

THE SENATE DEBATES

(OFFICIAL REPORT)

SECOND SESSION 1981-86

THE SENATE

Wednesday, February 20, 1985.

The Senate met in the Senate Chamber, Public Buildings on Wednesday, February 20, 1985, at 11.05 a.m.

PRESENT

His Honour Senator the Honourable Sir Arnott Cato, K.C.M.G., (President)

His Honour Senator J. C. W. Wickham, M.B.E., (Deputy President)

Senator the Hon. N. A. Barrow, (Minister of Information and Culture), (Leader of the Senate)

Senator the Hon. O'Brien Trotman, (Minister of Health)

Senator the Hon. C. A. Griffith, (Minister of State, Prime Minister's Office)

Senator J. E. D. Williams, (Parliamentary Secretary to the Prime Minister)

Senator H. R. Linton

Senator Mrs. E. M. Lynch, G.C.M.

Senator D. A. C. Simmons, Q.C.

Senator Miss J. Clarke

Senator Mrs. M. O. Reece

Senator E. E. Greaves

Senator A. W. A. McClean

Senator Mrs. G. G. Reader, M.B.E.

Senator C. D. Seale

Senator the Rev. Canon I. McK. Jones

Senator L. A. Ward, G.C.M.

Senator C. Jemmott, B.S.S., J.P.

Senator J. E. Jordan

Senator H. E. Yearwood

Prayers were led by Senator the Rev. Canon I. McK. Jones.

OBITUARY SPEECHES

SENATOR THE HON. N. A. BARROW: Mr. President, this afternoon, the body of a former member of the

Upper Chamber, the Legislative Council, which was the forerunner of the Senate, will be put to rest at the Westbury Cemetery. I refer to Frederick McDonald Symmonds, who died last Friday at the St. Joseph Hospital after a distinguished career in public life which lasted for many years indeed.

Mr. Symmonds was born on March 17, 1905, and therefore died shortly before his 80th birthday. He served not only as a member of the Upper House, but for a short time was a member of the Lower House, being elected for the constituency of St. George in the by-election which followed the retirement from elective politics of Mr. Hugh Springer, now Sir Hugh Springer, who left Barbados in 1947 to become the first Registrar of the University College of the West Indies. Sir Hugh, of course, is now His Excellency the Governor-General.

Mr. Symmonds received his primary education at Roebuck Boys School and was a teacher at that school from 1923 until 1938. It was during his teaching career that he established a private bank to encourage his pupils and their parents to save their monies, however small.

In 1938, he founded and managed the Barbados Investive and Co-operative Bank, later known as the Barbados Co-operative Bank Ltd., which had as one of its objectives the encouragement of thrift among workers by accepting small deposits. The bank also assisted many persons of low incomes to acquire their own house spots on easy terms. Middle income housing developments were also undertaken by the Bank.

This clearly establishes the truth of what others have said about Mr. Symmonds, about him being a man of vision and a man, indeed, ahead of his time, because this represents the first example in Barbados to establish a truly indigenous public bank. That he was ahead of his time partly explains the fact that the bank was not a more outstanding success.

Mr. Symmonds was a pioneer in setting up the Barbados Potteries Ltd., a red clay block, hollow clay block, clay tile factory; again well ahead of his time. Today, the factory is producing red clay blocks. At least, up until very recently it had become a significant contributor to the building industry in that it provided additional indigenous material for the construction industry.

In addition to his service in both Houses of Parliament, Mr. Symmonds was a member of the Vestry from 1946 – 1959, during which time he sat on the Board of the Department of Highways and Transport, the Westbury Cemetery Board, the General Hospital Board and was Church Warden of St. Michael. He served for ten years as a member of the Southern District Council, and was Chairman of the Transport Board for five years.

Mr. Symmonds was awarded the Gold Crown of Merit in recognition of his public service. Clearly his career speaks for itself, especially when it is taken into consideration that in his period as a school teacher, he had a hand in the guidance of a number of well-known Barbadians, among them being the late Sir Frank Worrell and Mr. George Lamming. He was not only involved in the serious side of public service, he was also a sportsman, representing Empire Club in the First Division in both cricket and football, and he was a trustee of the club.
11.15 a.m.

In short, when we look at the career of Mr. Symmonds, we are looking at a career of a well-rounded individual who enriched the life of this country by the time which he spent with us. He leaves some three sons, three daughters, a number of nieces and other relatives and a widow to mourn their loss.

I believe that all members of this Chamber would wish to place on record our appreciation of his outstanding service, our recognition of the genius of the man and indeed our condolences as his relatives spend this hour of grief.

Mr. PRESIDENT: I would like to associate the Chair with the tribute so ably paid to the late Mr. Symmonds by Senator Barrow. As he has pointed out, he was an outstanding teacher, one of that school of teachers to whom so many Barbadians owe a debt of gratitude. He taught the poor man the value of thrift. He made his contribution at the Local Government level, and he served in both Chambers of the Legislature, in the House of Assembly and in the old Legislative Council.

Mr. Symmonds was a very keen supporter of the Barbados branch of the Commonwealth Parliamentary Association. He believed in the value of that association, and you could depend on Mr. Symmonds to be present at meetings and functions of the association and to give his support.

I will instruct the Clerk to send, on behalf of the Senate, a letter of condolence to the relatives, and I will ask Senators to please stand and observe a few moments silence in memory of Mr. Symmonds.

The Senate stood for a few moments in silence.

PRESENTATION OF PAPERS

SENATOR THE HON. N. A. BARROW: Mr. President, I have the honour to lay the following:

Statement of Return of Output of Locally Produced Spirits during quarter ending December, 1984.

The 15th Annual Report of the Barbados Development Bank 1983–1984.

The Customs (Amendment) Regulations, 1984.

The Passports and Travel Documents (Fees) Order, 1985.

Statement by the Minister of Housing and Lands on the USAID Housing Programme.

The Civil Establishment (Part-Time Officers) (Amendment) Order, 1985.

The Civil Establishment (General) (Amendment) Order, 1985.

The Council of Legal Education Order, 1985.

The Legal Profession (Qualification for Admission to Practise Law) Rules, 1985.

The Caribbean Common Market (Origin of Goods) (Amendment) Regulations, 1985.

Statement showing Net Customs and Excise Receipts for 8 months ended 30th November, 1984.

The Health Services (Pathological Laboratories) (Amendment) Regulations, 1984.

The Public Officers Loan and Travelling Allowances (Amendment) Regulations, 1985.

The Annual Report and Audited Statement of Accounts of the Child Care Board for the period April 1983 to March 1984.

MOTION RELATING TO SITTING

SENATOR THE HON. N. A. BARROW: Mr. President, it is our intention today, due to the fact that these measures have all been circulated for some time, to proceed with the Bills on the Order Paper.

I move that Standing Order No. 45(2) be suspended for the remainder of today's sitting.

The question was put to the Senate and agreed to.

INTRODUCTION OF BILLS

SENATOR THE HON. N. A. BARROW: Mr. President, I beg to give notice of the following Bills at 2, 3 and 4 on the Order Paper.

A Bill to amend the Dental Registration Act, Cap. 367.

A Bill to amend the Barbados Development Bank Act, Cap. 323.

A Bill to amend the Health Services Act, Cap. 44.

Mr. PRESIDENT: Let it be recorded in the Minutes that these Bills have been read a first time.

PUBLIC BUSINESS

SENATOR THE HON. N. A. BARROW: Mr. President, the order of business which we propose for today is Order No. 3, Order No. 1, Order No. 4 and Order No. 2.

In order to facilitate those honourable Senators who wish to attend this afternoon's funeral, if we need to stop at any point before, I think that order will allow us at least to get through what would have to be done right away.

THE BARBADOS DEVELOPMENT BANK (AMENDMENT) ACT, 1985

Order No. 3 was called — to move the second reading of a Bill to amend the Barbados Development Bank Act, Cap. 323.

SENATOR THE HON. N. A. BARROW: Mr. President, this is a rather simple and direct matter, although it arises out of a rather complex set of circumstances. Government owns a property on Hincks Street, Bridgetown. It consists of a single storey building standing on 862.75 square metres or a little over 9 000 square feet of land, which is part of a larger area of 1254.9 square metres or 13 050 square feet of land. It adjoins another property known as *Marshall Hall*, comprising 1448.72 square metres or 15 050 square feet of land with a two-storey building, belonging to H. Jason Jones & Co. Ltd. 11.25 a.m.

H. Jason Jones & Co. Ltd. has entered into an agreement with the Barbados Development Bank to sell their property known as *Marshall Hall* to the bank. The bank confirmed its intention to purchase *Marshall Hall*,

and requested that the adjoining Government-owned property be transferred to the bank. Jason Jones had previously claimed part of this adjoining property but abandoned its claim.

The bank has disclosed that the Marshall Hall project was intended to provide facilities for sales outlets for small businesses near the city's main shopping area, provide permanent headquarters for the BDB, provide office accommodation for institutions in related work and that the bank would also consider providing space for offices of the Small Business Association. With the development of the total area, the assets created would be substantially enhanced thereby increasing the value of Government's property held through statutory boards.

The property was not to be a gift, but there was to be a sale or lease to the bank, and the bank opted to purchase the property. The price of \$200 000 was agreed upon. There has, however, been the following problem. The legal formalities necessary to effect the transfer of the property have been frustrated, owing to a great deal of difficulty experienced in tracing how the property at Hincks Street became vested in the Crown. An exhaustive search was carried out at the Registration Office and the Archives Department to locate the document which vested the 13 508 square feet or 1 254.9 square meters of land at Hincks Street, Bridgetown in the then Executive Committee, but no vesting document could be discovered. A number of alternatives was then considered, and among them was resort to a title suit.

The point is that it became necessary to do something to give to the bank a clear and indefeasible title. The mortgage foreclosure suit was something which the bank did not wish to enter into. It could not be done unless the bank was prepared to be a party to the proceedings, and the bank did not like this expensive procedure. The position, however, is that there is no doubt that the Government owns the land and there are no competing claims. But the BDB needs to have a clear and indefeasible title, and so this Bill is before us, because the decision was ultimately taken to amend the Barbados Development Bank Act, Cap. 323, so as to vest the land in question, which is described in the Schedule to the Act, in the bank to exempt the bank from the payment of tax in respect of such land.

The Bill before us, therefore, is a Bill which seeks to effect the vesting of the property at Hincks Street, Bridgetown in the Crown and transfer it to the Barbados Development Bank. The matter would have been handled in the other ordinary way, except that the searches have failed to turn up the vesting document, which is vital to giving the BDB the clear and indefeasible title which it seeks. Recourse has therefore been taken for legislation to reflect the same thing, in a situation where ownership is clear and where nobody is being deprived of anything.

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

SENATOR C. D. SEALE: As the Leader of the Senate said, there was some legal tussle between our legal representatives and the Government, and we finally decided to do it this way. It is, of course, an advantage to the bank, because we are now getting the land free.

We bought the property in March, 1980 for a sum of \$775 000. I have seen it said in the other place that we paid \$2.1 million. I can assure you that we paid \$775 000, and any recourse to our audited accounts would give you this information, Sir.

The legal problems did not in any way hold up our construction plans. We made a decision that it would not be wise to construct the new headquarters during the period 1981-82, because at that time the construction sector was heavily overloaded and we would have ended up by paying a very large sum for our headquarters. So we decided to wait until the construction sector cooled down a bit, for a better time. I think the right time has now come.

Nine contractors have pre-qualified to build the bank. The tenders are out, and they close on February 28. Of the nine contractors, seven are locally-owned companies; two are overseas companies, but with branches here in Barbados. I pass a word to those contractors now that they had better sharpen their pencils, because they are dealing with a bank with a commercial outlook, not a Government outlook, and we are going to build the property at the cheapest possible and best possible rate. They had better not come with any tenders that look too high, because they will be thrown out.

To give a little description of the new buildings, as you all know, the *Marshall Hall* property is a very historic old property and the bank has every intention that it should remain as it is. The three outer walls which we see facing Hincks Street, or at least two sides will be remaining as it is. They are of beautiful coral stone blocks, twenty-four inch blocks, and they will be chipped and brought up. That may give you the same look as what we see in the Light and Power building on Bay Street.

Within this building, we are going to build a brand new, four-storeyed structure, which will be a steel building, set off about roughly twelve feet from either side. This idea is going to mean that our energy cost will be reduced because the three outer walls will now form a shade, so that the air-conditioning cost within the building should be reduced. I believe that Senator Griffith would be pleased to hear that.

When we did our site checks, we discovered that there were some tanks in the ground which held molasses

and this gave us the ability to create a basement parking. It would only permit twenty-four cars, but it is still better to have space for twenty-four than to have space for nothing. It is not very expensive to do because the excavation has already been done. The ground floor will be for shops which will be rented to small business people.

Since we built the Spring Garden Highway, all the traffic that comes in from the north comes up Hincks Street. The thinking behind it is that we now have to tie in the fact that people entering the city are going to be entering through Hincks Street. We now have the Post Office in its new location, and since we have started our plans to build, Barbados Shipping and Trading have been doing considerable renovations to a building just below the *Marshall Hall*.

We are going to create activity there in Hincks Street. It is a very wide street. It is part of the Government's thrust, I think, for the whole area to be developed and the fishing village would be in the area. I know that there are a number of people who are expressing doubts about having shops in Hincks Street. I can assure them that, in a couple of years' time, that street is going to be a very popular street because of the new traffic inflows.
11.35 a.m.

I am also hoping that the Government decides to remove the old Baymart Building so that the Post Office can be seen as attractive from the Hincks Street side. I think that that old building does not lend anything to the new Post Office. The quicker it is removed and the area landscaped, the smarter our new, spanking Post Office will look. This will also help us with the thrust into Hincks Street.

The property that is actually being vested into the Barbados Development Bank was, as the Minister said, leased to Jason Jones for, as I say "umpteens years ago," and it forms part of the overall property, although it does not appear this way. When that area is moved and the new careenage built I think there is going to be a free walk behind the building, on the wharf side. The offices that will be created in this building are therefore going to have an exquisite view of Carlisle Bay, and I am confident that we will be able to extract quite a nice rental from people who are willing to rent the first floor, which we have earmarked for rental, and part of the second floor. The ground floor will be in shops; the first floor rented in offices, half of the second floor rented in offices and the third housing the Barbados Development Bank.

I do not know; with all these changes on boards you never know; but I hope that I will still be occupying the board room maybe in 1986 or 1987 and enjoy a nice view when we have our meetings, and to cool our brains a bit. My friends tell me that I had better get ready, because everybody is going down like nine pins, so I do not know. I

have been able to hold on for a while, and I hope that I will be able to hold on for a little longer, to at least see *Marshall Hall* completed.

The Barbados Development Bank has its Public Annual General Meeting tomorrow, and I extend an invitation once again to all the members to come. It is a very popular meeting. I have never seen Senator Greaves, but I am suggesting that he comes there so that he will see the participation we have, and the nice rapport we have with our clients. I think it will be an education.

In our report, which has been laid, you will notice that the approvals were \$19.6 million and the disbursements were about \$14.9 million. I am happy to say that, as of January 31, with two more months to go in this financial year, we have approved \$23.5 million and we have disbursed \$17.578 million. Both of these are records, and, of course, we will continue. We have two months to go and we are still disbursing, and we are still approving some loans. I think the year 1984-85 will be a record.

As I have said on many occasions, the bank is faced with great difficulties, because we have now not only become the godfather of all the small businesses, but we have also become the godfather of the tourist industry, and we now even have the fishing industry with us. I even hear overtures from the agricultural industry. They would like to join the Barbados Development Bank. I do not know if that is possible, but we would always welcome them with open hands.

I do not know if there is anything more than I can say, because I am going to say a few things tomorrow evening, and I do not want to take away from what I have to say tomorrow. Once again, I can assure the Senate that the building that the Barbados Development Bank will put in place will be an asset to Barbados and an asset to its clients, and in hundreds of years, maybe generations to come will be pleased with what we have done.

The question that the Bill be read a second time was put to the Senate and agreed to.

On the motion of Senator the Hon. N. A. BARROW, the Senate resolved itself into Committee on the Bill, Senator J. C. W. WICKHAM in the Chair.

COMMITTEE

Clauses 1 and 2 inclusive were called and passed.

Clause 3 was called.

SENATOR THE HON. N. A. BARROW: Sir, I beg to move that Clause 3 stand part.

SENATOR Can. I. McK. JONES: In the old law, it said that the income of the bank shall be exempted from

Income Tax and Trade Tax. This says that the income of the bank shall be exempted from the Income Tax. There is no mention of the Trade Tax. I want to know if the Trade Tax still applies.

(Asides)

SENATOR Canon I. McK. JONES: Is that abolished? All right.

The question that Clause 3 stand part was put to the Senate and agreed to.

On the motion of Senator the Hon. N. A. BARROW, the Senate was resumed and the Bill was reported as having been passed in Committee without amendment; Mr. PRESIDENT in the Chair.

On separate motions of Senator the Hon. N. A. BARROW the Bill was read a third time forthwith and passed.
11.45 a.m.

GUARANTEE OF \$15 000 000 BY THE ISSUE OF SUGAR INDUSTRY BONDS BY BARBADOS SUGAR FACTORIES LIMITED

Order No. 1 was called — To move the passing of a Resolution to approve the guarantee by the Minister of Finance of the principal and of interest necessary for the redemption of the bond issue in the sum of \$15 000 000 under the Sugar Industry (Support Price) Act, 1982.

SENATOR THE HON. N. A. BARROW: Mr. President, the Sugar Industry (Support Price) Act at Section 4 authorizes the industry to issue bonds for the purpose of financing the Sugar Support Price Fund, and the Minister of Finance may, with the approval of Parliament, guarantee the payment of the principal and interest necessary for the redemption of bonds issued by the Barbados Sugar Factories Limited under the Act. Parliamentary approval is therefore being sought for the Government to guarantee a new issue of sugar industry bonds, in the sum of Bds.\$15 million, to be floated by the Barbados Sugar Factories Limited to finance cane processing operations and to make support payments and loans to cane growers for the 1985 sugar cane harvest.

With regard to the 1984 sugar price support programme, Cabinet has made four decisions:—

- (1) that this Resolution should be submitted to Parliament;
- (2) that the 1984 sugar support price should be fixed at \$855 per tonne, that is 85.5 cents per kilogram of sugar, 96 per cent pol ex-factory, before deduction of the Sugar Workers Provident Fund and the Sugar Industry Research and Development Fund levies;

- (3) that the conditions set out in the brief which I have before me, and which I will refer to in a minute, should be applied to the 1984 sugar price support programme; and
- (4) that the price of domestic sugar should be increased as follows:—

Special — \$1.80 per kilogramme to \$1.95 per kilogramme;

Regular — \$1.60 per kilogramme to \$1.75 per kilogramme.

There are a number of conditions and new arrangements. First, the 1984 sugar price is fixed at \$855 per tonne. Reduction below the 1983 sugar support level of \$875 per tonne takes into account the better cane sugar ratio in 1984. The average cane price paid to the growers, therefore, remains virtually the same as in 1982 and 1983.

As existed in the 1983 Price Support Programme, the 1984 support arrangements will consist of two major elements of the attached provisions and conditionalities. The two elements relate to the existing farm size classification: small growers delivering cane up to 400 tonnes and large producers delivering more than 400 tonnes of cane. Growers who deliver up to 400 tonnes of cane in the 1985 harvest will receive outright payment to bring their total receipts to 63.27 cents per kilogramme of sugar. This support price will be subject to the application of the cane price formula and deductions for levies. (I was looking for the formula. If I find it I will come back to it). The Sugar Workers Provident Fund and the Sugar Industry Research Development Fund is subject to the levies.

The support element to small producers is in the form of a grant. Growers who deliver more than 400 tonnes of cane in the 1985 harvest will receive the support element in the form of a loan convertible into a grant. The schedule for that is: if you produce in 1985 and subsequent years at a percentage of the 1982–84 average less than 100 per cent, you get none of the loan converted into a grant; if it is 100 per cent to 125 per cent, then it is one quarter of the loan to be converted; and if the production is more than 125 per cent, then it is one third of the loan that would be converted. As an alternative to the 100 or 125 per cent and more than the 125 per cent, one has, of course, peak production of the corresponding acreage. Whichever is less, one can qualify for the conversion.

In an effort to promote product diversification and encourage the return of idle land to productive use within the context of improved production and productivity, two additional provisions to convert the loans into grants are introduced. Any grower who, in 1985 and subsequent

years, and to the extinction of the support loan, grows specified crops and produce — cotton, onions, peanuts, eggplant and sweet peppers for export, cherries, cut flowers, and meats — beef and mutton — which cannot easily be fitted in to the traditional sugar rotation system, will be allowed to use acreages utilising these crops and produce for the purpose of his support loan conversion.

Sugar production in any year should be its actual production increase by the percentage by which the land and such other crops bears to the remainder of the arable acreage devoted to cane production.

(If I am making heavy weather of this, it is because it is heavy stuff). Qualification under this provision is, however, dependent on good husbandry, and the area alleged being certified by the Manager of the Field Division of BSIL, confirmed and so on. There are around this table honourable Senators who understand these things much better, but the point about that condition is that it allows growers of specific crops to use the acreage devoted to those crops for the purpose of conversion under the Sugar Price Support Programme. That is how I understand it.

The second condition is that any grower who in 1985 and subsequent years, and to the extinction of the support loan, delivers cane equivalent to at least 100 per cent of his average sugar production in 1982–1984, and who, by purchased lease or other contractual arrangement, cultivates and plants sugar cane, cotton, peanuts, onion, eggplant or any of the others — the same thing as before — on idle land, in addition to his registered arable acreage of ownership in the 1984 crop, shall be entitled to a reduction of the outstanding support loan by \$2 000 for each acre so cultivated, planted and successfully marketed, and so on. This is a condition which allows growers to cultivate idle land additional to their farms in any of the specific crops listed above to reduce the outstanding support loan by \$2 000 for each acre so cultivated.

11.55 a.m.

I think I understand the two conditions. If you bring in additional lands, if they are either in sugar or in certain other specified use, that would also qualify for conversion, which seems a highly desirable condition.

This is the third occasion on which a Resolution of this nature is before Parliament. We recall that it was introduced in 1982 as part of Government's strategy to assist the industry in coping with the sugar crisis caused prior to 1982 by low prices, the prices of 1981 and 1982. It is based on four basic principles: off-budget financing through Government guaranteed bond issues floated by the industry; disbursement of the support element in the form of loans convertible to grants depending on future performance, that is, the incentive to increased produc-

tion; support of the banking system, particularly the BNB, where there were so many lock-ups and very little hope of recovery of the debts; and the stipulations designed to improve the industry's management and performance.

I can talk about the history of this, because I have it before me, but I believe that at this stage it is only appropriate for me to ask for agreement to the Resolution as a continuation of Government's policy of giving support to a vital industry which in previous years has been, in fact for a long time, was almost the sole contributor to the economy, and which remains a significant earner of foreign exchange and a significant employer. At a point when we see ourselves with a viable alternative, it may then not be necessary, but at this moment Government sees the continuation of sugar as necessary and, therefore, has embarked on this policy which is a policy supportive of the industry.

I beg to move that the Senate concur in this Resolution.

SENATOR A. W. A. McCLEAN: Mr. President, I rise to support the Resolution, but to indicate certain limitations to it. Before indicating the limitations, however, I would like to agree that it is an improvement. The conditionalities are an improvement on those which were attached to the other price support arrangements, and I am referring here to the new conditions whereby people can substitute the production of other crops for the production of sugar to benefit from the price support.

You may recall that on previous occasions I indicated that the conditions attaching to the guarantees in the earlier arrangements were aiming at the wrong objective, that is, bringing more land into sugar, achieving a higher target level production of sugar. I pointed out at the time that all signs indicated that our sugar industry will contract, and that we should anticipate this and do it in a systematic and planned way, rather than trying to swim against the tide and finding that, in spite of everything we are doing, it is still contracting, because in such circumstances the cost to the community would be larger than it would be if we had planned the contraction of the industry. I am therefore pleased to see that this has now been recognised in some measure, and that the new conditions make some provision for diversification.

There is still however, an element of weakness here, in that there is an insistence that existing plantations, all of them, must remain predominantly in sugar to be able to benefit from the grants, and the type of diversification that these arrangements seem to envisage is diversification at the level of the plantation where every plantation now would grow some cut flowers or every little thing else and a lot of sugar. That is not the way to plan for diversification in agriculture. Certain areas have to be devoted to specific crops, cotton in one region of the

country, cut flowers where they are best suited and so on; not cotton and cut flowers all grown from St. Lucy to St. Philip intermixed with cane. That would not make a lot of sense, and basically that is the type of arrangement that this would promote. We need to go beyond this, and the provision should be such that it would become possible, given production possibilities, for someone to benefit from the price support for sugar they produced in 1984 and move completely out of sugar in 1985 into something else, once they have gone into something that is beneficial to the country, or perhaps even more beneficial than if they had remained in sugar.

The targets for sugar seem to be at least as high as they were, and there seems still to be some commitment to moving towards higher target levels of sugar production in coming years, and this also seems to be part of the intent of the conditionalities. Again, I would suggest that in the future the optimum level of sugar production in Barbados will not be as high as it is today. Our sugar industry, I do believe, will settle down somewhere in the vicinity of 75 000 to 80 000 tonnes of sugar and a much smaller acreage than today.

The type of reasoning which has gone into the strategy which Government has been pursuing over the recent years has been one of matching the production of sugar to the availability of sugar producing plant, the sugar factories. You have sugar factories that can grind so much cane, so you want people to produce that amount, and you would be taking a view of the desirability of reducing cost at the level of the factory — the more canes that the factories have to grind, the lower will be factory costs in producing the sugar — and, of course, you adjust the price, you control the price, that is an administrative price. Sufficient attention is not being paid to the overall cost of producing sugar, including the sugar cane. I am not talking about the price you pay for the sugar cane — you can pay any price you feel like — I am talking about the human resources and the other resources utilised in producing the sugar cane, because when you do a computation which is sugar-producer based, factory based, on \$800 per tonne, this does not say very much, because some plantations are still out there making losses, and even in circumstances where they may not be making apparent losses, they might still be using resources which do not enter into the accounting process adequately to keep maintaining the production of sugar. So the cost to the overall community of producing sugar is not the same right down from the plantation, it is not the same thing as seen from the perspective of the sugar factories, the Sugar Producers Association, and that has been the orientation that has been brought to the idea that you must produce more sugar so that Bulkeley and Portvale can grind cheaper.

This is not the way it should be. We must do an overall study to determine the optimum level of sugar, and this will show that we have excessive factory space, and the thing to do then is to look at the factories and decide which ones you are going to close down or put in mothballs. If the thing should turn around and you suddenly get good prices for sugar, maybe you can bring the ones you have in mothballs out. You will probably need a year's lead time to get the plant back in there, but it can be done.

I do not anticipate that you will ever have these high prices for sugar again in the future, because two fundamental things have changed: (1) technology has discovered so many substitutes for sugar, so many types of sweeteners, that they are competing now; and (2), people have been told that sugar is not so good for you; cut down on the use of sugar, otherwise you might have all sorts of medical problems.
12.05 p.m.

Some people hardly use sugar now, and they do not have diabetes or anything like that. But people are told that it is not such a good thing to use sugar excessively, and you cut down and cut down until you lose the taste for it — you can drink your tea without sugar and it does not make any difference. So you are moving more towards the lifestyle of maybe the people in the East, who never use sugar at all. Sugar is just a taste that you acquire. It is a source of energy and such, but the way that we have been indoctrinated has been moving us away from it.

The Government, therefore, must realistically face up to the fact that the sugar industry in Barbados is going to continue to become smaller, and should plan for it. They should also recognize that it is within the realm of possibility that, before the year 2000, we may not have a sugar industry at all. There is no particular harm if we have to buy sugar. The amount of sugar we use, if that is the only reason why you are producing sugar, we would be better off buying it. We would get it cheaper.

The employment in sugar is dwindling. The industry is becoming a secondary source of employment, and apart from being secondary, it is not the most desirable form of employment, in terms of the expectations of the people. You must have an appreciation of greater possibilities. Part of the problem with agriculture in Barbados is that for far too long, everybody has been saying that the only thing you can do in Barbados is to grow sugar cane on the land. How come now you are hearing about all this range of things that you want to promote? Those things existed before, and other things, but there is a conditioning that the only thing you can do is what you are doing now. We are hamstrung by our lack of imagination and initiative in all sorts of areas.

Another part of the problem in the sugar industry, which Government has to face up to right now, is related to the whole reason why we have this whole business of the price support here, and this goes to the income and the financial conditions within the industry. As I said earlier, in spite of all this price support and other help, there will still be plantations which are going to lose money. Some of those plantations are not going to be necessarily the marginal ones that are not producing a lot of cane per acre, because there is a formula which has an adjustment factor for high rainfall and low rainfall areas, where in the low rainfall area you get a better price for the cane than the fellow in the high rainfall area. This can lead to an inversion where, at the margin, the fellow who is just classified as being in a low rainfall area might end up being better off than the fellow who is classified in the high rainfall area. B's land is slightly better than A's, producing more per acre, but because of the differential, he ends up getting less. So a firm which remains in sugar longer would probably find itself going out because of that pricing formula. For that reason, and other reasons, a lot of them have still been making losses, and they have been making them for some years now.

We have been seeing statements in the Press, and all around people have been talking about the debt of the sugar plantations and what kind of net worth they have. Government has to address that problem, and address it now. I indicated some time ago, in a statement which I made, that the solution to that problem will engender some degree of change of ownership. Notice I said, 'change of ownership.' I did not necessarily say change of management; but that, too. The essential things though, is change of ownership. If the present managers are all better than the ADC, as someone told me — and I was not talking about ADC managing anything — let them continue managing. Of course, you do not have to own to manage. You have systems like purchase and lease back arrangements by which you can relinquish ownership for a time, lease back, and if you make enough money to buy it back, buy it back.

I will come to the question of ownership in a minute, but the essential point of the matter is that if you place the financing of a sugar industry in the context of a commercially-oriented, financial institution, it has to measure up to certain criteria, otherwise you cannot go on getting credit from that institution. If the institution is so foolish as to go on extending credit, it must reflect on its books provision for loan losses and income that it cannot accrue and that kind of thing — heavy losses on the bottom line. And that institution will go through the eddoes and at that stage; the plantations will not get any more. We must recognize that there is a financial limitation on the extent to which you can just allow existing entities or owners to incur debt in

relation to the value of their properties. When that time comes, something else has to happen. That is the point at which change of ownership must come.

The alternative to that is to give them some heavy grants, give them about \$1 million and say, I float you again. But that would not be socially acceptable. In the type of society which we live in, when people go to the wall, they go to the wall in financial terms. When you fail, you fail. To say, 'Give them \$1 million and we will start again' would be no different from telling the garment people, 'We will give you half million dollars and let you start again.' If anybody did that, there would be a big outcry in Barbados.

So there must be some arrangement which is fair to the present owners and which accords with the value of the society. This is where the change of ownership comes in. One of the possibilities would be as, I said, purchase and lease back situations. I indicated that the ADC should play a role in this, and the Government. If Government is going to get involved in the purchasing, it might be strategic to do this by vesting the property in the ADC and then let the ADC lease back to the good managers and find new managers for the plantations that do not have good ones.

I also believe that there might be a case for regrouping of plantations and things like that. There are other possibilities that I made mention of some time ago, a year or two ago, which related to the role that the sugar producers — we have a new name now — could play. Instead of having the company organized predominantly around the factories, they can reach out and own most of the land, or all of the land, and have a public limited liability company operating in that area. All the people out there who are agriculturalists and are good, let them get a piece of the action in terms of managing the place. Those who are not so good, put them to one side. Something of that order has to come.

There are other ideas which I have, but I would not have time to elaborate on them now in the particular context. But that solution is important, not only for the sugar industry, but it is also important for the financial sector of this country.

There was a time when I thought I would have participated more fully in a solution to the problem, but I see my services are no longer required.

SENATOR L. A. WARD: I support this Resolution, and in doing so, I have to declare an interest.

I will not go into the support loan and the conditions of the support loan, because I should like to think that this would be the last time that this Honourable Chamber would be asked to pass a support

loan. I feel that the support loan will have to come to an end, because the Sinking Fund, which deals with the bonds and the repayment and financing of the bonds, is serviced by the additional price of local sugars, that today we are told would be increased. But you cannot, in my opinion, continue to increase the local price of sugar for ever and a day. I feel that the money that we would be able to raise from the increased price of local sugars will not be forthcoming, and therefore further support loans could not be financed in this manner.

12.15 p.m.

One point was raised by Senator McClean about the differences of the prices that are being paid in respect of the different rainfall areas. This year we have looked at the groupings that we had in the past, and we have endeavoured to smooth out the high differentials by increasing the categories that come under the ecological grouping, so that it would be a smooth movement of prices, instead of one place next door to another one getting perhaps \$3.00 or \$4.00 per tonne more than the other one.

I would like to make some comments on a statement that was published in the *Advocate News* on January 30, reportedly made in the Other Place. There are two points: one was that the "salvation of the sugar industry should not be seen in purely financial terms", and the other one, "one of the grave problems facing the industry was that it operated in the plantation mode for too long." Plantations still operate with a manager, attorney, overseer, and a bookkeeper. There should be a move away from that mode of operation to industrial operation.

To deal with the mode of operation in an industry, as I know it you begin with workers, be they mechanics or shop workers, and you have a foreman, you have shop supervisors, you have Assistants to the Manager, and you have managers. This is the same system that the industry operates.

Looking at the problems in the industry in financial terms, if you were to examine the finances of the sugar industry, you will see that, in 1980, the EEC price was just under \$900 per tonne to us in Barbados, and with the increases given over the years it would now be somewhere between \$1150 and \$1200 per tonne, if currency values had not changed. This year's estimated price for sugar from the same market is estimated at \$540 per tonne. Now costs have not come down, wages have gone up; the cost of everything goes up — it does not come down by half.

In 1980, when the EEC price was \$900 per tonne, the price of sugar was 41.9 cents per pound. Today, it is just under US 5 cents per pound — in the same market. So if you were to take the reduction in the finances, had

there been no changes in currency values, and we were looking at \$1150 or \$1200 per tonne, and if world price sugars were not 5 cents but 41 cents, I think that we would have no problem in the sugar industry at all. We would be making money. But the sugar producers in this country have no control whatsoever over that. It is the value of the Barbados dollar, which is linked to the U.S. dollar, and it is rising day after day. Everyday you pick up the newspaper, it is higher. We estimated the price of EEC sugar at \$540 per tonne. Since then, the American dollar has appreciated in value, and wherever that goes, it takes the Barbados dollar with it, so even that \$540 per tonne may be too high. But we are told that our problems are not purely financial. I would say that 95 per cent of our problems are financial.

In relation to the second point about the plantation mode, I really am not sure — it was not explained what was meant by the plantation mode. To deal with a plantation as such, if we are going to talk about doing away with a plantation and dividing the land into smaller groups, this was done under two successive Governments. I throw my mind back to the time that Sanford and Mapps were divided into two acre lots. That was a long time ago, and if we were to go back today and look at Sanford and Mapps, I think you would see that they have gone out of agriculture forever. They will never come back into agriculture.

If we look at Frere Pilgrim, which is a good estate, adjoining the one that I worked on for the last forty-odd years — I used to be an attorney for it since 1958 until it closed down — that was divided into four acre and two acre lots. It has grown some excellent housing. In fact, it is known as 'Beverly Hills'. I am sure that if anyone of us would address a letter, 'The Honourable Senator Barrow, Beverley Hills, Christ Church,' the postman would have no difficulty at all!

Laughter.

SENATOR THE HON. N. A. BARROW: On a point of order: It is the other part going down to Senator Ward that is Beverly Hills; not the part by me.

SENATOR L. A. WARD: The part coming down to me is very far from me, so I am not in that category at all. But Frere Pilgrim will never be in agriculture again. I am sure that Senator Barrow will never have a pig next to his house, nor any agricultural operation.

Neils and Rowans, I think, was cut into eight acre lots, and some fours too. That, again, has grown some excellent housing, and little else.

We move down to Spring Hall. I really do not know much about Spring Hall — I have never been to see the operation down there — but I believe that various

size lots have been developed, and they are trying out up to twenty acre lots or just over twenty acre lots. Let us hope that that will be successful and they will find a viable size lot that can be operated. But it is my information, without my going to see it, is that it is quite probable that it will be in tenancies before very long, that it is not doing as well as was hoped.

12.25 p.m.

We move on to the question about the estate management — a manager, an attorney, an overseer and a book-keeper. On any estate of any size you would have to have some book-keeping. You have to keep wage sheets, you have to do National Insurance, PAYE taxes, and such. The function that was performed by a book-keeper in the past, most sizeable estates now, instead of tying up an overseer with that, is now done by a lady clerk and often a part-time person to save money.

In every business you have to have a manager, and some person being trained to take over from a manager, so an overseer is the type of person who would be trained to take over from a manager when the manager retires, or gets a better job, like in commerce, that pays him better. The fact is that agriculture is not something that you can go into a university and study and come out and do. I have seen a gentleman with a Bachelor of Science Degree who was employed at a sugar estate and he was so concerned in book knowledge that the rain would come down and wet his shirt and when he felt his shirt wet, he would say, "Hey, you know the rain is falling." He was an absolute failure, and he left. A 4th Form boy from Lodge School got the job, and he turned out to be an excellent agriculturist.

The only difference that I can see between the management structure of the sugar industry and any other management structure in any other industry would be the attorneys that are appointed and put in charge of the estates. This system that is now being cried down has served this Barbadian industry for the last 300 years, and served it well. The attorneys are chosen from the most knowledgeable and successful of the sugar planters of this country. You pick the best of them, perhaps a dozen or so, who are paid a nominal fee — it is 90 cents an acre per month, which, on a 500 acre estate, for example, would be \$450 a month, not a fortune to pay for expert advice — and these men would be confined to their 12 estates, but their expert knowledge is spread across the industry. They advise managers who may not be as good as they are on agricultural practices, financial problems, crops to plant, the best varieties, and other farming inputs and the island's agriculturists benefit from this expert knowledge that is shared throughout the industry. This method has served this country for 300 years, and I would caution those in the industry that before they abandon that system of management, they think twice. It is a proven system, it has lasted, as I said,

300 years, and unless something better can be found, I would advise them to think twice before they change it.

The ADC itself had an attorney in Mr. Reynold Fields. He died and the ADC operated for several months without an agricultural attorney giving agricultural advice. But the ADC, in mid-year 1984, found it advisable to appoint not one, but three attorneys — Mr. Aubrey Husbands for the north of the island, Mr. Colvin Brewster for the Scotland District and Mr. Ian Robinson for the southern part of the country. They found that it was necessary and they appointed attorneys last year.

The industry, I feel, does not need support loans — it needs subsidization or grants. The money owed by the industry is in excess of \$100 million. The interest charges that the industry faces, we estimate is in excess of \$14 million a year, and this sugar industry, even getting back to normal times, will find it extremely difficult to make \$14 million a year.

There is a modern trend that whenever there are problems, you blame management. This is the easiest thing to do. I feel that blaming management is a cover-up to hide the real problems, which are mainly financial, as I have tried to point out. To blame management is throwing a blanket over the whole thing. You cannot expect an industry that has had increased costs to have their revenue halved and do not be in financial problems. If we had had no change in the values of currencies, this industry would not have been earning Bds.\$60 million in foreign currency. It would be over one hundred million dollars in foreign currency, and the industry would not have been in this trouble, but it is in this trouble because of that. It is no fault of the people in Barbados that runs the industry. Still we have this idea of constantly blaming management. It is not management's fault.

I would like to support this Resolution, and I hope that the next time — I may not be here — Senator Seale feels that changes may be made, I really do not care — anything comes up in support of the industry, it would not be loans. The industry cannot service any more loans. I hope the next thing would be subsidization or a grant.
12.35 p.m.

SENATOR J. E. D. WILLIAMS: I want to begin by making reference to the last comment made by Senator Ward in relation to the whole question of the problems in the industry being financial problems, and his suggestion that in future, any assistance should not be in the form of price support, but rather should be in the form of grants. I believe that some analysis of that will have to be done, but I am not totally persuaded that the solution to the problems at the moment would be to give grants to the industry. I firmly believe that a lot of those individuals who are involved in the industry now

will sit back and become rather complacent, and any initiative on the part of the Government would have to be in conjunction with the industry itself. I believe that when they have their own obligations and commitment along with Government, that combination lends itself better to the improvement in the industry than to just piping money into the industry in the form of grants. But I agree with him wholeheartedly that in the future I do not think that Barbadians should be called upon to be what, in essence, is subsidising the industry *ad infinitum*, because indeed the Sinking Fund arrangement calls for any increased prices to go into that Fund to redeem the bonds, and I believe we have to look at it more critically in the future.

The only other point that Senator Ward raised related to the managerial component of the cost within the industry. I am not quite sure again that I can agree with him totally that those individuals within the industry itself need not look at that cost component. I think it still remains particularly high, and I have had an opportunity to look at the figure. I will agree with you that in times of difficulty, any attempt to apportion blame to one particular area or component of a total is always an easy thing, and it is always an easy way out, and therefore I would not want to suggest that all the problems in the industry are indeed because of what may be considered high managerial costs, but that notwithstanding, I am still convinced that it is extremely high.

Senator McClean suggested, and this is my interpretation, that sooner or later, the output from the sugar industry would be in the region of 75 000 tonnes. I think it must be understood that the sugar industry has an infrastructure in place at the moment for some 150 000 tonnes of sugar. That, in economic terms, will create difficulty, as most reports and studies have shown in those instances where production is below 100 000 tonnes, and so we had to resort to price support. The fact of the matter is that the fixed cost component becomes particularly burdensome below 100 000 tonnes, and the industry itself has been trying to reach that figure, because while it is not a break even figure, it is a figure below which they ought not to go.

I agree that you might have to look at the actual infrastructure. Senator McClean spoke about six sugar factories. I suppose it might be necessary to reduce them at some time to three sugar factories, and I am suggesting modern sugar factories strategically placed within the country to accommodate the ecological conditions, but at the moment, to my mind, Government will have no other alternative but to try to reach that production target of 100 000 tonnes, for the reasons to which I have already alluded.

Senator McClean also made the point that the price support is in the form that it causes farmers to be involved in diversification, but I believe the gist of what he was saying is that that in itself was not encouraging them to diversify to a level he would have liked. Diversification in terms of price support has been an incentive, it is there built into it, but he would want to agree that it has to be a phased approach. There are a lot of market considerations and constraints. I believe the approach so far by the Ministry is one that has to be congratulated, because in every step of the way the Ministry has been trying to look for markets while at the same time encouraging farmers to go into other non-sugar areas of production. So while I agree that we need to encourage farmers to diversify more, it has, of course, to be done in conjunction with market constraints and market considerations.

The only other point I would want to make in relation to Senator McClean's comments has to do with the situation in which we find ourselves. I already spoke about the fact that we have an industry geared for 150 000 tonnes of sugar, and you will find that that infrastructure was put in, to some extent, in the late Sixties and early Seventies, because at that time we had guaranteed markets under the Commonwealth Sugar Agreement for 139 000 tonnes. We all know that a new protocol came into effect after 1974, and as a result of Barbados failing year after year to meet its commitment of 139 000 tonnes, we ended up in a position where our quota was reduced by some 60 per cent. I believe that the industry has not over the years been able to adjust as a result of that, of not having a market *per se*.

We all know that when, for instance, in 1974 the Government of that day chose a one-shot approach, as the old adage says, a one belly full and rather than meeting their commitment, went and sold the sugar on the open market, we got high revenues in 1974, but when those individuals who were involved in arriving at a new protocol looked at the situation, it was a case where they got the impression that year after year Barbados was unable to meet its commitment and therefore our quota was reduced drastically. One may suggest that Barbados was treated just like any other small developing country that was producing sugar at the time, and indeed there was some attempt not to give Barbados the quota that it wanted, but the facts of the matter are that countries like Fiji, Mauritius and Belize all ended up in a position where they had quotas far in excess of what they enjoyed under the CSA. I am saying that, from that time onwards, we have had difficulty, in terms of having a proper market for sugar, and that, coupled with an attitude of trying to run down the industry, has forced us, to some measure, in the position that we are in today. 12.45 p.m.

I dare say that the question of markets will continue to be a problem for us. Maybe the happy

medium would be to look at the size of the operation, as Senator McClean suggests, and the fixed market conditions that exist, and — who knows? — maybe you might arrive at the 70 000 to 75 000 tonnes that Senator McClean suggests. At present, however, Government has to do everything to make sure we reach that minimum figure of 100 000 tonnes, for the reasons that I spoke of before.

It is a fact that if you take the 1980 figures given by the EEC for a tonne of sugar, had those prices existed up until, say, 1983, the sugar industry itself would have earned something like \$29.3 million. I have not even in that analysis taken into consideration the increase in sugar prices. I am just looking at figures that existed, say, in 1980 and assuming that those figures had held through 1981 to 1983. When you compare that with the price support that was given in 1982 and 1983, which I think was somewhere in the region of \$23 million to \$24 million, you will still see that there has been a loss to the sugar industry.

I believe that it is to the credit of Government that we have come to the aid of the industry. But for how long? I am not quite sure that we can go on, but the support has gone somewhere in making up for those losses suffered by the farmers. Beyond that, it is also an attempt by Government to create that incentive for people in the sugar industry to continue to produce, because an investor at all times looks at the opportunities open to him, and no one is going to go on making losses *ad infinitum*. He would come to the conclusion sooner or later that it would be in his interest to take your money and put it into something else. So rather than Government creating the situation for the demise of the industry, we have virtually come to the aid of the industry, and I believe that it is to Government's credit.

The other point that I would want to make about the 1981–83 scenario has to do with our failure in 1981 to start the sugar crop early. Time and time again, the point has been made, without people recognizing the import of that and its ramifications, that we have to start the crop early. I really believe that we are suffering as a result. I do not want to apportion blame to any party, but we all recognize that there was a late start in 1981. In 1981, the price of sugar was still reasonably high, but Barbados ended up with a situation where approximately 14 000 tonnes of sugar, in the form of sugar cane, remained in the fields only to be reaped the following year. You will find that the industry would have been better off if we were in a position to sell that sugar on the open market, which was indeed possible in 1981.

We also had the problem of compacting, and that, of course had its effect the following year. We would remember that in 1981 we were virtually reaping the canes during the wet period, so in terms of getting your

crop ready for the following year, 1982, we had a problem.

We continue to have an industry, although Senator Ward only stressed the managerial side, that is extremely costly to maintain. It is interesting to note that while reference is made by the Opposition to Brazil, they fail to tell you that Brazil is able to produce for \$30 the same tonnage of canes which would cost us \$100. That needs no explanation. Also, we need to look at the number of people that we have employed in the industry, and the figures normally given are between 6 000 and 7 000 persons, to produce 100 000 tonnes of canes. It is always bad, I suppose, to use comparative statistics, but if you look at a place like Australia that produces some three million tonnes of sugar, they only employ something like 2 500 persons.

That says something about the little problem that Senator Ward has with the new concept of farming. I really believe that the farmer in the future will have to be a person who is more involved. He must be a total farmer. He made reference to the manager and the overseer, but it is about time that some of those persons not only keep the books, but get involved in driving the tractors, doing some rotavating and what not. I believe that that, coupled with, I suppose a further increase in technology and mechanization within the industry, in the future might enable us to arrive at a cost maybe less than \$100.

I believe that Senator Ward is well aware that managerial and labour costs are responsible for some 59 per cent of total cost in the industry. I have been involved in the trade union for many years, and therefore I could not get up and speak and try to decry the efforts of the movement over the years in trying to ensure that proper wages are paid to people in the sugar industry. I indeed laud the efforts of the union. I believe that, in many respects, the union has shown a high degree of restraint. I believe that whenever it has reached a critical stage, the union has demonstrated a high degree of sensitivity. But the fact of the matter is that labour cost is extremely high.

There is one other thing that we cannot ignore, and I believe that I would be failing if I did not mention it, and it has to do with the whole question of the five day work week which is suggested by the Union as a minimum and guaranteed period. I believe that practice has shown that, generally speaking, that has been ignored within the industry, but I dare say that no union or nobody will try to promote anything that will create the demise of something like the sugar industry. I think that is enough on that. I believe Senator Greaves might understand where I am coming from.

12.55 p.m.

To address the points that, ecologically, sugar is still one of the best crops that can be grown in Barbados at the moment; that we must do all in our power at present to maintain the Sugar Industry and to guarantee the jobs of 6 000 to 7 000 workers; that we cannot fail to recognise economic considerations when we talk about diversification, and the fact that we still get foreign exchange from sugar — all of these things can only lead us to one conclusion, and that is that the industry is particularly important to us.

I agree with Senator Ward that the interest payments on loans are particularly high, and I would want to suggest that one of the things that Government and those in the sugar industry will have to agree on has to do with the long term financing of the sugar industry. Already, a number of short term loans that have not been serviced have already been converted into medium term and long term loans. The interest payments on those short term loans are particularly high, like Senator Ward said. I know that, for instance, in 1983, and this is the audited report, on the factory side, they paid \$6.1 million in interest, and on the field side they paid some \$4.3 million; so in 1983 alone some \$10.4 million was paid out in interest alone to service the loans that they have. I believe that that was some 9 per cent of the total cost of producing a tonne of cane in a year, and that is particularly high.

I am suggesting that the question of financing in the future has to be taken into consideration. I am not going to go along with Senator Ward and say that it must be in the form of Government giving an all-out and total subsidy to the sugar industry. I think it should be more in terms of creating the possibility for credit accommodation and to assist the industry wherever possible. I believe that there must be a commitment not only on the part of Government, but also on the part of those persons who are involved in the sugar industry. One way for them to be committed over and beyond just being involved in securing their own jobs is to have more equity capital in the industry, so I am suggesting that equity capital is one way of the industry being financed in the future.

I want, in conclusion, to support the Government in its continued commitment, not only in terms of what it says but what it has been doing, to come to the assistance of the sugar industry. Unlike on the other side, which takes the opportunity, when it is expedient for them to do so, to get up and criticise and ridicule the industry, Government stands committed to the sugar industry in Barbados.

SENATOR C. D. SEALE: Unlike Senator Ward, I am not going to declare an interest, because although I am a plantation owner, none of these funds are coming

to my plantation. I was bright enough in 1977 to lease it out — at a very nice rate at 96 cents per acre per week. I think that at the end of the year I get a cheque for \$3 300 for the 66 acres that I lease out. I do not think that is a fortune, but I can assure you that it has eliminated all the losses.

Back in 1971, when Hopefield was for sale, I made a visit and I thought — “What is wrong with buying an estate of 145 acres? If you could not make that pay, you would be stupid.” So I took a little chance at running an estate. The first year I ran it in the traditional way, with an attorney, manager, superintendent and all the other trappings, and all along the attorney was telling me, “We are going to come out. As, the final payment you are going to get so much money at the end of the year, so we do not have any problems.”

But this is the problem. In sugar, you borrow the money in July to plant for the new crop, which is going to be reaped in January or February of the next year, and then you got a first payment. In those days, I believe you used to get three payments, one other in September and the final one around December, and these were all added up — and that is when you knew whether you made or lost. Of course, you had a lot of profits in those days, so you never really worried. But when my final payment came in December, I found out that my plantation had lost \$48 000. My first year in plantation ownership — \$48 000 gone down the drain!

I got a little more modern, and I dispensed with the services of the attorney, I asked the manager to move on, and I rented the house out. I ran the plantation with the superintendent and me. The losses dropped to \$24 000. The next year, I thought I would go into irrigation — we would plant onions and other vegetable crops. The losses went to \$12 000. More money gone down the drain!

In 1975, I was looking for big money. I heard of \$2000 per tonne for sugar and all this big stuff — and the Government in that day took away all my money! I ended up with a loss of \$15 000! Well, I started to look around, and I got bright, after losing in the next two years a total of \$175 000, and I said that was the end. I sold off a couple of acres of the land and I leased out the rest. That was the end of me and sugar!

I own my plantation 100 per cent clear, but I never intend to get back into sugar. There is no money in it whatsoever. I do not care how much Senator McClean says we are going to change some ownership, and I do not care what we are going to do, we never in this island will be able to make money in sugar with the present prices that are being paid. No way!

The plantation managers in Barbados are experts in growing cane, and I can vouch for that. They know

it 100 per cent. We have been growing canes in Barbados now, I believe, for over 300 years. There is no necessity to bring anybody from anywhere to tell us how to grow canes, we know all about it. Our problems really stem from our factories, I believe, and our marketing, because we have kept to the same marketing, we have kept selling sugar to the refiners — we have never done anything!

We are not proud of our sugar. We go in our supermarkets and because of the idea of controlling and keeping the price down, our sugar is relegated to the worse packaging. You see scrawled on with a pen the \$1.60 or \$1.90. That is the type of treatment that sugar gets. Our sugar cakes, which I came up eating as a small boy and I love — I ate some up to last night — you hide them. You do not package them and sell them as any sort of candy for tourists and be proud of doing this. No! All we do is just ship our sugar.

1.05 p.m.

I think this Government has to be congratulated. I do not know a great deal about history, but in the 1930s, when there was the Depression, the Government of that day took the view that the big fish would eat the small ones, and the plantations went into chancery and we ended up with the Riots of 1937. The Government before this one took the view that you must take out the profits. They levied out the profits and I believe they set up a shrimp industry; I think they bought a boat and a few other little things. That was where the money went. This Government is the first Government, I believe, in the last 100 years that has ever put any money back into sugar, and it has to be congratulated.

I am afraid, however, that the mechanics of this support want changing, because what we are doing here — I do not want to sound ungrateful — is not giving the industry enough money. It is like a man coming to you and telling you that he does not have any shoes and you give him only the one for the left foot. This \$15 million is too small. The industry should have been given at least \$25 million so that it could break even, and if we continue this way, we are not going to have any more estates. All the money has gone. There is no doubt about that.

The industry has to take a little blame, because in 1980 or 1981 when they set up Portvale, that was a badly planned decision. It was a very bad plan, because normal, reasonable, common sense would have said that if you are going to produce a nice, new, smart factory, you would have an area where the sugar for the local consumption could be moved, so that you do not have to transport it from a factory down to a bond in Bridgetown. That sugar should be kept there and packaged in consumer sizes, and then turned around and packaged in consumer lots for export. We could even have a sweet industry going there with the sugar, but a whole complex should be in that factory area.

We do not want to talk about unemployment, but we cannot build a factory in 1980, that Lord Nelson, if he returned to Barbados, would recognize right away. We have to build it with technology that is suitable to the 1980s, and this is our problem. We have a factory there which, if Lord Nelson came back, he would recognize. It may be a little more efficient, it may be able to push through a few more tonnes of sugar, but the whole set-up is what I am talking about. We should have gone into the computer age and we should have had a lot more there, like what the Australians have. Let us get it there. I do not know how many people Portvale employs; we would have a lot less, but the fact is this that we would be producing sugar a lot more efficiently. We are producing cane but we are not producing sugar. Everyday we look into the newspaper, they have some problem, they have to go to Miami for some part to produce certain things. This should not be taking place at the moment at all.

We have a situation still in Barbados where they consider that they must produce sugar in a 140 lb. bag. No human being can lift it, but we still do it in 1985. They get the support of the union, I presume, because they never really complained over that size at all. They store these bags in a bond down in Country Road. The Ministry of Health tells me that I must have my goods stored on a pallet, or a couple of inches off the ground. The bond over in Country Road stores the bags flat down — no problem! You put a polythene bag down, you do not ever sweep it, and that is perfectly all right, because it is still outdated! It is still like Nelson's days, and these things want updating — the whole set-up.

I believe that the Government should seriously consider taking over Barbados Sugar Factories. When they do that — the shareholders of Sugar Factories are all plantation owners — that money would come in to the plantation owners, who in turn could pay off some of their debts. You could have a provision that each year a Government Board would sit and decide what would be paid for cane that year, so that that year a grower would know if he is going to make a profit or not.

You are telling people now in this support loan to plant more canes, because if they do not plant more canes, you are not going to give them the grant. You are only going to lend them the money, but if they plant some more canes and we reap them next year, and in December 1986 we give you \$40 a tonne and you lose money, that is all right! You are really and truly asking people to grow more and lose more. That is really the slogan at the moment.

The factories should be owned by the Government of Barbados and be subsidized. I see the subsidy to the Transport Board has gone down a little bit. It used to be \$17 million, but it is now down to \$13 million. Why

cannot we subsidize the sugar industry by \$15 million or \$20 million a year to enable the grower to get a price that is satisfactory, so that he can grow with confidence, so that he can continue in the business.

We talk a lot about diversification, and some planters follow it. Unfortunately, there is never any marketing arrangement. All of a sudden you read in the newspaper that somebody has ten acres of nuts and they are quarrelling — they cannot get them sold. Nobody in Barbados knew they planted the ten acres of nuts. They only know when the nuts are about to be reaped that, all of a sudden, you know about them! So as a trader you must somehow assume that there is something there! Nobody tells you anything!

I read a lot of stupidity today in the newspapers about onions. It was stupidity coming from an alleged responsible person, holding the job of manager of a society that is over 100 years. I see where he is accusing the Customs of fraud.

I know about onions, I know about imported onions, and I know what the BMC did last year for the first time they organized something one hundred per cent. They wrote us, the importers, in September and said the cut-off period for onions would be November 15; they would not allow anymore onions in after that date. They not only did that, but they called us down to a meeting, we sat down, and they found out what we wanted and allocated the licences accordingly. Everybody was issued a licence. No onions arrived in this island for any importer in Barbados after November 12. I can give you the name of the boat, the "Joint Frost". No other boat brought in onions.

They are talking about onions in cold storage at BICO, near the Harbour. I am inviting the Press to go down and have a look at BICO, because BICO has never yet stored a bag of onions. Yet, this responsible idiot up at the BAS has come out with this stupidity. I would like him to call the name of an importer or two that had these 6 000 and 3 000 bags. If he names them, of course, he would not have any more pigs and goats, which I note from the *Sunday Sun* that he has in St. Peter. He would not have any, because the type of libel case that he would have, he would have to leave the island.

If farmers want to be responsible in Barbados, they must have a responsible head. Let somebody up there at the BAS be responsible. I do not know what publicity he is seeking with that stupidity. He must understand that we are in the business.

He said that onion consumption has gone down in the last four weeks. Anybody in the business knows that onions sell when fish are being caught. If the season has not been all that inviting in the last three weeks and the

fish have not been coming forward as in the past, the consumption must go down. Are you going to ask Barbadians to put onions in something else? They only use them with the fish.

He tells us how he can walk into supermarkets and see imported onions. They must be a better onion, because if he can recognize imported onions from local ones, something is wrong. I have never seen a brand name on an onion. I have never seen it stamped with anything, so something is wrong if he recognizes whether an onion in a bay is imported or whether it is local.
1.15 p.m.

Mr. PRESIDENT: Let us talk a little more about sugar.

SENATOR C. D. SEALE: Okay, Sir.

Senator McClean, as I said earlier, said something about changing the ownership. As I said, you could let Her Majesty the Queen own the plantation, they cannot make money. There is nobody changing, but they are in a sorry state, and I have to appeal. The Government is doing a lot of work for the sugar industry. It is difficult to criticise the Government, in all honesty, in this. It is difficult to criticise them because they were the first Government in 100 years or more that has ever done anything for the sugar industry, but I am afraid they are giving it in small bits.

The Barbados Development Bank, they say on my initiative, had a survey carried out on the tourism industry, and I gather the report has been well received. This report was done by five local people with no pay whatsoever, not a cent, but they had a sense of responsibility to the industry, and I am suggesting to the Government of Barbados now that they get five or six people who know about the sugar industry to sit down and make a report. I am not against overseas experts, but the Bajans know about growing cane, they know about their industry and they have a vested interest and I feel confident that they can sit down and come up with a comprehensive report.

We cannot, fill it up, as Senator Ward said, with boys with B.Sc.s, because you will end up with stupidity; you have to fill it with people who have practical knowledge. I am not against university graduates, but in everything they know sometimes a little bit more than they should, and therefore I would recommend that the Government urgently appoint some of the old planters, some of the good progressive fellows and let them investigate this and do a little report of their own. Let there be no more experts from anywhere else. Call the experts from Barbados, and let us get something done.

SENATOR THE HON. N. A. BARROW: Mr. President, my reply will essentially be brief, since every contribution has been a contribution in support, and where there would appear to be matters of contention, these relate, really, to the philosophy of management of sugar estates rather than anything else.

It is nice and nationalistic, I suppose, to say that you do not need any expertise from elsewhere, but that statement would deserve my support when Barbados becomes the only place to grow sugar and knows about growing sugar. I cannot, as an intelligent-thinking person — and mark you, as one who does not have a B.Sc., who does not have any qualifications in agriculture — accept that where we have a new situation we are not supposed to do investigations, no matter the country of origin of the people doing the investigations, and that out of those investigations we should not be prepared to apply new solutions. I think we have to look at the thing logically and reasonably and do not just go overboard. We ought to look at the proposals coming forward and see if they are reasonable propositions for the re-organisation and re-ordering of the industry, and not look at who is making them. That is my advice on the point made by Senator Seale.

I know nothing about the management and organisation of the sugar industry. When Senator Williams was making the point that we need to move to the business of people farming and driving their own tractors, there was an aside by Senator Ward that that is happening already. I know that that is true, because I passed Senator Ward's plantation, and I believe it was his son that I saw on the tractor in the field almost every day. I think that if Senator Williams should divert and drive along that road, too, he will see one farmer in a field on a tractor.

I would like to ask a question, is that widespread? I do not know. If it is not widespread, certainly those who argue that we have to move more to the business of total involvement of the farmer are making a valid point; and if it is not widespread, at least those of us on the other side of the argument ought to admit that it means that there is change in the industry, that they are moving towards the new ideas of running a plantation.

I know that if we go outside of Barbados to big countries where people have been successful in agriculture for years, farmers in those countries run their farms in a way that, traditionally, Barbadians have not run their farms. But I do not really think we need to spend a lot of time criticising the Barbadian farmer for how he ran his farm, because he was applying management techniques he knew, and he was making money. It is when he ceases to make money by those techniques, he must be big enough to recognise that the first thing you do is look at yourself, look at what you have been doing wrong and how change affect your profitability.

We are being paid not in our own unit of currency but essentially in pounds sterling. Do not bother to cloak it up in how many units of what basket of currency, essentially we are being paid in pounds sterling. We are dealing with a situation where in December, 1980, just over four years ago, one pound sterling was the equivalent of Bds. \$4.80. I had to go to London in December, 1980, and I am telling you, Sir, it was \$4.80, and I would take a bet on it. On CNN news — I do not know if it is the same this morning, I did not hear it — yesterday morning it was the equivalent of \$2.18. Another day within the last seven days it was the equivalent of \$2.16. Let us strip this thing bare. We are dealing with a case now where the only sensible language would be to talk of pounds sterling in the same terms as the US dollar in relation to our currency. We are as close to parity and it cannot make all that difference to the farmers if they just regard it as parity. Let us understand what this must mean to any industry whose receipts are in the equivalent of pounds sterling.

I do not think that we need to get ourselves in here either heated up over whether there are managerial problems, because, without knowing enough about the industry, I am satisfied that there are managerial problems. The basic problem, however, clearly is finance. The problem is that the industry is full of problems, Government is trying to see what, as a matter of policy, we ought to do, and has decided on price support. It seems agreed by all that at present this is an intelligent policy, and therefore the Resolution has general consensus, but I do believe that we must guard against becoming chauvinistic.

We have been running the sugar industry for 300 years. As a matter of fact, if we want to be more precise, we have been running the sugar industry for something like 340 years. I think it was round about 1642 that Colonel Drax introduced sugar — I used to be a historian once — into Barbados. What difference does it make? We used to run our own affairs since establishing Parliament in Barbados in 1939. They used to have 24 seats for all that time. Does that mean we are never to move away from the 24 seats? If we have been doing something for all this time, surely we have some expertise, and the sugar people have the expertise. They have produced new varieties of cane. There have been significant improvements in the industry over the years even in terms of machinery appropriate to the cutting of the canes. The sugar industry has made fantastic strides. All of that is true, but do not let us fool ourselves that nobody has anything to tell us unless he is Barbadian. I think that Senator Seale would agree that that is stupidity. He uses terms which are a little more rash than I would use. I would say that a responsible Senator should not make statements like that.

1.25 p.m.

The question that the Senate concur in the Resolution was put to the Senate and agreed to.

HEALTH SERVICES (AMENDMENT) ACT, 1985

Order No. 4 was called — To move the Second Reading of a Bill to amend the Health Services Act, Cap. 44.

SENATOR THE HON. O'B. TROTMAN: Mr. President, the Health Services Act, Cap. 44, Section 9 empowers the Chief Medical Officer to perform certain functions which are otherwise allocated to the Minister. It also makes provision for the Minister to give power to lesser functionaries in the Ministry for the proper carrying out of the health services in Barbados.

I have noticed that there are several regulations which have to be administered on a day-to-day basis, and as a result, the Minister has to sign several routine matters, which are mainly technical in nature. I do not think that it is necessarily the business of the Minister to have to be involved in the day-to-day routine, technical matters. I believe that the correct person to do it is the Chief Medical Officer, in the same way that he or she is empowered in the Act to carry out those functions. The regulations should also make provision for functions under the regulations to be carried out by the Chief Medical Officer.

Since the Act gives no power of delegation to the Minister until now, the Minister had really to be burdened with signing all sorts of forms and other matters. The Bill before us is intended to empower the Minister to delegate specific functions to the Chief Medical Officer and provide for a more efficiently run Ministry.

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

The question was put to the Senate and agreed to.

On the motion of Senator the Hon. O'B. TROTMAN, Mr. PRESIDENT left the Chair and the Senate resolved itself into Committee on the Bill. Senator J. C. W. WICKHAM in the Chair.

COMMITTEE

Clauses 1 to 2 inclusive were called and passed.

On the motion of Senator the Hon. O'B. TROTMAN, the Senate was resumed and the Bill reported as having passed in Committee without amendment, Mr. PRESIDENT in the Chair.

On separate motions of Senator the Hon. O'B. TROTMAN, the Bill was read a third time and passed.

DENTAL REGISTRATION (AMENDMENT) ACT, 1984

Order No. 2 was called — To move the Second Reading of a Bill to amend the Dental Registration Act, Cap. 367.

SENATOR THE HON. O'B. TROTMAN: Mr. President, the amendment to be considered is intended to tidy up a few administrative problems in the administration of dentistry in Barbados.

First of all, the present Act makes no provision for temporary registration of dentists who might want to come to Barbados as locum tenens or otherwise. That does cause some difficulty, because at present, once a dentist is registered, he is registered for all times. That is not necessarily desirable. The Medical Registration Act, which is a similar Act, makes provision for temporary registrations, but there is no such provision in the dental registration system.

Secondly, the amendment seeks to provide for inspection by the Dental Council of premises used for dentistry. It also seeks to list the age at which dental auxiliaries can operate at present. The auxiliaries can only operate on children up to age sixteen, and the present amendment seeks to extend that to age eighteen, thereby giving a wider coverage to young people of an important service.

The other amendment seeks to clarify what a licensed person is. There are persons who are licensed to perform certain dental functions who are not dental officers by profession, but who, by long practise in the craft, have satisfied the Council that they can perform such functions. We do not expect to extend the number of these people, but we have to recognize that they are in our midst and that they function. The amendment seeks to tidy up and define properly who they are.

I beg to move that the Bill be now read a second time.

The question was put to the Senate and agreed to.

On the motion of Senator the Hon. O'B. TROTMAN, Mr. PRESIDENT left the Chair and the Senate resolved itself into a Committee on the Bill, Senator J. C. W. WICKHAM in the Chair.

1.35 p.m.

COMMITTEE

SENATOR THE HON. N. A. BARROW: Sir, I beg to move that the clauses be taken in groups of five.

The question was put to the Senate and agreed to.

Clauses 1 to 5 inclusive were called and passed.

Clauses 6 to 10 inclusive were called and passed.

Clauses 11 to 15 inclusive were called and passed.

Clauses 16 to 20 inclusive were called and passed.

On the motion of Senator the Hon. O'B. TROTMAN, the Senate resumed and the Bill was reported as having passed in Committee without amendment, Mr. PRESIDENT in the Chair.

On separate motions of Senator the Hon. O'B. TROTMAN, the Bill was read a third time forthwith and passed.

ADJOURNMENT

SENATOR THE HON. N. A. BARROW: Mr. President, I beg to move that the Senate do now adjourn *sine die*.

The question was put to the Senate and agreed to, and Mr. PRESIDENT adjourned the Senate accordingly.

1.40 p.m.

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