ask what inducements it needs to be given in order to facilitate a different behaviour that becomes so necessary. At this point in time when we look at the economy of Barbados and the position it is in, it means that we have to start to look at engaging in different behaviour and different attitudes.

Mr. Speaker, even right now it is unfortunate that the Member for St. George North made the statement that there are not young people involved in the agricultural sector. I do not know again which Barbados the Member for St. George North lives in; I really do not know, because I then get the impression that many of the young-looking people I see coming into the Barbados Agricultural Society from time to time, and whom you see being involved in agriculture as you walk around - even yesterday - are imaginary people. I do not understand why, in order to prove a point, we want to cast the image of the agricultural sector in that type of light just to prove a point when they know it is wrong. They know there are young people who engage in the production of agriculture. For instance, we talk about cane juice; that is a simple thing, by the way, which is sold in many cases. There are young people growing canes too. Why do we seek to prove such a point when we know it is wrong? All it does is create a negative impression on the part of our young people, and they are looking to us for leadership. That is not the way the Opposition should try to win a point. We need to understand these things, and I think we need to move away from that type of thinking, and if we have a disagreement then let it be on something more fundamental rather than something which seeks to demean the individual who is engaged in a particular type of activity. We need to get past that type of reasoning and behaviour, because sometimes we do not appreciate the psychological damage which we cause; but do not mind, we can still find a way to motivate

people. These are the things we need to consider. When we look therefore at the issue of who is involved in the industry, let us not be mistaken that there are young people who cannot all be involved in tourism and who Government cannot all employ. As we know, if the Opposition had the opportunity today to make the numbers right, ten thousand Barbadians might go home. If they had the opportunity to make it right, that might be the case.

What Government is trying to do is develop other productive sectors in which we are trying to get employment opportunities for Barbadians. That is what we are trying to do. Gladly enough, I think that we also have people who are willing to invest in the agricultural sector once we create the right environment for that investment.

4.59 p.m.

INSERT S32 juliette

Tuesday, December 06, 2016

Dr. the Hon. D. C. ESTWICK: ...so when I hear people continue to make the comments they are making, they are misunderstanding that it is all of the tin sausages, the tin pineapples, all of the various fancy hams and cow and turkey parts and so on, all of the fancy drinks, all of the imported nuts and corn curls and all sorts of things, that is to drive a sector that is carrying the economy at this time but it is not true, that relates to primary products in this country. Let me explain, Mr. Speaker.

Mr. Speaker, I want to say this for the Honourable Member for St. James North. Between 2010/2011 sea cotton receipts was \$14 568 and in 2014/2015 it was \$48 000. Hectares planted: In 2010, 26 hectares was planted and in 2014/2015 167 hectares was planted. Annual livestock production: I mean now pork, beef, mutton, poultry, turkey, eggs and milk. In 2011, it was 25 million kilogrammes and in 2015, it was 28 million kilogrammes.

Sir, let me continue. Livestock and dairy products production, we are talking now about things like beans, beets, cabbage, carrots, cucumbers, lettuce, melon - I got to go through it for them -- peppers, pumpkins and so on, was 4.7 million kilogrammes. Over the same period of time - I am not going to stop you know - vegetable crops imported in Barbados was 3.3 million kilogrammes and in 2015 it was 2.7 million kilogrammes.

Asides.

Dr. the Hon. D. C. ESTWICK: You got to do your homework because you come in here to attempt to mislead the public.

Asides.

Dr. the Hon. D. C. ESTWICK: I am going to get to sugar. You take it easy. Barbadians are not dumb. I am going to give them the history of sugar in here and who is at fault in a lot of ways. Root crops production, cassava, eddoes, sweet potatoes, yams and onions, in 2011 was 1.4 million kilogrammes and in 2015 it was 3.6 million kilogrammes, but yet agriculture is failing, nothing is happening, you are not producing anything.

Asides.

Dr. the Hon. D. C. ESTWICK: You might have them but I have all of them from my ministry and we supply the Central Bank of Barbados with the data that they have.

Asides.

Dr. the Hon. D. C. ESTWICK: Root crop imports was 2.4 million kilogrammes and it was 1.94 million kilogrammes in 2015. The point I am making is that it is not correct to say that over the four/five years that there has been no stabilisation in the agricultural sector, no production, no operation or no growth. It is not true, and I am not going to allow the Honourable Member to make those comments and get away with it.

Mr. Speaker, let me get to sugar now. Mr. Speaker, I have to go through this like I am going in a pedagogical way because you know when you are going to school the teacher would tell you to ask how something is done and then you ask when, where, why and how much, well I am going to go through it just like that so that Barbadians and the Honourable Members on the other side would understand the issue. What is the issue in regard to sugar in Barbados? The issue is that last year Barbados received a price of \$740 per tonne of sugar exported to the European Union. Mr. Speaker, we produced a tonne of sugar at \$41 per tonne and sold it to the European Union at \$740 per tonne, so we are losing per every tonne of sugar we export to the European Union \$3 360.

Asides.

Dr. the Hon. D. C. ESTWICK: No, no that is not what I am saying. I am saying that our production cost for one tonne of sugar is \$4 100 and we sell that tonne of sugar to the European Union for \$740, in other words, the loss on every tonne of sugar is \$3 300 and that does not include the fact that when we then move to import... How much do we import now? We are growing between 15 000 and 18 000 tonnes and we import that at a price and sell it in Barbados at a loss because we sell it on price control. This is the industry under those circumstances that Honourable Members want to... I am trying desperately.

Mr. Speaker, let me say this. We were at the Barbados cane industry restructuring project from since

2000. I do not blame the other side for a lot of things and I do not blame us for a lot of things but I have to face the facts. The year 2000 is the point of record. In 1998, on recognising that the sustainability of the industry as selling bulk sugar could not be assured, the former Administration commissioned Brooker Tate and hired Tate and Lyle who then were to manage the Barbados Agricultural Marketing Corporation, the same group of people who do not want you to transform the industry and the same group of people whose business is to sell the value-added, to tell them how to produce value-added and they recommended that we should move from a three-factory regime to a single-factory regime and that we should move to value-added and in that value-added we should add cogeneration. In regards to the cogeneration, the supplement to bagasse, it was recommended that we import coal in Barbados.

Mr. Speaker, the former Administration rejected that and in 2001/2002 while they were preparing for the sugar adaptation strategy in regards to the European Sugar Protocol Adjustments as the European Union was kicking out the entire Caribbean out of preferential arrangements and preferential quota arrangements and prices into their market, and Strafford Associates again recommended to move to value-added, a move to cogeneration and at the time recommended utilising biomass to support the bagasse but they recommended fuel cane. At the same time they were experimenting with sacrum as well as lukenia.

Mr. Speaker, after that was done it was approved by the Palmer Administration cabinet in 2004 and the then Prime Minister established a tripartite commission and they proceeded to establish a private sector commission post that was then led by the former Governor-General. And after all of that, nothing had come out of it, they moved ahead and used the Caribbean Development Bank to study the industry again and then they moved the Caribbean Development Bank to host CBEC to establish a five-year development plan for the industry, Mr. Speaker. Mr. Speaker, after that was done, that was then they then talked about using Buckley to produce tilby cane system or at the point in time the Barbados Agriculture Management Company brought in Taitt and Lisle who evaluated that at the time the discussion as to whether you use Portvale, Andrews of Buckeley factory. The decision was that Buckeley was the oldest factory of them all and that as a result any retrofitting would have created insurance liabilities.

Mr. Speaker, it was at this point in time that I will stop. I will only say this, you cannot put new wines into old skins. There is no way that you can take any of those factory that has a 300-year-old foot print and old infrastructure and can carry in new modern high technology and fuse them together. Sir, it cannot be done, that was the lesson we learned when we went to the Multilateral Investment Guarantee Agency of the World

Bank. Multilateral Investment Guarantee Agency (MIGA) said that the reinsurance cost would have been so onerous for you to have considered doing that and that is the reason we cannot now take Portvale and carry it to value-added, not without all of the boilers breaking down, with all of the problems with the electrical systems and everything else. It cannot be done. Mr. Speaker, the whole notion therefore was to bite the bullet, that if you believe in the transition to value-added that you had to go and build a whole new facility. That is the history to what we are talking about, Mr. Speaker.

Mr. Speaker, when I hear people talking about how much acres of cane that we need, let me explain as it is basic mathematics, Mr. Speaker. Mr. Speaker, eight years ago plantations in Barbados were producing about 36 tonnes of canes per acre, some went as far as 13 tonnes. The average back then about ten or fifteen years was 26 tonnes to 28 tonnes. That is 28 tonnes per acre, with poor husbandry. What we are saying, Sir, is that we are confident that we can get to 30 tonnes per acre. If you are talking about a new factory, that you need to get 300 tonnes of canes, that is only 10 000 acres and CLICO and the Barbados Farms alone are about 6 000. We have about 18 000 to 20 000 in plantation structures that can be advanced, Mr. Speaker, so that it is a matter of understanding what this Resolution is about.

Mr. Speaker, this Resolution was about to provide the funding to effect a five-year development plan for the field site of the Barbados Sugar Industry Restructuring Project, as was advised by Land and Bill, 2013; as was advised by the Inter-American Development Bank in 2010; and was advised by the Caribbean Development Bank in 2009. Mr. Speaker, therefore, I do not know anything about this new study that we need now, since we had about 45 of them already, it is now time to get on with the work and transform the industry once and for all and follow the prescriptions that were put in the Sugar Adaptation Strategy which were approved under the last Administration in 2006.

Mr. Speaker, the outputs were as followed:

1. The first that was posited to this country was to release the financial burden on Barbadians, Government was to remove the annual subsidies.

Mr. Speaker, we now pay \$72 million to subsidise the sugar industry. That \$72 million is disassociated as follows:

- (a) Approximately \$52 million in debt service and \$22 million as recurrent expenditure for the Barbados Agriculture Development Corporation.

Mr. Speaker, as the Minister of Finance and Economic Affairs would tell you, the majority of that is for the management of the crops and 300-year-old factories. We cannot continue with that nonsense. Sir, some of that provide local farmers with a proper system for canes. As of now stands when I describe the fact that we are producing, we are producing one tonnage of sugar at \$4 100 and selling it at \$700-plus. Mr. Speaker, in the present form the sugar industry would be dead by tomorrow if we do not transform it and low the workers will be home. Asides.

Dr. the Hon. D. C. ESTWICK: No, drought affect the yield, water is needed by canes, it is not rum. Asides.

Dr. the Hon. D. C. ESTWICK: Mr. Speaker, the other factor of importance to this country is that it will eliminate the need for the importation of brown sugar and refine white sugar, thus saving Barbados \$20 million in foreign exchange. Mr. Speaker, how would we do that? We would do that by producing special sugars at the new multipurpose facility. Mr. Speaker, these are not my projections, these are the projections that the former Administration approved and agreed to at Cabinet, that \$35 million would be earned by the sale of branded sugar products, both regional and extra-regional. Mr. Speaker, we have already started that, everybody in Barbados can go to the supermarkets and can see the yellow-and-blue-banded bags of sugar in the supermarkets. It continued, we will reduce the sale on international trade agreement for the sale of sugar. Mr. Speaker, that is fundamental because we were kicked out of the European Union market between the Lome' 1 and Lome' 4 by 2000 and when we negotiated the Cotonou Agreement that took us up to 2007, Mr. Speaker, the European Union introduced something called "Anything but Arms" that was rather bold for Barbados. the European Union introduced that to say that it would continue to take sugar and other products from the Caribbean duty-free and quota-free and that because Barbados was not considered as a Lesser Developed Country but a Middle Developed Country, would have had to pay. Mr. Speaker, all of this was going on at that time, including the price differential changes. It is now in the laps of this Administration to execute the transition. We did not ask for it, it is here and it is our duty and we are not going to run from it. Mr. Speaker, let me continue. The document continues: (2) Ensure the sustainability of husbandry by enabling soil replenishment via crop rotation with sugar cane; (3) Stabilise the cost of electricity with a reliable biomass supply.

Mr. Speaker, let me continue: Ensure the sustainability of husbandry by enabling soil replenishment via crop rotation with sugar cane; stabilise the cost of electricity with reliable biomass supply; save the country over \$40 million in foreign exchange annually from displacing part of the imported fuel for electrical energy production, Sir; supply over 50 000 houses in Barbados

with electricity produced by the multi-purpose factory, Mr. Speaker; and reduce your carbon emissions, and as a critical strategy towards having the consumption of renewable energy up to approximately 30 per cent by 2029, Mr. Speaker. That is a critical component of that, but there is an even more important one for workers in Barbados, Sir, because if we fail, those persons who now depend on the plantation and working on the plantation in the sugar industry will go home. However, because the multi-purpose factory will now be working year-round, you now have an opportunity for annualised work. In other words, the sugar workers' work period will be increased by 28 weeks a year. This is of significant importance for labour in Barbados, Mr. Speaker, and it also enhances economic output in the country, Sir, because many more people will be working significantly now for a longer period of time; not working for three months and going home. They will be working for almost the whole year forever. There would be no more crop time or hard time. If you want to pelt rocks at Harding, go along up there and pelt rocks but there will be no more Harding. There will be no more Harding, man. Mr. Speaker, another critical component to the sector would be the production of alcohol.

Mr. SPEAKER: Honourable Member, you have five minutes in which to conclude.

Dr. the Hon. D.C. ESTWICK: This alcohol would be used from the industry to create an automotive sector that is supported by the industry. Sir, what we are talking about is that we will be removing an oxidant known as MTBE. For those purists, it is Methyl Tertiary Butyl Ether. That, we now know, is a toxin and we intend to replace that in our gasoline so that we would now be greening the economy even more and producing an additional domestically-driven sustainable market for the industry. Mr. Speaker, I have just described five revenue streams: the alcohol, the Honourable Member for St. Michael West Central described molasses, specialty sugars, electricity, and the other revenue stream would be the savings in regards to what you have to import with the brown sugar and the white sugar. Based on the renewable energy rider as it presently stands, and from a purchase agreement arrangement that was under discussion, the 25-megawatt facility alone would generate \$62 million which almost wipes out Government's subsidy, period. Yet people are talking about whether it is economically correct or not. That is only one revenue stream, Sir; that has nothing to do with the sale of specialty sugars, the sale of the molasses or the sale of the alcohol, but yet people are talking about viability and all sorts of things.

Mr. Speaker, while I sum up, this problem started back in the 1980s with the formation of the European Union; and when sugar beet began to become the accepted commodity for consumption, the market for our domestic outputs of sugar had to be reduced systematically over

time. In fact, I am being told that by 2017 with the total liberalisation of the sugar beet market, there is going to be an even further threat, Mr. Speaker. The point is, going forward, is that: One, we have the land available; two, we believe very strongly that we can get the yields up to utilise the 10 000 to 15 000 acres of land we require to give us the tonnes of canes we need; we are confident that the supplement to that we can produce at the level of the ...; and if we want to we can go right back to what was started under the last Administration: fuel cane, Mr. Speaker. When they did it, they did not understand how to calibrate the harvesters, and because the fuel cane was so light, it was thrown about a mile away from the truck. That has now been corrected, Sir, so we can go there if we want to. Outside of that, I am confident that with the revenue streams which we just described, one of them alone essentially eliminates the subsidy to the industry, Mr. Speaker. I am confident, therefore, that adding the other streams would provide on an annualised basis a sustainable and profitable industry, and I am confident that as we are bringing new fallow lands into production -- up to last year, I think Sagikor brought in about 800 acres, and it is not Sagikor alone -- what we need to do now, as this Resolution which was brought to the House is to allow us to do, is for us to continue the five-year development plan that will allow for bringing more and more fallow lands into production as we ramp up that field side to make sure that we can get up to about 10 000 to 15 000 acres of sugar cane planted in Barbados, Mr. Speaker. This would support the factory, Mr. Speaker, and by extension support all the value-added outputs that we would want. Mr. Speaker, I thank you.

Mr. SPEAKER: Yes, the Honourable Member for St. Michael North East.

Hon. Miss M.A. MOTTLEY: I shall not be very long, Sir. Mr. Speaker, I start from the perspective that the Barbados Labour Party believes in the future of a sugar cane industry, and I want to start and make that abundantly clear. There have been considerable difficulties, and the last speaker, the Honourable Minister, has told us and given us this speech about four times in the last three years, and that is why I am so familiar with the structure of it and what he was going to say. I want to urge him that the issue is not so much what the policy position of both political parties is in this country. The bigger issue is, one, bringing the rest of the country to the point of having the confidence in the future of the industry, and two, to a large extent the lack of confidence has come from the inability for us to move forward with despatch on that which he has promised. The Honourable Minister pointed to it; that really and truly the only difference between the factory that was to have been built by a Barbados Labour Party Government for which the plans were advanced -- had things gone on stream, it would have started in December 2008 -- is that this Minister's predecessor, who is now the

Consul General in Toronto, walked away from the plans to build a sugar factory in this country. Those are the facts. The difference was in scale and in location, but both factories were intended to move to all year-round production with co-generation.

5.38 p.m.

INSERT S36 JULIETTE

Tuesday, December 06, 2016

Hon. Miss M. A. MOTTLEY: ...from coming into public life is that for every acre of cane you remove from production you end up with seven years of bush. For every year that you lose the production of cane you end up with seven years of seed. Bringing the land back to a state that would allow canes to grow properly on that land again is not a short-term exercise, it is a seven-to-ten-year exercise so that all of the acreage we lose last year and are losing this year, two elections would pass before you can see that land in good production again. This is what makes the necessity - and I am speaking now to the Honourable Prime Minister - for urgent decision-making critical. Both parties cannot say that we want to support a sugar industry and then do things that cause people to lose confidence in the future of the industry and to be unable to recover from a loss position in an economy that is already faltering and that has experienced... in the last few years.

In a sense, what I am saying is that the very length of time that the Ministry of Finance has taken to bring this loan guarantee here says it all. I do not have the exact dates before me but the Minister of Agriculture and Water Resource Management could tell us whether this was going on for the last... The first drawdown came maybe about two years ago and the reason why we have not been able to move any quicker... It was not me who spoke to Barbados Today about the future of the factory nor was it me who spoke to Barbados Today about the inability of the Cabinet or the Ministry of Finance to provide the certainty to move forward with putting the financial arrangements in place. It is not me or anybody on this side who has not done the work necessary to be able to ensure that the Government can meet its obligations in what is a joint public/private partnership.

Sir, the bottom-line is that either we want to save the sugar industry or we do not. We have reached that point in history and because of the inability to bring back land into production easily it may mean that those of us in this Parliament may not see a day when we can easily reach 35 000 or 40 000 or even 30 000 tonnes again in the short term because of the decisions. We are playing with nature. This is not like tourism. Tourism can build up easy and build back down. As quick as it falls down from an international incident you can see tourism rise again. Agriculture is not

that way. Sir, the food security issue depends on us managing either a proper sugar cane industry or going into some other form of grass, but whatever it is, if we agree to a sugar cane industry then we cannot lapse.

Sir, we import 8.8 million kilogrammes of English potatoes when the year comes. Apart from causing us to spend more money at the hospital... It is a fact. English potatoes has one of the highest glycaemic numbers on the glycaemic index. If we were producing that amount or half that amount in sweet potatoes and cassava, equally we would be better off in terms of the bills that the Ministry of Finance has to foot at the Queen Elizabeth Hospital and in the polyclinic system in this country, so that there is an integrated approach that is critical.

Sir, when you speak to those farmers who are growing sweet potatoes they will tell you that after one crop of sweet potatoes you invariably cannot put in a second crop of sweet potatoes, you cannot even put in yams, you have to rotate. The most you might get away with is cassava but in short order you got to put back in the cane to rotate and if not cane some other form of grass be it cane grass or whatever.

What I am saying to you, Sir, is that I have never known the Minister of Agriculture and Water Resource Management to be a man that likes repetition but he has been forced to repeat himself at least four times in the last three years with the same speech in this House. The Honourable Minister speaks to a glorious future but the glorious future to which he speaks of a restructured sugar industry has become the victim of a Government that is either fighting with itself or that is lost. I am saying this with all seriousness because whatever else you come to say this evening you cannot change the fact that this loan has been on the road now for over two years and there is still a final tranche to be drawn down and you cannot change the fact that moneys that should have been fully spent on agronomic field development have been diverted to the Ministry of Finance to help the Ministry of Finance keep the ship of state afloat to get back the subsidies that it was paying. Mr. Speaker, I am going to say this. If you did not spend the money on the molasses tanks you might be better off of not having to drain the money from this loan away from the Barbados Agricultural Marketing Corporation. The very time that we know from as far back as 2009 that the Barbados Agricultural Marketing Corporation was losing \$30 million a year... The Honourable Member for St. James North is absolutely correct that we need up-to-date figures because we know that the Government has not earned \$45 million from sugar in the last few years. In fact, I think the Minister has told us that it has gone down to 12 000 tonnes which is about \$18-20 million a year so the revenue for the Barbados Agricultural Marketing Corporation according to this Report is 95 per cent from the sale of sugar. Now, if your revenue from the sale of

sugar is down by more than half but your number of persons employed... In 2009, you were spending about \$16 million a year in wages, which is about the money alone that you get now from the sale of sugar, and then you still have to turn around and you are spending \$36 million in 2009 on agricultural expenditure and on the factories another \$28 million... Now, I accept that since 2009 you were no longer operating two factories so I would expect that your factory expenditure would drop but equally I would expect that your agricultural expenditure with the price increases since then would have gone up and your wages would be at least the very same if not slightly higher. What does that mean, Sir? I do not have the document before me but it does not take a Solomon for me to work out that you are probably therefore losing about \$40-\$45 million a year at minimum. Now, as a Member of this Parliament asked to approve a \$73 million guarantee for the Barbados Agricultural Marketing Corporation, I should not have to be guessing what are the losses and the cumulative losses and why the Ministry of Finance would be seeking to prop up itself rather than allowing the Barbados Agricultural Marketing Corporation to do the agronomic field development that is so critical to the survival of the industry. These are the serious issues.

I would like this Honourable House to recognise today that there is no divide in this Chamber on the potential for a reformed and restructured sugar cane industry. We are, in my view, duty-bound to do it. There are so many things that are causing us to suffer from the absence of proper and regular production of sugar cane throughout this country: The wells not being clean, the drains not being clean and the Khus Khus grass on the hedgerows that are gone. All of the flooding we saw in this country up and down Barbados last Tuesday is contributed to a lack of proper husbandry of too many thousands of acres across this country. Mr. Speaker, if the Barbados Agriculture Management Company is to have a chance again at increasing its efficiency and its management, you cannot ask them to operate with a fleet of vehicles and equipment that is virtually down between 90 to 95 per cent of the time. This is the agricultural equivalent of what is happening at the South Coast Sewerage Project, the equipment is down. Mr. Speaker, you can get away from not putting money into maintenance for a year or two.

Mr. Speaker, the Honourable Member for St. George South and the Minister of Agriculture, Food, Fisheries and Water Resource Management would tell us, and I suspect the Honourable Member for Christ Church South if the Honourable Member is being true to his profession, would tell us that after three years of no maintenance that the equipment will fail. Sir, worst still, if you know that the original manufactures have shut down.... Ask the people in Cuba how they still have all those pretty American cars still running 40 or 50 years later though the manufacturers have shut down. You have to maintain. I am saying to you that

the Barbados Agriculture Management Company finds itself in the invidious position where it cannot even help itself properly, far less other farmers who need to rely on their equipment to be able to help in their own individual production.

Mr. Speaker, when that happens, however pretty we talk in this Honourable Chamber, we do not give confidence to the people who at the day must make the decisions are they staying in sugar cane production or are they coming out of it. That is the fundamental issue that is facing us. Whatever is the problem between the Right Honourable Prime Minister, the Minister of Finance and Economic Affairs and Minister of Agriculture, Food, Fisheries and Water Resource Management they must solve it because you cannot cause this industry to continue to be a victim of an inability to reach decisions and to follow through and if you doubted it, that is exactly what the private sector believes, that there is an inability to have a coherent policy executed on the part of this Government when it comes to the sugar industry.

Mr. Speaker, if the problem is because of resources, they then have to decide whether they prefer to spend money on a sugar industry on \$28 million on a building at Grotto, or \$28 million on a Sanitation Service Authority building because both go to debt. Mr. Speaker, that is \$56 million that has gone to debt for two buildings that are not going to earn for you.

Mr. SPEAKER: The Honourable Member has five minutes left in which to conclude.

Hon. Miss M. A. MOTTLEY: Were it have been better to put the money in a timely way in an industry that unless it receives the timely disbursement of funds, unless you tell the gentleman what is the kind of subsidy that you are giving them and you have to give it to them in time so that they can buy the things that they need to prepare the fields for planting, fertilizing or for whatever else they have to do, unless you give them in time when you are giving them further assistance in terms of plant subsidies. Mr. Speaker, the rhetoric is right but the action is wrong and that is the problem with saving a sugar industry of Barbados today.

Mr. Speaker, I pray, because our generation would not see a resuscitated or transformed sugar industry if we do not cure the lack of confidence that currently obtains throughout the industry, largely because whatever we do, we cannot abridge the time. If you take an acre out of production today and let it run to bush, we do not have the human capacity to be able to put that same acre back into a ready state to be able to produce at optimum levels.

Mr. Speaker, I do not know a lot, but I read the same Barbados Agriculture Management Company report here

and I see the declining years between a first ratoon and a fifth ratoon, it makes sense. Mr. Speaker, that is the problem that we have with the sugar industry that is the problem that we have with too many things, there is a mismatch between how the public service moves and makes decisions and how the industries that rely upon them require it. Sir, it is the same thing with the South Coast Sewerage Project.

Mr. Speaker, I gave the Right Honourable Prime Minister via public last year and the Right Honourable Prime Minister said at the time that he does not take calls from women like me. Well, I am sorry that he did not because had the Right Honourable Prime Minister taken the call we might not have ended up in the sewerage, with the sewerage as we are today, because I did not want to make public, it is true. Mr. Speaker, what we do by making light and making politics, you can curse as much as you want on other things but there are things that are fundamental to this country's stability and there are things that are fundamental to our economic profile. Sir, just as taking time on that was critical, I am saying taking timely actions for the future of the sugar industry is critical, having to comply how because ANSA McAL now asks for the guarantee since they were told they would get a Letter of Comfort. Mr. Speaker, for six months a guarantee is sitting on the Order Paper. Is that the only reason we are debating it today, to meet their timelines, or develop and restructure an industry that should have been benefitting now from the agronomic practices. I am not even going to ask the question as to how much money has been spent in the field there on the highway with 'river tamarind' because I refuse to believe the numbers that have heard. I am not even going to mention the millions, we have to get it right.

Mr. Speaker, this is no longer about Barbados Labour Party or Democratic Labour Party because I have made the case that the timelines for resuscitation of the industry go to the rhythms of nature and not to the rhythms of man and in those circumstances if ever there was a time for us to sit and agree inside the Democratic Labour Party Government and across the aisles if necessary, to give people the confidence that you can continue to make this investment in sugar, but that we expect to see these improvements from them in terms of their efficiencies, and that they intend to improved themselves in terms of these efficiencies, in terms of the repopulation of the equipment, in terms of the agronomic practices, in terms as the determination as to how they would help boost food production at the same time to get the proper rotation, this has to be a national decision now because too much is at stake because it moves to the rhythm of nature and not to the rhythm of man. I am obliged to you, Sir.

Mr. SPEAKER: The Minister of Finance and Economic Affairs.

Hon. C. P. SINKLER: Thank you very much. I want to thank Honourable Members for their contribution to this debate. I must say I am a little surprised at some of the things the Honourable Member for St. Michael North East and Leader of the Opposition, who has graced us with her presence today, would have said.

Hon. Miss M. A. MOTTLEY: Mr. Speaker, on a point of order. The Honourable Member cannot reflect on the character of an individual Member or on a person's presence, because if we were to do so, then we would be reflecting on the absence of a number of persons on Government Bench, not just in Parliament but from their offices, from those who play golf to those who do other things on a daily basis, so let us not go there. I have to go to funeral home and if that is a problem for the Honourable Member, let me go to the funeral home and pay my respects to a man who I was there with him within half-hour of this death two Saturdays ago.

Mr. SPEAKER: Honourable Member, if you are going to rise on a point of order, then let us deal with the point or order, so I do not know what is the relevance of golf and so on, but we have always said, though, that it is not Parliamentary to reflect on the presence of Honourable Members. I did not hear any character attack.

Honourable Member, please continue and refrain from that, Sir.

Hon. C. P. SINKLER: Mr. Speaker, thank you very much. If I have offended the rules of this Honourable House of course I apologise. I did not know, I am not sure what really is the offence, but nonetheless what I can say or what I was going on to say is that while we are being graced by the presence of the Leader of the Opposition we were graced by any particular brand of intelligence as it relates to the matters that we are discussing before this Honourable Chamber. If one listened to what the Honourable Member was saying, you would get the impression that all of us so happened to have been born only yesterday. There were the political false equivalencies which have been thrown around, the political crocodile tears about the agricultural sector, particularly the sugar part of the sector which has been so handsomely ignored by the Barbados Labour Party when they were in office for 14 years, and then we must come here and be lectured about saving the sugar industry and ratoons and platoons and all of these things that, frankly, neither she nor any of us in here really could understand what the Honourable Member was talking about, Mr. Speaker.

Aside.

Hon. C.P. SINCKLER: We have said it before, Mr. Speaker, and that is why I make the point, Sir, that fortunately some of us are still alive to tell the story of the

fact that this sugar industry is now, as I said when I did my opening remarks to this Resolution, going through a third generation of reforms, and each of those reforms have had to be done by the Democratic Labour Party in Government. The last Administration for 14 years had a bounty of resources to do all of the things that the Leader of the Opposition is now standing up there saying that we should be doing in an environment where we, as she admits, have cash constraints. They passed up the opportunity to do the things that were fundamentally important to ensure that the transition of the sugar industry out of a preferential structure and arrangement with the European Union would have been able to survive. There was no certainty being given to farmers then when all the money was available, but apparently now a cash-strapped Government is to find money to give certainty to somebody. There was no coalescing of ideas and thoughts between the then Prime Minister, the Minister of Agriculture and the Minister of Finance under the last Administration as to what to do with the restructuring of the sugar industry. However, apparently I am to sit down here to hear that the Minister of Finance, the Prime Minister and the Minister of Agriculture cannot make up their minds as to what to do with the sugar industry, when we have already said what is to be done and what is happening, but they want to create this view that there is this big divide. I do not know what this divide is about. In one breath, there is a divide, and then contradictorily said by the same Leader of the Opposition in another breath, "We all agree on what is to be done." If we are all agreed as to what is to be done, how can we be on a divide? It is just a lot of talk, Mr. Speaker. It is talk.

We know what is affecting this industry, and we have said it in here. We have said what it will cost, but you hear in one breath from the Opposition that you must do this and do that, you must take the money and do this, and find money to do that, do everything; but when you do things and the deficit goes up, the same Opposition, twisting its forked tongue, comes back and tells you, "You are spending too much money." We are to get the false equivalencies. "If the Government wanted to save the sugar industry, why did we build houses for people in the Grotto?" I mean, this is the kind of thing that intelligent people in Barbados, far less in this House of Assembly, are to be subjected to, Mr. Speaker. I had to say it some time recently, because you hear it: "Why do you spend money building an office complex for the Water Authority in Wildey when you should have spent the money putting in a new sewage plant at the South Coast?" Of course, they are not going to tell you that they messed up the entire sewage plant system in the South Coast from the beginning, and that is why we are in the problems that we are in now. Rather than doing it properly, they did it badly, did not admit to it, would not put in the investments to correct the mistakes they made, and handed over a malfunctioning, incomplete sewage treatment facility on the South Coast. Now they have gone walking up there with all the

Barbados Labour Party acolytes traipsing about behind the lord queen of Barbados, tee-shirts and swimsuits accompanying, to give people an impression. A tin goddess. The lord queen of Barbados. The Prime Minister-in-waiting. "I call on the Prime Minister to act now." Sir, it just amazes me. "I give the Prime Minister my number publicly to call me because I am the lord queen of Barbados, and therefore the Prime Minister must call me. I am the Prime Minister-in-waiting." The type of political churlishness that pervades Barbados really amazes me, Sir.

Fifteen years. You spent \$100 million on Greenland. Do you know how many sewage plants that could have built? Do you know how many desalination plants that could have put in for the Water Authority for the people in St. Andrew to get water? Nobody is going to talk about that. No, you slam the Democratic Labour Party which is running a country in the condition of the worst possible recession that the world has had since World War II. We have no money and are cash-strapped, running a country where the whole world is in upheaval economically and financially and cannot settle down; one step forward and two steps backwards. We are trying to keep our heads above water, and every time you have these political Jack Russells all over the place nipping at your foot, confusing you, trying to create confusion in the country, aided and abetted by the Nation newspaper and the other people who like to put negative things of Barbados upfront in their newspaper on the front pages repeatedly to pull Barbados down. The model for them is: Create as much confusion and depression and distortion about Barbados, make people in Barbados miserable, force the Government to call the Elections, they win the Government and then they take over and cannot do diddly squat.

Asides.

Hon. C.P. SINCKLER: That is the game plan that they have. They said "Elections are going to be in January." When they realised that January is not looking like it, it is the first quarter of next year. You are constantly in this election mode, Mr. Speaker, trying to give the impression that the Government is doing something.... Sir, the other thing, and I heard the Leader of the Opposition in this Debate speaking about it, dropping these innuendoes and these so-called hints about somebody doing something illegally, and asking, "Where has the money gone, that the Ministry of Finance took up the money from the...?" I mean, really and truly, do they feel there are mock-stick people working in the financial sector in Barbados that the Ministry of Finance can sign, along with the Ministry of Agriculture, a contract with a reputable financial institution, and that the Ministry of Finance can just take up the money and do what they want to do with it? Does it really work that way?

Asides.

Hon. C.P. SINCKLER: You have oversight risk analysts and all kinds of things, compliance analysts. Do you really feel the Ministry of Finance can just take up the money and put it in the Ministry of Finance to go and do something else with it when it is here in the law? The law of contract. How can the Ministry of Finance just take up money and do it? I keep making this point. I said to them that under the Financial Management and Audit Act, the Minister of Finance is empowered to give advances to Government departments and Government entities, as they are called in the law, "other Governments and authorities". I do now know why that designation has been said but it is said in the law: "Other Governments and authorities." The Minister of Finance can do that and then come back to the House of Assembly when it is appropriate if that entity cannot pay, and have it appropriated as we have done before, or put arrangements in place through the Accountant General to have those monies restored.

6.17 p.m.

INSERT S40 JULIETTE

Tuesday, December 06, 2016

Hon. C. P. SINCKLER: ...I will sit for him and he would explain why he has such visceral anger with the Honourable Leader of the Opposition because she is one of the reasons why he resigned and stepped down from that, but do not worry, in time, Sir.

Asides.

Hon. C. P. SINCKLER: As the old people would say same difference. He resigned, was fired, but do not worry. One of these days soon when the coordinates are plotted and we see the trail of destruction that is supposedly to lead to Bay Street we will all know what we are dealing with. A lot of people are going to run for cover in Barbados, you do not worry. I tell you all already I am waiting.

Asides.

Hon. C. P. SINCKLER: Anyway, Mr. Speaker, I am not going to be distracted with that. I think we know what the purpose of this is and I ask that we continue to do what we have to do to prop up this industry, to reform it, restructure it and to ensure we protect those jobs and grow our economy.

With that I beg, Mr. Speaker, Sir, that this Resolution do now pass.

Hon. A. D. BRATHWAITE: I beg to second that, Sir.

The question that the Resolution do now pass was put and resolved in the affirmative without division.

Asides.

ADJOURNMENT

Hon. J. D. E. BOYCE: Mr. Speaker, with that we have come to the end of Government Business for today and I beg to move that the House do now adjourn until Friday, December 09, 2016 at 10.00 a.m.

Hon. A. D. BRATHWAITE: I beg to second that, Sir.

Mr. SPEAKER: Honourable Members, before I put the question let me just remind you of the effort to spread some Christmas Cheer by Parliament on Thursday evening from 6:00 to 8.00 p.m. with "Carolling in the Courtyard". You are all invited to come and participate.

The question that the House do now adjourn until Tuesday, December 09, 2016 at 10.00 a.m. was put and resolved in the affirmative without division and Mr. SPEAKER adjourned the House accordingly.

CONTENTS

INSEERT S7 JULIETTE

Hon. D. St.E. KELLMAN.....	7
Mr. G. A. Clarke, 7, 8, 9; Hon. A. D. Brathwaite, 9; Hon. J. D. E. Boyce, 10.	

INSERT S11 JULIETTE

Hon. J. D. E. BOYCE.....	11
Hon. F. J. Stuart, 12; Hon. C. P. Sinckler, 14.	

INSERT S15 JULIETTE

SEQ 16 BLANK

RESUMPTION

Hon. C. P. Sinckler, 15; Hon. J. D. E. Boyce, 18; Mr. G. A. Clarke, 18.

INSERT 20 JULIETTE

Mr. G. A. CLARKE.....	19
Hon. D. St.E. Kellman, 21.	

INSERT S24 JULIETTE

Hon. D. St.E. KELLMAN.....	22
Mr. E. G. Hinkson, 23, 24, 26; Mr. J. D. Paul, 26; Dr. the Hon. D. C. Estwick, 30, 32; Hon. Miss M. A. Mottley, 33.	

INSERT S36 JULIETTE

Hon. Miss M. A. MOTTLEY.....	33
Hon. C. P. Sinkler, 36; Hon. C. P. Sinckler, 36, 37.	

INSERT S40 JULIETTE

Hon. C. P. SINCKLER.....	37
Hon. A. D. Brathwaite, 37.	

ADJOURNMENT.....	38
Hon. J. D. E. Boyce, 38; Hon. A. D. Brathwaite, 38.	

SPEAKERS IN THIS ISSUE

ARTHUR, Rt. Hon. O.S. (St. Peter)
BOYCE, Hon. J. D. E. (Christ Church South)
BRADSHAW, Miss S. (St. Michael South East)
BRATHWAITE, Hon. A. D. (St. Philip South)
CLARKE, Mr. G. A. (St. George North)
ESTWICK, Dr. the Hon. D. C. (St. Philip West)
HINKSON, Mr. E. G. (St. James North)
KELLMAN, Hon. D. St.E. (St. Lucy)
MOTTLEY, Hon. Miss M. A. (St. Michael North East)

PAUL, Mr. J. D. (St. Michael West Central)
SEALY, Hon. R. L. (St. Michael South Central)
SINCKLER, Hon. C. P. (St. Michael North West)
SINKLER, Hon. C. P.
STUART, Hon. F. J. (St. Michael South)

DISCLAIMER. This transcript was prepared with the assistance of artificial intelligence tools and is provided for reference only. It has not been reviewed, verified or approved by the Hansard Department of the Parliament of Barbados and does not constitute an official parliamentary record. It may contain errors or omissions, including inaccuracies in wording or speaker identification. For authoritative quotations or confirmation of proceedings, consult the official Hansard record when available.

EDITORIAL NOTES — NOT PART OF THE REPORT

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

EDITORIAL QUERIES

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

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

Q2. Opening. The source begins in the middle of Hon. C. P. Sinckler's speech ('...peninsula just on the outskirts of Bridgetown which we call the Hilton Hotel'). The PRESENT list, prayers, Minutes, papers, the Order number and title of the first Resolution and the start of the Minister's speech are not in the source. Please supply or confirm.

Q3. Missing takes, throughout. The source has placeholders where reporters' takes were to be inserted: 'INSEERT S7 JULIETTE', 'INSERT S11 JULIETTE', 'INSERT S15 JULIETTE', 'SEQ 16 BLANK', 'INSERT 20 JULIETTE', 'INSERT S24 JULIETTE', 'INSERT S28 juliette', 'INSERT S32 juliette', 'INSERT S36 JULIETTE' and 'INSERT S40 JULIETTE'. In each case the text around the gap breaks off and resumes mid-sentence. They are printed as in the source. Please supply the missing takes.

Q4. Hilton Resolution, end of debate (take-slips Sequence 14 to 17, about 12.38 p.m. onwards). Because of the gap at Sequences 15 and 16, the end of Hon. C. P. Sinckler's reply, the question on the Resolution and the suspension of the Sitting are not recorded. Please confirm the outcome.

Q5. Order No. 16, Dr. the Hon. D. C. Estwick (after take-slip Sequence 31, about 4.59 p.m.). Dr. the Hon. D. C. Estwick's speech begins mid-sentence after the 'INSERT S32 juliette' gap, with no call from the Chair, so the end of Mr. J. D. Paul's speech and the start of Dr. Estwick's are missing.

Q6. Order No. 16, title. The title is typed as an ordinary line beginning 'RESSOLUTION TO APPROVE THE GUARANTEE' and contains 'WORKING CAPTIAL'. Mr. J. D. Paul calls the Company the 'Barbados Agricultural Marketing Corporation (BAMC)'; the title has 'Barbados Agricultural Management Company Limited'. Printed as in the source.

Q7. Adjournment. Hon. J. D. E. Boyce moves the adjournment 'until Friday, December 09, 2016', but the procedural sentence reads 'Tuesday, December 09, 2016'. 9th December 2016 was a Friday. Printed as in the source.

Q8. Labels. The Minister of Finance is labelled both 'Hon. C. P. SINCKLER' and 'Hon. C. P. SINKLER', and Miss S. Bradshaw refers to 'the Hilton Hilton'. Printed as in the source.

DEBATE SUMMARY

(Editorial summary — not part of the record.)

The House of Assembly sat on Tuesday, 6th December, 2016, with Mr. Speaker in the Chair. The record begins part-way through the speech of the Minister of Finance and Economic Affairs, Hon. C. P. Sinckler, on a Resolution approving a loan of \$12 million to Needham's Point Holding Limited from First Citizens Bank Barbados Limited for renovations at the Hilton Barbados Hotel. The security was to be a Letter of Comfort, later replaced by a Parliamentary Guarantee for BD\$12 million, and a lien over a debt service account. The Minister said the Hilton had a close place in Barbadians' hearts and that properties must be maintained after they are built.

Hon. R. L. Sealy seconded, calling it a 'good news' Resolution and recalling that the late Right Excellent Errol Walton Barrow had pursued the idea of a 300-plus room hotel in the early 1960s. Miss S. Bradshaw said the Opposition did not object. The Rt. Hon. O. S. Arthur did not oppose it but cited a 2015 Caribbean Development Bank study on debt sustainability, warning that guarantees treated as contingent liabilities become real ones. Hon. D. St.E. Kellman spoke; Mr. G. A. Clarke was twice asked to withdraw unparliamentary words and to keep to the Resolution. Hon. A. D. Brathwaite, Hon. J. D. E. Boyce, who spoke on sewage treatment and the work of several Ministries to bring the situation under control, and the Prime Minister, Hon. F. J. Stuart, also spoke. The Prime Minister agreed that guarantees for Government companies should not become automatic and questioned the claim that concessions to the Sandals group were excessive. Hon. C. P. Sinckler began his reply; the rest of the debate and the vote are not in the record.

When the Sitting resumed in the afternoon, Order No. 16 was taken: a Resolution to approve the guarantee by the Minister of Finance of a bond of up to BDS\$73 million arranged by Ansa Merchant Bank Limited for working capital for the Barbados Agricultural Management Company Limited. Hon. C. P. Sinckler said the money was not new but was borrowed to restructure the sugar cane industry after the loss of European preferences following the creation of the World Trade Organisation in 1995, and for field work to raise cane output; the industry could not be abandoned for environmental and social reasons. Hon. J. D. E. Boyce seconded.

Mr. G. A. Clarke said the industry needed to be more technology-driven. Hon. D. St.E. Kellman supported the Resolution, saying Barbados should be the last to leave sugar production. Mr. E. G. Hinkson put the food import bill at over \$600 million, recalled the 2013 manifesto pledge to raise food production by ten per cent, and asked what the Government's rescue plan for agriculture was; Madam Deputy Speaker took the Chair during his speech. Mr. J. D. Paul supported the Resolution. Dr. the Hon. D. C. Estwick said it cost \$4 100 to produce a tonne of sugar that sold to the European Union for \$740, a loss of \$3 300 a tonne, and spoke of alcohol from cane for an automotive sector.

Hon. Miss M. A. Mottley, Leader of the Opposition, said the Barbados Labour Party believed in the future of the sugar cane industry but that every acre taken out of production meant seven years of bush, and that funds had to reach farmers in time. In reply Hon. C. P. Sinckler remarked on her presence in the House; on her point of order the Speaker ruled that it was not parliamentary to reflect on Members' presence, and the Minister apologised. The Resolution was agreed to without division.

Hon. J. D. E. Boyce moved the adjournment, and the Speaker invited Members to 'Carolling in the Courtyard' on Thursday evening. The House was adjourned until December 09, 2016 at 10.00 a.m.