

THE

SENATE DEBATES

(OFFICIAL REPORT)

FIRST SESSION 1986 – 91

SENATE

Friday August 4, 1989.

The Senate met in the Senate Chamber, Parliament Buildings, on Friday, August 4, 1989, at 11.15 a.m.

PRESENT

His Honour Senator Sir Frank L. WALCOTT, K.A., O.B.E., LL.D., (President);

His Honour Senator M. deL. JORDAN, (Deputy President);

Senator the Hon. L. V. H. LEWIS; (Minister of State in the Prime Minister's Office); (Leader of the Senate);

Senator the Hon. Sir JAMES TUDOR, K.C.M.G.;

Senator A. MORRISON;

Senator N. W. BOXILL;

Senator D. A. COMMISSIONG;

Senator Mrs. V. C. FRASER, B.S.S., J.P., M.C.F.A.;

Senator Mrs. G. L. EASTMOND;

Senator A. J. N. PHILLIPS;

Senator T. A. PRESCOD;

Senator J. C. W. WICKHAM, M.B.E.;

Senator the Rev. Canon I. McK. JONES;

Senator L. A. WARD, G.C.M.;

Senator C. A. BLACKMAN, Q.C.;

Senator Mrs. P. Y. FORDE;

Senator J. S. GODDARD;

Senator Dr. L. L. SHOREY;

Senator the Hon. Dr. C. D. CLARKE, (Minister of State in the Ministry of Finance and Economic Affairs);

Senator Miss V. P. BRATHWAITE.

Prayers were led by Dr. Rev. L. A. Crawford.

Mr. PRESIDENT: The Senate is in session.

PRESENTATION OF PAPERS

SENATOR THE HON. L. V. H. LEWIS: Mr. President, I am commanded to lay the following:

The Annual Report of the Air Transport Licensing Authority for the year 1988.

The Report and Financial Statements for the Barbados Port Authority for the year ended 31st December, 1988.

The Civil Establishment (General) (Amendment) (No. 2) Order, 1989.

The Customs (Amendment) Regulations, 1989.

The Customs Tariff (Amendment) Order, 1989.

The Customs Tariff (Amendment) (No. 2) Order, 1989.

The Travel Ticket (Rate of Tax) (Amendment) Order, 1989, and

The Consumption Tax Order, 1989.

QUESTIONS TO MINISTERS

SENATOR THE HON. L. V. H. LEWIS: Mr. President, I beg to move the laying of the Reply to Parliamentary Question No. 11 asked by Senator John Stanley Goddard.

The Reply is as follows, Sir:

At March 31, 1988 the long-term debt of the Barbados Development Bank stood at \$79 121 775. Short-term debt was \$19 411 245. Total assets were \$97 412 727. The total liabilities exceeded total assets by just \$1 120 293 resulting

technically in a small balance sheet insolvency. However the bank's liquid assets and cash flows have been adequate to meet its current obligations, including non-operational costs and demand for loans. There was therefore no liquid insolvency.

In addition, the Government is negotiating a loan from the European Investment Bank of approximately BDS\$9.6 million which will be transferred to the Barbados Development Bank as equity.

A loan is also being negotiated with the Inter-American Development Bank for a similar purpose. All of the long-term debt of the Bank is guaranteed by the Government or has been, as a result of Government borrowing from international financial agencies and on-lending to the Bank. Legislation provides that in the event of default, repayments of principal and interest shall be met from the Consolidated Fund. The details of the Bank's long-term debt are given in a table which is appended to the Reply.

The Government proposes to strengthen the Bank's financial position by making a contribution of \$10 million to the equity of the Bank. The amount will be paid in two equal instalments in fiscal year 1989 and 1990. In addition, the proceeds of the two loans to be borrowed from the European Investment Bank and the Inter-American Development Bank will be transferred to the Barbados Development Bank as equity. Together with counterpart funds to be provided under the relevant loan agreements, this additional contribution will amount to \$21 million.

The Government is confident that on the basis of the anticipated cash flow performance the bank will continue to be able to meet its commitments for loan repayments, as they become due. Therefore the Government has made no provision for satisfying the contingent liabilities relating to the guarantee of the bank's long-term debt.

MOTIONS RELATING TO THE BUSINESS OR SITTINGS OF THE SENATE AND MOVED BY A MINISTER

SENATOR THE HON. L. V. H. LEWIS: Mr. President, I beg to move that this Honourable Senate approve of the Suspension of Standing Orders 45 (1), and 45 (2) for today's sitting.

The question that the Senate suspend Standing Orders 45 (1) and 45 (2) for today's session was put to the Senate and was agreed to.

FIRST READINGS OF BILLS

SENATOR THE HON. L. V. H. LEWIS: Mr. President, I crave the indulgence of the Senate and beg to move that the following Bills be read a first time:

A Bill to amend the Judges Remuneration and Pensions Act, Cap. 115A.

A Bill to amend the Airport Service Charge Act, Cap. 59.

A Bill to amend the Stamp Duty Act, Cap. 91.

A Bill to amend the Consumption Tax Act, Cap. 63.

A Bill to amend the Constitution of Barbados.

A Bill to amend the Representation of the People Act, Cap. 12.

A Bill to amend the Elections Offences and Controversies Act, Cap. 3.

The question that the Bills that have been given notice of by the Honourable Senator be read a first time was put to the Senate and was agreed to.
11.25 a.m.

PUBLIC BUSINESS

JUDGES REMUNERATION AND PENSIONS (AMENDMENT) BILL, 1989

Order No. 1 was called – To move the Second Reading of a Bill to amend the Judges Remuneration and Pensions Act, Cap. 115A.

SENATOR THE HON. L. V. H. LEWIS: Mr. President, this Bill comes before us so as to facilitate the Governor-General's making of certain regulations retrospectively.

As the Honourable Senate is aware, allowances payable to Judges in addition to the salaries which they receive are from time to time fixed by an Order made by the Governor-General. In this particular instance, there was a period between 1984 and the present time when no Orders were made in relation to the allowances. It was found that in 1988-89 the allowances paid to Judges in respect of transport allowance needed revision. Since these had not been revised since 1984 and most Public Officers had their allowances revised in 1988, it was proposed that the allowances payable to Judges be increased to \$6,000 and subsequently to \$6,900. There was no provision in the Act whereby the Governor-General could back-date these allowances. This Bill seeks to provide the Governor-General with the authority to lawfully authorize the payment of such allowances with effect from April 1988.

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

SENATOR C. A. BLACKMAN: Mr. President, the concerns which I have had about the status of the Judges of the High Court of Barbados are well known to the Senate. I do not propose to repeat or acknowledge them on this occasion. There are, however, a few other issues that need some ventilation. The first one I would like to ask the Minister is this: What is being done towards bringing the new Supreme Court Act into operation in terms of the provision of a separate Court of Appeals for Barbados? The Judges sit at the moment in what could only be described as a "leap frog" from each other in order to constitute the Court of Appeal. That is a situation in which the profession has had some misgivings for some time. I understand that perhaps an Amendment is required to the Constitution in order to provide for the establishment of the Court of Appeal. There were intimations given to the Bar Association early this year that something would have been done to put it in force during the course of 1989. We are almost coming to the end of the legislative active period for 1989. I know someone promised me a blitz of legislation before the end of the year. Knowing the time these things take, I wonder whether the legislation will be put in place for a separate Court of Appeal for Barbados and not continue with the existing one of a "leap frog" court.

The other issue, Sir, I wish to raise under this Head is that this legislation has created expectations or raised comments towards the participation by Barbados in a Caribbean Court of Appeal. I know the position of the Government of Barbados to participate in such a court and this, generally speaking, has the support of the Bar Association. However Sir, there are some misgivings and concerns as far as the independence of that court is concerned insofar as people meeting their financial obligations towards the court. I am now about to end 4 years as Chairman of the Council of Legal Education. During much of that period, Sir, I have had difficulties with Governments making their financial contributions to that body. I am concerned that if we establish another regional institution it will suffer an equal fate of uncertainty as to where the money is going to come from to run it. There is one Government that is in arrears to the Council of Legal Education for 7 years where no cash contribution has been made and I would not want Judges of a court to be put in anxiety as to where the money is going to come from. That is one way to undermine the independence of a court.

The other issue, Sir, I wish to raise on this Bill is this: In this community at the current time, there have been a number of observations which seem to go to undermine the concept of the rule of law in this country where people go on public television and almost say break the law because it is the people's station and we can do what we like. We stand behind you. I think, Sir, those sorts of comments must be deprecated strongly. It is all the more horrendous though, Sir, when I see in the newspaper in this country a statement attributed to a Member of the Other Place saying what he will do when, Sir, (not if) he shall become a

Minister. Now I waited, Sir, all week to see whether the party to which the Honourable Member in the Other Place is a Member will refute any connection and dissociate themselves with that statement. The week has passed and I have seen no dissociation. In fact, the newspaper article said, "The National Democratic Party supports the promise made yesterday and called for Government to revoke her citizenship and send her from Barbados".

Now Sir, we are a country that states in our Constitution and state in all our other utterances that we are dedicated to the rule of law. The citizenship of this country however acquired states that you are a citizen. However, the Barbados Citizenship Act, Cap. 186 provides expressly in that Act under Section 9 how a citizen by naturalization or registration may lose that citizenship. It details in some extensive detail how you can lose it. When I look at the section, essentially you must be guilty of treason, convicted of an offence which carries the death penalty or a term of imprisonment of not less than 7 years, etcetera. There is a whole host of them, Sir. I will not go into details of them.

Mr. PRESIDENT: Yes, I was going to say that it is not anything that has arisen in here, but I did not want to stop you. I do not want to start a debate on something that really is not germane to a debate that has taken place in here. In doing so, all Members will feel that they have a right to enter into this and then we will have a day of debate on this when it is really not germane to anything that originated in here.

SENATOR C. A. BLACKMAN: With respect, Sir, I would suggest that a Bill that relates to the judiciary has relationship to...

Mr. PRESIDENT: I am not talking about the judiciary. I am talking about what somebody said outside of in here. It is really something that someone said on the street. I do not know if that is something you are going to debate in here. If somebody said that you are not a citizen and what a citizen should have, I do not think that we can have a debate on what "John public" is saying about citizenship.
11.35 a.m.

SENATOR C. A. BLACKMAN: As Your Honour wishes, but I with respect suggest to Your Honour that Parliament, if you may wish to look at it, Sir, is the sort of grand court of the country, and if in Parliament one cannot take what we would say judicial notice of statements which touch on law and order, I do not know which other body...

Mr. PRESIDENT: I am not saying you should not. Are we going to have a debate on a statement somebody made outside? If not, in here will become a law court. Are we going to have a debate every time somebody makes a statement outside? If it is democratic for somebody to say

somebody should be a citizen, citizenship comes under an Act of Parliament and an Act of Parliament is controlled by the courts.

SENATOR C. A. BLACKMAN: I will conclude my remarks by saying this, Sir, that we in Barbados, Barbadians as a whole, are perhaps some of the most migratory people in this place. We are in every country where they are and we claim their citizenship, and it does not behove us to be xenophobic to the degree where we want to deprive people of rights that we claim for ourselves in other places. I think it is in this Parliament that one has an obligation to raise and register concerns so far as they touch on the undermining of the law, the rule of law and the order with which we expect to maintain the good government of this country.

SENATOR A. MORRISON: Sir, in agreeing to this Bill I would like to reaffirm my faith in the rule of law as the one stable factor in any democracy. I remember Cicero saying that the law is neither a thing designed by the genius of man but a certain eternal principle governing the lives of all men.

Judges are appointed and I believe that the appointment of Judges should be something of a sacrosanct nature. They should be able to dispense justice in a free society and they can only be removed from office by a two-thirds majority of both Houses sitting at the same time for cases of gross misconduct.

I have been very wary recently of hearing people talking about the Judiciary at fault. This is a very serious thing. I believe in the authority of Judges and at no time should we allow or countenance remarks which tend to cast any aspersions on the judicial system of this country, because it is all we have to abide by. We have our political problems, we have the Executive, we have Parliament and we gave the Judiciary, the rule of law, but I would like to see that people in this country understand what is meant by the rule of law and give the Judiciary its due respect in the whole democratic system. It is not to be taken lightly.

I have heard people challenging the judgments of Magistrates and things like that. If we do not watch it, Sir, we will get to a stage where people think that they can take the law in their own hands. This is not a good thing, since we have come so far in a country like Barbados which has always boasted of parliamentary democracy, a system of Judges and Magistrates, and anything that is brought here, Sir, in line for Magistrates or Judges I would gladly agree to, because they are people who cannot talk for themselves and they do a very good job to society.

Magistrates in particular do most of the work in summary jurisdiction. They do even more work than Judges, because you get 10,000 cases a year in the Magistrates' courts, as opposed to 500 in the Supreme

Court, so we must always make our Judges and Magistrates happy and anything we debate on them should be to their credit and not allow them to be abused, because we all go to the courts to get redress. That is the one place which, deprived of our political bias, no matter how I feel about you or you feel about me, is the deciding factor and I would like to see the rule of law continue in Barbados as it has continued for all these years.

I will support this Resolution, Sir, and hope that people remember that Judges are who we put there to decide and adjudicate on matters concerning people and that they should be given all the respect. I would not like to hear people saying something is not wrong. Is the Judiciary at fault? It cannot be at fault, Sir. We have to abide by that process in order to be able to live in a just and humane society.

I thank you, Sir.

SENATOR THE HON. L. V. H. LEWIS: Mr. President, I believe that we can confirm Senator Blackman's understanding that there is in drafting stage a new Supreme Court Act, and I am certain that it will find its way to the Other Place and to this Senate before the end of 1989.

There is need for independence of the Judiciary. Everybody agrees with that.

With those brief remarks, I move that the Bill be read a second time.

The question was put to the Senate and agreed to.

On the motion of SENATOR THE HON. L. V. H. LEWIS, Mr. PRESIDENT left the Chair and the Senate went into Committee on the Bill, SENATOR M. deL. JORDAN in the Chair.

Clauses 1 and 2 were called and passed.

On the motion of SENATOR THE HON. L. V. H. LEWIS, Mr. CHAIRMAN reported the passing of one Bill in Committee, and Mr. PRESIDENT resumed the Chair and reported accordingly.

On the separate motions of SENATOR THE HON. L. V. H. LEWIS, the Bill was read a third time and passed and cited as the Judges Remuneration and Pensions (Amendment) Act, 1989.
11.45 a.m.

RESOLUTION TO APPROVE THE GUARANTEE OF
THE PAYMENT BY THE BARBADOS DEVELOP-
MENT BANK OF THE SUM OF \$10 000 000
AND INTEREST THEREON PERTAINING TO
AN EIGHTH ISSUE OF NATIONAL
DEVELOPMENT BONDS AND FOR
DISCHARGING CERTAIN OF
THE BANK'S FUNCTIONS

Order No. 5 was called – To move the passing of a Resolution to approve the guarantee of the payment by the Barbados Development Bank of the sum of \$10 000 000 and interest thereon pertaining to an eighth issue of National Development Bonds and for discharging certain of the Bank's functions.

SENATOR THE HON. Dr. C. D. CLARKE: Mr. President, Sir, this Resolution comes on the heels of a very extensive Reply to the Parliamentary Question raised by Senator Goddard.

However, in addition to the comments made in that response, there are a few other issues and matters I should like to take into account.

1. Why did we find ourselves in this position?
2. What action are we taking to avoid a recurrence?
3. What assistance have we been giving or are giving to small businesses?

It is therefore imperative that we look to the institution that we are guaranteeing to ensure that the obligation will be serviced when it falls due.

The Barbados Development Bank's Financial Statement reflected a negative networth of \$3.45 million at the end of March 1989. This position was reached after a series of operating losses. Losses were sustained in 1985 to the tune of \$1 471 626. Again in 1986 to the tune of \$7 428 707 reaching a high in 1987 of \$9 700 822. In 1988 the loss was \$7 133 253 and in 1989 the last Financial Year, \$5 950 704. These performances were directly responsible for the negative networth position. However, during this period, the Government of Barbados which is responsible under law for guaranteeing the obligations of this institution had a loan to that Bank, the Barbados Development Bank of \$3 459 859. The institution was also indebted to the Central Bank of Barbados to the tune of \$5 382 497. Now, had these two sums been converted to equity, since at the end of the day the Government still had to guarantee them, the Bank would not have found itself technically insolvent. As a matter of fact, it would have reflected a positive networth.

In most situations, if an analysis were being done on the institution, recognizing the relationship between the Barbados Development Bank and the Government, one would have subordinated the loan and the networth would

have reflected a positive figure. However, by taking such action it does not get at the heart of the matter. It does not improve the liquidity of the bank and it does nothing to ensure that the Bank would not find itself, over time, in a similar situation.

We should therefore try to examine and determine the reasons for the losses of the Bank over time. Bear with me as we go back through time to look at this institution. In 1980 total revenues were \$1 937 000. The allowance for bad debts was \$200 000 or 10.3% of total revenues. During that year, the Bank showed a net profit of \$76 008. In 1981 total revenues were \$2 710 000. Bad debts allowance again was \$66 000 or 2.4% of total revenues. Net profit was reflected at \$61 951. In 1982 total revenues were \$4 441 000. The bad debts allowance was \$233 000 or 5.2% of total revenue. Net profit was \$454 766. In 1983 total revenues were \$6 229 000. The bad debts allowance was \$815 000 or 13.1% of total revenues. Net profit, again positive, was \$375 468. In 1984 total revenues were \$7 640 000. Bad debts allowance was \$1 168 000 or 15.3% of total revenues. Again there was a positive net profit of \$51 273. Now comes the year 1985. Total revenues were \$8 990 000. Bad debts allowance was \$2 708 000 or 30.1%, double the last year of total revenues. The net loss was \$1 471 626. In 1986 total revenues were \$9 986 000. The bad debts allowance was \$8 082 000. And I repeat this. In 1986 total revenues were \$9 986 000. The bad debts allowance was \$8 082 000 or 81.8% of total revenues. In 1987 total revenues were \$10 507 000. The bad debts allowance was \$8 439 000 or 80.3% of total revenues. The net loss for the year was \$9 700 822. In 1988 total revenues were \$7 463 763. Bad debts allowance were \$2 369 000 or 31.7% of total revenues. The net loss was \$7 133 253. In 1989 total revenues were \$8 446 000. The bad debts allowance was \$2 646 000 or 31.3% of total revenues. Net loss was \$5 950 704. It is clear from the figures which I read out that in the years 1980-85, the percentage allowance for bad debts ranged from 10.3% in 1980, 2.4% in 1981, 5.2% in 1982, 13.1% in 1983, 15.3% in 1984 and 30.1% in 1985.

11.55 a.m.

This says something. It is indicative that during this period there was no clear policy as to what provision you were making for bad debts. To have a swing from 2.4% to a high of 30.1% says something about the policy of the board during those years. All of us know what was going on in the Barbadian economy during the years 1981, 1982, and 1983. The problems with Trinidad, the problems with the manufacturing sector, and tourism fell off. Yet by no accident no account was taken of increasing the provisions for bad debts. The net result is that between 1986 and 1989 something had to be done and later rather than sooner the real and potential bad debts had to be taken into account, not that the Bank would have been profitable given the history. Certainly, the story that is told over 1986 through

1989 was not all the fault of the operations of the Bank during that period.

Now questions have been raised about the interest rates policy at the Bank. What I would like to do for the record is to give an indication of interest rates which existed over the period of 1980 to the present. Between 1980 and 1981, the rate of interest was between 10% and 11%, 1981-82 between 11% to 15%, 1982-83 between 13% to 15%, 1983-84 between 13% to 14%, a uniform rate of 13% during 1984-85 and again in 1985-86. In 1986-87, it ranged between 11.5% to 15%. Eleven point five per cent went to the manufacturers, tourism, and the other productive sectors, while in areas like tour buses and taxis they were charged a higher rate. In 1987-88, it was 11.5% again except for tour buses and taxis which paid the higher rate of 13%. In 1988, most loans were at 11.5% again except minibuses, tour coaches, and taxis.

The Bank recognized that, if Government's economic policy is to be achieved it must act as a lender of last resort, it must go into areas in which commercial banks will be hesitant to tread since there is little or no track record. This is what economic development is all about. It means a restructuring within the economy. It means charging new areas either by finding new ways to do old things or by finding new things to do and various combinations of the factors of production.

If the Bank is to undertake the role for which it was created, then of course it must be properly capitalized. In order to do this, the Bank has sought and the Minister of Finance and Economic Affairs has agreed to allow the Bank to raise the limit of its authorized capital from \$30 million to \$60 million. However, even if it wanted to introduce the additional capital, it could not have done it because the limit was \$30 million. The paid up capital as of March 31, 1989 was \$27,582,000. This increase was necessary so that the Government can strengthen the capital base of the Bank by injecting \$10 million of equity. This sum will be paid in two equal instalments in fiscal years 1989 and 1990. The Government will also transfer to the Bank as equity the proceeds of the current IDB Loan as it is drawn down by the Bank for disbursement. This takes a little longer because the Bank must disburse the loans and then make claims, hence the need to introduce the \$10 million up front. These two steps will add \$3,050,000 in equity for the financial year ending March 1991.

The Government will also transfer proceeds of the third EIB Loan and I mentioned this when it was introduced before in this Chamber and we sought a guarantee. This will add an additional \$1/2 million in the Bank's financial years 1990 and 1991. By March 31, 1992, the total contribution is expected to be \$3 1/2 million.

On the micro-window, the extent of servicing of the small or micro-businesses, two loans of \$100,000 each have

been made to Women In Development and the National Development Foundation when the micro-window was opened in 1987. In addition, both Women In Development and the National Development Foundation received a grant of \$20,000 each. Again, in 1989 further loans totalling \$200,000, \$100,000 each to the National Development Foundation and Women In Development plus grants of \$20,000 each were also disbursed.

Money is not the whole story. From time to time we have to look at the personnel and provide their training. The Bank and its Board have recognised this and they have been hiring new staff to fill existing vacancies and have been having consultants come on board to upgrade the training of the staff.

Bad debts: Although allowances have been made for them, the Bank has not quite given up on them. It has sought to reschedule and restructure some of the debts. It has done this and it is somewhat too early to determine whether or not it will be successful. Although the bad debt allowances have been made and brought to book, attempts are still being made to recover such funds. In addition, the Bank has given some technical assistance to small hotels in the form of cost accounting and provided a garment manufacturing expert to work with small garment manufacturers.

I think it is an institution, Mr. President, that is worthy of our support. With these comments, Sir, I move that this Resolution do now pass.

SENATOR J. S. GODDARD: Mr. President, I first of all would like to thank the Honourable Leader of the Senate for the reply that he gave to the question that I raised last December, although I regret it has taken 8 months for the reply to be formulated. I do recognise it as a very good reply and I wish to thank him for it.

I also wish to thank Senator Clarke for the very fine review he has done of the Barbados Development Bank's operations since 1980 and for outlining its plans for restructuring both its finances and services for the future.

The Barbados Development Bank, as Senator Clarke has said and I think we all agree, is a very important institution in this country of ours. It has a vital role to play in the economic development of our country and I hope lessons will be learnt from mistakes of the past. I think it will serve no useful purpose for me to attempt any post-mortem.

12.05 p.m.

I think it is very important that the capital base be restored, because in any institution the Board of Directors must be held accountable either to the shareholders or to the public at large, as the case may be, for protecting and enlarging a capital base, and where a capital base has been

eroded, accountability is also eroded. It is for that reason that I am extremely pleased that appropriate steps have been taken to restore the capital of the Barbados Development Bank, and I wish the Chairman and the Board of that institution every success for its future operations.

I would also like to compliment the Chairman of the Barbados Development Bank, Mr. Tennyson Beckles, on the strategies that he has outlined for the operation of the Bank, and I am quoting from the Daily Nation of Wednesday, July 26. There are five strategies that he has outlined – 1. The restoration of the Bank's equity base.

2. Restructuring of the loan portfolio.
3. Adopting a firmer line with delinquent clients.
4. Establishing of a public relations desk.
5. Diversification of the Bank's activities into such areas as instalment credit.

They are very fine strategies to be pursued, but the acid test will come when we evaluate how those strategies have been implemented. We cannot evaluate that today, and I would wish that based on the experience of the past they would be implemented vigorously and consistently, without any fear and without any favour. It is only in that way that this institution can serve our country the way it is supposed to.

Thank you, Sir.

SENATOR Miss V. P. BRATHWAITE: Mr. President, the Barbados Development Bank is one of the institutions in this country that for many years now have been causing grave concern to members of this society. Those concerns lie largely in two main areas.

Firstly, we have persons, members of this Honourable Chamber included, who see a dire need for the Bank's operations on a daily basis to be brought to the kind of position where it can be said as an institution to be economically viable, and secondly, Sir, we have concerns on the part of Mr. John Public, those members out there of the public at large who find it an extremely difficult and frustrating experience in trying to get funds out of the Bank. So we have concerns at two levels.

I have already drawn attention to the fact in this Honourable Chamber that by its very nature developmental banking must of necessity straddle two fences. First of all, the Bank must assist with development simpliciter. In Third World countries such as Barbados a Development Bank has a very crucial role to play in the economic development of the island. The fact of developmental banking has attendant risks. There are some projects which will turn out not to be viable in the economic sense, and there is where the Bank

must perform a very crucial role and be especially stringent with the allowances that it makes for its uncollectable accounts, for its bad debts. As Senator Clarke alluded to earlier, we have seen that historically the Bank has been making a few errors in that direction, the allowance for the bad debt section of its portfolio. This comes at the point of evaluating and appraising the loan.

The second aspect, Sir, of developmental banking deals with the viability of the banking institution itself. There are some aspects of the Bank that must take on a commercial banking type of focus, because not only must the projects which the Bank finances be viable, but the Bank itself, if it must be an on-going institution, must be viable in its own right.

I think it has been recognised that because these two functions must be performed by a development bank, we have the problem that we continually face with the Barbados Development Bank, and we have that problem whether there is an emphasis on the one hand of development simpliciter with its attendant and concomitant risks, or on the other hand, should the Bank place very special and heavy emphasis on its commercial banking type of activity, where there are also some risks involved, because the so called small man will find great difficulty in getting projects approved and disbursed.

We need to find an optimum mix between these two positions. At one time, Sir, the Bank might lean very heavily towards development simpliciter or on the other hand it might lean very heavily towards commercial banking, and I submit that presently that is the course the Bank is taking. It is very likely that the Bank is still pursuing towards small businessmen a very cautious approach, and this is because of its emphasis on a commercial banking type of operation at this time, a commercial bank type focus, and therefore those projects that might be just borderline are finding it difficult to get past project evaluation.

I say we must have an optimum mix because we must always bear in mind the purpose for which the Bank was set up and the role which the Bank has to play in the development of this country. The Government must decide the direction; the focus, the emphasis which the Bank wishes to place on one area or the other. Because it has failed to do this over the years, Sir, we get the kind of reactionary measures to which we have become accustomed. The Government reacts towards the BDB after the fact. It gets wise by pumping more money, either by guaranteeing loans or by floating a bond issue as we are asked to discuss today. Whatever the result, the final burden ends fairly and squarely on the shoulders of the taxpayers of this country. Included in those taxpayers are the same small businessmen who cannot get loans passed, therefore the level of frustration is increased. It is like rubbing salt into

the wound. They cannot get money out of the BDB and then they are asked to finance it.

I note in one of the daily newspapers of last Wednesday the Chairman of the Barbados Development Bank not seeming very perturbed over the functioning. 12.15 p.m.

He, as if it were, pre-empting the answer to Senator Goddard's Question that was laid this morning stated that the bank is not technically insolvent, there is no cash flow problem. Sir, I have got to accept that.

But my question is, if there is no cash flow problem, why is it that there are some loans which have been approved?

SENATOR THE HON. Dr. C. D. CLARKE: On a point of order, Mr. President, I did not think that the response that it was not technically insolvent was said at all. I think what was said in the response was that there was no liquidity problem. There is a difference between liquidity and insolvency. Just for the Record.

SENATOR Miss V. P. BRATHWAITE: Sir, let me assure Senator Clarke that I recognize the distinction between liquidity and insolvency. But I was referring to the Chairman's statements. And if I may quote, Sir, and I am prepared to make this a document of the House:

"The Chairman, *inter alia*, said the Bank" referring to the bank, Sir:

"could hardly be said to be facing a plight. He insisted the Bank was not broke and was not technically insolvent."

Sir, if I may continue. What I questioned was, why is it, if there is no cash flow problem that there are some loans which have been approved, some stretching some 3 years back and yet, these projects have problems with disbursement, if there is no cash flow problem? Why is it that loans which have been approved cannot be disbursed. This is a situation that has been going on, as I said, for some 3 years now in the case of some projects. There is – and I think that all responsible persons would recognize, Sir – a problem with the Barbados Development Bank. I welcome Senator Clarke's, the Prime Minister's and the Chairman of the Bank's intention and their statement of willingness to do something about the bank. We are not happy with it, Government is not happy with it, the workers at the Barbados Development Bank are experiencing low staff morale, the small businessman in this country is not happy with it. Therefore something has to be wrong. I welcome Government's statement of intention to do something about recapitalizing the bank. My question is, Sir: When do they intend to start?

I also note, Sir, that there is no mention in the Prime Minister's plan for the re-opening of the Micro Business Window. I understand that there have been some funds on-lent to the National Development Foundation and to Women In Development. Has the Prime Minister given thought to increasing the amounts which have been lent to these two sectors?

SENATOR THE HON. Dr. C. D. CLARKE: On a point of order, Sir. Mr. President,....

Mr. PRESIDENT: If you want to reply, I do not see when Senator Brathwaite makes a point, you are going to jump up to make a point. We cannot debate like that. You reply when she is finished, if not we will have too much cross-talking in the Debate. Let her finish and make her point. I do not understand this kind of Debate. It sounds like an alley debate.

SENATOR Miss V. P. BRATHWAITE: Thank you, Sir. I just want to reiterate that I welcome Government's proposals. I hope that they will be implemented speedily and with the intended effect. I wish, Sir, to caution Government that it is about time we stop reacting, thinking that borrowing will solve the problem. Borrowing does not improve an equity base, Sir. I think Senator Clarke might even acknowledge that. When you borrow, you increase your liabilities. You might have an increased cash flow position, increased liquidity. But the fact is that your debt equity ratio will consequently be increased and therefore, that is not a desirable position or desirable strategy for a developmental bank or indeed, any kind of institution involved in commercial or quasi commercial activity to aim for, not to borrow, to finance.

Thank you, Sir.

SENATOR Mrs. G. L. EASTMOND: Mr. President, in regard to the speeches that were made previously, I should like to add my bit. I must say that Senator Clarke has certainly explained in full detail about the bank's operations et cetera.

As a member of the Board, I should like to say I knew of the inception of the Bank from 1969; I was not there then, but I knew of it, and I also realized at that time that the bank was there to play a major part in the development of this country. I must say that all through the years from 1969 to now, this is what has been expected of the Bank.

In the late seventies and early eighties, there have been problems. One Board is not here to criticize another one but I would say this, that as a member of the present Board which has not been very long, we are looking at certain anomalies which have taken place over the years, where the practices have not been as strict as should have been because people should adhere to banking practices and they should be very strict. It is one thing to get here and talk

about the money, the bank is insolvent and all this sort of thing but we have to remember that this is our bank, this is the people of Barbados' bank. But people must understand too that when they borrow money, that is a commitment. Often the Development Bank does not operate like how the commercial banks will operate. The commercial banks want collateral. You must show them what you have and unless you can show them the amount of collateral that you have, the loan is not forthcoming. With the Barbados Development Bank, there are fishermen, name it, all the small people that you can think about, whatever they want, they want to build their boats, they want to go fishing, the hotel industry which went through a period of hard knocks, the Barbados Development Bank had to be very conservative then and they could not foreclose these people because to do this, what would happen to the industry?

Apart from that, look now our fishermen, the problems that they are having with the tide. They are not getting as much fish as they should. Some have fished in the Trinidad waters and they have even been charged and I am not sure, imprisoned? Am I correct the fishermen that went into the Trinidad waters? The Barbados Government had to pay for them.

Now there is quite a bit that we have to look at. Among problems encountered with the Bank have been those associated with the need to support projects at a time when the national economy was going through a very difficult period, widespread projects failure, as a result of market loss of late, increasing competition from other financial institutions because the competition is there, and these and other problems have resulted in a weak performance by the Bank in recent years.

I am not criticizing the late seventies nor the eighties but the books are there to be seen and the Reports are there, the balance sheets will tell.
12.25 p.m.

The nature of the Bank's operation is not right now I would say a healthy one but we are still paying our staff. We are still making loans and we are still living operating as a bank in a professional manner. There are loans that the National Foundation received from us, Women In Development as well as the micro-window, and I think two Senators mentioned that. For the life of me from what I have seen when I started as a member of the Board, I think that at this stage right now we should compliment the Chairman, staff, and the management of the Board with the resources we have and in looking at what has happened previously in trying to call in people to find out why they are not paying their loans. What should we do? Like the other banks, foreclose them or sell them out. We only do that when people completely ignore the Bank and they cannot sit face to face with us. They do not understand because we will be holding the bag there. We know that it is for the development of our people of Barbados and we

want to see them develop in these areas. Therefore, I say that if it were another institution like one of the other banks in Broad Street or wherever they are I am sure that nobody has a say in that, but this is Government's affair. Government cannot write off all of their bad debts. We cannot and we will not because people must learn to face up to their responsibilities. This is the only way that we can teach our Barbadian people. They must understand. If they want a loan, okay we even pay to go out and make an assessment and see exactly what they need. If they really want to go into it and they feel they should, we make sure that we do a complete analysis to see if the type of business that they want to go in will be viable.

You know people say that the Bank is to show restraint. Yes, show restraint where other financial institutions will hardly do so – we do it. The Bank is expected to suffer a wide range of developmental costs just like what I was saying. When they want to develop things, we put the money there so that we will see what the peculiar problems will be with which they will be faced and the other institutions do not do this. This is at our cost. This is what we do. Right now before we foreclose on some people some of the members of the Board take it as their business to go and look at the operations and see what is holding it back. We give them advice. We give them assistance. I am sure that in the near future even more advice will be coming. We are Barbadian people and I find that we as Barbadian people criticize ourselves too much. There is always a lot of criticism going on about this and that. What is wrong with us? We must try and give corrective measures and those of us who have the ability must give assistance who are put there to do a job. If I had to do the job on a board without pay, I would do that especially in a situation where it is a bank. This Barbados Development Bank came in being at the right time.

Aside.

SENATOR Mrs. G. L. EASTMOND: Do they pay me on the Board? What I want them to do is to get a motorcar and take me around and let me interview some of the people who really are defaulting in their loans and so forth and assist these people. I am serious about that, very serious.

As a means of assisting projects in this area since we talk about insolvency and all this sort of thing, good dear must we rely on the Government? Well, the Government will have to be insolvent then. We have to pay the staff. We have to do things and we have to work. We are not going to sit down there and let people ask for projects and cannot give them projects. I think the people you should be hitting at is the Minister of Finance. The Minister of Finance is treating the Bank very well. I mean we have loans coming in.

Nevertheless, as a means of assisting this area, the Bank with a view of easing the burden of debt service has over the past been very active in rescheduling loans and granting amortization. Recently, with the assistance from the IDB, it has procured the services of a hotel cost accountant for helping small hotels. I think you will remember that those small hotels were in trouble in the early 1980's. We had problems with oil, etcetera. You know people forget problems. They cannot remember. We helped small hotels in setting up proper accounting systems and in the improvement of their managerial skills. We are going to do it later on with others. We want to get the hotel people going first. We want to make sure that everything is all right because Barbados has the potential to bring in more and more tourists. The Minister of Tourism has been stretching himself to the limit. Therefore, we will stretch ourselves further than the limit.

Aside.

SENATOR Mrs. G. L. EASTMOND: We are dealing now with the export oriented manufacturing projects. I would say especially in garments and furniture. They have been hard hit by the loss of regional markets. They have found great difficulty in meeting their obligations to the Bank. What must we do? Foreclose them. No, we have to lend a hand. We have to be patient with them. This has contributed significantly to the build up of arrears on the Bank's loan portfolio. This Bank's Board is taking all of the responsibility. I am positive that this Board (if I live long enough to be on it and apart from that they have very able and competent people there) will ride the storm. In a few years time, I will be certain to hear either in this Chamber or in the other Chamber or wherever it may be that they have done an excellent job. It will be said.

This is our plan. We aim to execute it. However, in considering the difficulties facing manufacturing products and the needs of these projects, the Bank has exercised much restraint in reviewing in their arrears. Loans have been rescheduled and we have granted them relief of the debt that burdens them. Seminars and workshops have been set. We have been providing some of everything possible. In addition, the Bank has been providing even technical assistance using its own in-house expertise and consultants who may be locally or even foreign based.

12.35 p.m.

The problems with the fisheries sector, as I was explaining just now, are again very complex and do not lend themselves to easy solutions. The rapid growth in the fleet of the fishing boats during the mid eighties had not been matched by developments in the areas of distribution, marketing and pricing. You see, these are things they should know, they need to be taught, they need to have some experience in the distribution, the marketing and the pricing.

The lack of adequate fish processing facilities. Even that represented a major handicap, and together with the above difficulties gave rise to artificial gluts and depressed prices on locally-landed fish. These depressed prices undermined the viability of day and ice boats, and many clients defaulted on their obligations to the Bank. This is a fact, and you all know it too. What could we do? Seize the boats? The members of this Board are not with that. We have to talk, we have to have meetings, we have to see what they can do, because this is their country. They spent their money on the boats, the money belongs to the BDB, therefore we will have to go easy. It will not call for harsh measures.

Problems facing the sector have been further complicated by uncertainty surrounding the extent of the resource and the recent restrictions imposed by the Trinidad and Tobago Government regarding the boats fishing in their exclusive economic zone.

We are working with other agencies and institutions to bring about improvements in that industry. As far back as 1984, soon after the Bank took back the portfolio from the BNB, the Bank through its Research Department undertook a study of the sector. This was followed by a commissioning of a number of other studies which were conducted by reputable consulting firms and experts. Do you want to say the Barbados Development Bank has not done anything? I cannot take that. This Development Bank is making sure that this country goes forward.

Current financial position. During the past two years the Bank, as part of its portfolio construction exercise, adopted the policy of making more realistic provisions for doubtful loans. A significant proportion of these loans was made during the early eighties when the Bank's portfolio expanded rapidly. In 1985-86 bad debt provisions were increased by \$4.2 million and \$3.9 million in principal and interest was written off in accordance with a funding programme with the Inter-American Development Bank. In 1986-87 \$7.8 million was provided for bad debts, of which \$4.4 was for industry and \$2.5 for tourism.

These are things that are keeping us going - industry and tourism. In 1987-88 \$1.9 million was provided for doubtful debts. In 1987-88 the Bank's financial performance was also affected by a number of other factors. In keeping with prudent development banking practices, adjustments were made to its income recognition policy. This resulted in reduction in the size of the performing portfolio and as a result a further amount of \$1.5 million was not recognised as interest income.

The financial year 1987-88 was the first full year of onlending by the Bank at the reduced rate of 11.5%. In December 1986 the Bank reduced its onlending rate from 13% to 11.5% to ease the debt service burden of its clients and to remain competitive in respect of its good clients.

Lending at this low rate had an adverse effect on interest rates to the extent of approximately \$5 million.

Senator Clarke has gone through the bad debt expense, the on book interest and the loss, et cetera. I would just say the loss in 1984-85 was 1.5, 1985-86 7.4, 1986-87 9.7, 1987-88 7.1, 1988-89 5.9. I will not worry to talk about the bad debt expense or the on book interest.

This is important. The losses suffered by the Bank have led to an erosion of the Bank's equity over the years, resulting in a negative position at March 31, 1988. However, the Bank continues to service its debts as they become due and has experienced no difficulty, none whatsoever, in financing its current operations. Furthermore, cash flow projections based on current levels of recoveries of interest and principal indicate that the Bank should not experience any difficulties in financing its operations in the near future. I do not think you could want anything more than that.

In an effort to strengthen the Bank's financial position, the Government has been transferring to the Bank as equity \$12 million obtained under the funding programme with the Inter-American Development Bank. A further \$9 million is to be transferred as equity under the third loan agreement with the European Investment Bank. The transfer of funds available under these programmes is, however, linked to the Bank's ability to commit and draw down funds in respect of loans approved. In addition, the Government will make direct equity injection of \$10 million into the Bank over a two year period.

The Government is providing further support through its guarantee for the eighth issue of national development bonds of \$10 million. The proceeds from this bond issue will further enhance the supply of funds.

The financial restructuring plan outlined above is only one part of the total package aimed at revitalising the Bank and equipping it to meet the challenges ahead. In addition, there are plans for enhancing institutional capability, restructuring the loan portfolio, improving the Bank's image, speeding up the rate of disbursements, increasing its assistance to projects in difficulties, finding solutions to problems affecting economic subsectors and enhancing the Bank's profitability. The successful implementation of the plans, however, will require a redoubling of efforts by the management and staff of the Bank, and I am sure we can do it and will do it ably and well, given the environment in which the Bank is expected to operate. We shall be given that environment. In this exercise the Bank expects the continual support of Government – and I am sure we will have it, because we are people that do not make any fun, we are serious business people – as it seeks to assist in promoting the development of the local economy.

Mr. President, most of the Senators I hope will understand that the Barbados Development Bank is here to stay and will continue to do its job. It is doing reasonably well, but it will continue to do a greater job, a bigger job, a more significant job.

Thank you.

Mr. PRESIDENT: I must warn you. Do not read it so long again. The rule says you cannot read speeches, but as you told me you were going to read something I did not worry to stop you after you started. The rules are against reading long statements in the Senate. I let you slide. I say that so that no other will think a precedent was formed for you.

SENATOR Mrs. V. C. FRASER: Mr. President, I rise to support this Resolution because I see the Barbados Development Bank as a bank necessary for the total development of individuals through lending them and counselling them on the loans that they may receive. I am very happy that Senator Clarke has enlightened us on some of the things I had mentioned, especially that there will be a public relations desk.

12.45 p.m.

I am particularly happy about this because I think most statutory corporations and institutions of this kind get a lot of negative propaganda spread about them because we do not put forward the necessary public relations to let people know what is really going on, what the institution is all about, what it seeks to do and what it has actually done over the period. I welcome this and I should like to congratulate the Chairman and the Board for having this sort of forward thinking and looking and being so futuristic because this could only accrue to the benefit of Barbadians.

Many nights you watch the television and you see all sorts of things. They are not related to the development and growth of Barbados nor to the educating of the minds of Barbadians because they say if you show a person something long enough, that person will tend to believe it. And I think that we should utilize our television station in showing them many of the positive things that are happening in Barbados, such as the things that the Development Bank has been doing, over the period, despite the fact of the problems.

I had also mentioned the importance of people realizing, because it is a Development Bank, it is not a play toy and therefore you have a strong commitment when you make loans to understand that the same way you have to go and pay back a commercial Bank or else, you lose what you have got, you have a commitment to that Bank, so that other people may get loans.

I am happy to hear that there is going to be an element of training and I should like to see, as I said before, another

agency. Because I think when one agency or institution has lots of work to do, just the administering of loans and analysing projects and things like that, you need perhaps another agency to assist with things like counselling the beneficiaries. This is vitally important because sometimes people want a loan and they want more money. We have found this with our experience. They want more money than they have come for. But they have come for this money and they are so excited to get it that they will take shorter amounts of money and then find themselves in a problem and they have to borrow from other people. These are some of the problems that the bank has experienced, in that the people were under-financed.

I am happy too about the onlending to the National Development Foundation, although we have not seen the cheque yet but we know we will receive it \$100 000. We would like to see that increased when the Bank finds its financial position a little better because the National Development Foundation in this year 1988 has created a total of 147 jobs at a cost of US\$1 359.80. So you see, they have looked at us and they realize that we have been working for the last 4 years without any assistance from Government. We have been out there working, raising funds through agencies, through having different functions and so on. And we are happy that Government realise that with our set up of having loans officers, counsellors, training programmes and things of this sort that we can better see the needs of the micro aspect of this whole thing.

Our loans officers are able to go out and work with the people. Even before the project is finalised, they are able to come back in and say to the Loans Committee, well I think that persons are going to need an extra so and so to put up the chicken pen. They have not got the right type of wire or whatever it is.

I do not think that the Bank would have this type of staff. So here are agencies like the National Development Foundation who are able now to help Government with this area. We have found that the loan repayments are good. Our Report is there. I think I have given everybody a copy. You can see it for yourself. The repayments are good because one criterion is that you must be counselled and you must take our short course first before that loan is processed. We do not just give people money like that.

Also one of the things we do which a bank will not be able to do because of the staffing situation is that we buy things for people. In other words, if you have to take something from a firm in town, we will write the cheque directly to the firm and this helps to save people from themselves, rather than putting the money in your hand. We have found this to be exceptionally good in that people are grateful for it because people who are not accustomed to having a lot of money in their hands if they get a lot of money suddenly, tend to maybe spend it on the wrong thing. I think that is also one of the things that could have

been happening to our Development Bank, in that you spend the money for another purpose or something came up and you did not understand.

Again I am going to say that Senator Clarke has explained very clearly and the public relations desk of the Bank will do the rest. I hope I see this public relation desk on spot soon and that all of us Barbadians are informed and we are kept informed of what is going on at the Barbados Development Bank and we are told and we can see visually some of the projects that they have financed and see how these projects are going on in pictorial form, not only in a booklet but on the television, so that we can see for ourselves that the Bank has truly recovered from its old stage.

We know it is going to take time but we congratulate the Board for having this forward thinking. We look forward to being more informed and educated on the running of the Barbados Development Bank.

Thank you, Mr. President.

SENATOR L. A. WARD: Mr. President, I would not be very long. I only have two short things that I should like to comment on.

The bad debts in the bank that have been explained to us by Senator Clarke give me the impression, Sir, that these could not be all very small people that these debts have been written off on. In other words, I think that there must be some relatively large loans made in there to total the sums of money that Senator Clarke has explained to us. I should like, Sir, if it is possible for Senator Clarke to give us some indication of what percentage of the total loan is bad debt.

Another thing that I should like, and I have spoken on this already but it is something that I feel, Sir, should be addressed by Government and that is that if some of these small projects or even larger ones can get out of this difficult position and they find that they are in a profit position and they can only write off 50% of their profit against tax losses and have to pay tax on the balance of it, it is a severe imposition on small people and weak businesses struggling to be viable, that the moment they find that they begin to make some money that they can only use 50% of their profit for tax losses and have to pay income tax and therefore reduce the ability to repay the banks the money that they owe.
12.55 p.m.

I feel, Sir, that this law that has been passed does not affect big business at all. Big business that has never made losses could not care less about this law that has been passed. It only operates against the small people and even larger people who have been going through difficult financial times and find themselves then in a profit position.

I would appeal to Government, Sir, to look at this again and see if this could not be removed and give small businesses and weak businesses a chance to survive. Therefore, Sir, it would prevent job losses because if a fellow folds up those jobs are gone.

Thank you, Sir.

SENATOR THE HON. Dr. C. D. CLARKE: Mr. President, I noted the comments of Senator Ward that the policies of the Development Bank should be pursued without fear or favour.

Senator Ward can rest assured in this Chamber that the current Minister of Finance and Economic Affairs has appointed a Board and put a management team in place and has no intentions of interfering with the day to day running of the operations. This is a matter clearly for the Board and management staff.

There were two main concerns of Senator Brathwaite, one the economic viability of the Bank and the difficulty of the public getting their hands on the funds. I believe during the Resolution here to guarantee the EIB Loan I was at pains to point out that the criteria for evaluating the performance of a development bank differ from a commercial bank where economic viability and profitability are the main factors. In developmental banking, the social costs and benefits must be taken into consideration. We cannot in one breath talk about the economic viability of the Bank and then talk that more should be done through the micro-business window. We know only too well that small loans are very expensive to monitor and manage – hence the need to reduce the costs of making the small loans and to ensure that small business loans of \$20,000 and under (I believe it is that that the NDF will make a loan through the micro-business window) are handled by an institution better able to do at lower cost. This is one way to reduce the costs of the institution.

I think that Senator Brathwaite suggested that the Prime Minister should reopen the micro-business window and again this is a management function. It is a matter for the Board and certainly not for the Minister of Finance.

With those few comments, Sir, I move that this Resolution do now pass.

The question that this Resolution do now pass was put to the Senate and agreed to.

SUSPENSION OF SITTING

SENATOR THE HON. L. V. H. LEWIS: Mr. President, I am persuaded that we should take the lunch now. I, therefore, move that this Senate be suspended until 2.15 p.m. We have to travel to Pelican Village, Sir.

Asides.

SENATOR THE HON. L. V. H. LEWIS: I want to change that, Sir. I am told that we cannot get back until 2.30 p.m. To be safe, Sir, I would suggest 2.30 p.m.

I beg to move that this sitting be now suspended until 2.30 p.m.

The question that the sitting be now suspended until 2.30 p.m. was put to the Senate and agreed to, and Mr. PRESIDENT suspended the sitting accordingly.
1.05 p.m.

Mr. PRESIDENT: The Senate is in session.

RESOLUTION TO APPROVE THE GUARANTEE OF
THE PAYMENT BY THE BARBADOS NATIONAL
BANK TO THE EXPORT DEVELOPMENT
CORPORATION OF CANADA AN AMOUNT
NOT EXCEEDING U.S.\$5 MILLION
OR 85% OF THE PRICE OF
CANADIAN GOODS OR SER-
VICES, WHICHEVER
IS THE LESSER
AMOUNT

Order No. 6 was called – To move the passing of a resolution to approve the guarantee of the payment by the Barbados National Bank to the Export Development Corporation of Canada an amount not exceeding US\$5 million or 85% of the price of Canadian goods or services whichever is the lesser amount.

SENATOR THE HON. Dr. C. D. CLARKE: Mr. President, the Export Development Corporation of Canada has offered to lend the Barbados National Bank up to \$5 million or 85% of the goods and services imported from Canada, subject to the approval of the Export Development Corporation of Canada and the Barbados National Bank.

The interest rate on the funds drawn down under this loan will be at 9.65% per annum. Repayments will be made semi-annually over an eight and a half year period and the borrowed funds will be administered by the Barbados National Bank, who will on-lend them to borrowers at a higher rate of interest, that is a rate above 9.65%, the difference being the income to the Bank.

Although the Government of Barbados proposes to offer its guarantee to secure the loan, the principal and interest will be the direct responsibility of the Barbados National Bank. The benefits which will accrue through the use of these funds to the country are generation of employment, the earning of foreign exchange, since the funds will be used for investment purposes, and an increase to the Gross Domestic product. The net effect of this loan will be to increase the guaranteed public debt, but since the

repayment period is spread over eight and a half years, it is unlikely to present any problems. That is, it should not aggravate the servicing of the public debt, as is likely to be the case if we are dealing with bullet loans.

The Central Government external debt outstanding at December 1988 was \$789.9 million and the debt service for the year, that is interest and amortization, was \$104.4 million. The Government guaranteed external debt was \$79 million and the debt service for the guaranteed debt was \$28.6 million. Once this guarantee is added, the Government's guaranteed debt will increase to \$89 million and debt service, interest and amortization, to \$29.6 million.

The rates associated with the guarantee of this loan are minimal, since the Barbados National Bank, the institution that will be receiving these funds, has been operating profitably in the years 1985, 1986 and 1987, and based on preliminary data it appears that the Bank will also operate in the black in the fiscal year 1988.

Just a further word about these loans. This establishes a line of credit and the purposes of the loans, the uses to which the funds will be put, must first be approved by the Export Development Corporation of Canada, then the local bank, the Barbados National Bank, must also approve these loans as being suitable and worthy. The Government does not enter it beyond putting up its guarantee. It is a matter for the Barbados National Bank that it is a bankable proposition and the Export Development Corporation that will guarantee up to 85%, provided that the equipment et cetera is bought from Canadian sources.

With these comments, Sir, I move that this Resolution do now pass.

SENATOR L. A. WARD: Mr. President, although I support this Resolution to borrow money for what mainly will be agricultural purposes, I do so with some reservations, and there are two. One is that the Barbados Government will be guaranteeing this entire loan, whereas there are other countries which will participate in the benefits of the expenditure of these funds.

The other reservation that I have is that I am not now a practising agriculturalist, but my experience with the growing of cotton in the past is that in the first year you attempt to grow cotton on a small basis, you are successful. You will make money because the area is small that you have under your control and it is easy when you see an attack of pests or disease to be able to deal with it with the limited labour force that you may have at your disposal.

My experience is that as areas multiply, as you got the first year and perhaps you saw that you were operating at a profit, you tended then to increase the acreage you had under cotton. I did it in St. Philip and we moved from about six to seven acres in the first year to about 25 in the second

year, and we just about broke even. We did not make any money, but we committed ourselves then to 50 acres and it was at that time that we took a beating, because when you find pests or disease it takes a lot of time to cover 50 acres where you were only covering six or eight acres in the first instance, and you can have considerable damage before you can get that under control.

There are other problems that have arisen, even since my day that I attempted to grow cotton, in that we now have the white fly which can wipe out a field in two or three days, and that is not an easy pest to control, it is extremely difficult.

The experience I have had in growing cotton is sort of expressed in the Economic Review, June 1989, of the Central Bank. It says here on page 3: Cotton production in 1984, 56 acres were reaped and the lint in kilograms per acre was 112.5. In 1985 it increased the acreage to 206 and the lint per acre went down to 112. In 1986 there was an increase in the number, not the regular people that were producing cotton, but there was an increase in the number of estates that were producing cotton. Therefore, perhaps the quantum per estate did not go up, it was that there were more estates producing, and it went up to 625 acres and the production went up to 204.1 kilograms of lint per acre. In 1987 when they went to 1,047 acres, it dropped to 153.8 and in 1988 they went to 1,230 acres and it dropped to 97.1. In 1989, 1,215 acres and it dropped to 83.7.

The experience that I had over the period of time that I grew cotton myself – I think Senator Morrison was Minister of Agriculture at that time – the same experience we had in trying to grow cotton is now reflected in the Economic Review of the Central Bank.

Sir, perhaps it would not be fair for us to say that that is what we would expect to produce under these new conditions, because these people claim to be very experienced in the growing of cotton, and with capital that we could not afford these people now will have capital that they can put in the most modern methods for growing cotton, and hopefully we will be able to have a viable cotton industry.

The agriculturalists today are very reluctant to enter into another unknown crop where they may find that there are losses that they can ill afford at this point in time, because they are now producing sugar at a loss, and it would not be prudent, they feel, to enter into this unknown production of cotton, whereas these other people claim to be very knowledgeable in the production.

2.40 p.m.

The Government's estates, I believe, have been taken out of production of sugar. I have been told some 300 or more acres of cane have been ploughed to concentrate on cotton, I believe, in areas where they would have the

equipment and from that point of view, it is a good one. But perhaps, if they spread it wider, one set of pests may not infest another and down the way, but it would go.

But, Sir, this is something that if it can be done and done successfully, economically, I am sure that all the planters in this country are not reluctant to make money and they would get in the act as well.

So, Sir, with just that, my experience in the past and a note of caution to the people, I will support this Resolution.

SENATOR Miss V. P. BRATHWAITE: Mr. President, the revitalization of the agricultural sector in this island is something that is of primary concern to myself personally and to the interest which I represent in this Honourable Chamber.

But, Sir, I have grave difficulty in supporting this Resolution which now comes before us. I find difficulty because of the following reasons. I note that Senator Clarke did not fully disclose the interest involved in the setting up of this Sea Island Cotton project. I am not sure, Sir, if he is privy to the information but if the reports of the proceedings in the Other Place are accurate and are anything to go by, we will see from an examination thereof that there are many interests indeed, foreign interests which are involved, other than the Barbados Government.

We see, Sir, that we start off basically with a company which is called CARSICOT, Caribbean Sea Island Cotton Ltd. The CARSICOT company, Sir, involves a company called Scothalls of Canada which has a 51%, a majority interest in that company. It involves the Government of Barbados, Antigua and Barbuda, St. Kitts and Nevis and Montserrat. There is another subsidiary of that company which would also be involved in this project, it is my understanding, and that subsidiary is called CARISPIN. The interests involved in that company are the company CARSICOT again, then a Japanese private sector company, a Belize Sea Island Cotton Ltd. and a local indigenous Barbadian interest which I understand again will be fairly largely represented by the local cotton growers. There is another subsidiary called SEACOT Incorporated. Again the company CARSICOT has a majority interest in this company. There is a Canadian company which is unnamed as far as I know and then some local interests.

What I am saying is that the Barbados Government is being asked solely to guarantee the whole amount of the loan to the Barbados National Bank and here I share Senator Ward's concerns. The Barbados Government has 33% of the interest in a company which has 51% of the interest in two other subsidiary companies. We know nothing of the shareholdings of Scothalls of Canada, we know nothing of the shareholdings, the Directors, the relationships between these companies. We are not told who the Japanese private sector company is. We know

nothing about the directorship or the shareholding of Belize Sea Island Cotton Ltd., a Canadian company the Belize Sea Island Cotton Holdings Inc., The Montserrat Sea Island Cotton Ltd. and the Caribbean Agricultural Management Services. This is one of my principal areas of concern, Sir. There are simply too many players for comfort in this venture. The final burden, as far as the guarantee is concerned rests on the taxpayers of this country. I think that while it is a laudable effort to get the agricultural sector back on firm footing, we must look very carefully to see where we are treading.

Sir, my other concerns, as far as accountability of persons:

To whom are all the players in this company accountable? Certainly not to the Government of Barbados who is asked to guarantee the total amount of the loan? Who controls these operations? For whom will the workers in our cotton fields work? What is the basis on which the Government will acquire these lands or these companies acquire land to grow cotton? Will they lease lands? Will it be a lease, lease back situation? Will they buy the lands? So these are questions that I would need to have answered before I can speak and give full informed support.

It seems to me, Sir, as I have said earlier that there are too many questions raised, too many interests involved of which we have been given little information. I am not sure if the information is in Government's possession. But take for example the mention of a Japanese private sector company. Who is that? What is that?

What is its relationships to the other companies involved? These are the questions, Sir, that cross my mind and are troubling me. I look also, Sir, as far as the profits are concerned, these garments I understand will be sold outside of Barbados.

It seems to me that the Government, having guaranteed this loan and having taken Barbadian lands and put under cotton production gets a very small slice of the cake in proportion to that which others will take out of Barbados because these garments will be sold on the international market with a high value added involved. And Barbados, if you look at it from a cost benefit analysis benefits very little in relation to the cost which we are asked to bear.

If we look at the situation also from an agronomic point of view, it is commonly understood and Senator Ward's comments earlier will bear me out on this that the cultivation of cotton has a devastating effect on our soils. I am told by those involved in agricultural production that cotton wreaks havoc to our soils. There is very little that can be grown in a field, after cotton has been planted and reaped in that field.

I question therefore, Sir, the wisdom of putting land under cotton, after having taken it out of sugar production. Sir, my concerns here are strengthened when they are looked at in the light of the Landell Mills Agricultural Sector Study which was commissioned by the Ministry of Agriculture and prepared for that Ministry.

2.50 p.m.

That report, Sir, in very, very clear detail admonishes the Barbados Government that it cannot take land out of sugar-cane production. The report, Sir, is very clear and unambiguous on this point. It states, Sir, that if cane disappears from Barbados it will be foolish to believe that other crops will be likely to make good the loss. The unique ecological conditions within Barbados and the shallow soil cover on the dominant coral limestone have left Barbadian soils particularly vulnerable to erosion. Sir, again that raises the economic and, as it were, ecological wisdom and agronomic wisdom of taking land which is even presently under sugar cane cultivation and putting it under cotton cultivation.

Sir, also in light of the most recent comments and report on the economy by the Governor of the Central Bank, he has stated, Sir, that the sugar production of this country has been the worst since World War II. We have seen a significant fall in our foreign reserve position as a result of low sugar-cane production. I wonder, Sir, if the Government has addressed its mind to whether or not the growing and the cultivation of cotton, having discounted all of the concerns that I have mentioned earlier, will make up and even surpass the present situation in our foreign reserves more so than leaving the land in sugar cane production or placing it back under sugar cane production.

Sir, these are my three main broad areas of concern and I believe that I have indicated to you why this Resolution troubles me and why I am unable to give my support to it. As I stated earlier, I recognize that the agricultural sector must be rehabilitated. We must get back to agriculture but we must not do so at all cost. Certainly, we must not do so where there are many more questions raised than there are answers being provided, where the net benefit to Barbados will be negative, where there are companies and interests concerned of which we know little, where we will be taking lands out of sugar cane production and, first of all, where the Barbados soil needs the covering and, secondly, where you cannot plant anything else after you have planted cotton.

Sir, on the question of the National Bank, I just would like to ask one further question. It is my understanding, Sir, that the Government and/or the Barbados National Bank acquired the C.F. Harrison building on Lower Broad Street just over a year ago. Sir, I think it was in March 1988. At that time it was stated that the purpose of that acquisition was to accommodate some or all of the Barbados National Bank's operations. To date, Sir, there is no visible progress

in that regard as far as the actual physical accommodation is concerned. I wish, Sir, to ask the Minister what plans does Government have for that building. Does it still intend to pursue the housing of the Barbados National Bank either in part or in total in that building? If not, what proposals does it have as far as that building is concerned, Sir? Thank you, Sir.

SENATOR J. S. GODDARD: Mr. President, I have always supported and continue to support Government in its efforts to diversify agriculture. I must confess to sharing the concerns raised by Senator Ward and the concerns expressed by Senator Brathwaite. In fact, she has added some concerns which I had not considered before. She obviously has researched this matter at some length.

I cannot speak with the authority and the knowledge of Senator Ward on this topic but I have asked questions of farmers in this country who have grown cotton. I am really attempting, Sir, to share some of these concerns with you as it would seem that they have been excluded willingly, wittingly, or otherwise from this exercise in the first instance. I say that because it seems that some 1500 acres of land have been earmarked for the growing of this cotton at Spencers, Vineyard, Dodds, and Springhall. It is my understanding that those lands are now vested in the Agricultural Development Corporation and will be used for the purpose of growing cotton. I am told that cotton is normally planted in August and September and it is harvested in February and March which Sir, as you know, is in the dry season. If there is no rotation with other crops if the intention is to start planting cotton again on the same land come August and September and we do this on an annual basis, no other crop can be planted because you cannot plant other things in February and March which is the height of our dry season. It means that land is being earmarked for a full year for the growing and harvesting of cotton over roughly a six or seven months period. I understand some 1500 acres have been earmarked and it is the intention that this will increase up to 3,000 acres in due course.

The concern of the farmers in the private sector is that they have been offered \$2.15 per pound for seed cotton. I am advised that their cost has been \$2.35 per pound for seed cotton based on producing 1500 pounds of seed cotton per acre. I am stressing, Sir, that this project seems predicated on the seed cotton being produced on ADC lands. I am also advised based on the figures for last year that, whereas cotton grown on privately owned lands yielded approximately 1200 pounds of seed cotton per acre, seed cotton grown on ADC lands averaged approximately 400 pounds per acre – a very, very significant differential.

I, too, share the concerns about the shareholding. I understand this Canadian company, Scothalls, will have 51% of the shares of the holding company, CARSICOT, which I understand is engaged in the production,

processing, marketing, and selling of sea island cotton lint. Fifty-one per cent in any enterprise is effective control. It is majority control. In the absence of any knowledge of management contracts and where the management control lies, I find it difficult to see how a minority shareholder, in this case, the Government of Barbados with 33% shareholding in this CARSICOT, can give 100% guarantee for indebtedness to that company.

3.00 p.m.

Of course we need to diversify agriculture, but my disquiet is the loss of top soil, because cotton does not provide ground cover, the advent of more pests, especially the white fly that has already been referred to, and they are the economic and agronomic reasons. What seems to me to be lack of economic soundness in this project at this stage causes me concern. I do not know what plans have been made for the management of this CARSICOT, but I submit it would take a Chief Executive of outstanding and proven ability to really get this project to be successful.

I do not have any of the answers, I am only raising questions, very few of which I have thought of. They are based on my discussions with people who have practical experience in the growing of cotton and other crops, but it does cause me some concern as to the viability of this project.

I thank you, Sir.

SENATOR C. A. BLACKMAN: Mr. President, I will be brief. My concern really is to the undertaking by Government as a minority shareholder of the whole guarantee of an obligation in circumstances where we are not sure of what management control Government will have. I can say that in the private sector no company would undertake 100% guarantee where their interest is only one-third of the venture. If Government's guarantee was part of a consortia of guarantees, I could understand it coming to this Parliament for approval, but in the context of a non-national company being the majority interest, and the plethora of the other interests which Senator Brathwaite has outlined, I will have some difficulty in supporting a Resolution which commits the Government to 100% guarantee to the Barbados National Bank, when the company is not one over which the Government will have control in terms of its management, whether there is any restriction in the company paying dividends or prepaying loans to other persons. All those are details on which this House ought to be informed if the Resolution should get the approval which is sought.

SENATOR A. MORRISON: Mr. President, I rise to support this Resolution. The majority of funds will go towards getting equipment for the cotton industry. I really do not have the up to date details of CARSICOT, but if there is one venture which should be given a chance at this

stage of agricultural development, it is this revitalisation of the cotton industry.

We had a big debate on agriculture recently and the Minister is trying to put back some lands under cotton production. It started about two or three years ago. We had to fight to get back the cotton trade mark which was being used by another firm, the West Indian trade mark of the old company which had to be fought for again in London. In actual fact, we won the case and we are now the only people able to market West Indian sea island cotton.

The Government does not want to plant all the acres from the Government side in cotton. There was some consultation along the line with the Sugar Industry Limited and they have not been able to come to any agreement as far as the price is concerned. Since matters have got so far when we are about to embark on this new cotton industry, the Government finds itself committed and has had to go all the way by itself in order to put its own lands into the line so that this project could get off the ground. It is a risk, but it is the first area or development which will be able to take care of the refined product from the beginning to the end and help get some of the money from the refined product.

For that, Sir, it needs a chance to get off the ground. It needs the assistance of the whole farming community, and one would have liked to see the estate managers having their own share of this new development. There are some small farmers who will grow cotton and who will also be contributing their little bit despite the fact that BSIL has not been able to be part of this new thrust for this coming crop year. The door is still open and the Government will, when the time comes, welcome the sugar estate managers who might see the profitability and want to come in next year, but somebody must be the guinea pig.

We have been trying to revitalise this industry for the last three years. We have even gone to the extent of having to fight a trade mark in the Court of Chancery in London involving a lot of expense, and the time has come now where we need 1500 acres to start with for cotton production. The sugar producers did not come up with their lands, so the Government had to do it.

As far as the rotation is concerned, you will need another 40% of that amount to rotate the crops in order not to have one area being overworked in cotton production. That will be another 600 acres or so that we will need, and that could be had eventually. The idea is to grow the cotton on those marginal lands for sugar cane, and I take the point from Senator Goddard and Senator Brathwaite about cotton being one of those crops which erode the land and take out all the nutrients. That is true. One must have some misgivings about any continued production of cotton, but we are hoping that by a series of rotation and also by growing it on the most marginal lands for sugar cane,

probably in St. Lucy, St. Philip and parts of Christ Church that we will be able to meet that problem.

Since we are talking too about a new beef industry, we could also turn those same lands into grass lands, because if nothing else will grow, grass will and we could use the same lands for grass production also as a means to help boost the beef industry that the Minister has been talking about recently.

All in all, Sir, I would think that with the concerns being expressed in the last two months about agricultural production and not doing anything for agriculture, this would have been a good chance and that the Government and the private sector would have been able at this very time in the history of this country when we have all the talk about agriculture not being what it should be, that it needs a boost and it needs this, we could start with cotton and we can show that co-operation at this very time. This is the very first time we are having a complete set of integrated production from the raw material to the finished product and beyond. We have always grown sugar and we have the raw sugar cane and we have never been able to get a sugar refinery set up in Barbados all these years. We are being paid for our sugar at various prices, but cotton is one area where we might have a chance.

3.10 p.m.

It has risks. I concede that. There are very grave risks in connection with this new project. But it should be attempted. The only reason Government is planting the full acreage on their lands is because the Barbados Sugar Industry Ltd. did not see it possible, based on the price, to come in at this very time. But the door is not shut. We understand their concerns. I think that with the new company, you have better facilities with the new equipment, even by way of getting your seeds, the planting material, where you have a better seed which I am told we can guarantee at least 95% germination which was not possible in the last 3 or 4 years. They are hoping to be able to have a 95% germination of seeds. Eventually, with the new equipment being owned by one company, we might be able to produce a kind of product which might put us on the market.

It is not going to really fall off in the actual labour by hand picking because we will pick by hand, as usual, but we will come on with the third picking or the fourth picking with the machinery just to take off the last bit of the seeds. And so, we do not envisage any fall off in labour in so doing. We will be able to manoeuvre to time, the company will be able to manoeuvre the things to time and we are hoping that they will find some solution to the White Fly, as we go along. We have been plagued by the Pink Boll Worm for years. These are all the constraints in the production of cotton. We have got to control the okra season and things of that nature.

But the fellows have been very enthusiastic in the last 2 or 3 years and the Ministry went backwards I think it was last year when the Japanese people did not come up with the price that they promised, the Ministry went back and actually guaranteed some funds, out of their own funds, in order to make the grower fairly happy. We were left at that time dry from the Japanese falling down on the price they offered in the first place. The Ministry, well knowing that it depended on the growers to grow cotton, the Government was able to meet part of the bill. It was just like a subsidy from the Government which was given to the cotton growers, I think it was last year, was it, or year before in order to tide over the price which moved from \$2.15 I think to \$2.45.

Anyhow the Government is willing to sit down and work alongside the Barbados Sugar Industry Ltd. on this matter. Those lands which you throw out every year from sugar cane you could actually plant some cotton on a seasonal basis on the throw out lands and help boost the acreage. I am sorry I do not have the file here from Agriculture that I can really read the file because I am just talking out of my head now about this whole project. But it is very interesting. And I think that if you give it a chance, it should bear some kind of fruit. But it needs the assistance now of the Barbados Sugar Industry Ltd. We are sorry that they were not able to plant any this year. That is the truth. But we are hoping that if it should prove profitable that you would come in in the next planting season. Except, that Barbados Sugar Industry Ltd. wanted to control it on their own account. You all prefer to run the whole show. I do not know if that is the concern with BSIL. That might be a problem too. I do not know if that is your problem.

But we figure that at this stage it needs Government and you all the Barbados Sugar Industry Ltd. in order to get this off the ground. Because as you say, the plantations have grown some very good cotton recently and they have done that with the assistance of the youngster from the Ministry of Agriculture who has been keeping himself very busy going around to every plantation. So it has been a good partnership for the last 3 or 4 years. I am sorry that things could not have continued that way that we could get a viable cotton industry with the co-operation of the Barbados Sugar Industry Ltd. from the beginning so that Government would not have to commit all of those lands which are committed now in order to raise the amount of acreage that is needed by the new company to produce cotton in this country.

So, Sir, I should like to implore Members that despite their cries of constraint and doubts to give this matter their wholehearted support so that with the beginning of this new adventure we may come up with something as a plus for agriculture in the 1990s.

Thank you, Sir.

SENATOR Mrs. V. C. FRASER: Mr. President, I rise to support the Resolution and I want to say, first of all, that in agriculture any part of the world you are dealing with a high risk situation, whether it be cotton or it be non-sugar crops you are going to have risks, pests, natural disasters, whatever. Recently, I was in Montserrat, just a few days ago, they are doing very well with their Sea Island Cotton and they have only 4%. They have not got the type of equipment that we are talking about and they are producing specialty high price items. This is what people must understand. When you are talking about Sea Island Cotton, you are not talking about a low price item, you are talking about a specialty market, you must find your niche in that marketplace and you must also understand that you have to pay high prices for it.

It is labour intensive so you can reduce your unemployment. People in Barbados have been talking for a long time about unemployment and the unemployment situation. Here the Government has taken a step to relieve some of the unemployment because cotton can take 4 or 5 different sets of people in producing the final product. Therefore we can earn very valuable foreign exchange from this.

We have to be futuristic. We cannot just look at the present. We have got to look at the future and we have got to take some risks. A Government always has to take the risks.

The role of the Agricultural Development Corporation is to stimulate and facilitate agriculture. If that is the role then, it is fulfilling its role by taking that risk and then the farmers will all know and understand what the cost is, what this is or that is. That is what the corporation has been set up for.

Also we criticize these corporations and say, they are not doing anything. We are very quick to say that. That is the sort of negative criticism that comes. They are not doing anything. But we must look back at what they are set up to do.

And now they have done something, it seems clear to me that, rather than looking very seriously at the exercise, we know that we are going to have some problems. There is nothing that you are not going to have some problems with, especially when something has just started. But one wonders often why people associate these new developments always by saying that you are taking valuable lands out of sugar cane.

Why have we not developed, I understand from the experts, about 30 different products that we could have developed and have employment going in this place. We are still importing refined sugar. You notice that somebody was charged the other day for selling it back to somebody else. We are importing sugar for the falernum, the soft drink

industry and the candy industry. That money could be saved in the country.

3.20 p.m.

We are importing things like icing sugar. People use icing sugar everyday even if it is to put on the top of small cakes – the bakeries, hotels, and all of these places. Do you mean that we could not find 3 or 4 industries to start something out of a little sugar cane? Now that you are starting something out of cotton, we are going back talking about we are taking this out of sugar cane and we are taking that out of sugar cane. I think that we must think for the future of our children and children's children. We either want this Barbados to go forward or we want it to go backwards. If small islands like Montserrat and St. Kitts and these islands that have only 4% in this can be producing such fantastic finished products, selling them in specialty markets abroad, and earning foreign exchange, what more to Barbados that would have far more of the percentage of this whole operation?

I think, Mr. President, in essence we have to think very carefully. Government has taken the risk. I am saying that good, sound, and healthy criticism is good. There is nothing wrong with that. There are people in Barbados who have been growing cotton for years. If they would realize that we need the talents and assistance as Barbadians of each other and if they have some knowledge on a matter, rather than criticize it would be good to pass on that pool of knowledge that they have to the Government. The Government is all of us. If you see a mistake being made, they will be able to look at it and correct it because you have had the experience. I do not think that we will get anywhere in Barbados if everytime somebody makes a move you make fifty moves to say that cannot work. You know we have sort of a syndrome here that before you start anything we always say that it cannot work. Throughout the world people probably thought that the telephone would never work and the aeroplane would not work. We depend on them now.

Government has shares in other things too. Government has shares in the Light and Power you know. I mean there were people who came back here saying how they were going to grow so much cotton and all this sort of thing. What has happened to all of that? The same people are criticizing the Government now for growing cotton. We must understand that if we are going to criticize we should try and criticize constructively. Why I am saying this is because Barbados, and I reiterate, belongs to all of us. It does not belong to any one individual. When we do not have foreign exchange, it means that Barbados does not have foreign exchange. Some people like to flog the question of sugar, sugar, sugar almost like if their tongue is diabetes. We must look beyond that. Montserrat does not have any sugar. Antigua does not have any sugar. They are getting on. I am not saying that they might be getting on as

good as Barbados, but they are still showing people that you do not have to have sugar necessarily to get on.

Now I am not saying here that we should stop growing sugar. I do not want anybody to misquote me. I am not saying that. What I am saying is that we must look at the by-products from sugar. Sugar in itself is producing the primary product. That is all we have been – the producers of the primary product. Studies were done in Barbados by a Barbadian and also by other foreign people who have said and shown the number of products that we can get from sugar cane. Why do we not pursue that line along with the cotton and bring in some valuable foreign exchange? Employ a lot of these school-leavers with chemistry and things like that and also employ other people because the best cotton is handpicked cotton. You get a cleaner cotton, good quality cotton, and you get a good quality finished product. It is labour intensive and we are going to need a lot of people to work. Let us look at the future of employment in Barbados and how taking the risk in this cotton industry can stimulate and generate valuable employment. We do not only need the employment in picking cotton but in the spinning that is high technology. We have a lot of Barbadians who are trained who are abroad waiting to come back home and some are here without full employment. They have to take a little consultancy here and yonder. They would be glad to be employed in such a high technical thing to really show their expertise. The same thing goes for sugar cane of many food technologists and many more are coming back to the country. I meet them almost everyday in the course of my work. Some of them have not got a job. Therefore, the making of sugar in the different products can provide these young people with employment at both the lower level, medium management level, and higher management level.

I would like to implore that whereas we see the problems which are not insurmountable and we see the risk, let us look at taking the chance. The journey of a thousand miles begins with one step and, if Sir Alexander Bell did not take that one or the Wright brothers did not take that one step in terms of development, where would we have been today? We have got to look at things this way. People laughed at them too. They criticized them. Let us not look at that but let us see that we cooperate – the farmers, sugar producers, Government and the people out there. Let us encourage rather than continue to discourage. We are getting a lot of people who are fed up who are working on these things by saying this cannot work. Everybody is not strong and people get fed up and they will go somewhere else where they feel their knowledge can be beneficial to somebody else. They can utilize it and Barbados stands to lose.

Mr. President, I want to say that I will continue to support any venture that I see is going to have future development for Barbados and bring foreign exchange to this country which we need. Thank you very much, Sir.

Applause.

SENATOR THE REV. CANON I. McK. JONES: Mr. President, I am afraid that I did not get the same impression that Senator Fraser has about what has been said so far on this motion. The impression I got was that those who were speaking were saying not that they do not want to see this cotton going, but they want to sound a word of caution and we have to be very careful how we are doing it. I did not get the impression that they were opposed to the idea, but I am not opposed to it either. I feel that it is a very good thing to take this step. One thing that caused me some disquiet was when I heard, I think it was Senator Goddard who spoke, that in the private sector who are producing cotton – if I am wrong, I hope he will correct me. That from an acre of land they could produce something like 1200 pounds and when the ADC did it they only got 400 pounds. I hope that I am right or something like that. Well, what I would say is this. If most of the cotton is going to be done on ADC lands, I think that what has to be looked at is to find out why it is that there was this tremendous differential in the amount of cotton from private ownership as against what was coming from ADC. If you can get that corrected, I think that we will be well on the way.

3.30 p.m.

I feel it is a very good thing for the Government to make an attempt to get into this cotton area. I am told it can be sold for as much as \$300 a pound. That is something that can really bring in some foreign exchange. Nothing will ever be attempted if all possibilities have first to be encountered. We would never attempt anything. It is a risk that you are taking, but I think it is a risk that is worth taking and I hope that all farmers and plantation owners and the BSIL will come in with the Government and help to get this cotton industry going.

Thank you.

SENATOR THE HON. Dr. C. D. CLARKE: I welcome the comments of Senator Jones and I should like to draw to the attention of the Senate again, however, that while CARSICOT might be a beneficiary under the scheme, the loan is from the Export Development Corporation of Canada to the BNB, and it says here under the conditions of the loan various Barbados public and/or private sector buyers. Public sector buyers include Government Departments, State Agencies and Government owned Corporations, and the exporters from Canada might be any Canadian exporters once they are approved by the EDC, so it is not correct to indicate that these funds will be solely used in this. I do not know what percentage will be used, but just for the record the Government is giving its guarantee so that a line of credit could be set up between the BNB and the EDC. There will be other projects using capital from Canada that could qualify for the use of these funds. How much, I do not know.

With those few notes, I move that this Resolution do now pass, Mr. President.

The question was put to the Senate and agreed to.

RESOLUTION TO APPROVE THE BORROWING OF
THE SUM OF U.S.\$25 MILLION FROM
SAMUEL MONTAGU COMPANY LIMITED
FOR THE PURPOSE OF ASSISTING
IN THE CAPITAL DEVELOPMENT
PROGRAMME AND REFINANCING
THE FOREIGN DEBT

Order No. 10 was called – To move the passing of a resolution to approve the borrowing of the sum of US\$25 million from Samuel Montagu Company Limited for the purpose of assisting in the Capital Development Programme and refinancing the foreign debt.

SENATOR THE HON. Dr. C. D. CLARKE: Mr. President, this Resolution seeks to borrow the sum of U.S. \$25 million from Samuel Montagu Company Limited for the purpose of financing the foreign exchange component of the Capital Development Programme and refinancing portions of our foreign debt.

Before I indicate what the foreign component of the Capital Development Programme is likely to be and our commitments for foreign debt refinancing, I will just touch on the terms of the loan which are as follows: The life is seven years, the repayment schedule is in nine equal semi-annual instalments commencing after three years, that is there is a grace period of three years, and the rate of interest is LIBOR plus 1.125% per annum. LIBOR is the London Inter-Bank Offer Rate.

In the Development Plan 1988 to 1993 it is proposed to spend a total of \$989.91 million of which 62.8% will be funded from local sources and \$367.7 million from foreign sources. This represents about 37.2%. In the financial year 1989-90, this current financial year, it is projected that the sum of \$260 million will be expended on Capital Works. If the relationship of local contribution of 63% and foreign of 37% holds over the years of the Plan, it can be estimated that about \$76 million will be required to finance the foreign component of the Development Plan in 1989-90. That is, we have to look for \$76 million or its equivalent for this year.

Turning to the refinancing of the foreign debt, as we experienced with the Development Plan, we have had some very poor debt management resulting in a bunching of the repayment of foreign loans. When I spoke on the Appropriation Bill I mentioned that we would have to pay more attention to debt management. It just seems to be an adjunct to fiscal and monetary policy, but I think it requires a little more effort and concentration, and I will bring evidence to support this position.

In 1985 the foreign debt service, amortisation and interest payments, was \$56.1 million. In 1986 it was \$76.6 million. In 1987 it was \$100.1 million, in 1988 \$101.1 million, in 1989 it is \$127.6 million, in 1990 it will be \$232.5 million, in 1991 it will be \$208.3 million and it starts to come down in 1992 when it will be \$130.5 million.

Just to give you a feel for the debts that will fall due within this period, there is a loan with Royal Bank of Canada. It was signed on 31st January, 1983, the first payment was 28th February, 1984, the last payment 30th September, 1988, a four year period, and the annual payment rate was \$5,776,800. There is an Orion 2 loan. The agreement date was 31st October, 1981, the first payment 31st October, 1985, the last payment 31st December, 1989 – again four years over which to retire the debt – annual payment \$13,334,000. The Natwest 1 loan, the agreement date was July 1985, the first payment 30th December, 1989, the last payment 30th September, 1992, a three year period, annual repayment rate \$14,285,710. Natwest 2 loan, the agreement date was 15th September, 1986, the first payment 30th September, 1990, the last payment 30th September, 1993, and the annual payment \$17,142,859. Barclays loan, agreement date 7th May, first payment 7th May, 1991, last payment 31st December, 1993 and the annual repayment rate \$79,500,000. The Japanese Yen Bond A and B, 30th October, 1986, first payment 31st October, 1991, last payment 31st December, 1991. One shot bullet loan. Trinidad bond, the agreement date 31st October, 1970, first payment 31st October, 1990, last payment 31st December, 1990, annual payment \$40 million.

This gives some indication of the pressures that we place on the foreign reserves in terms of debt service within the next few years 1989, 1990, 1991 and 1992.

Total foreign capital assets have contributed slightly in 1985 and 1986 to the tune of \$86 million in 1985 and \$55.6 million in 1986, but there was a decline of \$195,971,000 in 1987. In 1988 total assets arising from private foreign capital transactions again increased. There has been an upturn again reaching \$114,374,000.

I think, Sir, that the acquisition of this loan will further strengthen our position to roll over our debts. The idea that an offer has been made and that we can go into the foreign capital markets and obtain funds is an indication of our creditworthiness in the international community. I think that efforts which are made to erode the confidence in the Barbados dollar by frequent and intemperate criticisms on the level of foreign exchange reserves can only do the country the greatest damage.

3.40 p.m.

Because once you start talking about low levels of foreign reserves, you set up, you promote and encourage a self fulfilling prophesy because once the doubt has been

established, you are likely to have a run on the currency. And I would hope that serious Barbadians would refrain from playing around with cheap and unreasonable attempts at the levels of foreign exchange rates. I believe that the levels, the gross foreign exchange, as I have here, at the 3rd August was \$222 million, this is the Central Bank's daily report compared with \$233 million at the same time last year. These are the gross figures, as presented by the Central Bank.

With those few comments, Mr. President, Sir, I move that this Resolution do now pass.

The question that this Resolution do now pass was put to the Senate and was agreed to.

CONSTITUTION OF BARBADOS (AMENDMENT) ACT, 1989

Order No.7 was called – To move the Second Reading of a Bill to amend the Constitution of Barbados.

SENATOR THE HON. L. V. H. LEWIS: Mr. President, this Bill to amend the Constitution of Barbados is one of three Bills which have come before us in order to resolve certain difficulties which happened or were likely to happen under the Representation of the People Act.

The Bill when it was introduced in the Other Place was referred to a Select Committee before February of 1988 and after several sittings of that Committee and the clarifying of certain concerns, the Bill was unanimously adopted in Committee and thereafter passed by the Honourable the House of Assembly.

The Bill seeks to clear the concerns related to the qualification and disqualification from membership of the House of Assembly for the filling of casual vacancies relating to the House of Assembly and the qualification of electors, as well as resolving election controversies. The power of the Governor-General to make Rules on the advice of the Commission relates to Regulations for the conduct of such elections, as presently exist in the Representation of the People Act.

So that, Mr. President, the effect of this Bill and the other two Bills is to clarify the concerns relating to the powers of the Governor-General under the Representation of the People Act.

I do not propose to make a long comment, except to say that the Bill was thoroughly examined, amended in Committee and has come here for our considerations.

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

Mr. PRESIDENT: Which Bill? There are 2 Bills. Which Bill are you moving?

SENATOR THE HON. L. V. H. LEWIS: Number 3 Bill, Sir. A Bill to amend the Constitution of Barbados, Sir.

Mr. PRESIDENT: I have a Bill to amend the Representation of the People Act consequent upon the establishment of the Electoral and Boundaries Commission. Then I have one, the Election Offences and Controversies Act consequent upon the establishment of the Electoral and Boundaries Commission.

The Senate is looking at the Bill to amend the Constitution in order to clarify the power of the Governor-General, the Electoral and Boundaries Commission under the electoral provision of the Constitution. That is before this House.

The question that that this Bill do now pass was put to the Senate and was agreed to.

On the motion of SENATOR THE HON. L. V. H. LEWIS, Mr. PRESIDENT left the Chair and the Senate went into Committee on the Bill, HIS HONOUR SENATOR M. deL. JORDAN in the Chair.

COMMITTEE

Mr. CHAIRMAN: The Senate is in Committee.

Clauses 1 to 4 inclusive were called and were passed.

On the motion of SENATOR THE HON. L. V. H. LEWIS, Mr. CHAIRMAN reported the passing of one Bill in Committee and Mr. PRESIDENT resumed the Chair and reported accordingly.

On the motion of SENATOR THE HON. L. V. H. LEWIS, the Bill was read a third time.

On the motion of SENATOR THE HON. L. V. H. LEWIS, the Bill was passed, the Senate voting as follows:

AYES: SENATOR THE HON. L. V. H. LEWIS, SENATOR THE HON. DR. C. D. CLARKE, SENATOR A. MORRISON, SENATOR MRS. G. L. EASTMOND, SENATOR N. W. BOXILL, SENATOR MRS. V. C. FRASER, SENATOR A. J. N. PHILLIPS, SENATOR T. A. PRESCOD, SENATOR THE HON. SIR JAMES TUDOR, HIS HONOUR SENATOR M. deL. JORDAN, SENATOR THE REV. CANON I. McK. JONES, SENATOR L. A. WARD, SENATOR MRS. P. Y. FORDE, SENATOR J. S. GODDARD, SENATOR MISS V. P. BRATHWAITE, and SENATOR C.A. BLACKMAN, – 16 AYES,

Mr. PRESIDENT: The Bill has been passed by acclamation, 16 Honourable Members voting aye.

REPRESENTATION OF THE PEOPLE
(AMENDMENT) ACT, 1989

Order No. 8 was called – To move the Second Reading of a Bill to amend the Representation of the People Act, Cap. 12.

SENATOR THE HON. L. V. H. LEWIS: Mr. President, as I said, when introducing the earlier Bill that this is one of 3 Bills. This one seeks to amend the Representation of the People Act consequent upon the establishment of the Electoral and Boundaries Commission.

What the Act does in fact do is to seek to clarify certain difficulties which existed in the existing legislation.

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

Mr. PRESIDENT: The question.....

SENATOR THE HON. SIR JAMES TUDOR: Sir, I certainly support this Bill and more than anything else, welcome the new influence, if I may put it this way, which the Commission will have on the wider sphere of operation in the carrying out of its work.

I just only want to suggest this, that since it is obviously such a good thing in electoral politics that politicians should have as little as possible to do with the management and control of elections, I think it would do no harm if the Boundaries Commission in itself, the Electoral and Boundaries Commission itself could meet the public in more informal ways.
3.50 p.m.

There is nothing wrong in principle or in practice with members of the commission moving about the country in or out of an election period and making themselves available for free discussion on the way in which they do their work and enlightening the public on the intricacies of all of these procedures. It would be an extension of the democratic principle that the people should participate in matters concerning them and certainly the authoritative presence of the Electoral and Boundaries Commission, separate and distinct from the movement of politicians among the people, would help I think to give greater confidence and acceptance to the electoral procedures which themselves are very difficult to understand at the best of times and certainly in the more heated atmosphere of an electoral context are scarcely understood at all.

I do not think that the Commission should feel shy about moving among the people in each constituency with the appropriate officers of the Commission and taking some time with ordinary voters to explain to them what the electoral procedures are and why they are necessary for the smooth running of elections in each constituency.

I think that we often talk, Sir, about bringing Government and procedures to the people, but very often when we have a chance to do it, we either do not quite know how to do it or we think that some of the things that we are doing are so well understood that we need not explain them. Perhaps it will be just as well for the members of the Commission to take it upon themselves without having to be asked and move around the country, outside even of an election period, speaking with people to ask them, for instance, "Do you understand all you need to understand about what should take place in this constituency for you to vote? If you do not understand, we are here to spend a couple of hours with you in this district to listen to your problems and your questions and answer them to the best of our ability."

Mr. PRESIDENT: I do not know if that comes within the ambit of what we are doing now, Sir. I listened to you but I do not know if that is for us up here. I think that is maybe for somewhere else. I do not know if it comes within the ambit of what we are really doing. I would not like it to go out from here that we were discussing this matter because it seems a little bit strange for us to be discussing this matter. I do not think that it is a matter that is up for debate.

SENATOR THE HON. SIR JAMES TUDOR: Very well, Sir.

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. L. V. H. LEWIS, Mr. PRESIDENT left the Chair and the Senate resolved itself into a Committee on the Bill, Senator M. deL. JORDAN in the Chair.

Clauses 1 – 23 were called and passed.

On the motion of SENATOR THE HON. L. V. H. LEWIS, the Bill was reported as having passed the Committee without amendment, and Mr. PRESIDENT resumed the Chair and reported accordingly.

On separate motions of SENATOR THE HON. L. V. H. LEWIS, the Bill was read a third time forthwith and passed.

ELECTIONS OFFENCES AND
CONTROVERSIES ACT, CAP. 3

Order No. 9 was called – To move the second reading of a Bill to amend the Elections Offences and Controversies Act, Cap. 3.

SENATOR THE HON. L. V. H. LEWIS: Mr. President, this Bill provides chiefly for the definition of the commission as a consequence of the Electoral and

Boundaries Commission. It also seeks to replace the role of the Chief Registering Officer by the commission.

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

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

On the motion of SENATOR THE HON. L. V. H. LEWIS, Mr. PRESIDENT left the Chair and the Senate resolved itself into a Committee on the Bill, Senator M. deL. JORDAN in the Chair.

Clauses 1 – 4 were called and passed.
4.00 p.m.

On the motion of SENATOR THE HON. L. V. H. LEWIS, Mr. CHAIRMAN reported the passing of one Bill in Committee and Mr. PRESIDENT resumed the Chair and reported accordingly.

On the separate motions of SENATOR THE HON. L. V. H. LEWIS, the Bill was read a third time and passed and cited as the Elections Offences and Controversies (Amendment) Act, 1989.

RESOLUTION TO APPROVE THE CIVIL
ESTABLISHMENT (GENERAL)
(AMENDMENT) (No. 2)
ORDER, 1989

Order No. 11 was called – To move the passing of a resolution to approve the Civil Establishment (General) (Amendment) (No. 2) Order, 1989.

SENATOR THE HON. L. V. H. LEWIS: Mr. President, this Resolution makes provision for several adjustments in various Ministries and Departments and is in pursuance of the policy of Government to establish temporary posts which have to be granted to Government Departments from time to time. Other adjustments which are made in this Resolution relate to changes in ministerial portfolios, redesignations and regrading and abolition of posts.

My understanding is that the Minister responsible for Establishments will from time to time come to this Honourable House and the Other Place in order to establish the temporary posts, some of which have been in existence as temporary posts for enough years that the Departments have been described as being in Hollywood. The intention is to remove Hollywood from the scene.

I believe that the benefits which will accrue to the public sector from the passing of this Resolution will be seen in the prompt appointments which are to be made to the posts which have been created.

I beg to move that the Resolution do now pass.

SENATOR C. A. BLACKMAN: Mr. President, I have a small intervention to make in this matter. On page 2 of the Addendum to the Order there is an explanation with respect to staffing for the Ministry of Legal Affairs, and in particular the Registration Department. In particular there is the note that the transfer of the above posts from the Registration Department to the Land Registry Department is in keeping with Cabinet's earlier decision that the unregistered deed system be transferred and administered by the Land Registry with effect from April 1, 1989.

I believe that that decision in some respects still needs parliamentary sanction and that there is a draft Bill which was submitted to the Bar Association for comment in relation to the work of the Land Registry, but there is a concern among the legal profession about the transfer of the unregistered deed system to the Land Registry from Coleridge Street, Bridgetown to, I think, somewhere in the vicinity of the Garrison.

There are two particular concerns. One, Sir, is the question of adequacy of security of the documentation and one, which perhaps is personal and selfish to us, the logistics of doing business on an on-going basis with a Department which is removed from the main centre of legal activity in Bridgetown by as much as a mile or more. In the context of what I understand are plans for a judicial centre in the centre of Bridgetown, and it being the experience that when you move documents more than once the likelihood of losing or misplacing things is magnified, I wonder at the urgency of incorporating the unregistered deed system with the Land Registry.

There is another reason for this, Sir, from my observation. The Land Registry has not quite settled down in its work, it is still very much trying things out, as it were. Those of us – Senator Prescod, Senator Brathwaite and the other people who have connections with the law and are here today – know that they are suffering what one might call teething pains. To that extent, Sir, I really query the soundness of the idea of giving to that Department the responsibility for dealing with the unregistered deed system before all the kinks in the Land Registry have been ironed out.

We understand that there is some difficulty in co-ordinating the functions of the Land Registry with the Lands and Surveys Department, and they are critical to making sure that the whole system is put in train. There have been representations made by the Bar to the Ministry of Housing and Lands, which we think have been accepted in part, that there are really three systems of registration. One where there is a registration district, and that is out in the Cave Hill area; the second one where every conveyance

must be registered within three months of its creation, and the third one where it is done on a voluntary basis.
4.10 p.m.

We recommended, Sir, that the 3 month involuntary legislation and voluntary one be suspended until the kinks are ironed. I think that recommendation has been accepted and a Bill to give effect to it is being drafted.

The other aspect, Sir, is that you are reducing the staff of the Registration Department, as I understand it. You are moving people from the Registration Department to the Land Registry. And certainly the obligations which follow the Registration Department, so far as the Registrarships are concerned, I really wonder if they could do with one less Assistant Registrar rather perhaps, another one. Other than that, Sir, I have no difficulty with the Resolution. I think it is timely that people who have been acting for long periods should be appointed. It was a feature of the Report which was laid in this Honourable Chamber last time on the escape of prisoners from Glendairy that poor staff morale had been brought on by the number of persons who were acting. I am glad to see that the posts of the 15 Prison Officers are being established in order to give some comfort to those who have had unease about their Hollywood state.

Thank you, Sir.

The question that the Civil Establishment (General) (Amendment) (No.2) Order, 1989 do now pass was put to the Senate and was agreed to.

AIRPORT SERVICE CHARGE (AMENDMENT) ACT, 1989

Order No. 2 was called – To move the Second Reading of a Bill to amend the Airport Service Charge Act, Cap. 59.

SENATOR THE HON. Dr. C. D. CLARKE: Mr. President, this Bill, the Airport Service Charge (Amendment) Bill commonly known as the departure tax is just to give effect to the Budgetary Proposals and Financial Statements introduced by the Prime Minister and Minister of Finance and Economic Affairs on April 26, 1989.

It is a rather straightforward matter whereby the proposed changes are that the departure tax move from \$16 to \$20.

Mr. President, Sir, I move that this Bill be read a second time.

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

On the motion of SENATOR THE HON. Dr. C. D. CLARKE, the Bill was read a third time and was passed.

STAMP DUTY (AMENDMENT) ACT, 1989

Order No. 3 was called – To move the Second Reading of a Bill to amend the Stamp Duty Act, Cap. 91.

SENATOR THE HON. Dr. C. D. CLARKE: Mr. President, this Bill is in similar vein to the one that preceded it, that is, simply a housekeeping matter to amend the Stamp Duty Act.

Mr. President, I beg to move that this Bill be read a second time.

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

On the separate motions of SENATOR THE HON. Dr. C. D. CLARKE, the Bill was read a third time and was passed.

CONSUMPTION TAX ORDER, 1989

Order No.4 was called – To move the Second Reading of a Bill to amend the Consumption Tax Act, Cap. 63.

SENATOR THE HON. Dr. C. D. CLARKE: Mr. President, again this Bill seeks to give effect to the Budgetary Proposals and Financial Statements.

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

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

On the separate motions of SENATOR THE HON. Dr. C. D. CLARKE, the Bill was read a third time and was passed.
4.20 p.m.

OBITUARY SPEECHES

SENATOR THE HON. L. V. H. LEWIS: Mr. President, I crave the indulgence of the Honourable Senate to introduce a Resolution as a consequence of the passing of a former Senator, to wit, Leroy Brathwaite. The Resolution is as follows:

"WHEREAS the late Conrad Leroy Brathwaite, Esquire, J.P., Member of this Honourable House from 1964 to 1976, and a Parliamentary Secretary in the Government of Barbados from 1969 to 1976, passed away on 1st August, 1989.

AND WHEREAS the former Senator Brathwaite distinguished himself and did great credit to our country by his contribution to the development of our society.

BE IT RESOLVED THAT this House extend and convey to the relatives and friends of the late former Senator Conrad Leroy Brathwaite our sincere condolences on his passing."

I believe, Mr. President, that although several of us have come in touch with the late Conrad Leroy Brathwaite there is one amongst us whose closeness to Conrad Brathwaite befits any comments which are being made about him to be said by that person. I refer to Sir James Tudor. I, therefore, would like on behalf of all the Members of the Senate to express our condolences and request that Senator Tudor be permitted to speak on the matter.

SENATOR THE HON. SIR JAMES TUDOR: Mr. President, I wish to thank Senator Lewis for the mention which he made of me in respect of this matter. Although I must tell him and all Senators that it is a very painful occasion for me. I shall, of course, in another few days be saying far more about the late Senator Brathwaite than I am able to do now. I just would like to record that he was a distinguished member of this House for 12 or more years, that he had served in many important capacities in statutory corporations of this country and that he had been and until his death remained a foundation member of our party.

The thing about Conrad Brathwaite was that although he was a very stern and strong defender of his political interests, he was in no sense a partisan. He was well known and I can say loved by all sorts and conditions of people and he enjoyed a very wide and tremendous respect among all who knew him. Sometimes when you are thinking of what makes political parties or what gives them their life and strength, we tend only to think in terms of leaders or people who have reached the highest prominence in the public society of their country. At the same time I think full credit is not always given to those who are ordinary members of parties, ordinary individuals with no particular claim to distinction, except that they have a passion for justice and a desire to see right done in all sections of the society. I think Conrad Brathwaite was one such person. All of us who came in contact with him knew and loved him for his forthrightness and for the way in which he could speak the things of his heart and mind firmly but at the same time without causing offense.

In my judgment, he had one of the finest intellects of any of the hundreds of people I have ever known. We say sometimes to people that it is a pity that they did not live in the days when educational opportunities were more available than they are now and we know what we mean when we say this. There are some very honourable exceptions to that regret and I think that he was certainly one of them because the quality of his mind and the breadth of its development was such that I do not think that he

really missed except perhaps in a personal sense the opportunities of further education. He was certainly one of the most widely read persons of my acquaintance and my generation. I think that I can also say this of him that he was a superb diplomat even when he was most determined to carry the point. There was one occasion when a certain Minister, not of the present vintage, said to him in respect of a difficulty which that Minister was having with a statutory authority and the Minister said, "Let us go and kill this lion." Mr. Brathwaite said, "No, I think if you will notice his teeth are rather shaky. Let us get pliers and take the teeth out and then we can deal with him." Well, I think it was his way of saying to the Minister – look, let us watch this situation a little more and let us deal with it perhaps a bit more tactfully or at any rate in another season. He was not, except in perhaps the definite sense, a controversialist. He was a promoter and defender of an interest in which he passionately believed and he never made an enemy in the promotion and defense of the interest he served.

We in the Democratic Labour Party are immensely grateful for the privilege of having known and worked with him. Certainly we have always known that we have shared this respect with a lot of other people who are not supporters of our party but who loved him and respected him for his own sake.

I do not have any pleasure in moving this Resolution but I think that the sense of the Senate would certainly be that these condolences be passed on to his widow and his relatives and to that extent I am happy to move the Resolution. Thank you, Sir.

MR. PRESIDENT: I would like to thank Senator Tudor and I would ask that the Members of the Senate rise in honour of our departed friend for a moment of silence in respect of this colleague.

A moment of silence was observed in respect of the former late Conrad Leroy Brathwaite.

MR. PRESIDENT: Thank you very much.

ADJOURNMENT

SENATOR THE HON. L. V. H. LEWIS: Mr. President, we have had a lengthy session today, far longer than we usually go, and my task is only to move that this Honourable Senate be now adjourned *sine die*.

The question that the Senate be now adjourned sine die was put to the Senate and agreed to, and Mr. PRESIDENT adjourned the Senate accordingly.
4.30 p.m.

CONTENTS

PRESENTATION OF PAPERS

SEN. HON. L. V. H. LEWIS.....1390

The Annual Report of the Air Transport Licensing Authority for the year 1988

The Report and Financial Statements for the Barbados Port Authority for the year ended 31st December, 1988

The Civil Establishment (General) (Amendment) (No. 2) Order, 1989

The Customs (Amendment) Regulations, 1989

The Customs Tariff (Amendment) Order, 1989

The Customs Tariff (Amendment) (No. 2) Order, 1989

The Travel Ticket (Rate of Tax) (Amendment) Order, 1989

The Consumption Tax Order, 1989

QUESTIONS TO MINISTERS

SEN. HON. L. V. H. LEWIS.....1390

Reply to Parliamentary Question No. 11 asked by Sen. J. S. GODDARD

MOTIONS RELATING TO THE BUSINESS OF SENATE

SEN. HON. L. V. H. LEWIS.....1391

Suspension of Standing Order (45(1) and (2))

FIRST READING OF BILLS

SEN. HON. L. V. H. LEWIS.....1391

1. A Bill to amend the Judges Remuneration and Pensions Act Cap. 115A
2. A Bill to amend the Airport Service Charge Act, Cap. 59
3. A Bill to amend the Stamp Duty Act, Cap. 91
4. A Bill to amend the Consumption Tax Act, Cap. 63
5. A Bill to amend the Constitution of Barbados

6. A Bill to amend the Representation of the People Act Cap. 12
7. A Bill to amend the Elections Offences and Controversies Act, Cap. 3

PUBLIC BUSINESS

JUDGES REMUNERATION AND PENSIONS (AMENDMENT) BILL, 1989 1391

Senator Hon. L. V. H. Lewis, 1391, 1393; Senator C. A. Blackman, 1392; Mr. President, 1392; Senator Anderson Morrison, 1393.

RESOLUTION TO APPROVE THE GUARANTEE OF THE PAYMENT BY THE BARBADOS DEVELOPMENT BANK OF THE SUM OF \$10,000 000 AND INTEREST THEREON PERTAINING TO AN EIGHTH ISSUE OF NATIONAL DEVELOPMENT BONDS AND FOR DISCHARGING CERTAIN OF THE BANKS FUNCTIONS 1394

Senator Hon. Dr. C. D. Clarke, 1394, 1402; Senator J. S. Goddard, 1395; Senator Miss V. P. Brathwaite, 1396; Senator Mrs. G. L. Eastmond, 1397; Senator Mrs. V. C. Fraser, 1400; Senator L. A. Ward, 1401.

RESOLUTION TO APPROVE THE GUARANTEE OF PAYMENT BY THE BARBADOS NATIONAL BANK TO THE EXPORT DEVELOPMENT CORPORATION OF CANADA AN AMOUNT NOT EXCEEDING US\$5 MILLION OR 85% OF THE PRICE OF CANADIAN GOODS OR SERVICES WHICHEVER IS THE LESSER AMOUNT 1402

Senator Hon. Dr. C. D. Clarke, 1402, 1409; Senator L. A. Ward, 1403; Senator Miss V. P. Brathwaite, 1404; Senator J. S. Goddard, 1405; Senator C. A. Blackman, 1406; Senator A. Morrison, 1406; Senator Mrs. V. C. Fraser, 1408; Senator Rev. Canon I. McK. Jones, 1409.

RESOLUTION TO APPROVE THE BORROWING OF THE SUM OF US\$25 MILLION FROM SAMUEL MONTAGU COMPANY LIMITED FOR THE PURPOSE OF ASSISTING IN THE CAPITAL DEVELOPMENT PROGRAMME AND REFINANCING THE FOREIGN DEBT 1410

Senator Hon. Dr. C. D. Clarke, 1410.

CONSTITUTION OF BARBADOS (AMENDMENT) BILL 1989 1411

Senator Hon. L. V. H. Lewis, 1411.

REPRESENTATION OF THE PEOPLE (AMENDMENT) BILL, 1989 1412

Senator Hon. L. V. H. Lewis, 1412; Senator Hon. Sir James Tudor, 1412; Mr. President, 1412.

ELECTIONS OFFENCES AND CONTROVERSIES BILL, 1989 1412

Senator Hon. L. V. H. Lewis, 1412

RESOLUTION TO APPROVE THE CIVIL ESTABLISHMENT (GENERAL) (AMENDMENT) (NO. 2) ORDER, 1989 1413.

Senator Hon. L. V. H. Lewis, 1413; Senator C. A. Blackman, 1413.

AIRPORT SERVICE CHARGE (AMENDMENT) BILL, 1989 1414

Senator Hon. Dr. C. D. Clarke, 1414.

STAMP DUTY (AMENDMENT) BILL, 1989 1414

Senator Hon. Dr. C. D. Clarke, 1414.

CONSUMPTION TAX (AMENDMENT) BILL 1989 1414

Senator Hon. Dr. C. D. Clarke, 1414.

OBITUARY SPEECHES 1414

Re the late Conrad Leroy Brathwaite, J.P.

Senator Hon. L. V. H. Lewis, 1414; Senator Hon. Sir James Tudor, 1415; Mr. President, 1415.

SUSPENSION 1402

ADJOURNMENT 1415

Senator Hon. L. V. H. Lewis, 1415.

SPEAKERS IN THIS ISSUE

BLACKMAN, Senator C. A.
BRATHWAITE, Senator Miss V. P.
CLARKE, Senator Hon. Dr. C. D.
EASTMOND, Senator Mrs. G. L.
FRASER, Senator Mrs. V. C.
GODDARD, Senator J. S.
JONES, Senator Rev. Canon I. McK.
LEWIS, Senator Hon. L. V. H.
MORRISON, Senator A.
TUDOR, Senator Hon. Sir James
WALCOTT, His Honour Senator Sir Frank
WARD, Senator L. A.