

THE SENATE DEBATES

(OFFICIAL REPORT)

FIRST SESSION 1999 – 2004

THE SENATE

Wednesday, November 28, 2001

The Senate met in the Senate Chamber, Parliament Buildings on Wednesday, November 28, 2001, at 11.15 a.m.

PRESENT

His Honour Senator Sir FRED GOLLOP, K.A. (President)

His Honour Senator C. L. BOLDEN, C.B.E., LL.B. (Hons.) (Lond.) (Deputy President)

Senator P. C. GODDARD

Senator the Hon. G. S. H. MURRAY, B.A. (Hons.) J.P. (Minister of State, Prime Minister's Office and the Civil Service)

Senator the Hon. J. X. WALCOTT, F.R.C.S, J.P. (Minister of Health)

Senator T. E. BARKER, B.A. (Hons.), M.A. (Econ.) (Parliamentary Secretary, Ministry of Economic Development)

Senator the Hon. Dame PATRICIA SYMMONDS, D.B.E., G.C.M., B.A. (Hons.), P.G.C.E., J.P.

Senator Miss J. C. ODLE, J.P.

Senator J. E. D. WILLIAMS, B.Sc., M.B.A., J.P.

Senator C. A. MASCOLL, B.Sc. (Econ.) (Hons.), M.A. (Public Finance)

Senator C. LeR. TROTMAN

Senator Mrs. P. E. RICKINSON, B.A. (Hons.), M.P.H. (Harvard), S.R.N.

Senator C. K. LAURIE, D.I.C.T.A. (S.T.), FBSTA

Senator Sir JOHN STANLEY GODDARD, K.A., B.Com., C.A., Hon. LL.D. (U.W.I.)

Senator B. R. COLLYMORE, C.M.G.

Senator the Rev. L. W. B. ROCK, M.Div.

Senator D. D. MARSHALL, LL.B. (Hons.) L.E.C.

Senator Mrs. V. E. NEWTON, S.C.M., B.A. (Spec. Hons.), M.A., LL.B. (Hons.) (U.W.I.), F.L.A. (Gt. Brit.), L.E.C.

Senator K. D. SYMMONDS, LL.B.

Senator D. L. HAYNES, S.C.M.

Prayers were led by SENATOR the Rev. L. W. B. ROCK.

ANOUNCEMENTS

Mr. PRESIDENT: Honourable Members will recall that at the last Sitting of the Senate we were advised by letter from His Excellency the Governor-General of the appointment of three new Senators. Senator Walcott and Senator Haynes took their seats on that occasion and I am advised that Senator Symmonds will take his seat today. I will, therefore, ask the Marshal to escort Senator Symmonds to his seat.

At this point SENATOR SYMMONDS was escorted to his seat.

His HONOUR SENATOR Sir FRED GOLLOP: Senator Symmonds, it is my pleasure on behalf of the Senate to extend a warm welcome to you. As a Member of the Senate, you will have the opportunity to contribute to the framing of laws for the good governance of Barbados. I am sure you have already familiarised yourself with the Standing Orders of this Chamber. I also commend to you Sir Erskine May's celebrated works on Parliamentary Procedure and I am sure that you recognise that it is important, not only to be aware of the Rules, but also to observe them. I have every confidence that you will do so. I am sure I speak for all Honourable Members of the Senate when I welcome you. Again, I wish you well.

SENATOR K. D. SYMMONDS: Thank you very much, Mr. President, for your kind words of welcome. When I was a younger lad I enjoyed the works of William Shakespeare in my moments of recreation. Sir, if I can make bold to borrow from him, in the book HAMLET, where he puts into the mouth of the good Polonius the words:

"Brevity is the soul of wit,
And tediousness, the limbs and outward flourishes,
I will be brief..."

I too, Sir, will want to be very brief in thanking you for your kind words of welcome. I would also want to say that I will pledge here to be a keen student of Erskine May's worthwhile contribution and also to the Standing Orders. I also hope that you will find in me a useful contributor to the business of the people of Barbados. I thank you.

His HONOUR SENATOR Sir FRED GOLLOP: There is one other announcement. Prior to the start of today's Sitting, I received a gift of 21 Bibles from the Barbados Evangelical Association, the Barbados Christian Council. I expressed the thanks of all Honourable Members and commended these organisations for the work they do. These Bibles which are beautifully bound in leather will be handed out during the course of today's Sitting.

PRESENTATION OF PAPERS

SENATOR THE HON. G. S. H. MURRAY: Mr. President, I am commanded to lay the following documents:

1. Annual Reports and Statement of Account of the Insurance Corporation of Barbados for the Year 2000.
2. Report of the National Insurance Board on the operations of the Severance Payment Scheme for the Year January 1 to December 31, 2000.
3. Annual Reports and Financial Statements of CRL Limited for the Fiscal Years, January 1 to December 31, 1996, 1997, 1998, 1999.
4. Annual Reports and Financial Statements of Hotels and Resorts Limited for the Fiscal Years, January 1 to December 31, 1998, 1999.
5. Annual Report of the Enterprise Growth Fund Limited for the Fiscal Year January 1 to December 31, 2000.

REPLIES TO PARLIAMENTARY QUESTIONS

SENATOR THE HON. G. S. H. MURRAY: Mr. President, I wish to advise that the Reply to Parliamentary

Question No. 6, asked by Senator Sir John Stanley Goddard on 13th June, 2001, is now ready.

His HONOUR SENATOR Sir FRED GOLLOP: Will Senator Sir John Stanley Goddard ask the question?

SENATOR Sir JOHN STANLEY GODDARD: Mr. President, Question No. 6:

To ask the Leader of the Senate (1):

- (a) Will the Minister state whether Government will introduce measures to remedy the many accounting errors and financial reporting deficiencies highlighted in the Auditor-General's Report for the Financial Year, 2000?
- (b) Will the Minister also state what will be done to enforce compliance with the Financial Administration and Audit Act, in light of the Auditor-General's Report for the Financial Year, 2000?

His HONOUR SENATOR Sir FRED GOLLOP: Senator Murray.

SENATOR THE HON. G. S. H. MURRAY: Mr. President, the reply to the said Question is as follows:

- (a) Yes, Sir.
- (b) A training programme in commercial Government accounting is being developed by the Treasury Department for implementation in the current financial year.
- (c) The reintroduction of the internal audit section of the Treasury. Persons are now working in the Unit which is headed by a professional accountant.
- (d) The implementation of a more user-friendly system for use across the public service.
- (e) The Treasury Department is currently in the process of finalizing a strategic plan which includes issues relating to staff development and training needs, analysis and building procedures and business manuals.
- (f) In an effort to enforce compliance, training programmes have been implemented for persons at all levels in the Ministries and their Departments including a special programme that is being devised for the Permanent Secretaries.

INTRODUCTION OF BILLS

THE BANKRUPTCY AND INSOLVENCY BILL, 2001

SENATOR THE HON. G. S. H. MURRAY: Mr. President, I beg to move that the Bankruptcy and Insolvency Bill, 2001, be read a first time.

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

PUBLIC BUSINESS

A RESOLUTION TO APPROVE THE BORROWING OF SUMS OF UP TO \$150 000 000 IN THE CURRENCY OF THE UNITED STATES OF AMERICA ON THE INTERNATIONAL CAPITAL MARKETS BY THE ISSUE OF SECURITIES THROUGH BEAR STEARNS & CO. INC. AS LEAD MANAGER AS A PRECAUTIONARY MEASURE: AND TO APPROVE THE ESTABLISHMENT OF A SINKING FUND FOR THE REDEMPTION OF EACH ISSUE OF SECURITIES MADE UNDER THE EXTERNAL LOAN ACT, CAP. 94D OF THE LAWS OF BARBADOS AND THE MONEYS NECESSARY TO MAINTAIN AND SERVICE THAT FUND

SENATOR THE HON. G. S. H. MURRAY: Mr. President, this Resolution has been occasioned by unusual, historic circumstances and, therefore, takes special significance in that respect. Those special and significant circumstances, Sir, as horrendous as they would have been, would have involved the September occurrences in the United States of America and all the calamitous consequences that would have flowed from that now well known set of activities in the United States.

Sir, when these events occurred, the Barbados Government, like the rest of the international community, condemned the act of terrorism and also indicated to the world its inherent abhorrence to terrorism in general.

In addition, the Government also moved swiftly to protect Barbados' national interest by seeking to ensure the economy, which like so many other economies around the world, would have felt the ill effects of the repercussions of the September 11, consequences in the United States.

Sir, some 17 days after the September 11, incident, the Barbados Government organised a special consultation on the economy which sought to devise a national approach and to arrive at a national consensus how we, as a country, should be able to handle the consequences of those economic activities and the impact on the Barbados economy.
11.25 a.m.

Sir, in the words of Mr. Jeffery Bell, a man who is a long-standing advisor to the Barbados Government on economic matters for many years, several Governments over the last 20 years or more, he himself noted at the occasion of

the consultation that the Barbados Government, in taking this step was one of the first, if not the first in the world, to have so swiftly moved to counteract these activities. I think that reflects the seriousness of the Government's intention of making sure that wherever possible, we would do all that we could to protect the Barbados economy.

This national consultation was called primarily to examine our economic prospects and the possible fall out that would occur from the horrific scenario which at that time had unfolded and even today is still unfolding. Nobody yet knows, Sir, how this scenario will eventually pan out for the rest of the world. So we are still in a watching, waiting and seeing situation, while at the same time trying to forearm ourselves.

Sir, among the things that were agreed upon at the consultation was the setting up of a National and Emergency Council which will be chaired by the Prime Minister. This Council met and agreed that the National Emergency Economic Programme, in the first instance would be on a short-term basis, lasting for about 90 days with the intent that there will be a medium and long-term plan to be finalised when the more long-term parameters of our situation would become known.

This National Economic Council, Sir, has a specific mandate and I would like to read, Sir, from a document called the National Emergency Economic and Financial Programme, put out by the Ministry of Economic Development and dated the 29th October, 2001 which I believe is already a document of the Chamber, if not I am willing to make this copy a document of the Chamber.

The mandate of that Council was:

"The consensus of the National Council on the economy on Friday 28, 2001 was that:

- A. There should be an urgent national response to the crisis which would be facilitated by the setting up of an Emergency Economic Council. The major sectors of the economy most effected by the crisis should submit to the Ministry of Finance a revised draft of their proposals. These are proposals which would have been held at an earlier consultation which would inform the Ministry of Finance's presentation in August. And that the focus should be to minimise any loss of employment as the crisis unfolds."

Sir, in this regard the Prime Minister at that consultation publicly affirmed the Government's intention to maintain its levels of employment and called upon the members of the private sector to do the same at the same time.

Sir, that consultation was notable for several reasons. The most fundamental was that it merits the further realisation of the benefit of the social partnership in Barbados, given that virtually all sectors of the Barbadian economy were represented there, the public sector, the private sector, trade unions, the commercial sector, special interest groups, *et cetera*.

Sir, one of the most glaring absentees was seen in the absence of the Opposition. I make that point because it is unfortunate that while we had been watching on television the sterling efforts and the heroic efforts of the United States to pull together in an emergency situation, where the Democrats and Republicans had sunk their differences, parties which were in some instances virtually neck to neck in Congress, were able to subsume their party differences for the overall good, well being, unity and cohesion of the United States of America which was also in an emergency situation, though of a more extensive type.

Barbados, because of the threat posed to its economy, also regards itself, through that consultation, to be also in the emergency position and therefore, it is unfortunate, Sir, that the Opposition did not respond and accept the invitation of the Government which was made in earnest and good faith, to be part of a truly national effort and join in the same kind of effort that has informed the work of the social partnership over the years. This was a similar effort and we could have done with their expertise and input.

At the same time, Sir, it is interesting to note that while the Opposition, for whatever reason, did not find it possible to participate in Barbados' national consultation on the economy. I was fortunate enough to listen to the radio a couple mornings ago on my way to work, to hear the voice of the Opposition, expounding in his address on a national economic consultation in Dominica.

I find it interesting, Sir, that Senator Mascoll, who is the chief economic spokesman for the Opposition, did not find it possible to be part of the national consultation in Barbados, but could be heard trumpeting his views on the Dominican economy, hundreds of miles across the sea. I listened avidly and I would think that Senator Mascoll in his own good time, Sir, will offer this Chamber and the rest of the country an excellent explanation. As it turned out, he chose to let the Dominicans and those who heard him on the radio benefit from his expertise, his training, his renown as an economist and that the Barbadian society, his society which would have nurtured him and given him free secondary education, could not benefit from him in one of the most serious areas of need and times of need.

Sir, I therefore think that the Government and the rest of the society owe a debt of gratitude to all those other

persons who attended that consultation and made invaluable input into the consensus that emerged from that gathering.

Sir, out of that consultation came a National Emergency Economic Council. I read the mandate of the Council and I would therefore now like to read the composition of the Council, if only to show that the policies and decisions which emerged out of that Council cannot be regarded as any fly by night whimsical thoughts of any individual, but have been fashioned out of the consensus, the collective wisdom, experience and expertise of so many highly qualified and prestigious persons and institutions in Barbados, in order to fashion a policy in these circumstances which we thought and which we believed will best suit Barbados' unique and peculiar circumstances on this occasion.

That National Emergency Council, Sir, comprises:

1. The Prime Minister, Minister of Finance, Chairman
2. The Minister of Foreign Affairs and Foreign Trade
3. The Attorney General
4. The Minister of Economic Development
5. The Minister of Commerce, Consumer Affairs and Business Development
6. The Minister of Tourism and International Transport
7. The Minister of Agriculture and Rural Development
8. A Representative of the Congress of Trade Unions and Staff Associates of Barbados, popularly known as CTUSAB
9. A Representative of the Private Sector
10. A Representative of the Central Bank of Barbados
11. Professor Frank Alleyne, Economist
12. Dr. Michael Howard, Economist

Professor Alleyne and Dr. Howard are two highly respected economists from the Cave Hill Campus of the University of the West Indies.

Sir, those are the kinds of factors that were put into the work of the Council which met and approved a macro-economic programme which, first of all, sought to stabilise the economy, maintain job levels and output and agreed upon certain sectorial plans to stimulate the productive sectors of the economy.

Sir, like I said, these proposals were meant to impact on the tourism and international business, the agricultural and manufacturing sectors, the small business sector, the ND sectors and the whole economy. Therefore, it is a comprehensive plan that has been put forward that will impact on every sector of the Barbadian economy, particularly the productive sectors.

11.35 a.m.

It is felt that such a programme will not only help to stabilise the Barbadian economy, maintain job levels and stimulate the productive sectors, but it would also put Barbados in a better position when this crisis is over – and come it must because the end must come even though we are uncertain when that will be whether it be in a year, two years' time or whatever – so the intent of Government is that this programme will help to fashion the Barbadian economy and the Barbadian sectors in such a way that when that crisis is finally over, all the tools will be literally sharpened and the Barbadian economy will be well poised and ready to become more productive and be able to operate in a more highly competitive era that would ensue as a result of the development. So therefore, that is the background to what Government's intent is in this programme.

Mr. President, perhaps the only strong criticism which has been made of the Resolution that we are now debating, namely, to borrow US\$150 million is that some persons will have us believe that there is no need to be borrowing at this time because the Barbados economy, although we are in an emergency situation, is still better positioned, equipped and poised to deal with the crisis than we would have been in 1991 when we dealt with that crisis because our foreign reserves position is much more healthy, inflation is low, employment is relatively high and our debt ratio is low, but there is a very, very good reason for this.

We feel, Sir, that it is better for Barbados to err on the side of caution seeing that nobody knows exactly how this situation will pan out or for what period of time. We, Sir, cannot just sit back and become complacent and arrogant and feel that God is a Bajan and we will, therefore, end up on the right side of the issue no matter what we do or particularly in this instance if we do nothing.

Sir, we were not afraid of being criticised for that. We feel, as a Government, that we must have the vision, leadership, imagination, and the courage to take the kinds of steps that are necessary to safeguard Barbados' interest at all

times although there will be criticisms because that is a given in a democratic society.

Sir, we are not afraid of criticisms no matter how prolonged, how stringent or how vehement because, as was said as part of the political culture or folklore of Barbados in 1991, we do not intend to commit political suicide by leaving ourselves open to criticisms. We have taken what we considered in our best judgement to be the best step in the circumstances and, therefore, that is where we are.

It is often most effective to look at these things in the very simple basic commonsense terms. During the hurricane season, Sir, when the country is being alerted about some weather disturbance, the responsible Barbadians I know do not just sit back and wait until the last minute. There are notifications given so that persons can prepare themselves to take early precautionary steps to protect their well-being, their family and their property, *et cetera*. For example, in the hurricane season, the Meteorological Office very often puts out first a bulletin, then an advisory, then a watch and then a warning. It will be reckless and ill-advised if Barbadians, with those series of steps being taken, will wait until the last minute then to proceed to scramble about or rush into the supermarket to buy provisions which they should have bought weeks and months before, particularly at the beginning of the process of the warning. It will be irresponsible and testing fate if we were to adopt that attitude. Therefore, it is wise and responsible not to wait until the wolves are virtually at your door to seek to defend your life, limb, property and territory.

Sir, I had to reflect on this criticism and go back to the Bible and refresh my mind on Proverbs 6 verses 6 – 8 and I quote:

"Go to the ant, O sluggard; consider her ways, and be wise: which having any chief, officer, or ruler, prepares her food in the summer, and gathereth her sustenance in the harvest."

Sir, not even the lowly ant leaves things to chance but is wise enough and farsighted enough to know that they have to store things just in case; as it used to be said when I was growing up "to put aside something for a rainy day". That is probably not heard very much today but the principles and the axiom are still the same in that you should put aside something for a rainy day. Responsible Barbadians do this in their everyday life in managing their finances, their household or their company and they do not just spend, spend, spend or sit back and wait but try to put aside something for a rainy day just in case, so if that eventuality does not materialise, the point is you are still better off.

For example, if during a hurricane season with a warning being issued a person rushes to the shop and buys

corned beef and biscuits and other canned stuff that they would need in an emergency and which they would normally eat and use during the course of their life and then there is no hurricane, they would already have those provisions and would not have to buy them anymore, so they are not going to waste, so this is the same situation. We do not need to spend the US\$150 million. It is going to be put aside in a sterile account for a specific purpose and it is not going to be used to run the country, pay salaries, or make provision for schools and hospitals, so it will still be there when the time comes.

Therefore, in that context, we have to see this act as a very responsible act by a responsible Government who accepts the responsibility at the highest level for the most serious matter. The National Emergency Economic Council decided that it would be best for us to go to the capital market to borrow this US\$150 million.

Sir, the National Emergency Economic Council feels that it is possible that this crisis could last up to two years and it is very likely to cause some disturbance in the export markets, and that while Barbados' reserves are buoyant, it is better as a precautionary measure to indulge in foreign borrowing at this time. One might ask why should we seek to borrow at this time or is it in Barbados' best interest to borrow at this time. That is a legitimate question, Sir.

We have a level of reserves of US\$1.1 billion which would give us coverage for 26 weeks which is twice the accepted international coverage for a period which is normally 13 weeks, so we are borrowing this US\$150 million so that for whatever reason, if the circumstances over which we have no control should impact on the Barbados economy particularly through tourism, it will not be occasioned by anything that Barbados has done. We are reacting to circumstances over which we have no control, so we have to provide for ourselves and position ourselves. We will have this US\$150 million which will give additional cover if it came to that. We are not going to wait until our cover drops to \$11 million, as it went in 1991 which was about seven or 11 days of cover. Sir, right now we have 26 weeks and we think that is not good enough but that we must be more cautious to protect the well-being of Barbados. It is felt that going to the capital market at this time would be timely and positive for a number of positive features. Apart from the import cover, there is now no threat to the Barbadian economy and our exchange rate as was the case in 1991. In addition, Barbados has an excellent credit rating internationally, its best ever.

11.45 a.m.

As a matter of fact, Sir, there are many countries, bigger and smaller than Barbados, which would love to have

Barbados' credit rating. Last year Barbados had the second highest credit rating in the Caribbean region and the third highest in Latin America. It has increased over the last year or so. Barbados' credit ratings have increased by 9.6 points.

In addition to the good credit ratings that Barbados has which should make it attractive as a sound investment area for those who would finance the loans, the cost of capital is the lowest ever at this stage and there is every real possibility that the cost of credit on the international market may tighten during the next 18 months. So we said let us go when the going is good to borrow when it is in Barbados' best interest, when Barbados can best afford it on Barbados' terms, hence, Sir, the rationale for going after this loan.

Sir, I know that there was also some concern. Barbadians, by nature, tradition and by culture are very thrifty responsible persons. Some persons might often say that we are cheap but we are responsible in how we manage our money. Therefore, the question of debt is very foreign to Barbadians. People do not take their debt lightly.

Just as most individuals have debt of one kind or another, Barbados, like other countries, has external debt. Part of our good reputation for economic management over the last seven years has come about because one factor that has helped to determine that assessment has been based on the exemplary manner in which Barbados has been able to manage its external debt. This US\$150 million will not in any way compromise the viability of Barbados' economy, especially for future generations. There is some talk that we are only saddling future generations of Barbadians with a debt which they did not cause and which they will have to pay.

Sir, as a matter of fact, to demonstrate the quality of the economic management of Barbados over the last seven years or so, and the enhanced nature of our external debt position Government, through its management and through its policies and programmes, has been able to reduce the central government foreign debt from over 30 per cent of Gross Domestic Product in 1992 to 13.1 per cent in 2000, less than half in that short period of time. I think that is a highly commendable achievement which could not have happened by accident but could only have ensued out of deliberate, conscious, cohesive, structured, organised, systematic programming of the economy.

In addition, the foreign debt service ratio has declined from 17.8 per cent of export earnings in 1992 to a low of 7.3 per cent in 2000. Therefore, an increase in debt of this \$150 million does not pose any kind of threat to the Barbados economy. That is the kind of situation which we are seeking to obtain.

We have realised that in the final analysis the question of whether we should borrow or not is a question of political and economic judgment. So far, I think it is fair to say that based on his track record, the Prime Minister and Minister of Finance has exercised excellent judgment over his tenure of office and, therefore, Barbados can feel comfortable that this is another example, based on the evidence, that he has been able to demonstrate over the last seven years by his actions, by his policies, by his judgment, that this act of borrowing will also be part of another act of excellent judgment on his part.

Sir, apart from the Prime Minister and Minister of Finance's judgment in his own right, we cannot ignore the endorsement and the support that has been given to it by the National Economic Emergency Council, made up as it is of persons of high repute, of good standing, of true and tested collective judgment. That factor, Sir, that this judgment is not the judgment of any one single person, the decision to borrow US\$150 million is not the decision of one person or one group of persons, namely, the Cabinet or the parliamentary group of the Barbados Labour Party, but that it is the considered opinion of persons drawn across many institutions, across virtually the entire Barbadian society.

Therefore, we will have to accept that, based on the track record of those persons and the level of achievement that has obtained in the past, they stand us in good stead. This, therefore, is based on sound reasoning and is not the work of some theoretical person, a person who spouts theory working out various scenarios on a computer and just theorizing and speculating, a person or group or institution that has no experience or track record in running anything, a tea party, a youth group, political party, anything of that sort. We feel, Sir, that this is the result of good, sound, professional judgment and that Barbados will benefit from it a lot.

Sir, I think I need in all fairness to the public to give some idea of the terms of the loan with Bear Stearns & Company Incorporated. As a matter of fact, I think it is important to note that some nine institutions proffered their services but after the submissions were evaluated, it was felt that Bear Stearns & Company Incorporated made the best offer. The amount will be US \$150 million borrowed over 20 years, a bullet loan in year 20. The interest rate is 7.375 per annum payable semi-annually in US dollars. Those are the terms and conditions of it.

As the Prime Minister has said at the national consultation on the economy, with these kinds of steps, given Barbados' position as it is relative to the situation of September 11th, 2001, we have every good reason to feel that we can proceed with cautious, calm assurance and the full understanding that the overwhelming majority of the

Barbados society is behind these activities and that we are in a position to work for the betterment of Barbados.

I think it is important too to note that these steps were taken as an adjustment to an earlier programme which had been enunciated on October 8, 2001 which was to stimulate economic activity in Barbados with the idea that we were seeking to restore to the level of 3 per cent of real growth, the growth that the Barbados economy had been enjoying. That would have been up from the 1 per cent position it was at the time of August 8, 2001.
11.55 a.m.

The objective of the policy on August 8, 2001 was also to continue to implement new fiscal sectoral human resource development, capacity building, institutional reform and productive measures necessary for Barbados to make the economy more competitive in the context of a new regional, hemispheric and global economy as they are likely to evolve. It was also to deal with the whole question of globalization and trade liberalisation and, that having been in place, just one month later on September 11th these events in the United States of America occurred with subsequent spin off effects on the Barbadian economy.

Government, through this programme, is making the necessary adjustment to the August position in order to deal with the short-term needs of the Barbadian society and economy while, at the same time, positioning the economy to take advantage of the more competitive situation that would ensue when the crisis is over and Barbados will hopefully resume its growth position in a measured and systematic manner.

Sir, the Barbadian society can rest assured that this is not an act of recklessness on the part of the Government or the leadership of the country and that the programme has been devised out of the experience, abilities, instincts and fortitude of the Barbadian society as evidenced in the wide cross section of persons who attended the national consultation and made submissions and recommendations that went forward.

Sir, this is a home-grown solution. As a matter of fact, in the current situation it might best be described as a 100 per cent Bajan programme intended to solve a 100 per cent Barbadian situation.

Therefore, this is not a programme that has been imposed on us from abroad or through circumstances that have driven our backs to the wall where we had to take what was offered to us. This is a programme which has been fashioned out of the sinews of the Barbadian personality and intellect and we can rest assured that this programme, to all intents and purposes, will work to see us through this situation and make sure that Barbados can continue to

prosper and grow and be well-equipped to take care of any opportunities that might come its way.

This resort to capital markets through Bear Sterns Co. Inc. is taking place under the authority of the External Loans Act, Cap. 94D.

I beg to move that this Resolution do now pass.

SENATOR C. A. MASCOLL: Mr. President, I have one major shortcoming, and that is my memory is long. As far back as 1995 in the Appropriation Bill debate in the Other Place, the Prime Minister of Barbados said "I am not in any position whatsoever to accept any advice at all from the Democratic Labour Party." This was when we had just come out of an election when it may be said that the economy was more precariously poised than it is now. If the advice of the Democratic Labour Party could not be sought six years ago, it is interesting to note the comments being made at this point in time.

Sir, I have been recently asked, about two months in advance, to deliver the major speech at a national consultation on the role of the public sector in the economic development of a small state like Dominica. I had the time to prepare a paper. I even went so far as to prepare a PowerPoint presentation and from all that was said, it would appear that my presentation was extremely well received.

I travelled to Dominica and made the contribution. There was discussion in the presence of the Prime Minister of Dominica, His Excellency the Governor-General and many high level persons in Government at the Seminar. The Barbados Government would have written a letter to the members of the Opposition two days before the consultation at Sherbourne and expected the Opposition to turn up. It was not even delivered to the homes of the Opposition members but the more important point is that the spokesman, whether, the shadow Minister of Finance and Economic Affairs or the shadow Minister of Tourism were not given five minutes to make a presentation at such a forum, and all kinds of persons were given opportunity to speak at the national consultation at Sherbourne, yet still no official letter or request to put the Opposition's position on the economy was sent to either shadow Minister. It is surprising to hear the kind of foolishness that is being talked.

Sir, I write almost every week in the Business Authority, that wonderful business newspaper at the *Nation* News and after I was given an opportunity to put my views on the economy and the economy alone, because I am not allowed to play politics, the Government then requested a column and Senator Barker was permitted to write a column on a weekly basis. Unfortunately, he did not have the same power, so he abandoned the exercise months ago. I remain

committed to the *Nation* newspaper and I am thankful that they give me such an opportunity to express my views.

Sir, let me get to the substance of this debate. The Prime Minister of Barbados is seeking to give the impression that the Barbados economy declined after September 11 and was in trouble after September 11. The Prime Minister of Barbados refused to allow the Governor of the Central Bank to deliver her usual press conference.
12.05 p.m.

SENATOR THE HON. G. S. H. MURRAY: On a point of order, Mr. President. I think that the Honourable Member is misleading the Chamber.

In my presentation, Sir, I made a point and reference to the fact that in the Prime Minister's Economic Statement of August 8, 2001, one of the objectives was to stimulate activity in the short term, so that Barbados could be restored to the 3 per cent real growth path as soon as possible, up from the 1 per cent path it was at, at August 8, 2001, one month and three days before September 11, 2001.

SENATOR C. A. MASCOLL: Mr. President, it is customary for the Governor of the Central Bank to deliver a press conference in the month following the quarter, to give Barbadians, private individuals and business the correct information on the Barbados economy. It, therefore, means that in April, following the end of March, the first quarter, there is a press conference.

In July, following the end of June, there is a press conference. In October, following the end of September, there is a press conference. The Governor of the Central Bank was supposed to deliver a press conference in the second week of July and was not allowed to do so, because the Budget presentation came on August 8th. I am tell you, Mr. President, that the economy had grown in the first quarter of 2001, but had declined dramatically in the second quarter of 2001.

Sir, when the Prime Minister delivered his Budget Speech on August 8, 2001, we were told that the economy, between January and June, 2001, declined by minus 1.5 per cent. What the presentation, Mr. President, was to mask the performance of the economy between April and June. If it is that the economy had grown by as much as 3 per cent in the first quarter, but had declined to 1.5 per cent by the end of June, it meant that the performance between April and June had to be seriously in decline. That evidence became available only two weeks ago that we were in complete disarray after March, 2001.

Sir, that is unfortunate and it continues to be the case that the Governor of the Central Bank is not allowed, as is customary, to make her presentations immediately following

the quarter. In fact, that was the third occasion on which it happened. That was the third occasion within the last year on which it happened.

SENATOR THE HON. G. S. H. MURRAY: On a point of order, Mr. President. The Honourable Member for the second time made a very strong accusation, that the Governor of the Central Bank had been prevented from holding a press conference. I just want to ask him if he is going to deal with such a major institution and such a major figure in Barbados, make such a serious charge, that he demonstrates proof and not just speculate at some presidential level about it.

Mr. PRESIDENT: Senator Murray, I think that you can ask the Chair but you cannot ask the Honourable Member.

SENATOR THE HON. G. S. H. MURRAY: I am sorry, Mr. President.

Mr. PRESIDENT: Senator Murray, I do think that you have made a valid point of order. It seems to me, Senator Mascoll that you could say that a press conference was not held. Whether you can state as a fact that there were specific instructions, it seems to me that you should lay some kind of foundation for that.

SENATOR C. A. MASCOLL: Mr. President, it really matters not whether the Governor was not allowed to hold the press conference.

Mr. PRESIDENT: Order, please.

SENATOR C. A. MASCOLL: The reality of the situation is that the press conference was not held. The press conference that is typically held in the month following the quarter, was not held. I do not have the information as whether she was not allowed.

SENATOR THE HON. G. S. H. MURRAY: Mr. President, on a point of order.

Mr. PRESIDENT: Senator Mascoll, Senator Murray is on his feet.

SENATOR THE HON. G. S. H. MURRAY: On a point of order, Sir. Mr. President, I find it difficult to accept a brush off like that. This is a serious charge and it is affecting people's image, professional reputation, integrity, and tarnishing a major institution in Barbados. I do not think that having made the claim twice in succession, within minutes of each other, that the Honourable Member can in all fairness be allowed to brush it off like that. Having been

challenged and asked to produce the evidence, to say that it does not matter. It does matter. People's reputations do matter. The reputation of people's integrity matters most. When a person's reputation is damaged it is gone forever. Therefore, you have a responsibility, if you are going to be a senior spokesman for anybody or representing a party, to put your facts on the table.

Mr. PRESIDENT: Senator Murray, you have made your point. I have drawn to the Senator's attention that I think he erred. He can say that the press conference did not take place. I do not think he can infer that there was specific restriction on that particular person without making some kind of foundation.

SENATOR C. A. MASCOLL: Mr. President, I accept your position. The fact is, the press conference was not held. This was the third occasion within less than a year that it happened. Therefore, we need to enquire why and, perhaps, we need to ask the Governor of the Central Bank to explain why it is that she has refused to hold a press conference in July, 2001. That is the point that has to be made.

Asides.

SENATOR THE HON. Dame PATRICIA SYMMONDS: On a point of order. The word "refused" has implications. I am sure that it cannot be used in that context. It is being used pejoratively.

SENATOR C. A. MASCOLL: Mr. President, we would ask the Governor of the Central Bank why she failed to hold a press conference in the first or second week in July, 2001. If that is acceptable, let us press on with the more substantive issues in this debate. There are related to the performance of the Barbados economy which has been in decline for quite a while.

We were told all kinds of things before about the economy. We were told how great it was. We were even told, Mr. President, in very recent times. I have not yet reached the point of the emergency package.

Mr. President, could you imagine a package being delivered to the people of Barbados on the first day of November, and by the 11th November, the Prime Minister held a press conference, with five other Ministers, to say that the emergency package had succeeded in achieving the targets set out on the 1st November. A parade with five Ministers suggesting that the economy had met the objectives.

SENATOR T. E. BARKER: On a point of order. The Honourable Member is misleading this Honourable Chamber. The Prime Minister was clear to point out that the

emergency measures started long before the measures were announced. From September 11, we started putting in place measures. The formal announcement was made in November but he made it clear, on many, that the actual programme started long before September 11.

SENATOR C. A. MASCOLL; Mr. President, what I have just heard has made it worse. I have to laugh, hearing that the emergency measures were put in place long before November 1. We were being told how well the economy had performed.

Mr. President, let me deal with some of the more importance issues. In the same debate in 1995, the Prime Minister said this:

“ Our foreign exchange reserves matter but they do not transcend human considerations. I do not subscribe to the view that heroic levels of foreign exchange reserves must be attained even if the price that we must pay for this is a high and socially disruptive level of unemployment and massive social deprivation.

It is my, judgement, therefore, Mr. Speaker, that over the course of the last three years, Barbados has been made the victim of an unfortunate trade-off, rapid accumulation of reserves has been secured and a massive unemployment and reduction, and deterioration in the provision of public services.”

I comment on that because there is no one who can deny that in the present of all of the economic growth, there has been serious deterioration. As it relates to roads, there has been deterioration and now there is confusion.
12.15 p.m.

Mr. President, this morning I had to park my vehicle as far down as the Harbour Road and walk to the Senate so that I could be on time. I left home 45 minutes earlier than I usually do and still I had to park my vehicle on the Harbour Road and walk the entire length of Broad Street, of course, well hailed by the good people of Barbados and being congratulated for my recent success. It was a very enjoyable walk. Sir, let me go on to a more serious issue on this matter.

In the early days of this Administration, the Prime Minister said that his Administration differs from that of the Erskine Sandiford's Administration in one major respect, that is, he is going to ensure that, in any given year, he will only borrow to the tune of his foreign amortization payment. If that principle had been applied to the management of the economy, it would have been the case over the last seven years, that the Prime Minister of Barbados should have borrowed just over \$150 million, over a seven-year period according to the principles enunciated to distinguish his

Administration from that of the Sandiford's Administration. He was concerned that there was excessive dependence on the level of foreign borrowing in Barbados. I, therefore, say that since he had enunciated the principles as far back as 1995, that had he followed the principle, we should only have borrowed just over \$150 million over the seven-year period.

Sir, in April 1999, this Administration borrowed US\$200 million for a rainy day. A year later, this Administration borrowed US\$150 million for a rainy day. This Administration is now supposed to borrow US\$150 million for a rainy day. In the course of two years, this Administration would have borrowed US\$650 million for a rainy day. There has to be more to it than this. I believe there is a different principle being evoked and it is that one borrows from Peter to pay for Paul. This is what I am seeing here.

Mr. President, while we boast of the economic advancements we have made over the last five years, what we have not seen is the encouraging performance in either tourism, manufacturing, the international business sector, or the agricultural sector. Therefore, the four major foreign earning sectors in this economy have all been suffering for one reason or the other.

What is most fascinating about this, Mr. President, is that this Administration, under the Prime Minister, said that it would use the international business sector as its major pillar of employment creation beyond 1994. If one reads the response to the 1994 Budget when the Prime Minister was then Opposition Leader, he said that he would create no less than 2 000 new jobs each year over a five-year period in the international business sector. That was supposed to be the major plank on which the employment strategy in Barbados was to be placed. That has not happened but there must be something to this Administration. This Administration is capable of outlining strategic planning, either as it relates to energy costs, interest costs, the provision for public servants, social provisions, foreign borrowing, employment strategies, *et cetera*. Sir, whenever the reality is checked with the actual outcome, there is a vast difference between the two, the actual and expected performance by this Administration deviates substantially from each other.

Perhaps there is something else. This Administration was saved by the introduction of the VAT in 1997. I do not say that lightly because as a result of the introduction of the VAT in 1997, that excess of \$300 million more than was anticipated from the introduction of VAT was provided to Government, who then embarked on an employment strategy but which bore no relationship to the strategy outlined in 1994 to 1995. There was a quantum leap from where it was

in 1995, to where it eventually landed in 1997 and, may I say, all at the expense of the public sector workers in Barbados.

Sir, I do not say that lightly either because we know that the public sector workers were the ones who actually took the burden of adjustments in the early 1990s. We were therefore expecting that in the post-1997 period they would have been treated with the kind of appreciation they were fully deserving of in that post-1997 period.

What has, in fact, happened is that the slightest hint of a so-called problem saw the abortion of the public sector wages negotiations. It was delayed and it was said that things were looking very brown so therefore let us be cautious. I do not understand that at all because it is well known that it is going to take quite a long time to negotiate salaries in any environment. It is even more well known that in an environment that is more uncertain, the length of negotiations should be far longer than normal. Therefore, I do not understand why there had to be the stoppage of the public sector wage negotiations at all during this period.

Sir, let us go deeper. Government then consulted and went to a so-called emergency package of \$32 million, of which the tourism sector received \$30 million. Then, as is usual, this Administration, under the good leadership of the Prime Minister, found a way to take money out of the pockets of the people of Barbados by introducing a 60 per cent tax on essential items which at all cannot be justified.

First of all, it is ridiculous to believe that one can put in place a package for a 90-day period and that in agriculture one is going to be protecting farmers who are growing...what are they growing? What could they plant at the beginning of January that will go through the normal process and be ready in time for the end of March that could justify imposing a 60 per cent charge on competing importing items.

Furthermore, it is worse when one comes to disrespect the seasonality in agriculture, so that if one starts this 90-day emergency package on November 1, it runs until January 31 for the 90-day period. Sir, I am not a farmer of any note but I happen to have a little space at the back of my house where I can plant beans, carrots, lettuce, cucumbers or beets. I know only too well that there are some crops that do better early in the year in the rain and some that do not perform at all.

Sir, are you saying to me that the Government is seeking to protect the whole agricultural sector with the imposition of a 60 per cent tax on everything that is imported into Barbados? This is Houdini economics, that over the course of 90 days the Government could be imposing a 60 per cent charge on all essential items into Barbados as a

means of protecting agriculture and manufacturers in Barbados. It is wicked because there was no need for such an imposition on all of those items. It only increases the cost of living in Barbados and furthermore, it gives this Government excessive taxation to play with.

12.25 p.m.

Then you are you going to have your workers now for the Christmas Season, but the thing about this Christmas Season is that it may last longer because something may be around the corner. So the fellows that you bring on now that I see in my district are taking the little grass off the top of the well. I happen to live in St. Peter, Mr. President, so you can understand that they are there in abundance, just taking the little grass out of the gutter and off the well, and they work for about two hours per day and then chill out.

You can understand that the contribution that this burdensome tax would now make in giving Government the necessary resources to hire as many as they can, albeit temporarily. Then you have the imposition of a savings rate policy that reduces the amount of interest that the average Barbadian would get on a deposit at this point in time. This reduction would have followed the previous reductions, which would have seen the savings rate reduced from 5 per cent to a mere 3 per cent over the last year.

Now, that seems insignificant but that represents a 40 per cent reduction in the interest earned on deposits. It represents a 40 per cent reduction simply. Sir, if you had \$100 on the bank, you would have gotten \$5. If it last that long, the reducing balance sustains itself. If you got only \$3, that is a 40 per cent reduction, and what is most annoying about that is that you now hope that the commercial banks would pass on any such benefit in the form of reduced cost of loans.

This is a sector that has done extremely well over the last years. There was a potential crisis which is not being realised, but the same sector that has done better than any other, perhaps with the exception of real estate, was not asked to take any of the burden of the adjustment, only the poor Barbadian who was encouraged to save by this same Administration. This Administration had used savings as a major plank of this new economic reform in Barbados, where increasing the savings rate was supposed to inspire savings.

Sir, as a consequence, there will be more investment in the Barbados economy and as a consequence we will see employment generation and creation. Then all of a sudden, the same depositors have now been carrying the burden of adjustment. When you speak to the commercial banks, the commercial banks laugh at the whole exercise because all they did was to rate into the bottom line and enhance the profits once again. In fact, I have every reason to believe that

the Central Bankers have to revisit this policy sooner rather than later. There is a flaw in it.

Now, Mr. President, we have been hearing a lot of talk about the supermarket industry in Barbados. Also, we have been hearing that this body should not have invested so many millions in a building to put goods in to sell and all kinds of things, but the reality of the situation is that it is not only Julie'N that has been suffering, but Ricks, BudgBuy, Shamrock and Jordan's because they do not seem to understand the industry. The location of a supermarket is more critical than anything else in the operation of a supermarket. A supermarket business has a character defined in economics as monopolistic composition. Sir, what you are doing is competing within a monopoly and if you are competing within a monopoly in which a distribution sector controls the goods at that point, passes on to you and you put a mark-up, there cannot be any substantial difference between the prices offered by the respective chains in the industry because the distribution sector is controlled behind the scenes.

No wonder that Carlton and A1 became A1 because Carlton and A1 were owned by the man who has now decided to get out of the retail side and go behind and control. Put the black boys up front and control the distribution of the goods behind and laugh and smile all the way to the bank at month's end, and that is the reality of the situation. Sir, we are hearing this talk about the supermarket business under difficulty and that it is because Julie'N failed to manage its affairs, but there is another reason for it which is even more potent and it is this.

If you check the reality of life in Barbados, according to the data, the average household spends about 39 per cent to 40 per cent of its income on food. That is according to the retail price index; that is not Clyde Mascoll speaking. Sir, with all due respect to the unionists – and this is not a personal attack on anybody but this is Clyde Mascoll's analysis – if you have an Incomes Protocol in place, that has effectively put a lid on the capacity of the incomes to grow. Over time, it means that the capacity to spend on the part of the individual has to decline.

It is my contention that the Incomes Protocol, while it was exceedingly good to the employers of Barbados in the early days, has now turned around on the same employers. The spending capacity in the economy has declined to such an extent that what you are seeing within the supermarket business – and this is a genuine analysis – is a consequence of that reduced spending on the part of the average Barbadian.

In short, you cannot buy as many tins of corned beef, sardines, potatoes, yams, eddoes, fish, beef and chicken, as you could have done seven years ago. Sir, that is the reality

of life and therefore, the competition is even more important now within this sector. To the extent that it started before PriceSmart came, is evidence of what I am saying, and it will get worse for the small players. You could not have prevented Kmart from coming, having allowed PriceSmart. It was wasted time to set up an advisory council or committee and therefore Kmart can now come too. So I could send a message to some of the black supermarket chains in Barbados. Perhaps it is time now for the most troubled ones in the group to see his investment as real estate more than supermarket business, and perhaps it may be time to sell to the right people.

Sir, that large entity which we saw up there could now be used not as supermarket business any longer, but be seen as real estate. It is not without precedence. What we have seen in Barbados over the last five years is a tourism sector that is more valuable as real estate and property than it is as tourism. That explains what has happened on the West Coast. It explains what has happened to Paradise. Sir, Butch Stewart is not coming to Barbados just for the sake of Barbadians. Without spending one cent, the Paradise property has appreciated fourfold and I repeat, without spending one cent, the Paradise property has appreciated fourfold and it is now in a worse condition, but more valuable to the owner.

Sir, you have a situation where real estate values because of what has been allowed in Barbados are now more critical to the businessman than the actual business that he is involved in.

12.35 p.m.

That explains why Mr. Horney sold the St. James Beach Hotel after having said to the Government of Barbados that he loves Barbados and is here for life. Businessmen love money not Barbadians. When you invest, you put money in a deposit to get out money. That is the important thing. You invest for money. Black and white businessmen do this and it makes no difference because money has no colour, class or creed. Everybody loves it. So when a businessman invests in Barbados he is investing to get a return.

However, within less than two years the same owner sold the property and put the exchange in Britain. Do you know why? It is because real estate value has so appreciated that it made no sense to him to wait for 10 to 15 years to get a rate of return on his investment when he could sell the property now and bail out.

I am telling the owners of the property opposite Almond Beach Hotel that it is time to sell because all that would happen is that they will pay more and more taxes when the years come, so they should look for some place else in the country to get a piece of land and build a house.

Let me go on though, Mr. President, because this entire exercise here to borrow BDS\$300 million is a waste of time. There is no need for Government to borrow this BDS\$300 million having already borrowed BDS\$350 million. What makes it worse is that the goodly Senator on the Other Side, the Parliamentary Secretary in the Ministry of Economic Development, Senator Barker, actually justified this in this Chamber years ago when there was a very contentious debate about whether we were borrowing an entire US\$75 million loan, that the Government had no intention of borrowing the entire loan and that I was only raising a hornet's nest, and they were "to-ing and fro-ing" in the debate, and then it was not settled and as usual time reveals the truth.

It is time we recognise that the intent was to borrow the entire US\$150 million but that is not the point. The point is that the same goodly Senator is now justifying the loan on the basis that it has been put in a sterilised account at the Central Bank and is now resting comfortably there to be used when required. There was no need to use it over the last couple of years, so why are we worrying? We can borrow this BDS\$300 million and put it on an account and sterilise it and, therefore, we will have it available to us over the next couple of years. But I know why because, notwithstanding the increase in the so-called foreign reserves of the Government over the last seven years, when I do an analysis, more than half of it is as a direct consequence of borrowing.

This Government is not making any significant strides to encourage anything, but is borrowing its way forward. This Government is a wonderful Government and if you had to analyse it on the basis of its public relations, you cannot get better. The public relations skill of this Government surpasses any other in the history of Barbados. They take lights and make them independence. They take sports and make it independence. They take the people's money and give them the impression that they are giving them big loans. Man, this Government is superb when it comes to public relations. In fact, I would like to see the recipe they use to take everything that is minor and with the use of the Press make it the most important issue ever to have come to Barbados.

The most simple things in this country appear now to be the most significant steps ever taken in the history of this country to cause economic growth and development, but while all this is happening, the truth is that the same PR which is their saviour now can, in fact, become their enemy because they cannot convince people all the time that they are better off when they look at their own circumstances and see that their income is lower, their houses are poorer, their opportunities to own businesses have declined and the opportunities to get involved in the decision-making process is on the decline, so that when the reality confronts individuals in the not too distant future, the same PR might turn out to be RP and that is precisely what will happen.

So, we have to look at the global picture to understand what is happening, and as I look at the global picture, I cannot see any justification at all at this point in time for us to be borrowing BDS\$300 million, so I would like to see the Government preparing the private sector of Barbados to compete more effectively in this new global environment, and that has not yet happened so we simply cannot continue to borrow and borrow and borrow.

This administration has borrowed more money in two years' time than any other administration borrowed in its entire life span. That \$650 million borrowed in the two years would have represented more than double what the Sandiford administration borrowed. The Sandiford administration would have borrowed less than \$300 million over its entire history but this Government would have borrowed \$650 million and at the same time it would have wasted money on Fomento y Cuberitos, on the Greenland Landfill, on the Barbados Agricultural Development and Marketing Corporation, on Carib West and the recent measure which was put in place for Southern Meats. The Government would have used in excess of \$3 million on Southern Meats and on a whole range of other areas.

I am saying to you, when you sum it all together, that this administration, while having more money than any other administration, would have wasted more money than any other administration while at the same time boasting of economic growth and progress. So get out there and see who is really making the progress, because that is not what is happening. When I use imageries to look at Barbados, I am seeing some nice cows grazing on grass and some black belly sheep on very barren land.

12.45 p.m.

The sheep are looking over the fence at these brown cows eating all the grass. So I have concern as to precisely what is happening in Barbados. This is not a sustainable growth path. This is not the way to go and it is not me.

I will end, Mr. President, by going back to the Prime Minister who is in charge of the economy. The Prime Minister said that he intends to preside over an economy that is driven by the private sector and that is foreign exchange led. The Prime Minister said on no less than four occasions in 1995 that he intends to preside over an economy that is driven by the private sector and foreign exchange led. The Prime Minister said that he intends to reduce energy costs. That has not happened. The Prime Minister said that his employment strategy would be based on the offshore sector. It has been led by the public sector. The Prime Minister said that he would make public sector workers better off. He has not done that.

The Prime Minister said that he would not borrow foreign loans to the magnitude that he has and, in fact, that

he would not follow Sandy's model and that he would restrict his foreign borrowing every year to only foreign amortization payments. He has not done that. The Prime Minister said that he would give two cars to every household in Barbados. He has not done that. The Prime Minister said in his Manifesto that he intends to increase the level of tax-free income from \$15 000 to \$25 000. He has not done that. The question is, why has the Prime Minister not increased the threshold for taxation from \$15 000 to \$25 000 and he has had seven years in which to do it? He has not done it.

When I evaluate this Prime Minister of Barbados, this Prime Minister of Barbados has done little or nothing to advance the cause of the average Barbadian. What has happened is that we are seeing the establishment of urban and rural development commissions. They are wonderfully placed to execute the provision of goods and services to average Barbadians. In fact, they really constitute the beginning of local government. Therefore, I must confess that I see nothing wrong with the establishment of these two commissions. In fact, I see everything right and I would hope that one day the opportunity would come truly to empower the people of Barbados by allowing them to sit on the commissions and become part of the policy-making decisions in Barbados. That is the important thing, not what is being done now, having a Minister of Social Transformation. It is about empowering the people of Barbados.

Mr. President, I cannot support a Resolution that is seeking to borrow BDS\$300 million at this stage. I cannot support it, because I cannot see the justification for it. I cannot see why we need to borrow \$300 million at this stage, not on the basis of the economic indicators, not on the basis of the fact you are still here boasting about having the highest level of foreign reserves we have ever had, not on the basis of hearing we have the lowest level of inflation, not on the basis of hearing we have the highest level of employment we have ever had, not on the basis of hearing that the fiscal affairs of Barbados are healthier than they were in the history of Barbados.

On what basis, therefore, can we justify this borrowing? There is no basis for justification of it but still we are hearing that it would represent the largest ever loan that we have had as a country. It is not \$150 million we are borrowing. It is \$300 million. I do not have \$3 in my pocket and the Government is seeking to borrow \$300 million! This is remarkable. It appears as though there is a potential crisis confronting us. Therefore, let us borrow truly this time to put aside for the rainy day and be conservative and borrow \$100 million but we are borrowing \$300 million at a time when we are not earning foreign exchange and at a time when we are not certain what will happen to tourism, at a time when we are not sure what is going to happen to the international business sector, manufacturing, sugar...

SENATOR P. C. GODDARD: On a point of order, Mr. President. The Honourable Senator is misleading the Senate when he asserts that we are not earning foreign exchange. This country earns foreign exchange every day, 365 days a year.

Mr. PRESIDENT: I think that is a valid point.

SENATOR C. A. MASCOLL: Mr. President, for someone who is involved in the earning of foreign exchange, I would expect that, so I will say nothing to that. It may not be a point of order but it is a valid point.

Let me therefore end in the two minutes I have left to look...

Aside.

SENATOR C. A. MASCOLL: Mr. President, I have been informed that I have about seven minutes but I can go on.

Mr. PRESIDENT: I did not say you have seven minutes. You have three minutes.

SENATOR C. A. MASCOLL: Let me therefore end by saying that I do not agree either with the emergency package. The basis for it is not well founded. I cannot see what the initiatives would do. In all fairness, as I said at the beginning, when you allocated \$30 million out of \$32 million to one sector, what are you saying about the Barbados economy? Then you talk about manufacturing, then the international business sector, then about sugar. The allocation of the \$30 million to tourism is not even well thought out because the major problem confronting tourism has to do with its competitiveness. Until the Government is willing to play its part in reducing taxation to the business community of Barbados and to private individuals, this economy will get nowhere. We will have to continue to borrow money and that is why we are borrowing now because we understand only too well the future.

It goes further. You also established a Buy Local Programme and what I have determined from that is that there is a confluence of events and I notice only too well the personalities involved in the Buy Local Programme. When I extend that, I can see the political importance of a Buy Local Programme so I am even now suggesting that there may be a political intent in the southern part of Barbados because I can see out of the Buy Local Programme no real meaningful attempt to correct anything in manufacturing, but it is a wonderful thing to start to promote some individuals and it is doing just that.

Therefore, Mr. President, Buy Local can only be meaningful if what we produce locally can satisfy the demand. If you are going to impose taxes unnecessarily on people, all you are doing is raising revenue for the Government but you are imposing unnecessary burdens on the people of Barbados. I therefore end by saying that I cannot support the \$300 million loan. I do not agree with the reduction in the savings rate. I do not agree with the delay in public sector wage negotiations. I do not agree with the imposition of 60 per cent tax on all the essential goods and I generally do not agree with the level of management that I have seen in recent weeks of the economy. It strikes me therefore that at the first sign of a problem there has been panic rather than a more prudent approach to the management of Barbados.

Thank you, Mr. President.

SUSPENSION OF SITTING

SENATOR THE HON. G. S. H. MURRAY: Mr. President, I beg to move that this Sitting be suspended until 2.05 p.m. today.

The question that the Sitting do now suspend until 2.05 p.m. today was put to the Senate and agreed to, and Mr. PRESIDENT suspended the Sitting accordingly.
12.57 p.m.

RESUMPTION

Mr. PRESIDENT: This Senate is resumed.

SENATOR T. E. BARKER: Mr. President, I rise to give my wholehearted and unequivocal support to this Resolution which seeks to have this Honourable Chamber agree to let Government borrow BDS \$300 million on the capital markets.

Sir, the matter before us came about as a result of the crisis that the world is undergoing for the past three months or so and which has had some effect on the local economic performance. We know that after the incident in New York City there was a sharp downturn, thankfully not sustained, in tourist arrivals which was occasioned by the fact that for about one week not many aircraft were flying and there was this great fear for aviation. The Government decided in its wisdom that they should safeguard the future viability of our economy by ensuring that no matter what eventuality occurred, this country would be well positioned to cushion some of the effects of the downturn.

Sir, we know that our economy, like most of the region, is heavily dependant on this country having a good stock of foreign reserves. We are faced with an import bill of well over \$2 billion and at the same time our exports of goods and

services hardly reach \$500 million. Every year there is at least \$1 500 million shortfall between visible imports and exports. This shortfall is made up in large measure by the tourism sector. The tourism sector is the main provider of foreign exchange for this country. Therefore, any threat to the tourism sector must be taken extremely seriously and any threat to the tourism sector strikes at the heart of the Barbadian economy. Government, perceiving that there was a real threat to the tourism sector, decided not to hang around waiting but it would be proactive in ensuring that even if there is a serious downturn in the tourism sector, this country would be in a position to weather some of the effect.

Sir, at the same time we were in the fortunate position, and this must be accredited to the good economic management of the affairs of Barbados, especially the economic affairs, our credit-worthiness was at an all-time high. We have the highest credit-rating at any time in our history. Sir, that is important because your credit-rating determines in large measure the terms and conditions under which you can borrow funds. If your credit-rating is bad, you are perceived to be a big risk and to compensate for that the interest rates tend to be high. This happened in 1991 when the then Government so mangled the economic and financial affairs of this country that their credit-worthiness was at an all-time low and they went to the capital market but could only borrow money at terms which were best considered usurious. The interest charge on that loan of £30 million was 13.5 per cent and to this day that loan is killing this country.

A few years we asked the investors to allow us to surrender the bonds because we were in a position to repay the loan but the investors asked us why they should surrender 13.5 per cent when the rate was now 8 per cent. Sir, to this day that loan is still on our books like an albatross around the necks of Barbadians and all because the Government at that time went to the capital markets when they had no other choice.

Mr. President, because of our credit-worthiness today we are able to borrow money at 7.375 per cent. We can hardly expect to raise money at a lower interest because that is the lowest level as far as interest rates are concerned. We are in this favourable position because we have managed the affairs of Barbados so well that we can go to the capital market and get funds at a good rate and on good terms.

Sir, we are still not out of the woods because we are still not sure how the international military situation is going to pan out. It reminds me of a quotation:

"If you can look into the sands of time and see which grains will grow and which will not, speak then to me."

Sir, we cannot see into the future but we can prepare ourselves for any eventuality and this is what we are doing

here this afternoon. We are protecting the future of this country because if we ever get so foolish to allow this country to run out of foreign exchange, God help us, because we have commitments in terms of loan agreements that we cannot escape. If the IMF were ever to come back to our shores, the terms and conditions would be so horrendous that future generations would wonder if this Chamber had no foresight. Sir, thankfully we have a Government which is very concerned about the future of this country.

Mr. President, the time to prepare for famine is when there is plenty. That is an inescapable fact. You cannot wait until there is a famine to start preparing for a famine and this Government is not going to do that. If we are to be condemned for being cautious we will have to be condemned, but we are not going to sacrifice the future of this country.

Sir, suppose our fears are not realised. In other words, suppose we anticipate that there was a strong downfall and it did not happen that way. What would be the net result? Sir, every year, this Government and other Governments of Barbados borrow money on the capital market. The Prime Minister has said on many occasions that you borrow enough to cover foreign amortization. That is the stated policy. Sir, I was fortunate to get the figures that show that every year we pay out \$18 million in amortization so even if we borrow this money and we did not have to use it, it will represent three years of amortization. If we found that our fears were not realised over time, we just would not borrow any more because we would already have the money there. Sir, it is very conceivable that interest rates will start to climb again. 2.15 p.m.

They are almost on the floor, so to speak. The interest rates will climb again. Sir, do you know what a 1 per cent difference in interest rate on this loan will mean? A 1 per cent is \$3 million a year. If we had to borrow at an additional 10 per cent, we would be talking about a difference of \$9 million a year.

Since we have embarked on policy, and this has not only been DLP's policy, this has been the policy that we borrow to the level of amortization. This is a policy that all Governments of Barbados virtually followed. If the worse does not happen over the next three or four years, we will amortise some of our past debt.

I see this loan as a precaution, as a measure which is not going to have any harmful effect on our future generations. In any case, we borrow every year. This year, if we look at our Estimates, we were to borrow approximately \$63 million on the capital market. In March, 2001, this Honourable Chamber approved the Estimates which said, and I am sure that Senator Mascoll would have known this,

that we were going to borrow \$63 million to amortise some of our foreign debt. That was stated this year, and this is the first time that we are borrowing on the capital market for this year.

Sir, instead of borrowing \$63 million as we said we would have done at the beginning of the year, we have decided that, given the international situation, prudence should prevail. If the worse does not happen, the money will be there. I do not find anything wrong with that approach.

I want to focus on our level of debt. Do we as a country have too high a level of debt? Sir, it is a known fact that a fellow might owe \$100 and he is in trouble. Another fellow may owe \$100 000 and to him that is not important because he has money coming in. In one case, one's worth might be the important factor and, secondly, his ability to repay. The second person who owes the \$100 might not know how to repay it, because he has no money coming in.

Therefore, countries do not only look at their absolute level of debt, but will look at the level of debt in relation to their GDP and ability to service the debt. Once your net worth is at a reasonable level and you have the ability to repay, then you do not have a problem. What has been the picture of our country with regard to the national debt? I am reading from the Barbados Economic and Social Report, 2000, which was presented to this Honourable House a few months ago.

It says that if we look at our foreign debt as a percentage of GDP, the Central Government foreign debt in relation to GDP was 27 per cent in 1991, 40 per cent in 1992 and 25 per cent in 1993. Sir, because of the judicious management of our affairs in the year 2000, it was 13.1 per cent. Our debt as measured as a percentage of GDP has more than halved in the last 10 years. Sir, these figures are not my figures. They were put out by the Government of Barbados.

Sir, if Senator Mascoll has a problem with these figures, he could say so. The figure indicates that our indebtedness as measured by a percentage of our net wealth has substantially declined over the past 10 years as a result of the careful management of this country's affairs by this present Barbados Labour Party Government.

Secondly, what about our ability to repay the debt? I am going to refer to the same publication and I am going to see how much of our export of goods and services, we take to repay debt. At that time 15 per cent of our goods and services was used to service our foreign debt. In 1992, it went to 17 per cent. Do you know what it is today, Sir? It is 7.3 per cent. Our ability to repay has more than doubled in the last 10 years. We are taking substantially less of our

export of goods and services to service our foreign debt. The record of this Administration regarding our indebtedness can stand up to scrutiny.

The figures indicate that not only is the debt declining as a percentage of our wealth, but our ability to pay it is not compromised. I do not understand this talk about the horrendous state of our national debt. I am not saying that we must not be cautious but when we look at the fact that the Government has to be defensive in the light of uncertainty, then we have no quarrel with this level of indebtedness.

When the Honourable Senator mentioned the amount of money that we borrowed, he did not state that a lot of the money that was borrowed in the last year was used to redeem debt. He said that we borrowed \$600 million, in spite of that. Had the national debt increased by \$600 million? The answer is "no" because some of the money that was borrowed was used to redeem debt.

Sir, every year a portion of the debt becomes redeemable. It is okay to say that you borrowed X million dollars. That is one side of the picture. The other side of the picture says that we have certain obligations with regard to our national debt and the policy which you follow is that your roll over foreign debt. Sir, you pay the interest out of your normal revenue. Foreign institutions, in looking at things like the fiscal deficits, take out amortization based on that principle.

Mr. President, when Senator Mascoll was advising the DLP, he followed this same principle. This is the same principle that he is castigating. He is not a political leader.

Asides.

Mr. PRESIDENT: Senator Barker, I do not think that is appropriate.

SENATOR T. E. BARKER: I withdraw that, Sir.

Sir, the point is, this policy has been used. We feel confident that we are doing the right thing. We are not sacrificing the future of our children or our grandchildren. We are ensuring that the events of this year do not negatively impact on them.

If this country ever was to find itself like it was in 1990, we know what the results would be. Everything that is prudent must be done to ensure that we do not fall into that position.

Sir, this is one of the best terms on loans that we ever had. These are very good terms. They are terms that will not cause us too many difficulties in the future, so there is

nothing to be ashamed about. If we are faced with rainy days tomorrow, we will have some measure of assurance. It is more than an umbrella because an umbrella does not really guard against pouring rain. This is more of a tent. It would take a big blow to disturb it. This Government must be commended.

In closing, it is most unfortunate that in seeking to score political points we seek to bring institutions into the equation which have no right being here. I think that the attack on the Central Bank of Barbados was totally unwarranted and uncalled for. The Honourable Member must know that such attacks are not worthy of a president of a major political party.

The Central Bank of Barbados has done Barbados proud over the years and many of the staff members can testify to the fact that they are professional economists who are doing this country proud. Sir, to bring them down to this level is not worth it. We can have our discussions without descending to that level.

With those few words, I want to commend this Resolution to this Honourable Chamber. It is another example of Government ensuring the future of this country.

I thank you.

SENATOR J. E. D. WILLIAMS: Mr. President, like my last colleague, I rise to give this Resolution my fullest support. May I take this opportunity to congratulate him for what I thought was an excellent presentation. I believe that this Senate is indebted to him for that presentation because it allows us to be a little clearer as to the real position that the country finds itself in seeking to have a loan of this magnitude.

Mr. President, I would like to begin by making the point that there are a few times in history when occasions provide an opportunity for a society, down the road, to be able to judge how someone is able to manage a situation in a period of difficulty or crisis. Those situations also allow people to understand what someone said at some point in time when history is able to judge. Prime Minister Arthur, as leader of this country, is not the kind of person that would sit idly by and do nothing and hope that things turn out well. If things turn out well that would be okay, but if they do not, he would be harshly judged by history.
2.25 p.m.

I hope that, certainly for Senator Mascoll's sake, when the history of this country is written and unfolds later in the future that, in reflecting on his contributions today, he does not regret having said what he has. I believe we all are going to remember his presentation.

We are talking about seeking to borrow a loan at a time when the country itself, in terms of how it is viewed by the international marketplace, has a very high credit-worthiness. Also, at a time when we ourselves do not know what is going to happen over the next 18 months to two years, there is a feeling that the capital market might tighten and I think it would be extremely irresponsible for a Government who finds itself in a fortunate position to be able to go, at this point in time, to secure a loan at some of the best terms that it can ever possibly get, against a backdrop where, not only the Bear Stearns lending institution was prepared to lend Barbados money, but there were a number of other lending institutions interested in lending Barbados money as well. This tells us how those institutions have viewed Barbados at this point in time. It is because of that reason one is able to get a loan with an interest rate of more than 7 per cent.

Sir, in about 18 months to two years, if this Honourable Chamber was asked to approve a Resolution for a loan of the same amount of money but at an interest rate that would possibly be doubled to what exists at present, it would be interesting to hear the Opposition saying in this Honourable Chamber, "imagine in 2001, when the Barbadian economy was strong, when the international marketplace gave Barbados the highest credit-worthiness possible in the entire region, the Government did not use that opportunity to go and borrow money. They could not have anticipated what could have happened down the road, but all the signs had demonstrated that there could have been difficulties..."

Mr. President, as we sit here, the United States economy is in trouble. The Japanese economy seems to be moving into a recession and on top of all of that, we have the experience of September 11. Sir, what does a Government do? We do not know what is going to happen in the United States of America over the next 18 months. The Japanese economy, which was the third highest in the world, is in serious trouble.

Therefore, as a little country, we sit here where, at this point in time, we find it possible to sit and evaluate offers for loans and are able to say that we are going to take the one that is the very best, one that only has a 7 per cent interest rate attached. Sir, but no, we are to understand, if we are to accept the position of the Opposition to do nothing, then in 18 months' time and things turn out for the worst to have to go cap-in-hand to a capital market that would have tightened where then we would be forced to do what the Democratic Labour Party did in 1991 to 1992, go and look for a bullet loan to the tune of 13.5 per cent.

Mr. President, I will say this. If Government is to be criticised, it will be criticised for doing the right thing. A Government, a leader, an organisation, all have a duty of sense and care. They have a responsibility when the time comes to do the right thing because history has a very harsh

way of judging us after the fact. To my mind, it would be wrong for the Government of Barbados to now sit and decide that, with all of what is happening before us, simply to do as the Opposition would suggest we do – nothing. Sir, just like the contribution that they have made so far to Barbados in terms of this debate – nothing. They attend none of the forums to simply say to Barbados, "This is what we will do." What we know is that they will not support it. We always know what it is that they will not support, but we never know what it is that is good for this country that they themselves in the future can say "we agreed with you."

Sir, we saw the difference in the approach of the two big political parties in the United States where, in the time of crisis, they came together in the interest of the United States. It would have taken those people at this time in the history of Barbados for them to come together with the rest of Barbados and simply say, "politics or no politics, let us put in our two cents worth in terms of what we believe is good for this country."

2.35 p.m.

Sir, that never happened but that is not surprising because when you look back on the history of this country, the Democratic Labour Party as an Opposition, and as a Government, never had a solution for anything. It would have been a miracle if they had come up with one on this occasion, but at least if they had participated, one would have been able to say, look, we are seeing a different sign. We have every reason to believe that something is changing and something is happening.

I want to use this opportunity, Mr. President, to congratulate Senator Mascoll in assuming the position of President of the Democratic Labour Party. I wish I was able to say leader, but I believe in the fullness of time we will understand what is the reality, but I want to congratulate him and hope that when he finds himself in a situation like this again, rather than be caught up in the euphoria or his selection to the position, that he would simply say, look, let me deal with these matters with a sense of reason.

Aside.

SENATOR J. E. D. WILLIAMS: I am reminded that he is elected.

Mr. President, Senator Barker has gone into the specifics in terms of where we are, in looking at issues like our debt service ratio, our total debt to GDP and so on. Clearly there is a tremendous performance and there is tremendous success with this Administration over the last seven years in terms of taking us from where we were, where for example, the debt service ratio in 1992 was in excess of 17 per cent and we are talking about a debt service ratio now that is just between 6 per cent and 7 per cent.

There is one other aspect about this loan that is significant and it has to do with the fact that the Government is not intending to create the bunching of the repayments of any debt. Our debt as obligations, Mr. President, with the multilateral institutions, stands at some US \$226.9 million and that was at the end of the year 2000, and that relates to projects with the IDB, with the CDB and others.

In terms of our bond placements, that stood at \$265.9 million at the end of the year 2000 but the important thing is this, that \$265.9 million is made up of US \$40 million which was secured in 1995, and it has a maturity of May, 2002. There is a \$75 million of that \$265 million which has a maturity in 2006. There is also US \$100 million that has a maturity of 2010 and there is £27 million loan that has a maturity of 2015. I believe this is a 20-year loan and it matures in the year 2021.

Sir, despite the fact that we have these loans, there is no particular period where you are going to be called upon to repay these loans all together. In other words, there has been careful management of our debt portfolio to make sure that there is absolutely no bunching. If Senator Mascoll wants to suggest that what I am saying is not true, I am prepared to sit and listen to him but these are the facts.

Sir, for a country to be at a stage where none of us knows what is going to happen, where we would normally take precautions in any business and when you are running a country, it even calls for a greater sense of care and duty, so for us not to do anything at this point in time, would be wrong. I have tremendous concerns when I see what is happening in the United States of America. It is not just September 11, 2001 that I am worried about. I am worried about the fragile nature of the United States economy at this point in time and in two years' time we do not know where it is going to be.

As I said, the situation in Japan is serious and you have the large economies in the world under stress and we are saying that we are going to sit back and not take advantage of the fortunate position in which we find ourselves? I think, Mr. President, not to do so is irresponsible, absolutely and, as I said, I will close how I began. History is going to be the judge of this decision with respect to this loan.

I am obliged to you, Mr. President.

SENATOR Sir JOHN STANLEY GODDARD: Mr. President, we have heard many references made to the Central Bank of Barbados so far in this debate and it might be useful if I were to review or make reference to a review of the economy, done by the Central Bank which was issued in their Press Release, dated October 30, 2001. Now, I will just refer to certain extracts in that Release.

It said that the Barbados economy, constrained by estimated declines in the second and third quarters, fell below its long-term growth trend. Real GDP contracted by approximately 1.5 per cent, over the first nine months of 2001. As there was broad-based increases in the trading sectors, it only offset slow growth in the non-traded sectors. This contrast was an average annual growth rate of 3 per cent in the corresponding period of the last eight years. It goes on to highlight that the unemployment rate at the end of June, 2001 was approximately 10 per cent. This is up from the 9.3 per cent recorded at the end of the year, 2000. It noted that the average annual rate of inflation at the end of July 2001 was 3.5 per cent, slightly over a percentage point and higher than the rate at the end of July, a year earlier.

It stated that in these circumstances, real economic activity is projected to contract by 2 per cent in the year 2001, with major declines in the trading sectors and slow growth in the non-traded sectors. Looking ahead, it said that the fiscal deficit is anticipated to rise to around 3.5 per cent of GDP at market prices in 2001, reflecting higher spending, particularly on wages and salaries, interest payments and capital items. However, the fall off in the import demand and possible rising unemployment will lead to an even wider deficit as revenue intakes plummet.

Sir, then it comments on the international reserves which have been much discussed here today. It said that the net international reserves of the Central Bank at the end of September were \$1.1 billion up by \$137.6 million over December, 2000.
2.45 p.m.

Consequently, liquid foreign assets represented approximately 27 weeks of inputs at the end of the review period as compared to 23.8 weeks at the end of September last year.

My last quotation from the Press Release is that there was a rise in the net international reserves which are approximately \$47 million projected for 2001 which is considerably less than the underlying increase of \$156.2 million which was recorded in 2000. That Release which is dated October 30, 2001 clearly indicates that the economy has been in a decline since the beginning of the year and possibly before. Of course, the events of September 11, 2001 in the United States of America, I am referring, of course, to the terrorists attacks on New York and Washington, have exacerbated the situation and have created great uncertainty, not only here in Barbados and in the region, but internationally, and that uncertainty is probably the only certainty in the world today.

The loan that we are discussing is equivalent to BDS \$300 million with a maturity of 20 years down the road. In other words, that is a 20-year loan to be repaid by a bullet

payment by that time. The interest as we mentioned is lower, at 7.375 per cent, which means that if that money is not earning any revenue it will cost the Treasury \$22 125 000 a year.

Now, of course, that money would be placed at the Central Bank in a sterilised account and invested in securities in the United States of America's market. That investment will not earn 7.735 per cent, it will earn a lesser amount. So the net cost to the Government could be, this is only an estimate, in the vicinity of \$10 million a year. It could be higher or lower.

The only thing fixed there is what it will cost us by way of interest. We do not know now, nor in the future, what those moneys would earn when invested in US securities. I know that the sums would not be used for current transactions but would be placed in a sterilised account. That may be so but there is always a great temptation to use money that is available. I am not questioning anything at this point in time but when there is access to money, human nature being what it is there is always the temptation.

Our net international reserves are now at a record high level as far as I am aware which is at 27 weeks of inputs. I do not recall them ever being that high. I know they were down to a few days only in 1991 and I believe that 13 weeks is considered to be normal and comfortable, and this is for 27 weeks.

Now, I realise that the Government sees the opportunity of obtaining a favourable long-term loan – 20 years – at a very low rate. The question I want answered then, which has not been answered yet to my satisfaction in this debate, is whether this loan is to take advantage of a very favourable interest rate. I know it is being taken out as a precaution but is that a super abundance of caution or, given all the uncertainty in the world economy that I referred to, is the Government in their prognosis aware of dangers or have concerns that they have not shared with us? I am not suggesting that they have but if they do, I think they have a duty to share those concerns with the people of this country because you do not borrow money to say that you have it in case especially when your reserves are at an all time record high of 27 weeks of input.

Sir, I want this question answered when the Government Senators reply. Is this a super abundance of caution that can be justified or is the Government more concerned about what could happen over the next year or two than we realise and have not shared those concerns with the public? Sir, I will wait to hear what the other Government Senators have to say. I am not saying that this loan may not be necessary, but I still have to be convinced because under the normal scale of things, it seems to me to

be over and above what is required at this time unless it can be justified to a greater extent than I have heard so far.

I thank you, Sir.

SENATOR P. C. GODDARD: Mr. President, we have heard some excellent presentations today where the mechanics of the Law have been explained and where the history of our economic performance in the past decade has been well outlined, but there are several issues that I would like to respond to.

Senator Mascoll referred to the fact that we are seeing rapid unemployment over the past two years when, in fact, we have had the lowest unemployment figures in the history of Barbados over that period of time. There has been a marginal rise in the last couple of months but it has been a fraction of 1 per cent. He hinted that we were overflowing with VAT revenue but neglected to indicate that we had also abolished consumption tax, stamp duty and a whole raft of other taxes and import duties in compensation for the VAT issue, and has attacked the growth of international businesses and the growth of other areas of the economy.

We must recognise that international business companies contribute 40 per cent of the corporate tax take in Barbados. This is not an insignificant tax take and the generation of employment by the international businesses has been considerable in Barbados. Now, if one wants to take the simplistic view that international businesses only create jobs by employing people directly, then one would come up with the idea that they have not created 2 000 jobs.

However, Mr. President, you will recognise that there has been massive construction over the past six to seven years which is directly related to international business. We have seen the growth of office buildings and the expansion of companies that are doing international business here. We have seen the expansion of the Warrens Complex. We have seen Collymore Rock explode with new office facilities. We have seen the expansion of office facilities in Wildey and around the country. Even in Speightstown and Holetown there has been some office development for international business.

It does not stop there, Mr. President. We have seen the building of apartments, complexes, town houses and homes which have been a direct result of providing housing for international business executives and for consultants who come in and go out of Barbados on medium to long-term consultancies directly related to the international business, so it is not true to say that the international business has not grown. Now, we are mindful of the fact that it does have threats as well as opportunities.

2.55 p.m.

We must recognise that the total global business environment is constantly changing. Therefore, you will find that as some doors close, others will open. We have to recognise that the international business environment is dynamic and constantly changing but it is one that has stood Barbados in good stead and the Government's policies in ensuring continued commitment and growth of international business activity in Barbados by foreign and local companies, because the opportunity has been widened to encompass all Barbadians at this point in time and it has been quite dramatic and has contributed significantly to our economic growth.

I would have to say that Barbadians are probably better off today than they ever have been in the history of this country. I know of no income reduction that has taken place that could be anything near what took place in 1991. I would have to say, too, that there are none so blind as those who will not see. Therefore, I think you have to give Jack his jacket and recognise that the management of this economy has been exemplary over the past seven years.

I will turn to the nature of the loan and the issues raised by Sir John Stanley Goddard. We have focussed on the events of September 11 and the terrorists' attack on New York City and Washington. We have followed the ensuing conflict in Afghanistan and the Taliban has been brought to its knees. However, the Al-Khaida network continues to thrive around the globe. We cannot be unaware that this conflict is something that is going to last many years. We cannot be unaware of the conflict that is taking place in the Philippines as we speak here today. We cannot be unaware of the problems that might be presented in Yemen, Sudan, Iraq and perhaps Libya.

Therefore, this conflict is something that the world has never seen before. It is full of imponderables and it could take many different turns, and in this environment it is prudent for us to exercise extreme caution and prepare for the very worst. That is what the Prime Minister has done. The Prime Minister did not just go out and go for a loan; he has done many other things.

The first thing that he did which many people seem to gloss over is that he immediately called for a national economic consultation to address this very issue. Not many other countries in this globe did that. No one else in the Caribbean preceded that action. It is because of that action that Barbados is perceived to be a well managed, vibrant economy where the political directorate is prudent and understands where the economy is going. It is decisive. It has taken action. Many other people have not taken any action. They have drifted like a Moses going to St. Lucia without an oar. That defines the Barbados Government of today; the fact that we are aware of what is happening, that we had our

national consultation, that we are putting measures in effect to safeguard the economy of this country, one of which is this loan, but there are other measures that are going to be put in place, that have been put in place, and will be put in place in the future and there will be further consultations.

The Prime Minister has said that as things unfold and if anything changes radically, he will continue this process of national consultation to protect the Barbadian economy.

Now this loan, as we readily understand, is under the best possible terms we have seen in decades and, as has also been said by Senator Williams, this protects the stability of the country which redounds to the benefit of future generations. Our economy can only grow in an environment of stability and security and that is what this loan is designed for. That is what this loan is designed for, to ensure that we have a cushion in the event that we have a very bad year next year. No one is saying that that will be so.

I am not so concerned about the US economy. I do not think there is any underlying fragility in the United States economy. It is clear that they have moved into recession in March this year. It is clear that the economic shocks that they have taken which were massive have been withstood. There is significant indication of growth in some productive segments of the American economy and we must also see that this whole thing is taking place in a time of real change in economic activity around the globe. The European economy is relatively stable. The British economy seems to be robust and seems to be better able to withstand the shocks of this year and therefore I think that the medium-term outlook for Barbados is not as bad as we had first thought. It is very clear that the incoming airlift traffic from Europe and the United Kingdom is going to be substantially up this coming winter over last winter. However, we are not sure about the American travelling public. That is an uncertainty. The airlift capacity is there but whether or not it will be picked up we do not know.

I think, generally, if things go relatively smoothly we should be able to ride this out fairly well. However, I come back to the point that this struggle is a global struggle and no one knows if it can be contained in a manageable form or if it will go beyond the bounds of all reasonableness, and that is the event that we have to prepare for. It is on a global scale and it stretches across the Pacific, across India with the issue between Pakistan and India over Kashmir. It is through Afghanistan and it is not by accident that you see Russia, the United States, Europe and China in concert on this issue. They recognise that this is a tremendous threat and I think that we have to be prudent. I am convinced that this is the right step at the right time and it is one of many steps this Government has taken to ensure the future of our country and of our economy.

I wholeheartedly support this Resolution. Thank you, Mr. President.
3.05 p.m.

SENATOR Mrs. P. E. RICKINSON: Mr. President, I rise to make my contribution to the borrowing of US \$150 million as a precautionary measure to be put in a sterile account. Mr. President, I am not speaking as an economist, I am speaking as a nurse and a lay person because previously we came to the Senate and borrowed money and we have not heard what happened to that money. We do not know if it is still there or if it has been spent. Sir, from instinct I am saying that it does not make sense to me to come to this Senate and borrow for a rainy day. Sir, if the Government is thinking of rain, it seems to me that there is need for a meteorologist in the Prime Minister's office to tell us when the rain will fall because the rain might come and it may not stop.

Now we want to borrow another US \$150 million as a precautionary measure and you are telling me that we have to pay 7.375 per cent to put this money in a sterile account. Sir, excuse my ignorance. I do not know what a sterile account means but it seems to be that the money will not be touched. I have always been told that you should not put down money that it should work for you and if it is in a sterile account, this money is not going to be turned over and we will be losing out. As a householder, when you have money it should work for you or you will lose the value of it.

Sir, as a lay person it seems that the Government has to go to Bear Stearns & Co. Inc. so we have to pay them a fee. I am not sure what the set-up fee will be but that is another cost. I am saying in a simple way that there is going to be a set-up fee, an interest of 7.375 per cent and then it will be put down, so it will not work for us, and yet you tell me this is wise. Sir, this does not sound wise to me. It does not make sense especially since we have already borrowed a whole lot for a rainy day.

Mr. President, I acknowledge that there was national consultation but it did not say we should go and borrow US \$150 million. I feel we need to set up a plan that lay persons like myself can understand because it is not making sense to me, and I am sure it is not making sense to a lot of other people as well.

SENATOR THE HON. G. S. H. MURRAY: Mr. President, on a point of order. The Honourable Senator made reference to the fact that the consultation did not tell us to go and borrow money but that is a simplistic way of looking at things. The same consultation agreed upon a National Emergency Economic Council and they agreed that we would borrow US \$150 million. It is not Cabinet or Parliament that decided on this action.

SENATOR Mrs. P. E. RICKINSON: Mr. President, I am not talking about a council. When the Honourable Member gets up to speak, he can get up and talk about that. I am saying that we had a national consultation and I was there and we did not tell the Government to borrow US \$150 million to put down for a rainy day. If you are now talking about a council that is something else. If the council was set up, why are they not telling us what they discussed and what they are doing. This is the way things should be done.

SENATOR THE HON. G. S. H. MURRAY: Mr. President, on a point of order. The Honourable Member is not representing things as they are. The consultation agreed to form a council which would take certain actions on its behalf. Persons and institutions were named out of the consultation to act on its behalf and report back to the consultation as things evolved.

SENATOR Mrs. P. E. RICKINSON: Mr. President, I still say that if there is a council making decisions on behalf of the people of Barbados they owe it to us to tell us about those decisions.

SENATOR C. A. MASCOLL: Mr. President, I have before me a document prepared by the Council to which Senator Murray referred. It states in the Summary of Measures that the Government will go to the capital market for a loan of US \$150 million. This document was prepared on October 29 and it is impossible that between October 29 and November 28 for any Government anywhere in any region to have decided within the space of one month to raise a loan as large as US \$150 million and to complete all the work relating to it...

Mr. PRESIDENT: Senator Mascoll, I must stop you. You are making a speech. You are not making a point of order.

SENATOR C. A. MASCOLL: Sir, it is a point of order that requires clarification.

Mr. PRESIDENT: Senator, you are out of order. It is either a point of order or it is not. I have ruled that it is not a point of order. Senator Rickinson, please proceed.

SENATOR Mrs. P. E. RICKINSON: Mr. President, I was talking about the national consultation at which I was present and we never talked about borrowing US \$150 million. I am not disputing that a council was set up but the council should let us know what they are doing and what the decisions are. I am saying that as a lay person it does not make sense to me since you have been borrowing money for a rainy day and we do not know what is happening to the money. If the money is put in a sterile account, how do we know it is not going to be spent? It does

not say what the money will be borrowed for and what will be done with it. Mr. President, I am saying we should have a plan.

3:15 p.m.

SENATOR P. C. GODDARD: Mr. President, on a point of order. The Resolution clearly states what we are borrowing the money for and how it will be treated. It would be irresponsible for the Honourable Senator to say that we do not know what we are borrowing the money for and how it would be treated.

Mr. PRESIDENT: That is Senator Rickinson's interpretation of the matter. It may not be correct but that is her view. Please allow her to proceed. I am not going to permit any other interruptions on frivolous matters.

SENATOR Mrs. P. E. RICKINSON: Mr. President, I do not mind being interrupted because I would say the same thing again.

Mr. PRESIDENT: I conduct proceedings in this Chamber, Senator Rickinson. Please proceed.

SENATOR Mrs. P. E. RICKINSON: Mr. President, I am sorry.

Mr. President, I am saying that this Resolution says that we are borrowing money as a precautionary measure. What is a precautionary measure? What is this? Sir, you are running a Government on a precaution? You do not run a Government on a precaution. You run a Government on plans. You have a five-year plan and you want to do A, B, C and D. You do not say that you are borrowing money to put in a sterile account. You do not run a Government by keeping money in a sterile account and the taxpayers do not know what you are doing with the money. When you go into that account and take out the money, we do not know when you are taking it out and what you are going to do with it.

We have given you the leeway ...

SENATOR T. E. BARKER: Mr. President, on a point of order. Every year this Chamber debates the Government's expenditure, item by item. It is not fair to say that money is taken out and we do not know what is being done with it. Sir, the Government does not operate like that. Each item of expenditure is thoroughly debated, especially in the Other Place, and money is not spent just like that. This is a clear case of misleading this Honourable Chamber.

SENATOR Mrs. P. E. RICKINSON: Mr. President, I know how money is being spent in the Estimates but I do not know how the money in this sterile account is going to be spent. It is not in the Estimates. It does not say that it is going

into the Estimates under Head A, B or C, so that I know exactly how it is going to be spent. In the Estimates I know how the money is going to be spent because it is written down and then I can debate sensibly on that.

Sir, this is something up in the air and I do not know what is being done with this money. I am not saying that the money is not needed. I am not saying that the Government knows something that we do not know. Obviously, there is some reason for borrowing all of this money and putting it down. You must have an idea about how you are going to spend it at some point in time but we do not know. Sir, I cannot support something like that. I need more information.

Sir, you are borrowing this money and it is not going to work for you and then you are going to put 60 per cent taxes on goods. In other words, you have started to collect revenue to pay for this money before you get it. You are putting the 60 per cent on goods and when you go into the supermarket you find goods mainly from Trinidad and Jamaica. You hardly find anything from Barbados in the supermarket. Whose goods are you protecting in the supermarket? These are the things that are of concern to me as a lay person. Mr. President, with all this money being around some nurses have to work for three months before they receive their salaries. In the meantime, their utilities are turned off because they cannot pay their bills.

In other words, you are going to tell me that Barbados' reserves are buoyant, yet you are borrowing money to put down for this rainy day.
3.25 p.m.

You are then going to tell me that it is not going to have any harmful effect on the future? It is going to be a bullet loan with a 20-year repayment and you are saying that there would not be any harmful effect for generations in the future? Generations in 20 years have to find money to pay this. Sir, we are hearing that the population is going down, there is not enough money for social security, the working population is small, one does not know if National Insurance is going to be enough, the age of retirement has to be extended, *et cetera* and you are going to say there is no harmful effect?

Anything that affects generations will have a harmful effect given what we are being told today. If one is daily fed on a diet that the National Insurance has to be changed because there would not be enough money there to prepare for an aging population, which we do have, therefore, we have to discuss all of these things within this context and it has to make sense to the lay persons and the taxpayers of this country. It does not make sense to me and unless I can be told something between now and the time to go, I am afraid that I will not be supporting this loan.

Mr. PRESIDENT: Senator Mrs. Newton.

SENATOR Mrs. V. E. NEWTON: Mr. President, I have no idea whether the Government will be able to raise US \$150 million within months, but I will say that I was at the National Consultation on the Economy when it was decided that a Committee comprising some of our eminent economists would be set up to advise the Government on what measures should be taken in the wake of the September 11 crisis. Therefore, according to the document that was circulated to us, one of the recommendations was that the Government would borrow US \$150 million as a precautionary measure.

Mr. President, I am not one in favour of borrowing money if there is no idea what one is going to do with it, but we cannot think in terms of Government running a little household. Who knows whether terrorists are going to strike again or what is going to happen within the next few months? Our economy is based on tourism and we know how fragile such an economy is. All of our gains can be wiped out in the space of a few weeks. Therefore, while in theory I am not in favour of borrowing at all, I know that it is sometimes necessary and that a Government has to plan. Therefore, I see absolutely nothing wrong in borrowing money as a precautionary measure in light of what has been happening around us today.

Mr. President, I would not go into the question of whether the Government is making enough money from VAT or whether the funds from the National Insurance Scheme will be available to do what it is supposed to in a few years' time because those are different considerations altogether. The fact is that the Government is not going to borrow this money to use for its day to day expenses. Sir, as to the money being in a sterilised account and not being used, my understanding is that it is being invested. It might not be as high a rate as other forms of investments, but it will be invested so that there will be some returns on it and it will be there in case it is needed.

Mr. President, bearing in mind the uncertainties of the international and economic environment at this time, I would give the measure my support. I thank you.

Mr. PRESIDENT: Senator McClean.

SENATOR LeR. H. McCLEAN: Mr. President, there was once a time when there was some virtue in being able to earn one's way through this world. Nowadays it seems that there is greater virtue in being able to borrow one's way through. I have heard several reasons which were put forward for Government's borrowing of this money at this time. We have heard of it being a "precautionary step", "preparing for a rainy day", "the impact of September 11 terrorist attack", but the strongest point that seems to be coming through is that Government can afford to borrow at this time because of Government's high credit-rating. In

other words, one of the strongest points seems to be that Government is able to borrow, so they borrow.

The point in respect of the recommendations coming from the Special Committee on Consultation, first I would like to respond to a point made by the Honourable Senator when he introduced the Bill. He made reference to the Opposition not being present at that Consultation. I would like to say, personally, that I will not encourage anyone in practising bad manners. I think it is an insult for someone to send an invitation to anyone for a function such as this two days before the event. Worst of all, they did not have the common courtesy to send the invitation to your house but to another place where somebody had to call you to tell you it is there to come and collect it. That is an insult and therefore, Government could not seriously have wanted the Opposition to participate.

I am particularly happy that we did not go because we would then be guilty by association where this measure is concerned, because I am hearing that it was agreed at the same consultation that we would borrow money. Therefore, how could we then...

Aside.

SENATOR THE HON. G. S. H. MURRAY: On a point of order. Mr. President, the Honourable Member is misleading this Chamber. Nowhere in my presentation did I imply that the Consultation had agreed that we would borrow this money. As a matter of fact, Senator Rickinson was there and said that that was not the decision of the Consultation. It only shows why the DLP should have attended when they were invited. They would have gotten to learn more.

SENATOR LeR. H. McCLEAN: Mr. President, the point came out that at some point in time there was some discussion which eventually led to it being agreed. It seems as though the Consultation was a mass of confusion because of...

Aside.

SENATOR THE HON. G. S. H. MURRAY: Mr. President, the Honourable Member is again misleading the Chamber and the country when he seeks to make it seem as though the Consultation was a mass of confusion. He was not there. He is speculating, but it was a well organised Consultation. At least three Members were there, and it was not. It was held with the utmost decorum.

Mr. PRESIDENT: No point of order. Senator McClean said that he was not there and, therefore, this is his view which may or may not be correct. I do not know. Please proceed.

SENATOR LeR. H. McCLEAN: Mr. President, I merely make that point given that persons who were there seem to have different views of what came out of it. We heard further that a Committee which came out of the Consultation made recommendations. The Consultation was held on September 28. A Committee met subsequently, but on October 28, all of the necessary instruments were in place in order to have this loan in hand. Obviously, Sir, there are persons who are working for their money and a lot of overtime obviously went into this process.

Mr. President, on the point of the interest rate being paid, the impression is given that this is going to be a fixed interest rate, paying some 7.375 per cent from now until the end of the 20 years. To the best of my knowledge, Sir, if this comes under the LIBOR Interest Rate System, obviously you are not going to be paying the 7.375 per cent because the interest rate would, obviously, fluctuate over that period of time.

Sir, 20 years from now, some Government would be faced with the task of having to repay this sum of money in a single payment. We have heard, time after time, of Governments being advised against bullet loans. I remember the \$50 million bullet loan in the 1980s, which Dr. Richie Haynes went to Japan and finalised that was negotiated by the previous Government. I distinctly remember the late Right Excellent Errol Barrow advising Dr. Haynes against going for that bullet loan. Obviously it seems as though this Administration likes bullet loans – maybe silver bullets.

Mr. President, in getting back to the point where Government seems to believe that there is some great merit in being able to borrow, it is the first time, to the best of my knowledge, that Governments anywhere in the world, boast as one of its strengths... I have never heard a Government boasting as one of its major strengths being able to borrow its way. The reason why I said that is that our productive sectors are incapable of servicing the amount of loans that this country has at present. I do not care how good our credit-rating is. There was a case where a gentleman's credit-rating was good enough to attract a loan, but he did not know that the lending agency's intention was to take over his business.

Sir, we can talk about how good our credit-rating is and what our percentage of GDP is, but I am sure that we will hear by the next Estimate's debate that the out-turn figures will not be as nice as people want us to believe, and that our debt servicing will be considerably higher than what we are led to believe it would be at this time. Sir, we have got to ask the question that was asked before if we are doing so well. We heard during the St. Thomas by-election that the economy was the greatest thing at that time. Up to September 10, the Barbados economy was strong and vibrant and before the dust in New York could have settled, we

heard that there is a pending crisis. Obviously, the economy was one big bubble which was simply burst by the events of September 11, because we were virtually living what was an economic lie. We are living off and are boasting of reserves. We are constantly hearing of these levels of reserves, but how can we boast of reserves that not only we did not earn, but we do not even have the capacity to earn. Government is borrowing money and putting it aside and then boasting that they have these reserves. It is not because tourism is doing well, or because manufacturing is doing well and agriculture is doing well. We borrowed it.

Sir, I have heard many references coming today, some of them from the Good Book. I heard Senator Murray quoting from the Book of Proverbs. But the ant did not borrow, they earned the food. They went out and harvested and brought and stored up the food. They did not borrow the food and store it, therefore, do not use this analogy about saving something for a rainy day and quoting "go to the ant thou sluggard..."

3.35 p.m.

Sir, let us not get carried away about this great buoyant economy when it is money that we are borrowing.

Sir, we heard already about the money that was borrowed for a rainy day and as Senator Rickinson said, perhaps there is some meteorologist in the Ministry who will know when the rain will come because apparently, we do not know when the rainy day will be. I would have assumed that the money that would have been borrowed previously would have been to help us in the situation which now exists, but apparently this is not the rainy day. So we are going to borrow on this rainy day for another rainy day; so something is falling and we are getting wet with something but, apparently, according to the Government, it is not yet rain.

Sir, when will this rainy day be? And furthermore, how could we hear now that this money is being put into a sterile account on one hand and on the other hand we hear that it is being invested. The two do not seem to make sense to me because I would assume that when you are talking about putting the money in a sterilised account, it means that it is there, untouched, and the Government is not going to use it for any purpose and it is supposed to be with the Central Bank of Barbados. I do not know if we are probably going to use it as a means of a guarantee that the Government can borrow more money from the Central Bank because we would have had the money deposited in the Central Bank so you can use it as a guarantee to borrow more money from the Central Bank. We know then what would be the implications.

Then, Sir, we have this matter of this National Emergency Economic and Financial Programme. Now again, Sir, I must compliment the persons who put it together for

their dedicated work because it really hit the road very quickly and obviously, there was a lot of work put into it, but there are some points which I have to refer to coming out of it and one is this matter of this 90 days over which we will have this special tax imposed.

You are imposing a tax for 90 days to help with the agricultural production. It was pointed out earlier, Sir, that it seems strange that anyone could believe that anybody in agriculture could benefit in any way from a measure that is only to last 90 days. At best you will get a couple crops of beans, some lettuce, and maybe a crop of sweet potatoes.

Sir, certainly, nobody in agriculture can benefit from this measure over a 90-day period, and the only thing that this would do is to increase the amount of money that the importers can make because now the markup is going to be on an additional 60 per cent and also, the Government would be raking in a bit more taxes. Therefore, the only persons that stand to benefit from this are the importer and the Government, but the consumer will pay. It is not a measure that will help the agriculturists in any way.

Furthermore, when it comes to manufacturing, if the manufacturers in this country have gone into a state of decline, what kind of recovery could they experience in 90 days? First of all, if you are going to benefit from the duties that are imposed, you must have stock to sell and I have seen somewhere in this document about manufacturers retooling. I find this strange. What retooling you can do that would result in recovery from a 90-day exercise? It says that arrangements are in place for the Barbados Enterprise Growth Fund Limited to receive applications for retooling and recapitalising for manufacturing business, from the \$25 million Industrial Investment and Employment Fund.

Sir, in 90 days' time the manufacturers are supposed to retool or stock and make enough money that they can recover from a 90-day exercise. To me, Sir, it makes absolutely no sense.

SENATOR THE HON. G. S. H. MURRAY: Mr. President, on a point of order. I am sorry to interrupt the Honourable Senator at this time, but my recollection is that the Honourable Senator was indicating that the agricultural sector could not benefit by this 60 per cent tax.

Sir, I would like to point out to the Honourable Senator that he has misunderstood the situation. The agricultural sector is not subject to the 60 per cent tax. What will benefit the agricultural sector is that import licences will be introduced to provide protection for Barbados' most sensitive agricultural products such as beef, pork, lamb, poultry.

The 60 per cent that he is talking about applies to the manufacturing sector.

SENATOR LeR. H. McCLEAN: Also, import licences for agriculture, but still over 90 days.

Sir, the point I am making is that for 90 days these measures will be in place whether it is a 60 per cent duty for manufacturing goods or the imposition of the licences for 90 days.

In addition, Sir, all of a sudden today, we are hearing that you can have these licences in place, but when the people in agriculture and manufacturing were saying at the time that the Government was removing the licences, and removing any barriers to imports, the Government was saying that we have to do these things because of the WTO arrangement.

Now, as they say, Barbados would fully utilise all available safeguard mechanisms to protect the manufacturing sector, such as consistent with our obligations to the CARICOM Single Market and Economy. Now, it was not possible before but now it is possible because Barbados is the only country that would be affected by what happened on September 11, 2001.

SENATOR THE HON. G. S. H. MURRAY: Mr. President, the Honourable Senator who claims to follow world affairs would know that the WTO also provides that if your sensitive entries are threatened, as well as the CARICOM Single Market and Economy, you can then resort to defensive measures.

Mr. PRESIDENT: Senator Murray, you will have the opportunity as the presenter of the Resolution, to make the wind up speech and I will ask you to hold your comments, except it is a point of order, until that time.

SENATOR LeR. H. McCLEAN: I thank you, Sir.

The point I am making, Sir, is that Barbados is not suffering any unique disadvantages with respect to September 11, 2001. All the countries in the world would feel the impact of September 11. Therefore, we cannot claim that what happened then has any particular impact on our situation that does not impact on Trinidad, Jamaica, the United States of America or Germany. Every country would feel the impact, so how are you going to say that therefore we are in a position now that we can call into being these safeguards at this time, when we could not find it possible to make an argument, or to put a case only a few months ago. What has happened, Sir? We have not been affected any worse than anybody else.

In fact, we have been hearing speeches coming from Ministers of Government to the effect that the impact has not been as bad as we expected. So one week there is a pending crisis, the next week things are not as bad as we thought it would be, and then the next week we need to borrow money. It is totally confusing.

Sir, the Government seems not to really know and I have heard them say that we do not know what is the true extent of the impact of September 11, but it is obvious because they seem to be confusing the people of this country considerably.

Then we have, Sir, another proposal coming out of this which is that during the next 90 days, 180 acres will be allocated to 30 landless farmers. Mr. President, even if you could pull every cent from your pocket and pay cash for a piece of land, it is going to take you more than 90 days for the lawyers to get the transaction going.
3.45 p.m.

So what sense does it make? So if they want to say that they are doing something, they should say this is one of the things they will do, but they should not shroud it in fancy looking documents and fancy talk to give people the impression that they are doing something which is so great and so wonderful, and that they are the best thing since sliced bread to hit the market. It is apparently one big charade...

SENATOR Miss J. C. ODLE: On a point of order. I feel the word "charade" should be struck from the record. I believe it suggests improper motives and I would ask the Senator to please withdraw it.

Mr. PRESIDENT: Senator, could you please rephrase that part of your speech, and use a word that is more parliamentary?

SENATOR LeR. H. McCLEAN: It seems as though the Government of Barbados is misleading the people of this country with respect to the true economic situation because we are getting too many...

SENATOR THE HON. G. S. H. MURRAY: On a point of order. Mr. President, the Honourable Senator cannot impute improper motives to the Government by saying the Government is misleading the people. He might say that people are confused as the Honourable Senator himself is obviously very confused but that might be for a different reason, but he cannot say that the Government is misleading the country.

Mr. PRESIDENT: Senator, I think this is a matter of your choice of words. When you cast it in terms of misleading, I think you are making perhaps a slightly sinister

connotation to what you are saying. It is not beyond you, Senator McClean, to criticise but to do it in such a way that it falls within the ambit of what is acceptable parliamentary language.

SENATOR LeR. H. McCLEAN: I will follow your wise counsel, Sir. I would say that I, Leroy McClean, as a Barbadian, feel as though I am being misled by the Government of Barbados, and I am sure that, based on what other persons have been saying to me, it seems as though they feel the same way too, Sir. It is unfortunate that some members of the Government feel that as an Opposition Senator I need to be gentle with them. I certainly would be decent but not gentle.

I have heard several comments to the effect that Government is now in a position to ensure that we are not faced with the situation of 1991/92. The only thing I can say with respect to that, and I will rephrase my statement by saying that I do not intend in any way to make any derogatory statements about Members of this Chamber and would hope that what I say would be taken merely in light of what I am putting forward. I want to use a quotation which says that poor is the fool who finds comfort only in the misfortunes of another man.

It seems as though there are some people who can only feel good when they can look at somebody and say, "but you know, you are worse off than I am" and that is the only time they can feel good. They cannot feel good when they have done something that deserves praise or commendation. All they can do is to say "do not mind what I am doing, you did worse but this is 2001 not 1991." Ten years have passed and if the Government still finds itself in a position that they have to be comparing themselves with a Government of 1991, certainly they have not done much over the past seven years to commend themselves to the people of Barbados. The people of Barbados are judging this Government on their performance now because the people spoke in 1994 with respect to how they felt about the Democratic Labour Party Government and they spoke again in 1999 and in St. Thomas also, so if they believe that by merely referring to something that the Democratic Labour Party did in 1991 will save them from the wrath of the people when the time comes, they are making a serious mistake.

I have heard a lot of talk also about the 8 per cent cut. Government in its wisdom went to Parliament and made it illegal for the salaries of public servants to be cut. Again, that in itself is causing some problems for the Government in that even people who are sent on leave now for disciplinary reasons have to go on leave with full pay because you cannot cut their salary so that is causing the Government a bit of bother. We are hearing now of a proposed wage freeze. Even in the context of an increasing cost of living, the Government is proposing to freeze wages

because no less a person than the Prime Minister of Barbados himself has said that he will set the example by not seeking an increase in his salary. I think that was very honourable of the Prime Minister because when he was working for the salary of a Member of Parliament he found it extremely difficult to live off that salary, so I think it is very big-hearted of him to freeze the salary of the Prime Minister.

I am sure that the people who are working for \$150 a week would feel just as patriotic as the Prime Minister and would accept a wage freeze also, so they cannot cut salaries but they are going to talk about a wage freeze when Government is increasing taxes in every way. Taxes are being imposed and the cost of living is continually rising but yet they are recommending that people accept a wage freeze. That is tantamount to a wage cut because if your expenses are increasing and your wages are not moving, obviously there is a cut in salary, so that is just as bad as the 8 per cent cut or worse.

Mr. PRESIDENT: Senator McClean, you have two minutes in which to wind up.

SENATOR LeR. H. McCLEAN: Mr. President, Government needs to rethink its approach to the management of this economy. They cannot continue to give people the impression that things are going good on the one hand and on the other hand they are saying that they need to borrow money. I think it is about time that proper measures be put in place to ensure that the productive sectors in this country, agriculture, manufacturing, and tourism are functioning and not have measures that are merely there on paper, some of which people will never benefit from.

There are some measures that were proposed for years now for the agricultural sector but nobody has ever benefited from them. There is a \$2 million grant that was given to the Small Business Association but I think that only one business has so far been able to draw down from that loan, so you do not need measures that people cannot make use of. You need measures that will assist the people of Barbados to be able to survive the very difficult times that I believe are ahead.

If Government wants to convince us that there are difficult times, then we can afford certain measures but they cannot tell us on the one hand that things are so good and that we never had it so good, and on the other that things are going to be so bad down the road.

I thank you, Mr. President.
3.55 p.m.

SENATOR THE HON. Dame PATRICIA SYMMONDS: Mr. President, there are one or two statements that have been made that I should like to refute

before making some points. One I wish to stress is that before September 11, Prime Minister Arthur had warned the country that the global economy was slowing down and that we would have to make adjustments. In fact, it was slowing down in the United States of America, Japan, Asia, even Europe and the Caribbean and in the United States there had been repeated lowering of interest, eight times, whereas between 1995 and 2000 there had been strong growth.

When it comes to the talk about a sterilised account, the fact that it is not making money is irrelevant. What is important is that it will be there if you need it. If I can be so bold as to use an analogy that Senator Rickinson might appreciate, I think it is like having polio vaccine ready. It might be there for quite a while but the point is that in an outbreak it would be there. It has to be pointed out that the purpose of this Resolution is as a precautionary measure.

Then I heard Senator McClean make a strange statement about Government is able to borrow so it is borrowing. Government is not borrowing for the sake of borrowing. It is a most responsible Government and has proved itself to be so for the past seven years. You borrow when the economy is flourishing and you can obtain better terms. To go back historically, in 1991, the situation in which this country found itself was self-induced. This time, it is externally induced. In 1991, the Government went into massive deficit spending.

SENATOR LeR. H. McCLEAN: On a point of order, Mr. President. I wonder if there is any relation between the terrorist attack and the fact that there was a Gulf War going on in 1991, if that was not external also.

Mr. PRESIDENT: I am sure you do not wish me to accept that as a point of order.

SENATOR THE HON. Dame PATRICIA SYMMONDS: Mr. President, the Government of that day went into massive deficit spending to win an election. I seem to remember that they were even cautioned by Sir John Stanley Goddard who was a Member of this Honourable Chamber at that time.

Mr. President, I attended the National Consultation. I found it well organised, very effective and the holding of it characteristic of this Government where consultation and transparency are concerned. I repeat what some of my fellow Senators have said that our credit-rating is excellent, the terms under which we are obtaining this loan are favourable and I wish to remind Members of this Honourable Chamber too that Government is concerned about saving jobs. Therefore, this loan is prudent and indicative of prudent, far-sighted management, and I am very pleased to support this Resolution totally. I am much obliged to you.

Mr. PRESIDENT: Both Senator Kerrie Symmonds and Senator Odle have caught my eye. I will permit the new Senator to make his maiden speech and Senator Odle, you will speak after.

SENATOR K. D. SYMMONDS: I am obliged to you, Mr. President, and of course to Senator Odle for being so kind and so gracious.

Mr. President, Sir, there are two firsts in here today. I believe, the first speech of your humble servant and of course the first speech of my friend, Senator Mascoll in his capacity as President of the Democratic Labour Party speaking on the Floor of this Chamber.

Sir, I spent much of my time listening to both Senator Mascoll and Senator McClean with my hands clasped before me. I was almost in a position of prayer in the hope that I could pick some cogency and coherence from the speeches of those two honourable gentlemen. The fact of the matter is that one wishes to be as charitable as possible, but while it is obviously clear that Senator Mascoll wanted to spend much of his time without necessarily making contact with the Resolution before us, one still has, for the benefit of the record and for the clarification of certain fundamental issues that were raised, to spend a little time responding to one or two comments that Senator Mascoll would have made.

It does not make sense, Sir, with the best wishes in the world and the utmost respect to the Senator, that one cites a statement from the then Leader of the Opposition, the now Rt. Honourable Prime Minister of Barbados to the effect that he would not have wanted to benefit from advice from the Democratic Labour Party some time in 1994 or before that and seek to use that as an explanation for not showing up at a national consultation of a private and public sector nature on the economy of Barbados. It is not a question of Senator Mascoll or Senator McClean or any other Member on that Side lending any support to a governmental initiative. It is more fundamentally a question of Senator Mascoll and McClean and other Members on that Side not having recognised that it was a matter of national priority and national significance.

I go further, Sir. It needs to be said on the Floor of this Chamber that the idea of such a consultation did not come about two days before the date of the Consultation on September 28. If my memory serves me correctly, a formal invitation may have arrived two days before and I do not know when Honourable Senators received theirs, but I distinctly recall that the Right Honourable Prime Minister of Barbados made it abundantly clear on more than one occasion from public platforms in St. Thomas during the by-election in that constituency after September 11 that he not

only intended to go that route but he hoped that all Members on Both Sides would make every effort to participate.
4.05 p.m.

SENATOR L. R. H. McCLEAN: Mr. President, on a point of order. I do not go to the Barbados Labour Party meetings so I would not hear that....

Mr. PRESIDENT: Senator McClean, you are out of order.

SENATOR K. D. SYMMONDS: Sir, a matter of national significance does not require Honourable Senators with a casual interest in the well-being of Barbados to have an invitation. It did not require that, for several other persons there to attend in an observatory capacity. I would venture to suggest that the Litmus Test in this matter is to see whether or not the time of that consultation conflicted in a material way, in a four-horse race, as it were, for power within the Opposition Party. Sir, I am suggesting that the conflict of interest was so sharp and so material that Honourable Senators could not find the time to disengage themselves from battle to do the business of the people. I think that is the larger point, Sir.

Sir, if I could go to the Resolution and to Senator McClean's contribution to the Resolution I would want to make that the global...

Aside.

SENATOR K. D. SYMMONDS: Sir, I would like you to shield me from Senator McClean.

Mr. PRESIDENT: Senator, I just wish to say to you that the old rule used to be that maiden speeches were supposed to be unprovocative. The old rule also said that new Members should not be interrupted. It seems to me that you have changed the old rules but you are not in breach of our Standing Orders and I would permit you to continue.

SENATOR K. D. SYMMONDS: Sir, events of September 11 created for the first time in human history one of the most rapid deep convulsions in the global economic system that we have ever seen before. Sir, it would be correct to say that the entire global economy reeled as a result of September 11. We awoke on the morning of September 11 to one world and went to bed that night in another world.

Sir, Senator Mascoll continues to make the point that the economy of Barbados was in decline before September 11 and I think we have to start by understanding the context in which he is speaking because at the end of the day Barbados recorded seven consecutive years of economic growth. The first quarter of this year unquestionably

continued that exercise. There has not only been a decline in the domestic economy but there has been a decline in the economy of the United States of America and in the Japanese economy. Only as recently as yesterday, the Chairman of the Federal Reserve Bank indicated that the economy of the United States of America was in recession. There has been a collapse of Argentina's economy and Brazil likewise, and Barbados cannot be treated as being disengaged from what is taking place in the rest of the world.

Against that backdrop, we transport ourselves to what this Resolution is about. This Resolution is seeking, as an exercise in prudence and foresight, to protect Barbados and insulate it to some extent against the potential of future and further external shock.

To respond to Senator Sir John Stanley Goddard, I think there is an abundance of caution. I do not believe, however, that there is a superabundance of caution but it is an exercise of good judgment and good sense. Sir, the national public and private sector consultation was one step in such prudence and judgement.

When the Consultation was convened on September 28, Members of both the public and private sectors were invited. It has been said on the Floor of this Chamber that nobody invited the Opposition to speak but members of the public and private sectors had the opportunity to make contributions without having been invited. The Floor had been opened for a considerable period of time and people made stimulating submissions.

Sir, before the United Kingdom was in a position to hold a similar consultation, Barbados had already held one and had moved with alacrity towards having an emergency council in place to deal with the recovery of our economy. Sir, before the State of New York, where the genesis of much of this took place, was able to hold consultations, Barbados had taken swift and decisive action. Sir, Honourable Senators should not criticise the Government for acting decisively in the interest of the protection of the economic well-being of Barbados.

Sir, a further precaution was the establishment of the 90-day macro-economic plan. Again, I suspect that some Honourable Senators have not thoroughly read the document and *sotto voce* remarks will suggest that. When Honourable Senators make reference to 90-day plans, they are clearly selectively picking out a paragraph without reading the document in its totality.

Sir, on page 8, paragraph 5 it says that while the macro-economic plan contemplated only a 90-day period at the outset, a medium to long-term plan for the economy will be evolved. It, therefore, suggests to me that we are in the initial stages of a more thoroughly implemented exercise.

It falls easy for us today on November 28 to say that it cannot happen in 90 days, but on September 28, we did not know what measure of success may or may not have been reached in the battle in Afghanistan. We do not know to what extent the exercise in Afghanistan will be successful in fighting the Al-Qaida network. It has been suggested here, by way of *sotto voce* remarks, that it has nothing to do with Barbados. The reality is that the exercise of the macro-economic plan, the creation of the Emergency Economic Council and the public/private sector consultation are certain and multiple steps taken to protect the economy of Barbados against the repercussions of September 11.

Sir, Senator Sir John Stanley Goddard made a very useful comment. We need to look at the context in which this loan is sought. Four hundred and fifty thousand jobs were lost in the United States of America in the month of October alone. In excess of 1 000 jobs were lost in the airline industry internationally between September 11, and the end of October. It is correct to say that within two weeks of September 11 the tourist industries of Jamaica, the Cayman Islands and the Bahamas were in turmoil.
4.15 p.m.

Sir, because we are fortunate to have a more mixed base and we do not depend as heavily, as they do, on the United States of America for an influx of tourists, means that we have not been hit as hard. There is no guarantee that the confidence in the air travel industry will be resuscitated to the extent that we will not need something to shore up the shortfall of foreign exchange revenue earnings and income that we could have, perhaps, previously have been relying on.

Sir, it is not something that you come to the public and say. I think this is the point that Senator Rickinson is making. I will agree with her to the extent that it is something that you do. You do not move from the year 2000, where your tourism receipts between May and July were at the highest ever, to a situation where you are saying this is a crisis situation.

The reality is, it does not fall within the knowledge of any of us in this Honourable Chamber, in the Other Place or outside of this Chamber, to know to what extent there will be a return to confidence in some of the fundamental sectors which have been impacted as a result of what has expired on September 11. That is not, by any stretch of the imagination, a light point.

Sir, it has been said that the youth are blessed because they inherited the national debt. Therefore, this is for So and So's daughter and So and So's granddaughter to repay. The blessing on the youth of Barbados and generations to come is found in the prudence, vision and the sound judgement

which bring a Government to the table, and hand in hand with the private sector who deliberate upon this exercise.

Mr. President, I want to make the point that was never agreed upon. The sum of money that we would borrow. I distinctly remember when Mr. Belle was at that consultation and he spoke extensively about the sound reputation that Barbados has on the international market today, and the private sector of Barbados was in total agreement, not only with the views expressed by Mr. Belle, but when the Prime Minister of Barbados suggested if it was a good time for us to take into consideration possible options of going to the market and he suggested that there was absolutely nothing improper about that.

Sir, there has to be something wrong with an effort to come to this Chamber and treat the exercise as a flippant and off-the-cuff exercise. I would say that the significance of this is that we are dealing with responsible governance. The Resolution is a part of what might be called loosely "a stimulatory booster shot for the economy." It comprises monetary measures aimed at providing cheaper finance for business enterprises. Most importantly, there is a commitment out of this exercise to have continued activity in the economy, fuelled by the capital works programme of Government.

Mr. President, there is the precautionary visit to the market – the activity of the capital works programme. Senator Mascoll has found fault with supermarkets and hotels. Sir, his advice as President of the Democratic Labour Party is that you should sell off hotels in Barbados if you own them. He has found fault with multiple sectors. The reality is, if you are looking at the totality of the package you cannot come here...

SENATOR C. A. MASCOLL: Mr. President, on a point of order. I am very delighted that Senator Symmonds is now able to use this stage as his platform when he never thought it should exist. Let me say that I never said that you should sell off all the supermarkets in Barbados. I said that the black major supermarket chain that is in trouble may see its property more valuable as real estate than as a supermarket entity. Mr. President, that is what I said.

SENATOR K. D. SYMMONDS: Sir, the reality is, that when one is speaking about this Resolution, one is speaking in the context of a series of initiatives. However Honourable Members on that Side may feel we cannot get away from the reality that this series of initiatives, many of which have already, in part, been implemented, rely also on a certain inability on the part of human beings to know exactly what the outcome of the situation facing the global economic arena today will be. There is no way that we can know with certainty what the outcome will be.

Senator Phillip Goddard has said, and said quite rightly, Sir, that there is a very real possibility that similar types of actions are being contemplated in Libya. He said that there are other parts of the world where similar types of action are being contemplated, Iraq among them. It is also true to say that it is better, in the event that we need to go now when the interest rate is only at 7 per cent than to go when the market has so contracted and when things are more difficult, that Barbados may find itself paying an interest rate which is twice the amount.

SENATOR C. A. MASCOLL: Mr. President, on a point of order. I wish to suggest that the interest rate on this loan is not a fixed interest rate. I am saying that the Senator is misleading the Senate because he is suggesting that the 7.375 per cent is an interest rate that will remain over the entire life of this loan and that is not true. It is not true that this interest rate is fixed. If interest rates go up around the world, the LIBOR rate would go up and this would not remain a 7.375 per cent rate.

SENATOR K. D. SYMMONDS: Mr. President, Senator Mascoll must be aware that the cost of capital today is comparatively low and will stay so in all likelihood, if the events taking place in Afghanistan continue and if they are then followed by the sequelae of similar events in other jurisdictions. The cost of accessing capital will increase. Sir, that is the point I am making. Therefore, if we are in a position to capitalise, even if the interest rate goes up, it is better for us to access today and begin, if you want to put it that way, at 7 per cent than to start at 14 per cent, as has happened in Barbados before with a similar bullet loan. 4.25 p.m.

Sir, I will want to say that I do not believe, in all honesty, that in spite of his tone, Senator Mascoll genuinely has a death wish for the economy of Barbados. I honestly would want to believe there is somewhere over there an appreciation of the urgency for taking this type of action and the ability to understanding that the action does not just constitute going for the loan itself but that above and beyond just going for the loan it involves a number of other steps to which I have already alluded. Many of those stages, some of which we have gone through and still have to go through, are all intended to collectively operate and redound to the benefit of the economy of Barbados and to the well-being of Barbados. Sir, with those few words, I would urge that this Resolution be supported.

Mr. PRESIDENT: Senator Odle.

SENATOR Miss J. C. ODLE: Thank you, Mr. President. This debate is a very serious and important one of some magnitude to Barbados' success in weathering any storm.

Sir, I would want to start my presentation this evening by reading from the Book that was given to each and every one of us in here today and that is the Holy Bible. I want to thank the organization that felt it necessary to ensure that those of us who did not have a Bible already will have one today in this Senate. Sir, I want to read from the Book of Matthew, chapter 25, verses 3 and 4 in speaking to this Resolution which seeks the approval to borrow money up to the tune of US \$150 million as a precautionary measure.

"Those who were foolish took their lamps and took no oil with them, but the wise took oil in their vessels with their lamps..."

Mr. President, I am not using this verse trivially, but I would want to suggest that this Book guides us through everything.

Mr. President, when we speak of a precautionary measure that is exactly what we are dealing with, ensuring that the future, of which we know not what it holds with respect to the issues that have gone on before terrorist acts, *et cetera*, we do not have any conclusive idea what impact that is likely to have on Barbados. We already know that one thing is certain that is, if we do not make provision for any change and shift in this economy, it is certain that we would be back to the issues of 1991 and 1992, which the Senator did not want us to allude to, where he wanted to know what does that have to do with today. But, Sir, history is always relevant and so we must be prepared.

Therefore, in speaking to this Resolution and I am speaking to it in full support contrary to the Members on the Other Side, some of whom said that they are not going to support it. I would wish them to reconsider that position because, if as the Good Book says, we do not have oil in our lamps, when the Redeemer comes, we will not be ready.

Sir, among the things that have been said today from Both Sides, including Independent Senators – I know that much has been said that speaks to the need to carry out the exercise in which we are engaged. I want specifically to speak to the area of the original thinking, the 90-day cautionary period which is the interim measure.

Senator Symmonds who spoke before, spoke in a wider measure that there would be a long-term plan, *et cetera*. One of the issues coming into the 90-day cautionary period is the replacement on taxes to the tune of 60 per cent duty protection to safeguard, in particular, our manufacturing and agricultural sectors. The Leader of Government Business for the day already spoke of the items that would be protected by this measure.

Mr. President, the whole issue of creating this 60 per cent on extra-regional goods is a direct initiative to protect

the locally manufactured goods. In saying this, it speaks to a great degree of nationalism on the part of this Administration and to a level of nationalism that must be burning in our bosoms if we believe and want Barbados to survive through these times that are ahead. None of us here knows what times lie ahead, because none of us has created it and none of us has the answer to life's problems. Sir, I believe that that nationalism must burn very deep within our bosoms and in burning deep we want to ensure that we take the initiative in this Resolution and vote for it.

Mr. President, without this, if serious, stringent measures come into force in the international market, we are going to go steadily downhill. Dame Patricia has already spoken about the security of jobs, *et cetera*. I am a small business person. I know in the past what I had to do to survive. I know what I had to do to ensure that my staff survived those trying economic times. Sir, we stand ready to accept that Barbados is best poised at this time in taking these initiatives and is forward thinking and proactive to ensure that we can weather any storms whatsoever. There are calls from importers of foreign items such as clothing, *et cetera*. While I sympathise with them, on the other hand I urge them to give favourable consideration to offering for sale more locally manufactured garments, in particular, in their stores, shops or boutiques.

In years gone by when Trinidad and Tobago had stringent measures when their oil became almost non-existent, there was the upsurge of tremendous quality, variety, choice, *et cetera*, with respect to locally manufactured garments and other items. Sir, still a significant number of years later, they are able to develop into a strong player in the regional and extra-regional marketplace with items of that sort and, therefore, I urge those persons with that type of business to look seriously at doing that. I also want to urge those who are manufacturing such items in Barbados to pay special attention to the quality they are presenting.

Sir, as part of the 90-day cautionary period, this Government is ensuring that enterprises are currently receiving technical assistance, particularly in meeting the ISO 900 and the HACCP standards from the funds previously allocated and spoken of by the Minister of Finance in the Other Place, therefore, Sir, the provisions are there. This debate as did the debate of the Other Place, will hopefully expose measures that are available for the taking by manufacturers and other persons in Barbados.

I want to focus on the manufacturing sector and on the sale of the manufactured item, the small business sector comes squarely into one of the initiatives for the initial 90-day period.

Mr. President, I am speaking from the document of which we all have had copies before. If Members have not, I should perhaps suggest that whoever delivers them should make sure that they get them when they should, or perhaps persons should have been at the National Consultation on the Economy, because we all would have had provision if we were conscious of what was going on. Sir, I am speaking on the National Emergency and Economic Programme, and the small business sector consists of a whole range of businesses involved: tourism, manufacture, agriculture, to ensuring:

- (a) Better access to and conditions for the Small Business Sector to existing guarantee schemes.
- (b) Recapitalization of the Fund Access and other technical assistance funds to meet the needs of small business. We know that is not a new enterprise but has now been created to give some assistance to business needing that kind of assistance.
- (c) There is a commitment on the part of this Administration to improve the speed of payment by Government for goods and services.

Sir, that is crucial because small businesses need whatever monies they have generated by goods or services to ensure that they can survive from month to month in many instances, because at the end of the month an employer cannot tell his employees that he cannot pay them their salaries or wages. I am delighted that it has come at this time to ensure that the payment of goods and services from Government will be paid in a timely fashion.

4.35 p.m.

Sir, cash flow is what can carry businesses or close businesses.

A similar thing would be the VAT refund that will be due, and the Minister of Finance already spoke to that in the Other Place. Sir, much has been said and I feel so strongly that I almost did not rise to speak, but when I can hear people make comments that they are not voting for this, as is their right in this Chamber, I want to refer again to nationalism and put partisanship one side, if indeed it is partisanship that is causing that sort of feeling.

I believe that explanations have been wide and I will hope that questions that were not answered before, perhaps have been answered now for those who had questions and doubts.

Mr. President, in making the cautionary measures, I would want to use a simple analogy. When a hurricane is eminent, we are advised to stock up with canned goods, oil, candles, *et cetera* because we are uncertain whether or not

the hurricane will hit us. If it hits, then we are prepared if we have taken the precautions. If we have not prepared and it hits, then what, Sir? There are individuals in Barbados and the Caribbean who quarrel every time the Met Office gives us warning and they do not make preparations. Those that do prepare sometimes shortsightedly complain about what they have spent but, Sir, preparations do not go to waste. I would want to suggest that we should take the precautionary measures, regardless of the size.

Those of us who have households to manage, you have to consider it in such terms. Barbados is a developing State. It is not a piggy bank and it will not be dealing with piggy bank money. It takes money to run a country. Similarly, in dealing with our households, we have to determine what sources we are going to use to ensure that we are secure in the event of any challenge or uncertainty.

Similarly, in business. Those of us who are business persons will know that when there is a sale on an item that you use often, and it is at a good price, you stock up because the price will not always be the same. Senator Symmonds spoke to that.

In terms of securing the loan, the fact that we could get it at a good rate is not accidental. We are able to get it at that rate because of Barbados' history with the repayment of loans in the past. Therefore, I would want to make the suggestion that precaution, whether it is for a hurricane, whether it is about a business, in terms that you put aside something "for a rainy day"; not my words, but words used by the Senator Rickinson...

Aside.

SENATOR Miss J. C. ODLE: I do not see "rainy day" written down anywhere in this document, incidentally, but I would want to suggest that in making this Resolution and bringing it before this Honourable Chamber, Sir, it speaks to the prudent management, the foresight and braveness that this Administration has to ensure that at the end of the day, all of us in this Chamber, every boy and girl, man and woman, whether on the street corner or otherwise, can rest assured and be comfortable that this Administration is managing their affairs in a transparent manner.

Sir, I am sure our Administration could get money from somewhere but no, we have brought it transparently before these Chambers to ensure that the legislators of Barbados have an input in determining Barbados' future.

Mr. President, there is not much more to be said other than that this is no guess work. This is proper planning by an Administration that cares and by an Administration that once again has been given the mandate by the people of Barbados. We could not have won the victory in St. Thomas

in the by-election if the people did not believe we were doing the right things today. You cannot satisfy everybody on all issues but one thing is certain, as Senator McClean on the Other Side, suggested, that we were being questioned and watched and of course, Governments must be watched. People have the right to watch. They also have the opportunity to state their case and say how they feel. The people of Barbados believe that this Owen Arthur Administration, the Administration of the Barbados Labour Party, is poised to carry us towards a secure future.

This measure is one such initiative and I urge each Senator to vote resoundingly in its favour.

Thank you, Sir.

SENATOR C. K. LAURIE: Mr. President, first of all I have seen a lot of Senators quoting from the National Emergency Economic and Financial Programme by the Ministry of Economic Development. Is this a document of the Senate and was it laid in the Senate?

Mr. PRESIDENT: Could the Clerk confirm that this has been laid?

CLERK: It has been laid.

SENATOR C. K. LAURIE: In the Other Place? Sir, some Senators only saw it this morning and that is why I wanted to find out.

Mr. PRESIDENT: I am advised that it was laid in this Senate and if in fact it has not been laid, that does not invalidate the document.

SENATOR C. K. LAURIE: Thank you. Well in that case then, I would just like to revert to a couple of items that are in this document.

A lot of the items that came out of the August presentation of the Budget are also in here for these emergencies. It assumes that you are going to be able to implement these measures and some of them have 90 days.

One other reference was made by another Senator that the Civil Service will not be able to implement these measures in 90 days. The \$1.7 million provision for agriculture was actually passed in the Estimates in here before the August meeting. As at the end of July, I think, like half way through the financial year, they had spent about \$400 000. The previous year they had \$1.7 million and they spent less than \$1 million.

Sir, we come in here and make these provisions and say that we are going to help these people, but if the Civil

Service is there and they are not made to implement these things, then what is the point? Where do the farmers stand?

After I had raised this with the Ministry of Agriculture, they did appoint a special department to deal with incentives, but I still believe it is way behind. They claimed that they are not going to be able to implement it because the Ministry of Finance said to them that if you give the farmer the wrong amount of incentives, you will get locked up. Sir, they are saying that in that case, they have to make sure that every incentive they grant has to be given according to the qualifications of the person.

This to some extent is ridiculous. Somebody has a rebate of \$50 on a sprayer or something like that, they have to send a man to a farm to check to see whether the sprayer is spraying crops that cannot be sprayed and all of that sort of thing.

Even though the man goes with the bill and presents this thing, it is not simple. Then even after they approve it, it then has to go to the financial section of the Ministry where they make out a cheque. That can take weeks and months and sometimes even a year. This business of granting all these things, if we do not have some way of making the civil servants comply with the political will, we are always going to have a problem.

Mr. PRESIDENT: Senator Laurie, you have ample time to speak to the substantive Resolution if you so wish.

SENATOR C. K. LAURIE: That is not my interest. Everybody was speaking on this one.

SENATOR the Rev. L. W. B. ROCK: Mr. President, I am sure that the organisations responsible for the presentation of the Holy Bible to the Senate would be very pleased with the way in which it was used today.

However, I would issue a word of caution to say that while Senator Odle certainly borrowed from one of the passages in the New Testament, I could easily have gone to the Old Testament and made reference to a passage which discourages borrowing and usury, so one must be careful how one uses the Scriptures.

Asides.

SENATOR the Rev. L. W. B. ROCK: I would like first of all to make reference to this document and to say in response to a remark made by Senator Symmonds that Senators should have read the document thoroughly and they would have understood it. I only received this document this morning and therefore I would not have had the opportunity to read the document thoroughly.

4.45 p.m.

I take this opportunity to suggest that if we could possibly receive some of the documents which were laid in the Chamber earlier it would provide us the opportunity to study and do the required research which then would enable us to make the sort of contribution we would want to make in this August Chamber.

I myself am a bit uncomfortable with the high level of borrowing by the Government of this country. Be that as it may, I can well appreciate it and, therefore, it is for that reason that I want to lend my support to the matter that is under discussion.

The burden of the case that the Government has presented seems to me to be one which is based for the most part on the availability of money at lower interest rates at this time. While I am sure we would all agree that grasping an opportunity such as presents itself at this time is wise and prudent, for me the strength of the argument that convinces me is the precautionary measure which Government is taking in the event of a disaster across the world. I would like to take the opportunity to commend the Government for the measures adopted and put in place in the event of such a disaster. Certainly, it takes a wise, good and responsible government to look to the future and try to anticipate and take measures that would avoid a disaster in the economy of our country.

I want also to say that sometimes a crisis provides also an opportunity. What we are saying is that this crisis, which faces this country and the world because of the events of September 11, can become for us in this country an opportunity where it appears the Government is seeking to embrace and an opportunity with the emphasis on the buy local programme. I would say also that it can be an opportunity whereby we can try to help the people of this nation to appreciate the measures that are taken but also to commit each individual to take responsibility and to play their part in cooperation and collaboration with the efforts Government is making.

There is an opportunity for several sectors of the economy to be strengthened. I believe that it is this emphasising of the opportunities that are before us that can redound to the benefit of our country at this time and to the response of people to become much more deeply committed at whatever they are doing.

It is in this light that I want to support the Resolution that is before us and to compliment the Government for the steps they have taken, and also to encourage the Government to use this as an opportunity whereby they reach out and challenge all the people of this nation to a deeper commitment and personal responsibility so that we can meet whatever challenges are before us.

I, therefore, would like to give my support to the Resolution this afternoon.

SENATOR THE HON. G. S. H. MURRAY: Mr. President, at the conclusion of this debate, I would like to thank all Honourable Senators for their contributions. Some were outstanding but each one I think was interesting and provocative in several ways.

I also want to thank Senator Rock for his very positive outlook and support and for the different tone he has brought to the debate. I am wondering if it probably has something to do with his long and frequent association with the Bible and, therefore, if that is so, I think that if Members make good use of the Book that has been presented to them today, we might see a whole change in the behaviour and culture of the Senators. I am just hoping for that, Sir.

Sir, there are a number of issues which were raised by some Senators which I would like to deal with very quickly. One has to do with Sir John Stanley Goddard who was basically wondering whether all that could be said have been said about the state of the Barbadian economy. I want to assure him that there has been no secret deal about this issue. These recommendations have been arrived at in a full public forum of a group of people who were all exposed to the same information and reading from the same document, so nothing was hidden.

SENATOR Sir JOHN STANLEY GODDARD: On a point of order. I was not suggesting in any way that there was anything underhand, sinister or devious. I was only wondering whether the Government's assessment of the situation in the future had been shared with the public.

I thank you, Sir.

SENATOR THE HON. G. S. H. MURRAY: I am reassured by that Senator Sir John Stanley Goddard, and thank him for clarifying it for me.

Senator Rickinson raised a number of issues particularly one having to deal with the question of the sterilised account, and I thought I would get some information as to what obtains. My information, Sir, is that a sterilised account is an account which is held by the Central Bank of Barbados and that money is invested by the Central Bank in Treasury Bonds in prestigious and highly-rated institutions like the World Bank and the International Monetary Fund (IMF). So it is a very carefully selected set of investments and there is no risk of exchange loss because it is all handled in US currency.

SENATOR C. A. MASCOLL: On a point of order. While I appreciate the explanation provided by the Senator,

it would make no sense to borrow money and put it on a deposit...

Mr. PRESIDENT: Senator, you have made your speech.

SENATOR C. A. MASCOLL: It is not a speech, Sir, I am simply suggesting that what Senator Murray is saying does not explain the reality.

Mr. PRESIDENT: You are not suggesting that he is misleading the Senate.

SENATOR C. A. MASCOLL: I am suggesting that.

Mr. PRESIDENT: Senator Murray, please continue, I do not accept that that is a point of order, please proceed.

SENATOR THE HON. G. S. H. MURRAY: This loan would be invested in those areas I mentioned in a carefully selected way and nobody can say, therefore, what the returns will be when it is invested in the future. But obviously the Central Bank, as the leading institution of that nature in Barbados, will look for the best possible deal for Barbados at all times and they will, therefore, choose investments which are not at risk.

Anyhow, Sir, the Opposition has been quite busy trying to excuse and extricate themselves from the question of not participating in the National Consultation when they were invited even to the point where they were challenging the Public Service to get so much work done in a short space of time. What Senator Mascoll and Senator McClean are overlooking in this instance is that they have no appreciation of what patriotism and nationalism do for people.
4.55 p.m.

The amount of work that was done by the public servants and other officials involved in preparing for the consultation, the beginning of implementation work on the loan, *et cetera*, was phenomenal in a very short period of time if only because they were all driven by the highest possible motives, love for Barbados and love for their nation and country – perhaps that is strange to them – and therefore they would have done whatever it took them to do, because when there is an emergency and your neighbour's house is on fire, you do not wait to get invited to help put out the fire. You run to add your support to the fire fighting effort.

In the same way, if Barbados had been attacked, or was in danger by some persons trying to invade the country, I do not think that true-loving Barbadians would wait to be invited to do whatever it is to help protect it. They would rally to the cause instinctively because this is what is expected of them, and that is what had been expected of the

DLP but I see Dominica is obviously more attractive for whatever reason.

Sir, as to the land for the landless farmers and the inability to sell them in 90 days, if the document is carefully read you will see it talks about "allocated to" and not "sold to". So allocation does not involve the same legal documentation, searches, conveyances, *et cetera*. It is a different process altogether. They will be "allocated to" because the lands are owned by Government or by private persons who are making them available for this cause. That, again, Sir, is nothing to worry about.

There was also a question raised about the interest rate. Every document deals with it, even the Addendum to the Resolution talks about the interest rate of 7.375 per cent. There is no indication at all of any floating interest rate or whatever. I do not understand this trying to raise bogeymen for no reason at all.

On the question of Barbados' borrowing, I know there has been some concern raised about the "high level of borrowing" but I think that one has to understand that all Barbados Governments have been generally prudent in their borrowings because Barbados' record is not only based on what obtained in the last seven years but the fact that we have never defaulted on a loan or we have never had to reschedule debt. This Government, Sir, has no intention of deviating from that well-established and highly respected and responsible policy.

As to Senator Laurie's doubt as to the ability of the Civil Service to affect these measures in 90 days, I would just like to point out to him that what he might consider as frustrating, bothersome and a nuisance by the Civil Service or the procedure which you might even call bureaucratic, whether it is \$50 or \$50 000, where the public purse is concerned there are procedures which are meant to protect the public purse, even \$50.

We have had instances, Sir, where persons have wanted duty-free vehicles to use as farmers having been known to register as farmers, but when we investigated they were not farmers. The point is that they would not have been granted the concession. It is not that the civil servant is being deliberately wicked, tardy or recalcitrant but simply that where the taxpayers of Barbados' money is concerned, every step is meant to protect no matter how minuscule the sum and the same thing obtains in this measure, Sir.

Sir, I think it was a good debate, as I said, and I want to thank all Members for their support and I beg to move that this Resolution do now pass.

DIVISION

A division was called for.

The question that the Resolution do now pass was put and resolved in the affirmative, the Senate dividing as follows:

Ayes: Senator the Hon. G. S. H. Murray, Senator T. E. Barker, Senator P. C. Goddard, Senator the Hon. Dame Patricia Symmonds, Senator Miss J. C. Odle, Senator K. D. Symmonds, Senator J. E. D. Williams, Senator D. L. Haynes, Senator Sir John Stanley Goddard, Senator Mrs. V. E. Newton, Senator B. R. Collymore, Senator the Rev. L. W. B. Rock, Senator C. K. Laurie – 13.

Noes: Senator C. A. Mascoll, Senator LeR. H. McClean, Senator Mrs. P. E. Rickinson – 3.

SUSPENSION OF SITTING

SENATOR THE HON. G. S. H. MURRAY: Mr. President, I beg to move that this Sitting be suspended until 5.25 p.m. today.

The question that the Sitting be now suspended until 5.25 p.m. today was put to the Senate and agreed to, and Mr. PRESIDENT suspended the Sitting accordingly. 5.04 p.m.

RESUMPTION

Mr. PRESIDENT: This Senate is resumed.

ORDER NO. 2 – RESOLUTION TO APPROVE THE
COMPULSORY ACQUISITION OF LAND AT
MAXWELL FOR THE PURPOSES OF THE
PROVISION OF ACCESS TO BEACH
AND PUBLIC PARKING FACILITIES

SENATOR THE HON. G. S. H. MURRAY: Mr. President, this Resolution seeks the Senate's permission for Government to compulsorily acquire two parcels of land at Maxwell, Christ Church. In the first instance, 496.5 square metres of land are to be used to provide access to the beach and another 1 310.5 square metres of land will be used to provide public parking facilities.

Sir, this move by Government arises out of a concern both by Government and persons in the society over the fact that we must always be ready to guard our patrimony to ensure that persons have ready access to the beach around the coast of the island. This had been instituted in the late 50s and 60s but we know it is still challenged by various persons for various reasons. We were particularly concerned that from the Garrison Hill to Oistins, there is scarcely any

beach access between these points especially between the then Hilton and St. Lawrence Gap and Government decided that in the interest of the society it is desirable to open up access to the beach. One such area is at Maxwell Park which is a parcel of land to the east of San Remo Hotel and the other parcel is across the road from the northern side of Highway 7, east of the late Dr. Ward's residence to be used for public parking facilities. We realise that if you are going to provide an access to the beach it will attract persons who are pedestrians as well as persons who require parking who can go and enjoy the beach, which is one of Barbados' biggest assets in a very meaningful manner.

Government is also looking at acquiring land opposite St. Matthias Gap on Highway 7 – this also falls into the area between the Garrison and Oistins – in order to provide beach access. This is all part of Government's intention to make sure that the public has access to the beach. There is another area in Christ Church where a proper beach facility will be provided with benches, where people can change their clothes, have picnics and other activities which do not currently obtain there.

I beg to move that this Resolution do now pass.

SENATOR K. D. SYMMONDS: Mr. President, I rise to associate myself with this Resolution. The Honourable Senator in his remarks made reference to guarding our patrimony. Perhaps, we should always seek to place the exercise that Government is attempting to embark upon, the compulsory acquisition of land for construction of a beach facility and parking for the public of Barbados within its correct philosophical context.

Sir, it finds its genesis in a socialist type of conviction which says that in relation to a man's labour, that man is often alienated from the products of labour, finding himself in a situation where he has to purchase goods and services. In the context of goods and services, we have to deal with the whole question of recreation and recreational facilities.

We, therefore, must treat the matter of access to a recreational facility not only for Christ Church but for people of other parts of Barbados like Brandons Beach in St. Michael, Paynes Bay in St. James...

Mr. PRESIDENT: Senator, before you stray too far, I want to remind you that this Resolution deals with land at Maxwell.

SENATOR K. D. SYMMONDS: Sir, I am very mindful of that. I will not go all around Barbados. I will simply make passing reference to these places.

Sir, the point I was making was the philosophical need to look after the fundamental needs of man, like food,

clothing and shelter and I include access to recreation among those things.

Sir, beach access is one of the most fundamental things that we in the Caribbean have to offer our people in terms of our national assets and they must, Sir, in my respectful submission, be protected for generations now and generations to come. This is a proposition that almost has universal acceptance.

It is within the memory of all of us in this Honourable Chamber that within the archipelago of the Caribbean, there are some countries which have had to fight because their Governments did not act with sufficient haste or vision to protect that valuable national asset, beach front access. Sir, Jamaica and other Caribbean countries have been slow to recognise the social implications of that problem.

The concept of beach front access being lost is a situation about which we have to be careful. It has been lost in those jurisdictions to big hotels and in favour of so-called foreign investment and sometimes Caribbean countries pay a high price to attract visitors.

I wholeheartedly support the context in which the Honourable Minister commenced his remarks about protecting our patrimony because an exercise of this nature is essential towards protecting our patrimony.

Sir, I make the point that it is only the beginning because the vision of the Government must be that similar types of car parks and public facilities will be extended across Barbados.

Sir, this exercise debunks the myth that Government does not treat with sensitivity the matter of ensuring that Barbadians have access to the beach front. It is a myth that has been put abroad and it must be nipped in the bud. Very often people get engaged in contentious arguments and we, as a community who enjoy the beach, divide ourselves and do not want our brothers and sisters to have access to the beach.

Sir, I respectfully submit that this is nonsense, that the test in such a debate is to look at what is implemented by Government.
5.30 p.m.

Sir, we cannot turn a blind eye to the fact that out of the access to the beach also comes the spin-off effect of more people and, therefore, more entrepreneurial activity for the small man in Barbados. I want to say that there is a certain farsightedness and vision attached to this.

We must not forget that Christ Church has, in part, been represented by heavyweights on the Opposite Side,

some of whom reached the high office of Attorney-General, industrial labour bosses, heavyweight politicians whom you would expect would have had the vision and the incisiveness of this kind of bold and necessary initiative. It is a sad report and I find no pleasure in reporting that it was not done.

It is, therefore, necessary for Government to take this kind of step because when others are prepared to sit and do nothing to protect and guard the patrimony of this country, it is necessary for someone to act and act decisively. I look forward to seeing similar initiatives like this on the beaches around St. Michael and the West Coast. I long to hear the voice of the Opposition in support of this worthwhile cause.

Sir, with those words I would ask that Honourable Senators give their wholehearted support to this Bill.

I thank you.

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

ORDER NO. 3 – A RESOLUTION TO APPROVE THE
COMPULSORY ACQUISITION OF LAND AT
MOUNT TABOR, ST. JOHN TO THE
MORAVIAN CHURCH, BARBADOS
CONFERENCE

SENATOR THE HON. G. S. H. MURRAY: Mr. President, this Resolution is intended to authorise the sale to the Moravian Church of Barbados of 3 878.5 square metres of Crown land at Mount Tabor, St. John to be sold at the price of \$7 500 per acre, along with returning to the Church free of cost the old Mount Tabor School building, so as to allow the Church to facilitate its community outreach programme.

Sir, the history of this is that back in 1981, Government had acquired 13 040 square metres of land along with two buildings thereon at Mount Tabor, St. John from the Moravian Church, Barbados Conference, for the purpose of constructing a new primary school. However, some time after the acquisition had taken place, it was discovered that only 50 per cent of the land acquired was needed for the construction of the new school. The remaining area which measures some 3 878.5 square metres comprising of a vacant area was under bush and the old school building was not used for the project. Therefore, the Moravian Church had been requesting Government to sell back to them the residual land to allow them to repossess the land to continue their community outreach programme.

The old school building, I understand, is used heavily by the youth group for indoor games and the Moravian Church is intent on enhancing that programme. Government is supportive of the idea, a deficiency having been

discovered, that we should seek to redress the situation. Hence, Government's decision to seek Parliament's approval for the sale to the Moravian Church of 3 878.5 square metres and the returning of the old Mount Tabor School building, free of cost, to the Church to allow it to carry out its outreach programme in a comprehensive manner.

Sir, I beg to move that this Resolution do now pass.

SENATOR LeR. H. McCLEAN: Mr. President, I would like to say a few words on this measure since I am familiar with the location. Given the contribution that the Moravian Church has made to education and the general development of this country, I really would have hoped that Government would have seen it possible to give the Church the land, considering that the school building which was used for many years was owned by the Church and that, in most cases, when Government has completed the use of those buildings, not much attention is paid to them and they generally fall into a state of disrepair.

I am sure that the Moravian Church would have to spend a bit of money to do some repairs to the building. It would have been a positive gesture on the part of Government if they had seen it fit to simply find some means of transferring the land back to the Church without the Church having to incur the cost of paying for it.

Asides.

SENATOR LeR. H. McCLEAN: Mr. President, the sum of money that is being paid is so small, I do not see why Government would bother about selling this to the Moravian Church.

I would also like to say that, generally, in that area there is a serious shortage of land space for recreational purposes. The area serves as a catchment for several districts in St. John and St. Joseph, districts such as Wakefield, Knights Village and the areas to the west of Mount Tabor. Sir, because of the small area that is reserved for games, you cannot have any meaningful activities.

I will support the Resolution but I think that Government could have found it possible to give the land back to the Church without incurring any cost at all, given that the Church will now have to spend money to refurbish the school.

I thank you.

SENATOR P. C. GODDARD: Mr. President, I wholeheartedly support this Resolution and this is a pepper corn charge for the land which we all know is way above this value in real terms. Sir, at this time I am amazed that Senator McClean realises that there is a lack of recreational facilities in this particular area of St. John, which is absolutely true. I am amazed that the representatives over the past 30 or 40

years have not seen fit to effect the development of recreational facilities in this area.

However, I would invite Senator McClean to support Mount Tabor Church, as I have done over the years, in the many fund-raising activities to both fix the Church and upgrade the school building, which is part and parcel of this area. I do recognise that there are limited areas for recreation there. However, the Wilson Hill Park is one such area. The Wilson Hill Park, as we all know, has won several awards over the years and is well worthy of support. I am looking forward to an early announcement for some assistance from the Rural Development Commission in furthering the development of that Wilson Hill Park.

Mr. President, as you know, Villa Nova is now a tourist site and we are seeing the development of economic activity inland in the very important St. John's Heights area, which has taken place under the administration of the Barbados Labour Party.

5.35 p.m.

I can see that a recreational area somewhere in the area of Wakefield or Pool, St. John, would be an excellent location for a playing field which would serve Pool, Wakefield, Sherbourne, Clifton Hall, Venture, Wilson Hill, and that whole area around it. I think that we will see some development in that area in the very near future. I wholeheartedly support this Resolution, Mr. President.

Mr. PRESIDENT: Senator the Hon. Dame Patricia Symmonds.

SENATOR THE HON. Dame PATRICIA SYMMONDS: Thank you, Mr. President.

Mr. President, as an educator and as the daughter of a Moravian member and local preacher, I have over the years been interested in the Moravian Church, although I hasten to say, especially standing opposite Senator Rock, that my roots remain deep in Methodism.

Sir, as Senator McClean said, the Moravian Church has had a long and distinguished relationship in the area of education. I was interested to learn that in September, 2000, they had opened a pre-school institution at Grace Hill and it was doing very well. I also understand that they are seriously considering starting another at the old Montgomery School building at Cave Hill. There are also plans for a day care centre and I have been told that it is very likely that the old school building at Mount Tabor will be used for the same purpose. Obviously, in addition to any plans for leisure time activities, they will still be giving some attention to

education. Mr. President, for these reasons, I am very pleased to support the Resolution. I thank you.

Mr. PRESIDENT: Senator T. E. Barker.

SENATOR T. E. BARKER: Mr. President, I rise to support this Resolution and to note, Sir, because I was christened there, that my association with this Church goes back 50 years. I want to register my personal thanks to the Moravian Church for the role they have played in the development of our people over the years. I went to school at Buxton Boys' School, Green Hill, St. Michael, which was a Moravian school. There were other Moravian schools like Edgill Girls' School, White Hall, Montgomery School, Cave Hill, the Grace Hill Primary School, Spooners Hill, the Sharon School, and a few others. Therefore, the Moravian Church has been very helpful in ensuring that children receive early education.

Sir, the price that we are selling this acre of land back to the Church at 20 cent per square foot is very reasonable. Sir, not only the Moravian Church must be commended, but also the other churches for the role that they have played and, Sir, any help that the Government gives to keep them going would only be justified because of the role they have played in the development of Barbados. Therefore, I would like to associate myself with this Resolution.

It is noted that Government is committed to ensuring that those churches that have helped in the educational process are not put at a disadvantage, especially where the buildings that were once schools are now being handed back. In the case of the mentioned schools, we know that none of them is now in operation, but that the buildings were handed back and put in a position so that they can be put to active use.

Sir, this is a case of my generation repaying a debt which past generations would have owed to these churches in helping them to become the citizens they are today. Therefore, this must be seen in that light and that all Members here today would want to support this gesture by Government in ensuring that the Mount Tabor Moravian Church has been put in a position where it can use the land for the provision of a community centre and other facilities for the advancement of the people in that area. I am obliged to you, Sir.

SENATOR THE HON. G. S. H. MURRAY: Mr. President, I thank all Honourable Members for supporting this particular measure, but I think that it would also be invidious of me if I were not also to establish and declare my

bona fide as a Moravian. I have had a long association with the Grace Hill School and the Church for many years. I spent my formative years in Chapel Gap, next door. At one time I also went to school at Buxton Boys' School and I think that I have established my credentials.

Sir, I just want to assure Members that the mere fact that the Moravian Church is being asked to pay a trifling sum for this land does not, in any way, indicate Government's lack of appreciation for its contribution to the Barbadian society in both education and as a religious institution contributing to the social development of the Barbadian society over the many years.

The Government does appreciate both the past and current work of the Moravian Church, as it does other denominations. Government has been engaged in these denominations in seeking to compensate them for the use of their properties over the years. Negotiations are well advanced and we have reached an agreement on a number of buildings for which, very shortly, we will be going to Cabinet for its approval to authorise the payment to the Churches for those buildings that a settled sum has been agreed upon.

Government has put \$1 million for the period 2001 to 2002 Estimates and we hope that out of this sum, the Church will be paid. This is being done without prejudice to the negotiations that will continue to settle all of the other outstanding issues relating to some of these properties that are still at the discussion stage. Sir, I just want to let persons know that the work of the Church still goes on and the appreciation of Government on the work of the Church also goes on.

With those words, Sir, I beg to move that this Resolution do now pass.

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

ADJOURNMENT

SENATOR THE HON. G. S. H. MURRAY: Mr. President, on speaking to the adjournment, I would like to notify Members that it is our intention for next Wednesday to start the debate on the Bankruptcy and Insolvency Bill, 2001. This is to allow persons to have adequate time to prepare themselves for what we believe will be an important debate in the social culture of Barbados.

Sir, before moving the adjournment on behalf of the Government, I would like to take this opportunity to wish all Honourable Members and staff of Parliament a happy Independence Day. We hope that in their celebrations around the day, persons will continue to be mindful of their responsibilities to society and that it is incumbent upon them to keep working at all times for its betterment.

Sir, I beg to move that the Senate do now adjourn until Wednesday, 5th December, 2001, at 11.00 a.m.

The question that the Senate do now adjourn until Wednesday, December 5, 2001, was put and agreed to and Mr. PRESIDENT adjourned the Sitting accordingly.
5.35 p.m.

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