
THE SENATE DEBATES

(UNOFFICIAL REPORT)

PARLIAMENT 2008 – 2013

THE SENATE

Friday, April 30, 2010

The Senate met in the Senate Chamber, Parliament Buildings, on Friday, April 30, 2010, at 11.10 a.m.

PRESENT

His Honour SENATOR Dr. Brandford M. TAITT, B.A., M.P.A., LL.B(Hons.)D.H.L.(Hons.) (President)

Her Honour SENATOR K. F. IFILL, M.B.A., B.Sc.(Hons.), (Deputy President)

SENATOR the Hon. Miss M. P. O. McCLEAN, M.A., M.B.A., B.Sc.(Hons.), (Minister in the Prime Minister's Office), (Leader of the Senate)

SENATOR the Hon. D. W. BOYCE, M.B.A. (Fin.), C.M.A., F.C.A. (Minister of State, Ministry of Finance)

SENATOR Mrs. V. I. SANDIFORD-GARNER, M.B.A., CIM, Dip. Mng. (Parliamentary Secretary, Ministry of Health)

SENATOR J. INCE, J. P., BB.A., M.B.A., Dip. (Mgmt.),

Parliamentary Secretary, Prime Minister's Office

SENATOR H. A. HUSBANDS, M.L.I.R., B.Sc. (Public Administration), Ed. Cert. (U.W.I.)

(Parliamentary Secretary, Prime Minister's Office)

SENATOR P. W. B. GILKES

SENATOR R. A. Hunte, J.P.

SENATOR A. R. WORRELL, B.A. (Hons.)

SENATOR A. E. HOLDER, B.Sc. (Hons.), MSW., LL.B. (Hons.)

SENATOR Sir Roy TROTMAN, K.A., M.A

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

SENATOR the Very Reverend H. E. CRICHLow, G.C.M., B.A. (Hons.) Dunelm

SENATOR Dr. F.L. CHANDLER, Ph.D, Bsc. (Hons.)

SENATOR R. O. MARVILLE, M.B.A., M.A. African Studies, B.A. (Hons.)

SENATOR R. G. CAVE, CBE., B.C.H.

Prayers were led by Rev. Father Errington Massiash.

Mr. PRESIDENT: This Senate is in session.

ANNOUNCEMENTS BY HIS HONOUR THE PRESIDENT

Mr. PRESIDENT: I have received excuses for Senators, Durant, Benn, Thompson and Hutson, who unfortunately cannot be here.

PUBLIC BUSINESS

ORDER NO. 2 – RESOLUTION TO APPROVE:

A. THE BORROWING UNDER THE EXTERNAL LOANS ACT, CAP. 94D BY THE GOVERNMENT OF SUMS OF UP TO \$200 MILLION IN THE CURRENCY OF THE UNITED STATES OF AMERICA ON THE INTERNATIONAL CAPITAL MARKETS BY THE ISSUE OF THE ISSUE OF SECURITIES THROUGH DEUTSCHE BANK SECURITIES INC. AS LEAD MANAGER AND UNDERWRITER, FOR THE PURPOSE OF FINANCING THE REPAYMENT OF DEBT AND TO ASSIST IN SUPPORTING THE BALANCE OF PAYMENT; AND

B. THE ESTABLISHMENT OF A SINKING FUND FOR THE REDEMPTION OF EACH ISSUE OF SECURITIES MADE UNDER THE SAID ACT AND FOR THE MONEYS NECESSARY TO MAINTAIN AND SERVICE THAT FUND.

Mr. PRESIDENT: Senator Mcclean.

SENATOR the Hon. Miss M. P. O. McCLEAN: Mr. President, this Resolution to approve the borrowing of the

sum of US\$200 million on the international capital market has to do with the financing of one of the arrangements put in place by the previous Administration around 2006, in support of several initiatives undertaken by that Administration, to facilitate the hosting of elements of the Cricket World Cup 2007, in Barbados.

Specifically, the matter has to do with the securing of the services of the Carnival Corporation's Cruise Line, Carnival Destiny. Sir, from then until now, as someone who had been involved until now, the beginning of January 2008, in the cruise industry for several years, this particular decision left me somewhat dumbfounded then, as now.

Asides.

SENATOR the Hon. Miss M. P. O. McCLEAN: Mr. President, let me apologise. I am following the Order Paper, notwithstanding the decision, and you must forgive me. It has been a long week and I have travelled very far to get back here for this presentation.

Sir, let me begin again, lest you believe I am losing my faculties and I am lost. I am not lost. Some of them may have been eroded. Perhaps its in my anxiety to speak to that.

Asides.

SENATOR the Hon. Miss. M. P. O. McCLEAN: I will begin again. Both Resolutions relate to money and to significant sums of money. This \$200 million is intended for ensuring that the Government of Barbados is able to continue to perform its functions, in the context of an environment in which we have seen significant impacts on our financial position.

Therefore, according to proper financial management, and in a process in which there is forward planning and careful analysis of our financial situation, in an effort to ensure that there is proper provision for our situation, as far as our economic conditions are concerned, this is intended to facilitate the borrowing by the Government of Barbados of US\$200 million. I do stand corrected. I do not know where I jumped again, as I said it was my anxiety.

If I should spell out for the borrowing of this US\$200 million, and I want to be sure that we are all clear as to the currency, it is to, one, redeem a US\$100 million note issued for redemption on June 15, 2010.

Secondly, it is intended to provide some of the funds required to meet the funding gap between the Estimates of Revenue and Expenditure in the fiscal year 2010 to 2011.

SA30 11.30 a.m. Sequence 3

Friday, April 30, 2010

Senate A30, sequence 04, 11.30 a.m.

SENATOR the Hon. Miss M. P. O. McCLEAN: As a prudent Government, Mr. President, it is absolutely essential that the Minister of Finance and, of course, his officers as well as the Minister of State in the Ministry of Finance, monitor on an ongoing basis, our situation as far as our foreign currency, our receipts, our expenditures are concerned.

I do not propose to get into the use of any heavy economic jargon. I was not the economist in the family and I must admit that while I may understand some, I prefer to speak in very basic terms.

The intention, of course, is to ensure, as I said before, that this country does not find itself challenged to meet expenditures requiring hard currency, et cetera, and that we also manage our debt situation in a way that properly recognises the variations in borrowing rates, et cetera.

If I could look at the context in which this Resolution seeks to empower Government to raise those funds, we have, Mr. President, to recall that over the last two years, Barbados has not been shielded from the terrible (and I use the word, terrible) economic conditions that have prevailed globally, regionally. We have however been very successful at weathering the storm to date, notwithstanding some of the manifestations of the impact of the global financial crisis on Barbados.

We have a situation, Sir, that when we look at our receipts, Government's revenues, we would have seen several areas in which there have been declines. When we look at tourism, for example, the receipts have been less than we would have projected and there is a reason for that.

As we all understand, if the world is in a financial crisis, then clearly, we will see behavioural patterns in cruise tourism, land-based tourists, so that discretionary spending is what leads to those kinds of things.

We see a lot of people coming in on cruises. We see almost equal numbers coming in as long stay visitors. While we have seen numbers increased from some destinations, Canada being a prime example, overall, people have spent less and that is because people have observed what has taken place in the world and they recognise that they perhaps have to exhibit certain levels of caution.

We have seen, Sir, within the local economy, another area of revenue fall off, and that has to do with revenues from customs duties, et cetera. Again, that flows

logically from the situations that obtain locally and as a consequence of what obtains internationally. If there is a fall off in spending, then because we are a heavily importing society, we would expect that there would be a fall off in those kinds of revenues. Therefore, there needs to be a balancing of what our indebtedness is and what our expenditures are, and how we manage whatever receipts we have, because as a heavily indebted country, we have to look at those commitments, the cost of what those commitments were at the time of negotiating them in the past, and make decisions as to the best arrangements in which that situation should take place.

In order to protect our situation, and I am sure that those more versed in economics and certainly my colleague, Senator Boyce will speak to some of the very important statistics that we may want to reflect on, but in order to ensure when we look at the statistics that we can continue to be relatively comfortable, in relation to our ability to meet the demand for foreign exchange, we have to look at how we are using that.

As I indicated, Sir, one element of the funds to be borrowed on the international capital market, would be to meet incoming expenditure, in the form of a redemption of US\$100 million due in June 15, 2010 this year.

We also expect, Sir, that as we move out of the peak of our tourism season, we know that the high season as we often refer to in relation to tourism runs from the middle of December until the end of April, and we have just reached that date today. It is expected, therefore, that the inflows of foreign exchange from that source would have declined somewhat.

Sir, I believe that as we look to secure this borrowing by the way of a bond issue, and the Government guarantees that to prospective borrowers, that we are taking to those borrowers, a country which traditionally has had a very good reputation in the international financial market. Barbados has always demonstrated in those circles, those circles again being the international financial market, that we are a very disciplined country, one in which we seek at all times to ensure that we meet our commitments, and this is what we will continue to do.

One of the ways in which we ensure that we can meet those commitments to service our debts would be the creation of a sinking fund, a fund in which there are periodic allocations of resources to ensure that when elements of that debt become due, that we are able at the end of the day, to service those debts. It is on the basis of that reputation, that I am sure that we have, in the past, and we will continue to do in the present and the future, be in a position to borrow.

We would have heard, Mr. President, a lot of doom and gloom about the performance of this economy. Doom and gloom from all sources, Mr. President, opposition sources in particular.

Asides.

SENATOR the Hon. Miss M. P. O. McCLEAN: We have heard bandied about.

As a citizen of this country, my ears are always to the ground, and I listen very carefully to what people have to say in all kinds of fora. Mr. President, as we move through this period of economic crisis, and certainly, Mr. President, as I said, we have heard some gloom and doom, but what I can tell you, Mr. President, on the other hand, in another form of fora, where I represent this country, I would have had on many occasions to accept the congratulations of critical agencies, such as the World Bank and representatives of such multilateral entities.

These agencies which have sought to indicate that Barbados as a country, which is resource poorer in the traditional notions of the word "resource", which is, we have no minerals of any consequence, except a little oil, that we have been able through prudent management, to weather the storm well so far.

We have done so, Mr. President, with the support of all the social partners. Again, that is an area in which this country has been lauded for its approach to managing its economic affairs, and indeed, by extension, some of its social affairs. We have been able through the willing agreement, or the agreement of substantial portions of the private sector, to focus on maintaining our jobs.

I believe that by and large, the workers of this country have also sought to contribute to retaining that position, by addressing the issue of productivity. We know we have a long way to go. We continue to call on workers to play their part as well and commit to that.

Overall, Mr. President, what is most important, Government has been very prudent in its spending, in its budget allocations and in its commitment to utilise the resources of this country to the best, and in the most efficient manner.

We have sought, Mr. President, within the constraints of revenue fall offs due to inflows in the normal course of business, our critical sectors.

Senate A30, sequence 04, 11.40 a.m.

Friday, April 30, 2010

SENATOR the Hon. Miss M. P. O. McCLEAN: Against the background of difficult weather conditions, which would impact on the future earnings of our sugar sector, we have sought to ensure that wastage is reduced, and that we are able to proactively address the financing of the public aspects of our economy.

Mr. President, in doing so, and in being proactive, we have kept our fingers, supported by our very committed officers in the Ministry of Finance and the Central Bank of Barbados, on the circumstances of this country. It has not been an easy task but, as I said, we are now into about two to three years of the recession, depending on where you start to identify its genesis unfolding.

Mr. President, we are attempting to ensure that at the end of the day, all of the critical elements of what makes Barbados a successful society are kept in place. We have ensured that the social services have not suffered, and that proper provision is made for members of our Public Service.

At the end of the day, Mr. President, I am positive that one could not look at how we have sought to manage our fiscal and monetary situation and honestly, offer any substantiated criticisms of the approaches used by this Government.

Mr. President, if we look around the Caribbean, we see a situation where our neighbours are perhaps not as comfortable, if I may use that word, in our situations coming at this time in the world's history.

Mr. President, as I said before, they have looked at Barbados and in many instances, signalled that they have been trying in a sense to draw inspirations from the approaches that we use.

Mr. President, in looking at this particular proposal to this Resolution, what we are seeing is a decision to ensure that Barbados does not find itself in a position where it is unable to meet its short-term commitments.

Sir, perhaps, if I could move away a minute from the role of Government to talk about Barbadians as one of the arms of Team Barbados, if we want to use that kind of modern jargon, I would want to acknowledge that, by and large, Barbadians have been very responsible in their contributions to ensuring that this country has been able to date to weather the world's financial crisis.

I think that Barbadians have been responsible in their spending and in their savings. Generally, they have not sought to eliminate consumption, or to deprive themselves overly of what is involved in maintaining a quality life. I think they have recognised the limitations that are placed on an economy like ours on which we depend heavily on

inflows of foreign capitals through the key sectors. Mr. President, the business community has been very responsible in playing their part as well.

I believe overall, Mr. President, that as we look to shore up the economy and to provide some support in terms of a significant foreign exchange loan, we also could perhaps contrast this with some other approaches when funds were available.

In fact, the previous Administration borrowed for a raining day, and the spending of that rainy day provision was such, that now the rainy day has come, we do not have the benefit of those things. We have had to do a lot of damage control, but we will hear about that on some other occasion.

Sir, I believe that overall, when we look at this Resolution, it is one in which this Administration is taking a decision in a timely manner, to ensure that we continue to balance the need for foreign exchange, to balance the requirements that would flow from the normal demand of our citizens, and to balance the approach to the management of our debt.

Overall, I anticipate, Sir, that as we continue to move through this economic crisis as it continues to unfold, and as we see signs of recovery, that we are in a position to support the initiatives of Government, that we are in a better position to support the contributions that the private sector will seek to make to this and overall, the contributions that we, as a people, and as a country, are able to make.

Mr. President, with those few words, I should have pretty much established the value and the importance for the provision of this arrangement, to borrow the sum of US\$200 million by the way of a bond issue, consistent with the External Loans Act of Barbados.

With those few words, Mr. President, I beg to move that the Resolution do now pass.

SENATOR A. E. HOLDER: Mr. President, I rise to contribute to the debate before you. One is left to wonder if the fact that the present Administration is seeking to borrow the sum of US\$200 million that it speaks to the state of the economy being run by that Administration.

Mr. President, what is even more important is the aspect of borrowing. Mr. President, if I am hearing correctly that part of these monies is to be utilised for short-term commitments, one is, therefore, left to wonder if part of the monies being sought are for current expenditure rather than capital expenditure, given the fact that current expenditure is in truth, and in fact, no potential for growth in an economy. What is also startling is that a significant

amount of monies were left in the foreign reserves when we demitted office, so the question must therefore be asked: Where have all these monies gone? What have they been spent on?

SENATOR J. INCE: On a point of order. Senator Holder is misleading the Upper Chamber.

Mr. PRESIDENT: Which Upper Chamber?

SENATOR J. INCE: He is misleading the Senate.

Mr. PRESIDENT: I would appreciate it if you would not use the words "Upper Chamber."

SENATOR J. INCE: Thank you very much. Mr. President, foreign reserves are calculated based on economic activity. Foreign reserves can be broken down into monies invested into a country through capital works programme. It also can be looked at as the amount of money that was borrowed. Sir, Senator Holder cannot say that this Government abused, or misused funds in the foreign reserves when most foreign reserves are used for international trade.

Mr. PRESIDENT: Senator Holder.

Senate A30 Sequence 5

11.50 a.m.

Friday, April 30, 2010

SENATOR A. E. HOLDER: Mr. President, I have never used the words abused and misused. I simply posed the question that the significant reserves have dwindled. Where have they gone? I have never said that they were abused and misused. That is what is being posed by the Honourable Senator. I never said that. Perhaps the Honourable Senator is correct that they were abused and misused. Mr. President, all I am doing is asking the question where have they gone and for what purpose.

Mr. PRESIDENT: It appears to me that if you are doing the correct thing in addressing the Chair, you are asking me about those things. I am not in a position to answer you.

SENATOR A. E. HOLDER: Mr. President, I am very well aware of that, perhaps when the Honourable Senator Ince speaks, he will speak to that.

Mr. President, what is also alarming is that it was often said that the Barbados Labour Party Administration was bent on borrowing large sums, but in two and a half (2½) years, the proportion of borrowing undertaken by the Democratic Labour Party Administration, is astronomical

in comparison to the 14 years under the Barbados Labour Party. What is also significant is that the level of borrowing that is being undertaken speaks to balance of payment crises.

SENATOR J. INCE: On a point of order. Mr. President, Senator Holder is misleading this Honourable Senate, and I would appreciate if Senator Holder could explain to this Honourable Senator this astronomical borrowing. Sir, I would like it broken down, so that we can have a clear picture of the borrowings of this current Administration in two years, as compared to 14 years. Sir, that is misleading.

SENATOR A. E. HOLDER: Mr. President, perhaps the Democratic Labour Party has not borrowed at all. Mr. President, the mere fact that monies are being sought at this point in time, speaks to the perilous state of the balance of payment position of this country. It not only speaks to that, it speaks to the fact that the Democratic Labour Party Administration has been unable to channel the engines of growth in the economy, namely, the tourism sector, and the International Business Sector. What it also speaks to, is that for the fact that all the quarters have spoken to a decline in foreign exchange earnings, emanating from the International Business Sector. It also clearly points to the fact that there are no programmes in place to fuel growth in those two most important sectors.

Sir, all that we are hearing is that as a result of global economic decline, this is the panacea within the economy. What is not being said is that there are no policies being put in place domestically, to weather the current economic crisis.

SENATOR the Hon. Miss M. P. O. McCLEAN: On a point of order. Mr. President, the Honourable Senator is misleading this Honourable Senate when Senator Holder said that there are no policies put in place, when in fact, these have been enunciated in the Estimates, in several other fora, and I am suggesting that is misrepresenting the facts.

SENATOR A. E. HOLDER: Mr. President, the policies have not resulted in any growth in the economy, so that if there are policies, it is blatantly clear that those policies have not done anything positive for economic growth in this country and that is important.

As I said before, the mere fact that monies are being sought now indicates that there is a problem in the balance of payments of this country, and that the Government has no option, but to seek to shore it up through borrowing on the external market.

Mr. President, what is also important is that there is a Sinking Fund established and that the Sinking Fund either

contains \$221 million, or more than \$400 million. Therefore, the question must be posed, according to the Governor of the Central Bank...

SENATOR J. INCE: On a point of order. Mr. President, Senator Holder is misleading this Honourable Senate. Senator Holder has to establish whether, or not the Sinking Fund has in \$221 million, or \$400 million. Senator Holder has to establish whether he is speaking to United States currency, or to Barbados currency. Senator Holder has to let us be clear as to what is the purpose of the Sinking Fund.

Mr. PRESIDENT: Senator Holder.

SENATOR A. E. HOLDER: Mr. President, the purpose of the Sinking Fund obviously is to liquidate any debts. If that is the purpose of the Sinking Fund, then the question must be posed, if you are seeking to borrow \$200 million, why can it not be taken from the Sinking Fund, if it has enough?

SENATOR the Hon. Miss M. P. O. McCLEAN: On a point of order. Mr. President, the Honourable Senator is misleading this Honourable Senate. Sir, the notion of a Sinking Fund is one in which there is a clear misunderstanding on the part. Sir, for every loan which has to be serviced, there is a Sinking Fund created, or should be created, where monies are put into that fund over a period of time, so that you are able to meet the elements of those debts when they become due.

SENATOR A. E. HOLDER: Mr. President, it is established and conceded by That Side, that the balance of payment position is not only perilous, but that nothing has been done to correct any imbalances. Therefore, what must be asked, for what are those monies being sought? Would the borrowing of that money facilitate growth in the economy? In what sectors would it facilitate growth? When next would they have to come back to seek to borrow more funds to prop up our balance of payments? What would be done, and would it be done meaningfully to address the current gap between revenue and expenditure?

Mr. President, we have been told that the tourism sector is showing signs of growth, but in which market? Has anything been done to facilitate growth in the market of the United Kingdom, which represents a significant part in relation to our foreign exchange? What have we done to assist the offshore sector?

S:No.A30 (6)12:00 noon.

Friday, April 30, 2010

SENATOR A. E. HOLDER: Mr. President, it is clear that from the monies being sought, that

Administration has not pointed us to any path to growth and will continue to borrow.

Mr. President, I am obliged to you.

SENATOR Dr. F. L. CHANDLER: Mr. President, a number of reasons have been given for the Government borrowing a sum of up to US\$200 million. The Governor of the Central Bank of Barbados was quoted in the Press as saying that originally US\$100 million was to have been borrowed to pay a loan, which was due in June, but that a decision has been taken to borrow the additional \$100 million to ensure that Barbados has adequate foreign reserves.

The reason for having the adequate foreign reserves was that the economy could be viewed as being stable and that there was sufficient capacity for the imports to be required for a reasonable time, and I believe 20 weeks was mentioned. Sir, our reduced foreign reserves, apparently, happened as a result of the drop in performance of the tourism industry in the last season.

Mr. President, I realise that maintaining adequate foreign reserves is important since we depend very heavily on imports, but I think, Mr. President, that we should not continue to accept that we are this high importing country. We should not only be talking about trying to reduce our imports, but we should be trying to do something about it.

I think we import too many unnecessary things and also we import a lot of things of questionable quality, so they last a few months and, therefore, they add to our garbage problem and our environmental problem, and I think we should look at our standards, especially small appliances that we import which last for a few months.

Mr. President, I remember many years ago, I had an electric can opener which lasted for probably 15 years, it was made in the United States of America, but now, I find that we have products with the same brand names, but made in a place where everything seems to be made. I have had a few can openers in one year, and the same goes for door bells and all these other appliances, which just add to the garbage.

Mr. President, we need to make a conscious effort to cut down on our imports and to increase our exports. We need also to go back to repairing things. We have all the Polytechnics and the Vocational Training Boards, but yet, nobody seems to know how to repair anything, or to have the will to repair anything. They just dump and replace. Mr. President, this happens with cars too. I know that the Government depends on import duties a lot, but I think that in spite of that, we should be repairing, learning how to repair rather than replacing everything.

Mr. President, I think too, as I have said before, in this Honourable Chamber, that the tourism industry, which is a large user of foreign exchange, should be encouraged - or maybe we should use a stronger term here - to use more local products, again, because they are a large user of foreign exchange. Sir, as we can see sometimes there is disappointment in the foreign exchange which they are bringing to the country, as we saw last season.

Mr. President, maintaining a high level of foreign reserves is important for another reason, and this is the reason that I am most concerned about. As the former Governor of the Central Bank of Barbados has noted in the media some time ago, that foreign reserves are a crucial tool of monetary and exchange rate policy, and this is particularly important in pursuing a fixed exchange policy.

Sir, according to the former Governor, the maintenance of the existing rate requires a large stock of international reserves so that economic agents have no incentive to indulge in capital flight.

Mr. President, I certainly agree with maintaining our exchange rate and for that reason especially I support the Resolution before us, but I trust that we will use the foreign exchange wisely and be more proactive in designing policies which will reduce the use of foreign exchange and increase our earnings of foreign exchange.

Mr. President, I thank you.

Mr. PRESIDENT: Senator Ince.

SENATOR J. INCE: Mr. President, I rise to give support to this Resolution that is before us, the borrowing of US\$200 million, a borrowing that is important to the economy of Barbados, a borrowing that is important in the light of the global crisis that we now face, or what we term the "recession", that has now engulfed, not only Barbados, but has engulfed countries regionally as well as internationally.

Mr. President, the purpose, as outlined is:

1. to redeem \$100 million of a loan issue due for redemption on June 15, 2010;
2. to provide some funding to meet the funding gap in our Estimates of Revenue and Expenditure; and
3. to support the level of the foreign reserves of the country.

Sir, that is clear and that is outlined.

Mr. President, I found it amazing that Senator Holder would ask the question, what is the purpose of this money?

Sir, as I reflect, my thoughts went back to 1999, when our economy grew by 3.1 per cent real GDP growth, the economy grew and our physical deficit widened by approximately \$133.4 million, or 2.7 per cent of GDP.

Sir, when Senator Holder asked where the money went, in 1997, we collected \$411.2 million in VAT; in 1998, we collected \$ 458.8 million in VAT, and in 1999, we collected \$437.9 million in VAT, but yet, the former Administration saw it fit in times, when the land was flowing with milk and honey, to go to the capital market and borrowed \$150 million on the regional capital market, in times of economic growth and Senator Holder, at this stage, is criticising the efforts of Government.

Sir, one of our strategies is that we are going to seek to protect jobs, protect the tourism industry and minimise social dislocation among families in Barbados, Sir, and we were going to stabilise this economy.

Mr. President, out of that \$150 million, Senator Holder questioned why there was an excess but, Sir, they use \$37.9 million out of the \$150 million in 1999, as part of the expansion to the airport. Sir, all of a sudden, questions are being asked about the \$200 million.

Sir, in 2000, there was strong economic growth again but, in all of this economic growth, the unemployment rate in Barbados was 9.3 per cent, yet Senator Holder is questioning the motives, or the strategies of the Democratic Labour Party.

Mr. President, tourism grew by 8 per cent, manufacturing grew by 10.7 per cent and they collected \$501 million in VAT in 2000, but Senator Holder wants to ask where the money gone?

S/A30/12.10 p.m. Sequence 7

Friday, April 30, 2010

SENATOR J. INCE: Sir, \$501 million in 2000. I ask the question, where has the money gone? The growth in the traded sector, 5.3 per cent in traded sector and the non-traded sector is 3 per cent, yet, they went ahead and borrowed an additional \$200 million, so between 1999, and 2000, they borrowed approximately \$350 million, as I said before, in times when the land was flowing with milk and honey, in times of plenty and there was no need. Sir, not in plenty and in times of need. They said they would have borrowed for a rainy day. Since then we have had a drought and we have had the rains, but where is the money, if they had all of that money?

Mr. President, we must be clear that this money has a purpose. The Senator questioned why the Government could not use monies that were available to them within the

Sinking Fund. I do not think that Senator Holder clearly has an understanding how Sinking Funds are structured, the purpose of Sinking Funds.

Sir, whenever a Government borrows money, one of the recommendations, or one of the guarantees must be, by the financiers, that you set up a sinking fund, principal and interest, so that when you are going to redeem that debt, it is a debt within the fund that the monies are available to pay the debt off, but Senator Holder would have difficulty in understanding what a Sinking Fund is, because they borrowed \$10 million for a cruise ship and had no Sinking Fund.

I could understand why they have difficulty in understanding how a Sinking Fund functions. They borrowed money with no guarantee, no Sinking Fund, no persons on the ship, not one single person, then they paid almost \$1.2 million for an airline that flew empty, so he would not understand the purpose of a Sinking Fund. Sir, he would not understand the purpose of a sinking fund.

Sir, what they are asking us to do is to commit financial fraud within the Democratic Labour Party by asking Government... I am sorry about that. I should not use the term "Party", but by asking Government to switch debt within the Sinking Fund, so we must take the money out of the Sinking Fund, those funds that are already owned by financial institutions, use it to pay off \$100 million and then switch it with another debt. Sir, that is financial debt to the highest level. It is financial fraud. I am speaking from the experience of working in the financial district. Any Government that does that seeks to damage the reputation of Barbados in international markets. You cannot do it. Sir, they would like us to go and take the monies out of the Sinking Fund, pay these debts, and all of us smile. Sir, that is financial madness.

Sir, the Government has indicated to the people of Barbados that we would protect Barbados' interests, and we would protect Barbados' reputation in the international markets, so we are not about switching one debt to pay the other. We are about being financially prudent and making rational economic decisions to safeguard the economic status of Barbados.

We are not going to be driven into, as the former Government termed us. They termed us as "cowboys", "driftwood" and "bandits", but we are not going to make any "cowboy" decisions concerning this economy. We are not going to make any decisions in the behaviour of a bandit in this economy, because that is what we were termed. We were termed "cowboys", "driftwood" and "bandits". That is what we were called, but we are not going to make those decisions as far as the economy of Barbados is concerned. So let it be clear.

If we are going to speak about foreign reserves, Senator Holder should have stated what percentage of the foreign reserves were borrowed. Senator Holder is of the opinion that we borrowed more than the former Government. We borrowed more in the two years than they borrowed in 14 years. I asked him to tell Senator Ince what percentage of the foreign reserves. He spoke about having this large amount of foreign reserves when they left office. Tell Senator Ince the percentage that was borrowed. Let the Senate know the percentage of foreign reserves that was generated by economic activity, and let the Senate know the percentage of foreign reserves that was generated as a result of foreign investments.

Sir, this reckless financial statement, their reckless financial uttering about this Administration, not knowing what path to go down.

Sir, the unemployment rate in Barbados was supposed to be 15 per cent in January. That was stated by the former Government. Then they changed the tune and said it was supposed to be 21 per cent. Then they changed the dance, changed the musician, changed the orchestra and the notes, and said that the economy was supposed to be collapsing, our tourism sector was under siege, but the Government injected money and set up a stabilisation fund that saved jobs within the tourism industry.

This Government, for the first time in the history of Barbados, that professionals in the public sector, persons in the private sector, as well as the ordinary Barbadian, along with Members of Cabinet and Parliament, wrote a Physical Strategic Plan for Barbados for the year 2010-2014. There was no calling of the International Monetary Fund (IMF). We did not call the International Monetary Fund to do it. We asked normal Barbadians, persons who were educated in Barbados.

Sir, we also developed what we call a Short-term Development Plan for Barbados 2010-2014. I would encourage Senator Holder to get two copies, because he seems to be missing somewhere.

Sir, the problem with the Opposition is, they cannot accept that Barbadians could chart an economic course for this country without having to go to the international agencies to do it. Sir, we are seeing the results. We have seen an improvement in tourism. We have seen the economy being stabilised, all done with the help of the trade unions and ordinary Barbadians, and I am proud of that, but Senator Holder cannot appreciate it, because Senator Holder was preaching International Monetary Fund programmes, but we have achieved it. Sir, we have achieved it and I am confident that we are turning the bend as far as the economy is concerned.

We are turning the bend and it is the result of the leadership of the present Government, and the initiatives taken that we are seeing some improvement as far as the economy is concerned. Sir, all is not clear as yet.

SA30 12.20 p.m. Sequence 8

Friday, April 30, 2010

Senate A30, sequence 10, 12.20 p.m.

SENATOR J. INCE: There are still some clouds hanging above us, but I am confident that we are going to make it. The money that is being borrowed, Sir, has nothing to do with the prison. The money that was borrowed for the prison has been outlined, Sir, in what you call a Fact Sheet. I think Senator Holder has a copy of that Fact Sheet for the prison, where we borrowed money with no design.

Mr. President, we borrowed \$228 million for a facility and it was stated on a Fact Sheet that at the time there was no design. There was no quantity surveyor report. Sir, my mind began to wonder, and as I wondered, I said that it reminded me of a highway that was constructed in Barbados and they started construction with no drawings.

We started a highway, Sir, with a Memorandum of Understanding, and the smart thing about that is that we had in our possession a memorandum, but no understanding. We have the Memorandum, Sir, and Mr. Holder is talking about borrowing? We do have the Memorandum, but outside of that Memorandum, there is no understanding.

Mr. President, at the end of the day, what this Government seeks to do is to look at our medium and long-term strategic growth, based on the projections and the current economic environment that is before us. The current economic environment that is before us, clearly indicates that we have not cleared all of the troubling economic waters and it is important that we protect our foreign reserves.

Asides.

SENATOR J. INCE: Sir, if the former Administration could have borrowed that money in good times, and we are having what I would term challenging economic times, and we are able to maintain an unemployment rate, averaging 9 per cent, in my opinion, a job well done to the current Administration, a job well done by the Leader of this country, a job well done by Members of his Cabinet, and I make no apologies for that, Sir.

Mr. President, Barbados falls within a global economy. We are not separated. We have to look after our educational systems, we have to look after our social welfare, we have to look after individuals, as well as institutions, and we have taken those steps. I am confident, Sir, that the monies borrowed are going to do what was set out as far as our economic plans are concerned.

This Administration does not practise covert activity, where monies are shifted from one hand to the other. If Senator Holder is familiar with that type of behaviour, that is for him to work out, but we are on the path of securing a future for Barbados. We are on the path of protecting our children and our grandchildren for the future, and maintaining a social fabric for the economy of Barbados, protecting our citizens, protecting our homes, protecting our schools.

Mr. President, with those few words, I am obliged to you.

Mr. PRESIDENT: Senator Hunte.

SENATOR R. A. HUNTE: Mr. President, I rise in support of this Resolution, and I am not speaking from a background of any trained economists, or one versed with medical exercises, but I rise to speak not only in support of this Resolution, but as a proud Barbadian this morning.

Sir, Barbados is a country of 166 square miles, although I looked in the newspaper this morning and I saw a piece dropped off. I believe it has not altered in any way our square miles, our size.

Sir, even though we have used the term over the years, that a country could never go broke, because there is always money coming in, since people have to pay taxes, I have lived to see, Sir, that this morning, Greece is a broken country and that the National Statistical Bureau of Britain has analysed that no matter who wins the next Government in Britain - and I am using the words as I heard in the BBC - they will have to raise \$45 billion, which is still a top market country in the world, to straighten out that country.

Sir, the Central Bank of Barbados was established in 1970, and since that time, they have had the responsibility of keeping, in front of the Barbadian public, statistical data on the performance of our country. A lot of us, Sir, that had an interest in politics, or in current affairs, I should say, became familiar with that exercise, some since 1970.

In 1962, Sir, when the first ever broadcast was done in this country by a Minister of Finance and former Prime Minister, the late Right Excellent Errol Walton Barrow, those persons for the first time in 1962, just six months, Sir, after a new Democratic Labour Party Government's public broadcast for the first time, so that persons who may

not have been versed and clearly did not understand - everybody does not come into a Parliament, everybody does not go to political meetings, and if they do, sometimes they do not understand what is said, in the way how it is said - but people sat down in their homes, they listened and they understood clearly how our country was being run.

Sir, whenever the borrowing of money, as far as I can remember, by a Government in Barbados, and I mean all Governments, it has always been a source for debate which is normal, healthy and understandable and, obviously, Opposition Parties always try to score points in this regard.

Sir, in 1980, I remember - I do not know who else in here does, but the record is there that in 1980 - this country had no foreign reserves. In fact, those who can remember, there was something called a tax-free month. There was no salary agreement with the Trade Unions in 1980, under a former Prime Minister, the late Right Excellent J. M. G. M. "Tom" Adams but there was a tax-free month because the country had no money - in terms of money as I say a Government is never broke - but we take it in terms that they could not afford it.

Sir, a former Minister, he is not dead. Can I refer to him?

Asides.

SENATOR R. A. HUNTE: A former Minister said publicly that the late Right Excellent J. M. G. M. "Tom" Adams asked him if the people of this country know that they do not have any foreign reserves, but the next year, or late 1980, they went to the International Monetary Fund.

Senate A30, sequence 04, 12.30 p.m.

Friday, April 30, 2010

SENATOR R. A. HUNTE: Sir, for the first time since Barbados became a member of that Fund in 1970, Barbados went to the International Monetary Fund. Mr. President, I do not always behave the way other people do when they hear about the Fund. Barbados became a member of the Fund after it became independent. That is one of the reasons for Barbados becoming independent, because they were able to join all of those international institutions as an independent country.

Mr. President, when I hear about a tax freeze, there was a tax freeze in 1980, and there were no increases in salaries. Sir, I saw on the front page of one of the publications in this country, a Minister being quoted - he said it, so obviously there is nothing wrong with the publication - as saying that he would recommend that there should be a freeze in wages.

This same \$100 million that this Resolution here is to support, was on the back page and said to the people of Barbados and wherever else the newspaper has been circulated, that by June, this Government has to find \$100 million, but there was no comment on it, but what was on the front page was commented on because it suited certain people for political gains to talk about a wage freeze, but that died a natural death. It never came about.

Sir, I have every confidence in the institution of the Central Bank of Barbados, that is why when the attack was launched on the Governor of the Central Bank of Barbados the other day, I thought it was disgusting in every sense of the word. It was unpatriotic, not only to attack a man whose background is suited for the job, as though he was hiding facts and figures from this country, but to attack your institutions in that way. I think it was a shameful day in this country.

Mr. President, if you cannot trust the persons who you put in charge... You can move a No-confidence vote in a Parliament against a Prime Minister, or a presiding officer. With a Governor of the Central Bank, you cannot do that that easily. He, or she, could be gotten rid of, but you would have to look for five years' money for whoever he or she may be, because all of those jobs are contracted. The point I am trying to make, Mr. President, is that the attack that was launched on the Governor of an institution, a well-qualified and well-trusted individual who has worked in that particular area all his life, was unpatriotic and I deplore it.

Mr. President, I said that, based on what I am going to read from this document here that is circulated. It is a Press Release from the Central Bank of Barbados, a well-circulated document. I just said that in 1980, we had no foreign reserves, but in this document the Governor of the Central Bank of Barbados...

Mr. PRESIDENT: This document has to be identified for the Reporters. Please give the details of the Report so that the Reporters who have to record what is being said here would know what you are reading from, please, I beg you.

SENATOR R. A. HUNTE: That is a fair comment by you, Sir. This document is the recent Press Release by the Central Bank of Barbados for the first quarter of 2010. I could make it a document of the Senate.

This document states in part that foreign reserves are currently enough to cover about 20 weeks of imports and that overall gross domestic product declined very slightly by less than 1 per cent.

Mr. President, today, Britain is in a decline. Every seat down in Kensington Oval was made in Greece.

Barbados never ship anything like that before. The last shipment just came in when they did an extension to the 3Ws Stand, but Greece is a broken country today in the true sense of the word.

The point I want to make is that from this document, we have 20 weeks of import. Some countries have none. I feel proud to be a Barbadian today. Sugar is limping along. Tourism has had its problems and it will continue to be, because it is that kind of industry, but it would not be forevermore.

Mr. President, I want to go further and quote from this document. We hear about Government borrowing all of this money in two and a half years and people wanting to know where all of this money gone.

Mr. President, I “gine” ask this question now. This Central Bank of Barbados document states that the increase in public sector borrowing requirement came at a time when the Government’s gross debt to GDP ratio had an increase from 56.9 per cent in 2000 to 77.5 per cent in 2007. That is how our increase in debt came about during that period, in times of plenty. Mr. President, it seems to me that the only decline that Barbados has ever known is from January 2008.

Let me continue, Sir, from the Press Release which says that the decline arose mainly on the account of loans, leases and similar arrangements for the financing of World Cup related expenses - I will have something to say about that later - Dodds Prison, \$288 million in 2006; the ABC Highway expansion \$165 million in 2007; and the Judicial Centre \$125 million in 2006.

Sir, I can go on to balance that by saying that the current gross debt ratio of 93.6 per cent is equivalent to a net debt to GDP ratio of 47.7 per cent after taking account of holdings of Government debt by the National Insurance Scheme and letting off deposits of Government and statutory bodies.

Sir, what I have just read out there that Barbados is committed to, was not money paid up front. That is money that this country owes, so therefore, if Government did not even pay 10 per cent of what I just read here, the question really has to be asked: Where has the money gone? Mr. President, you have to pay for a Prison over \$700 million and you are still paying for Kensington Oval. I will have something to say about that in a short while.

Sir, the point is you cannot fool people to think that you could just hide behind economics. Sir, you do not have to be a trained economist to understand. Once you have followed public affairs, and I have, that is where my strength lies for nearly 50 years in this country... I have followed every debate. I cannot say while I was living,

because I am still living and so, when I hear these things, I understand them very clearly.

I am not an economist, but my interest in public affairs and in accumulating my records over the years, I clearly understand current affairs and what has been taking place in this country over the last 50 years. It does not matter to me who speak, where I come from, or what I qualified in. Once you are talking about this country within the last 50 years, I understand that very clearly.

Senate A30 Sequence 10

12.40 p.m.

Friday, April 30, 2010

SENATOR R. A. HUNTE: Mr. President, I am saying to you, Sir, that with all of this talk that you are getting from these economists - and all due respect to you Senator Ince, if you are one of them, but the way how the talk has been bandied about as far as economics is concerned, what has happened to the world? Why are we in this situation, with so many hundreds of economists around the world? Did they not see it? Sir, it is not that they did not see it, it is that they were falsifying figures.

Sir, this Government is not about falsifying figures. This Government is about giving people the unvarnished truth about what is happening. Sir, once we do that, we cannot go wrong, because some day the people will find you out.

Mr. President, I hear some of these people walking about pontificating that they left this, they left that, they did this, they did that. Where did they leave it? There are lots of questions that have to be raised in this country where this country’s money has gone.

Senator Ince has just read out to you the figures in VAT collections in a five-year span. Sir, Montserrat, or Grenada could never see that kind of money, not even in one year.

Sir, when a Government recognises that there is all this money, that all these buildings have been built, but that the people in the country have remained either poor, or that they have remained not having the kinds of services that they want, that is why I praise the present Prime Minister of this country. I praise him for not looking at what is happening in the world, or what is confronting us in the economy, but to for giving the people what they deserve.

Sir, that was the intention of even the previous Democratic Labour Party Administration, because it was always said, of course, the only body who feels they could never loose a Government is the Barbados Labour Party,

but the Democratic Labour Party lost. I am sure that one of the things they would have loved to have done after that 8 per cent cut, which everybody, except the Barbados Labour Party, recognised, that it was the thing this country needed, and that they did not get the opportunity to have given the people that confidence why that was done.

Sir, growth in this country started in 1993. The Democratic Labour Party lost in 1994, so growth in this country was recorded from 1993 and not from 1994. Sir, I am saying this quite frankly - I am confident, since nothing is forever, but Jesus - that we will make sure that we educate the people to the extent that we do not go through these trials and tribulations.

Sir, the Democratic Labour Party had the experience of going through these trials and tribulations, and after straightening up things, people do not seem to see it and they have called for a lot of untruths, and then changed the Democratic Labour Party. Sir, it happened in 1976, after going through that crisis of 1973, where inflation went to about 40 per cent.

As I said in here and elsewhere, I remember as a salesman in town, a store that nobody used to see, some under a cellar, or under a bond, was immediately selling for about \$400, because of the fuel crisis they had. After the things started like a bubble to come back down again, the world economy that is, people say they would get rid of the Democratic Labour Party. It happened again in 1994.

Well, let me say this here. I have already said and I am not clairvoyant, but I believe that it is not going to happen again. The people of Barbados will not judge the Barbados Labour Party on how good economists they have. The Barbados Labour Party will be judged on truths, openness and morality.

Sir, I find it interesting where you could have all these things happening in this society and you do not hear that from the Barbados Labour Party. There are problems in schools, problems in the streets, gangs in the road, but we do not hear a crank from anybody from the Barbados Labour Party, instead, we are hearing everything about economics.

Sir, I feel very strongly about these matters and I would say something, which I hope it is not offensive. Sir, I find that people who do not have children of their own have always taken a different view of the world. I listen to them very carefully. I was around long enough. I always listen to the public.

Mr. PRESIDENT: I want you to know Mr. President has children of his own.

SENATOR R. A. HUNTE: Mr. President, I know you have two lovely daughters and a son, and grandchildren now.

Mr. President, I am always very skeptical with people who do not have children. My aunt did not have any and I always hear people talking about my aunt, but she was a teacher, she was an educator and she raised her sister's children, my mother's children. Sir, we are proud of my aunt because she treated us like her children. She understood how to relate to children.

Mr. President, I look at these things rather seriously. There was not one comment about the problems that we are having in this society, not one thing. All we hear about are foreign reserves, what the Government can, or cannot do, in terms of economics.

Mr. President, I am thankful and grateful. Sir, I feel comfortable being among a group of like-minded Democratic Labour Party members and supporters that they are on the right foot, that based on traditions they are being focussed.

I remember clearly when the Democratic Labour Party started to educate the people - not that the people were not already educated - but when I am hearing this thing about education and when education was started. Sir, everybody knows quite clearly that when we talk about free secondary education, that free secondary education was not at Harrison College, or at Combermere, which were the prestigious schools, but thanks to the Democratic Labour Party, the people are trained to reject nonsense when they hear it. That is why it is one thing when the history of this country is written for more than 100 years.

That is why I do not attack educational institutions, not me. I leave that for the academics. They might have problems with the programmes and all of that, not me, when I studied how the Democratic Labour Party has been able to give people an educational opportunity in this country, I take hats off to the tutors and to the builders of those institutions.

Mr. President, I will never attack institutions, not because the Principal of Cave Hill happens to be a friend of mine. I tried to encourage him in politics, but of course, he had a different view. He said he is an academic. Sir, if the present Principal had any hanging around with the Democratic Labour Party, it was because of me. Let me confess that now. It was because of me, but I could not get him to become any more interested. He is my friend. I have great admiration for him. I think he is moving extremely fast. I have no doubt it is for the interest and success of the institution which he now heads. Sir, the point is that he is heading an institution where all of these things make a

difference in the lives of people, but that whenever it boils down, Barbados still remains a society.

Mr. President, I thank you.

Mr. PRESIDENT: Senator Cave.

SENATOR R. G. CAVE: Mr. President, I would not be very long, I would just like to say that based on how I am seeing the economy, based on the First Quarter Reports put out by the Central Bank of Barbados, I feel comfortable with how the economy is moving. The position is that the borrowing of this US\$200 million loan to pay off a loan of \$100 million by June and to make sure that our reserves are strong enough to carry us through, is a prudent move. Sir, based on the reports I am getting, I am confident that we are going in the right direction.

12.50 p.m.

Friday, April 30, 2010

SENATOR R. G. CAVE: I would like to warn those who are receiving this money, not to waste it, because we are still going through a very difficult process. We are talking about getting better returns from our tourism industry and our numbers are up, but our spending is down, and we are still having difficulty in the international business world because of the problems that are taking place in the world, and both of those are the leading sectors in Barbados, and that is where we are going to earn our foreign exchange.

Mr. President, we are now going through a difficult period. Sir, up to the end of April is when our foreign reserves build, because of the tourism sector. We are now going to go through a difficult period, because we are going through the light period of time. Sir, I just warn as we take in this money and we have it, to be careful with it.

When we look across the world and we see what has happened to countries that have not paid attention such as Greece, Spain, Portugal, United Kingdom and many around us, those people have not handled their affairs correctly. I just seek to remind those who are in charge, who are in this room, that we should be careful as we proceed.

Mr. President, I support the Bill and I would like to congratulate the Government.

Mr. PRESIDENT: Before the luncheon adjournment, I want to draw to your attention that I am in receipt of the Minutes of the last meeting of the Senate for March 22, 2010.

SUSPENSION

SENATOR the Hon. Miss M. P. O. McCLEAN: Mr. President, I beg to move that this Sitting be suspended until 2.00 p.m. today for lunch.

The question was put to the Senate and agreed to and Mr. PRESIDENT suspended the Sitting accordingly.

Sequence 12

Friday, April 30, 2010

RESUMPTION

Mr. PRESIDENT: This Sitting is now resumed.

Senator Boyce you have the Floor.

SENATOR the Hon. D. W. BOYCE: Mr. President, I also rise to support this Resolution for the borrowing of US\$200 million, BDS\$400 million, on the international capital market by the Government of Barbados. As my colleagues have indicated, this borrowing will help to repay the US\$100 million bond which is due for redemption on June 15, 2010. It will also assist with our balance of payment support and will provide some financing for our deficit.

Sir, while the tourism sector has essentially held its own in the first quarter of this year, according to the Central Bank Reports, and I have no reason whatsoever to doubt the Central Bank's Reports, or the professionalism of the persons at the bank, particularly the professionalism of the Governor of the Central Bank, who has served that institution and this country for a long time, giving tremendous service to this country.

While the sector has held steady, we have not, as one may well expect, built up the reserves at this time of the year, because we have had to battle this situation in the United Kingdom, our main tourist market, where their economy has gone through a very hard time, and continues to go through some tough times. Therefore, our tourism numbers from the United Kingdom have not come back as we would have liked them to have come back, notwithstanding that, we have had tremendous growth out of the Canadian market, but out of the United States of America market, we have not had the same level of spending as we would have hoped from arrivals.

Mr. President, our foreign exchange reserves are still very adequate. We are trying to make sure, during this period between now and November/December when we would normally run down reserves, when we do not earn as much as we normally spend, that we have some reserves in position to help us cushion the outflow that would normally

come in the summer months, the low season, of our tourism industry.

Sir, since the Central Bank has indicated to us that the net capital flows have begun to turn around in the first quarter of the year, there were no outflows in last year's first quarter. In this first quarter of 2010, the net Private Capital Inflows reported by the Central Bank of \$17.5 million, was an improvement on what happened last year.

Sir, while we have not had the best tourist season, we are beginning to see some improvement in our tourism and we are being cautious that we have some reserves in position to make sure that during the next summer months, to buffer any losses that you would expect.

Sir, we have come through the recession so far, I think, in a very creditable way. We have been able to maintain the employment levels, generally speaking. We had average unemployment in 2010, just under 10 per cent. Our last quarter, I think, 9.3 per cent, and it has come down in each of the last three quarters. That is a good sign, Sir.

SA30 2.10 p.m. Sequence 13

Friday, April 30, 2010

Senate A30, sequence 14, 2.10 p.m.

SENATOR Hon. D. W. BOYCE: Mr. President, we had to do that, as I said, when we were debating the Estimates, at the expense of making sure that Government did not reduce its spending too rapidly on the economy. We have had to keep people employed. We have had to join with the private sector in keeping people employed and we had, therefore, to keep our spending going, even while the revenues have fallen, because of the world crisis.

Mr. President, what we have done in terms of keeping Government's expenditure going, even while revenues have fallen, has not been different from the rest of those economies that have managed to come through the recession with any kind of grace. The United States of America has had to do it, the United Kingdom has had to do it, Canada has had to do it. All the major economies have had to do it in order to keep their unemployment rates from going too high. We have done it. The result is that we have had a larger deficit than we would have liked to have had.

Mr. President, we have in the Estimates that we have laid not so long ago, and approved, sought to reduce the deficit this year, so that we can make sure and we can fund the Government's way without taking all of the money out of the system, leaving some money for the private sector.

The Central Bank in the case of our deficit, in the first quarter of this year, went down quite considerably from what it was in the first quarter of last year, Mr. President, so that we are on the right path. The first quarter has shown a reduction deficit. The plans are for this year, to show a further reduction over our reduction from last year and we are finding ways to fund that, without crowding out the private sector, as they say.

Mr. President, now that the economy is stabilising, we would expect that there would be some growth, certainly next year, if not this year. When that growth begins to come, the private sector will need to borrow more. Their demands have not been strong this year, or last year, because of the recession, but they will want to borrow more and they will need to borrow more, as the growth resumes.

We, therefore, have to make sure that we leave some space in the financial markets for those private sector borrowers who need funds to keep their businesses going and to expand their business when the growth comes, hence, Mr. President, part of the funds will be used to help support the funding gap that we have in the Estimates for this year. Sir, that is as it should, because we do not wish to have the financing become so tight in the country, that the interest rates then get too high and stifle what growth begins to come out, once the recession changes, and once the Government's Capital Works Programme gets going.

Mr. President, this refinancing is being done also at a saving in the interest cost on the US\$100 million that we are now about to retire. Sir, that US\$100 million is at a rate of 8.75 per cent and we expect that this new issue will be somewhere between 6¾ per cent and 7.2 per cent.

Sir, in servicing that US\$100 million, we will save \$1½ million a year, over what we would normally have spent to service the debt that was there on the books. Sir, it is not a bad rate to refinance and of course, the markets are such that it will make sense at this stage, if we are going to refinance, to refinance and get the US\$200 million, rather than to get US\$100 million now and come back later in the year when they expect interest rates will be going up to raise the other US\$100 million. It will make sense to do it now when the interest rates are lower.

Mr. President, it baffles me why people seem to think that the borrowing we are doing is so extraordinary. My colleague Senator Ince spoke of the borrowings that occurred in 1999 and 2000.

Mr. President, we also borrowed in 2005, and 2006, and we borrowed on the foreign markets to the tune of US\$190 million at a time when one could scarcely say that the world was in an economic crisis, or in financial crisis.

Sir, our borrowing this time is not out of wack. We borrowed in 2000, just to prop up the reserves in 2000, and we had the crisis in 2001, so it is not an unusual borrowing. It is not an unusual amount for us to borrow. Indeed, when you borrow very small amounts on the international market, you end up paying a higher cost because they cannot deal with such small bond issues. This is a reasonable sized bond issue, and it is at a very reasonable rate for us.

Mr. President, we will use the Sinking Fund that has been accumulated for this bond issue to help to pay back this bond issue, but because of the way the Law now is, the provisions for the Sinking Fund, do not, except for very long-term bonds, ever give you sufficient funds to repay the bond when it comes to maturity. Sir, we have \$58.3 million worth of assets that we will use in this bond's Sinking Fund to be able to help to pay back the bond.

Mr. President, each bond has its own legal Sinking Fund and each bond is required to have a Sinking Fund outstanding all the time that the bond is in currency. If you are going to use the Sinking Fund for other bonds, essentially you have to borrow from the other bonds' Sinking Funds to pay back that one. If you borrow, you have to give assets, otherwise you would be in default of the indenture on the bond. You have to turn around and give the Sinking Funds that you borrowed from assets, local assets, more Government paper.

Mr. President, my colleague Senator Ince has used some terminology for doing that. I cannot back my own paper with my own paper. Mr. President, it just does not sound right and it is not right. Therefore, we are using the Sinking Funds that are legally there for this bond to help to retire that bond, the rest is to cover the borrowing and the rest we will use for the purposes of funding support for the country.

Mr. President, we have heard a lot of talk from various persons about how foreign reserves have fallen drastically and so on. Mr. President, what people do not seem to wish to say that our economy is driven so much by what happens in the other economies, particularly tourism in the United Kingdom, United States of America, and to some extent Canada, and when those countries go into spasms, we also go into spasms. We have no choice.

Mr. President, until we are able to restructure the economy to get away from that complete dependence on those market places, then we will have that situation. Until we are able to restructure the economy so that we have more sectors contributing in a more significant way, we will always be subjected to those things.

Mr. President, that is what we have to be focussing on as we go forward, to make sure that the structure of the

economy is so changed, that we are not so vulnerable to all these various factors.

Yes, we will never get rid of all our vulnerability, but we want to lessen it wherever we can, but those things, Mr. President, take 10 to 20 years to do. They are not done in any two years, or three years. Mr. President, if they have not been done in 14 years, or 15 years, we cannot expect them to happen in one, or two years, but we will go after trying to make sure the economy is balanced and more diversified.

Mr. President, during that time, we had the highest oil prices I think we have ever had, in 2008. Those oil prices took a significant amount of our reserves to pay for them. We paid for them and we came through 2008, and 2009.

Now, according to the Central Bank, the economy seems to have stabilised and made a little turn. Therefore, we feel confident that we can go forward and put in place, this borrowing for US\$200 million to make sure that we repay that bond, we prop up the balance of payments and we have money to fill the funding gap.

Senate A30, sequence 14, 2.20 p.m.

Friday, April 30, 2010

SENATOR the Hon. D. W. BOYCE: Mr. President, I am very aware of Senator Cave's advice about spending carefully. He knows my reputation for spending carefully, and therefore, I have assured him and everyone else, that I will continue the care which I exercised in terms of spending the Government's money. We have no choice.

Mr. President, with those few words, I really wish to recommend this Resolution to this Honourable Chamber. Thank you, Mr. President.

Mr. PRESIDENT: Senator McClean.

SENATOR the Hon. Miss M. P. O. McCLEAN: Mr. President, as I rise to wrap up the debate on this Resolution in respect of the borrowing of US\$200 million, I believe that I should start with the last Speaker, the Honourable Senator Boyce, because you would have heard from him the clear rationale for this initiative. It is one that is proactive. It is one that recognises that with the current world economic situation, and with the performance of Barbados within the context of that situation, that there is a need to ensure that we minimize any possible significant fall out from the reduction in foreign exchange earnings, due to a fall off in our major sectors.

Mr. President, it would be really ridiculous of anybody to suggest that Barbados has not been, and would

not continue to be affected by the world's economic crisis. The reality is that those are factors outside of our control. However, our responses to those factors signal what we are able to do within the confines of this economy and this society.

Mr. President, I believe that we have heard that it is not a strategy which is characterised by bad decisions, or it is not a decision taken as a single strategy, but is one of several responses to address the current, and to anticipate the future possible outcomes as we move forward. It is one that recognises the seasonal nature of our tourist industry and where the significant levels of earnings are achieved from that sector.

Mr. President, I believe that when we talk about understanding the purpose of this exercise that has been clearly articulated, that the critical parallel provision here in this Resolution is the provision of a Sinking Fund. It is, as you have heard, Mr. President, vital that we follow what is considered the acceptable norm in making provisions for Sinking Funds for every individual loan. We would have heard explanations on that.

Mr. President, the Honourable Senator on the Other Side raised a question as to where all these monies gone. I understand the strain it is to carry the fight alone and, therefore, I will not at this point attempt to...

Asides.

SENATOR the Hon. Miss M. P. O. McCLEAN: These days that is perhaps not a good word. I take that word back. I guess we are sensitive these days, but it is an appropriate word, but I will continue.

Mr. President, in terms of that strain of shouldering the responsibility solo, I understand some of the challenges, and must commend the Honourable Senator as a new Senator for being able to continue in his efforts. However, in suggesting that there must have been something amiss, let me say, Mr. President, that on assumption of office, this Administration inherited a number of circumstances - that is the reality with any Government - and we sought to deal with those circumstances, applying the best knowledge, the best skills and competence, and with the understanding that whatever we do, would be in the best interest of the people of this country.

Mr. President, the results are demonstrating themselves, and so, it is not some act of desperation, but one of sound financial management, and one in which we are ensuring that we do not have to deal with surprises should any changes in the international economy and the corresponding impact in Barbados, develop.

Mr. President, I would want briefly to respond to a reasonable and a necessary concern expressed by Senator Chandler about the continued high level of imports. As I indicated, Mr. President, the monetary and fiscal elements of our policy and decision-making are, but just that. They are elements of a total package of policies and programmes.

Consistent with the concerned expressed by Senator Chandler, this Administration recognises that we have to revisit the level of imports that we continue to witness in this country.

Mr. President, in an area that is of particular interest to Senator Chandler, that is, in the area of food production, or agriculture, we recognise that there is a significant component of imports, not only for local consumption, but to support our tourism sector.

Mr. President, I am happy, as we would have heard from the Honourable Senator Benn, Minister of Agriculture, in our last debate, that there are some very serious initiatives on the way in looking at capturing opportunities to expand and diversify our agricultural production in a way that provides opportunities for our young people. Of course, we would hear of those things as we debate other issues in this Honourable Senate Chamber. Sir, in addition to making some provision for balance of payment support, we heard about a conscious decision having been taken to look at our loan portfolio. Within that portfolio, we would have had loans attracting different levels of interest. One way of managing that is to identify those loans that would have been borrowed at rates that are higher than, perhaps, we can source funds now and make a substitution and thus a saving.

Mr. President, I must say that in the context of this Resolution what we have is a situation where a studied decision was taken with a clear understanding of the positive impacts in the short and long-term, and overall making a decision which is going to benefit this country now and in the future.

With those words, Mr. President, 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.

ORDER No. 1

RESOLUTION TO APPROVE THE GUARANTEE BY THE GOVERNMENT OF BARBADOS OF THE REPAYMENT OF THE PRINCIPAL SUM AND INTEREST THEREON BY THE BARBADOS TOURISM AUTHORITY OF A LOAN OF \$10 500 000 IN THE CURRENCY OF THE UNITED STATES OF AMERICA

FROM THE BANK OF NOVA SCOTIA FOR THE
PROVISION OF PASSENGER TRANSPORT SERVICES
BY CARNIVAL CRUISE LINES

SENATOR the Hon. Miss M. P. O. McCLEAN: Mr. President, a few hours after starting in my anxiety to speak to this issue, I am confusing the two, I now rise to speak to Order No. 1, which is a Resolution to approve the guarantee by the Government of Barbados of the repayment of the principal sum and related interest, of a loan to the Barbados Tourism Authority of US\$10 500 000 from the Bank of Nova Scotia for the provision of passenger transport services by Carnival Cruise Lines.

Mr. President, in this year 2010, we are seeking to pass this Resolution in respect of a decision taken approximately four years ago. I sometimes wonder why some of these things would have taken the length of time they took to have been brought to this Honourable Chamber.

Senate A30 Sequence 15

2.30 p.m.

Friday, April 30, 2010

SENATOR the Hon. Miss Maxine P. O. McCLEAN: What I can tell you, it is the commitment of this Administration to deal with this and several others like this, in order to ensure that where decisions such as these are taken, that the full legislative support and framework are put in place.

Mr. President, as I would have started this morning when I mixed up my two items, and as I said, I trust it is not a case of the brain becoming addled, but an anxiety to speak about a sector which was and is very dear to my heart.

As I indicated, I spent approximately 15 years being involved in the cruise sector, and so, I know something about cruise line and cruise ship operations, and things of this matter. I know less about cricket, not that I do not enjoy cricket and I certainly trust that I will enjoy the coming world tournaments in the same way I was able to enjoy some of Cricket World Cup, 2007, but this Resolution had to do with the securing of the services of Carnival Cruise Lines by the leasing of a vessel, the Carnival Destiny, which was intended to supplement accommodations for Cricket World Cup, 2007, and we would have heard much discussion about this. I also speak to this issue with a memory of a lot of discussions.

As you know Mr. President, in another time and wearing another hat, I would have participated in, facilitated and listened to much discussion about what has

then been the pending decision, and the whole issue of financing, not only of supplementary accommodation, but the financing of Barbados' contribution to the Cricket World Cup, 2007, and there were many questions raised.

I remember if we speak specifically about accommodation that there were a number of things offered. There was an ongoing campaign to ask Barbadians to participate in a programme of home accommodation. I recall the investment by many Barbadians on the recommendations of those who spoke on behalf of the authorities at the time would have invested in creating those opportunities for home accommodation. I also remember, because I had some relatives who ended up trying to help many of these people fill those accommodations, the frustration that many people felt.

As I did my research to refresh my memory about these events, I note that one argument was that there was the requirement to meet the conditions of the International Cricket Council in terms of provision of a certain level of accommodation.

There was also the creation, or intended creation of an opportunity for Barbadians to participate, so when I looked at a guarantee of almost US\$11 million, and I recall the frustration of many homeowners who would have participated in that initiative, who would have discussed with the Barbados Tourism Authority and officials, who would have sought to meet the criteria that would have been used, and ended up with empty rooms, I asked myself, why is it that we had to rush headlong into an agreement?

I also recalled as at the time I was on the Board, and I believed at the time I was Chairperson for the Bridgetown Cruise Terminals, trying as a stakeholder in this process, to understand and to get information on this, because some of the officials in that organisation felt that they had ideas which should have gone into negotiating this arrangement.

Sir, I remember what appeared to me to be the secrecy that shrouded these negotiations. When I heard the cost, then I said to myself that perhaps if there was more transparency, we might have had a deal which made more sense and we would not be faced with the kind of bill that we have today.

Mr. President, the argument was that we needed to sign the agreement and I would have no difficulty using any of the vessels which were very well-known to Barbados, which operated within our cruise sector and was an important partner to Barbados and to Barbadians, I have no difficulty with that company being considered. What I think is that when you start to look at the cost, and also the information which led to contracting in the way that was done, I really questioned whether good sense prevailed.

I want to say that because I had the opportunity to hear the comments of the former Minister of Tourism who I thought had gone on to other things, but who seems now to have signalled that he is back, after four months, and is ready to take us on, and so, it suggests that some things have changed and he is back home, and I wish him well. I am sorry that he is not in a position to continue to assist us where he was, but he has said that he will take us on, and he mentioned the notion of hindsight being Twenty/20.

My comments and recollection of this would not be based on any hindsight, but based on recollections of what was attempted in terms of stakeholders having a say in this process and persons dismissing, out of hand, any concerns expressed, or any criticisms levelled justly and fairly, intended only to contribute to making the Cricket World Cup, 2007, the best it could be, while at the same time, ensuring that the dollars of tax-paying Barbadians were most effectively and efficiently utilised.

Mr. President, what we had was a situation where it would be interesting, perhaps to hear what would have been the findings when we looked at the projections for booking, in the months, days and weeks leading up to the provision of the accommodation of Carnival Destiny. What were the bookings like? Sir, I can bet, and I am not usually a betting person, but I would say that they were indeed dismal, but that in quite early time, the decision makers knew very well that there was something which was not panning out in terms of projections and in reality, therefore, we had a situation.

Mr. President, I also wondered in terms of the related cost of negotiation, who would have been involved, and what would it cost us to have the various intermediaries involved in the process and negotiation. It is important that at the end of the day, we have full transparency in relation to these matters. I feel that we were promised much.

Sir, I will admit that there were some developments which did not do us any good in terms of the actual performance of teams, some of whom had to leave early, some who dropped out, and how that would have impacted, but we also had a situation where there was very lavish spending on marketing efforts, among them were trips to Dubai.

Sir, I believe that as a country, we have to be mindful how we allocate tax dollars to these expenditures. If we look at the approach that was used, it was lavish, but it was not from the marketing perspective maximally efficient. It was not effective and perhaps part of that may be done in efforts to resolve at the last minute, or to salvage, from a bad situation, the best that they could be. I feel that when we start to talk about this whole exercise, it

is unfortunate that four years, since we are now looking to ensure that the proper guarantees are put in place.

Mr. President, I feel that if we had done a lot more in terms of proper marketing research, proper analysis and more important, as part of that marketing research had we done more to listen to the persons who had a solid understanding of some of the issues there, if there was

2.40 p.m.

Friday, April 30, 2010

SENATOR the Hon. Miss M. P. O. McCLEAN: more done to consult with critical stakeholders, and if more than mere lip service were paid to involving Barbadians in what is perhaps seen as a critical element of community tourism, we would probably find ourselves having to spend less money. Sir, we are talking about the guarantee, but we also have to talk about finding the money to pay these bills.

Sir, that takes me back, if I could briefly digress to a question of where all the money has gone.

As we change accounting systems, and as the Government changes its approach to recognising expenses and addressing expenses, what we would see happening is that we have a situation where we are called upon as a Government to deal with a number of bills. I will put it so that the average Barbadian understands. You could say debts or bills...

Mr. PRESIDENT: Just make sure that the President understands.

SENATOR the Hon. Miss M. P. O. McCLEAN: Mr. President, yes, so that you understand. I know that you understand, because your level of comprehension is substantially higher than mine and the average person, so I believe that you understand me fully. I am also conscious that while I am addressing you, that I am in hearing range of many Barbadians and other people. Sir, I believe that when we look at these situations and we guarantee this, for example, we also have to be thinking about: how do we service these kinds of provisions?

Sir, reference was made earlier to Sinking Fund, et cetera, and it would be useful to see how those things have been done in the past, and also how we could continue to do that, I, certainly, know the approach of this Administration.

Mr. President, to rise and speak on this Resolution without also commenting on what could have been done, as I would have been saying in terms of the past, but what is being done, I also had, in hearing comments of the former Minister of Tourism, who sought to justify the decision and

it was his decision and so, when the Papers related to this went to Cabinet, as we are always told, the Cabinet Paper is the Minister's Paper, and he would have had to defend it.

Sir, in the process of defending it, he sought also to spread a story that there is nothing happening in tourism under the present Minister of Tourism. I presume that his four-month absence might account for that. He is home now and I am sure he has a lot of free time on hand in the immediate future and, therefore, would be able to follow more closely what obtains.

Mr. President, I want to say that even though, as we grapple with meeting these bills and tidying-up all the loose ends, such as a number of Resolutions which will come before this Honourable Senate for approval in relation to other sums of monies borrowed by other entities, as we would have to do today with this one, as we grapple with dealing with those and also ensuring that we are maintaining our records as good debtors, that we will pay our debts. We also have been working very hard to achieve much, even in the face of the world economic downturn.

You would have heard, Mr. President, previous reference made to the performance of Canada and, Sir, the performance of Canada did not happen by chance. It came as a consequence of the deliberate actions of this Administration and, more specifically, the Minister of Tourism and his officials, to pursue that market, and where we see growth, we see that there is some significant growth.

Mr. President, I hope that one of my Honourable colleagues will speak - he does not like to speak often about himself, and I hope he would elaborate.

Sir, within our midst is the Honourable Senator Peter Gilkes who has been very quietly and consistently building up the yachting and sailing aspects of tourism. Right now, we have a tournament going on and that tournament was born out of another tournament and from the information I get, there are a couple more tournaments that will be born out of those. Sir, in terms of building that subsector of tourism, there is a lot of work going on.

Mr. President, I came back very late night before from Brazil and one of the things...

Asides.

SENATOR the Hon. Miss M. P. O. McCLEAN: Mr. President, as I was saying, I came back very late on Wednesday night from Brazil and I was charged with two tasks. One was to represent the Honourable Prime Minister at the Brazil CARICOM Summit, one in which there was a commitment on the part of the President Lula Da. Silva of Brazil to further relations with CARICOM.

Mr. President, on a more personal, or national note, I had the honour of officially opening Barbados' Embassy in Brazil. Sir, I think that in itself is what I would call the form. The substance of that is, that come the first week of June, we will see, through the efforts of the Honourable Minister of Tourism and his staff, the inauguration of a flight from Sao Paulo to Barbados. Sir, in the last week of June we will see that inauguration.

I must say that at the end of the Summit, the President was so happy, that he made the point to his wife that this was the Minister for Barbados and this is what is happening. Sir, for Brazil and countries in South America, that is an important opportunity.

Mr. President, it is not the first time we have had a flight out of Brazil, but it is the first time in a long time that serious attention is being paid to building that market. Sir, just to demonstrate the significance of that. The members of the CARICOM delegation were taken to Brazil via Trinidad on a military aircraft which took us just under four-and-a-half hours.

Sir, coming back to Barbados, because I had that additional duty, it took me over eight hours to get from Brazil to Miami, and then you know the time it takes to get from Miami to Barbados. Sir, that is a critical component of the significance of that initiative.

Sir, I would say here that I trust that Barbadian entrepreneurs, and the Barbadian business sector, would seize the opportunity afforded them by the facilitation of Government in this.

The Barbados Tourism Authority is a marketing arm, but the beneficiaries of any initiative like that would come from the work of the private sector to take advantage of those opportunities.

Mr. President, just to speak again on this notion that nothing is happening in tourism, it is expected that would be part of further initiatives to ensure that our summer season, which as you know, is our low season in tourism, is further boosted.

If we understand the geography of South America, they are now in the beginning of their winter season and, therefore, it is the time when people would be probably quite interesting in travelling. It is the time in which we can create packages and programmes to attract those persons, not only to Barbados, but also to the rest of the Caribbean.

If we study the population distribution, the holiday entitlements of persons in South America, Brazil, Argentina and countries which can be serviced fairly easily from that city, Sao Paulo, what you would find is that you are talking about a significant number of persons, because

if you look at the population of Brazil alone and then you sub-divide that population, demographically, we will see that we have significant persons who are willing and able to travel, either for leisure and/or business.

There are a large number of persons who are also interested in doing two things, one, avoiding some of the difficulties of having to travel to North America to move on to Europe. If you think in terms of the time, if you think in terms of requirements, in terms of visas, et cetera, the difficulties some people may face getting visas into the United States of America even though they may be passing through.

Sequence 12

Friday, April 30, 2010

SENATOR the Hon. Miss M. P. O. McCLEAN: There are ways in which we can find that we can very well facilitate the desires of persons from South America who may wish to go to Portugal, London, or Rome. Those opportunities are there and it is for us to seize. It also opens up, beyond tourism, and we are talking about tourism, the opportunities for trade.

If we look at countries like Brazil, when we were in Brazil, if I can move away from the national to the regional, 50-something agreements were signed between countries of CARICOM and Brazil in the afternoon of that Summit. I like to use the words "form" and "substance", but over and over on that occasion, and on previous occasions, the President of Brazil was stressing the importance of South/South cooperation. We know the power of Brazil. We know its rising stature in the international arena, therefore, we are very happy now.

Of course, we hope that with the decision of the President not to seek re-election, I cannot remember if it is an option, or if it is a system that he may have to step down, but we trust that there would be continued good relations between our countries.

The point I was making when talking about that for a bit of time, was to just emphasise the importance of us recognising that as we seek to engage in new initiatives, we do not necessarily have to trumpet them from the roof tops in the same way that some other people did. The critical thing is really in delivering and achieving the outcomes.

Sir, we have been working in terms of building our community tourism. There are a number of initiatives where we are as teams, as Cabinet colleagues, looking at initiatives which have significant potential. I can tell you that there are some exciting initiatives we are fleshing out, now, which certainly engage the joint attention of the Minister of Agriculture.

It would involve the Minister of Tourism, my Ministry, an agency which deals with bilateral and multilateral agreements and the Minister of Youth, Family and Sports. You will see those things coming together to introduce some very creative opportunities, not only to attract tourists, but to generate employment for young people who can apply their creativity to tourism-related activity, which can involve sports and a whole range of activities. Sir, all of this we are doing within the confines and constraints of some of the issues that we had.

I know there was much talk about the legacy of World Cup. While it was a concept which sounded very good, we will ensure that we make that legacy a reality, that we will flesh out a plan that was absent before, and overall, I believe we will deal with this situation. We will not have, and I wrote these words down when I heard the former Minister of Tourism speak. He talked about the challenges that Cricket World Cup had. He talked about having had to deal with several problems. He said: "It ended as a farce in the dark at Kensington Oval."

I never thought of it that way, but perhaps he found those were words that described the involvement of himself and others. We certainly will bring some light to Kensington Oval.

We will bring some light to tourism and all together, I believe that as we quietly, and perhaps there needs to be some more trumpeting of what we are doing, but I believe that will come in time. I believe that Barbadians, as they walk around and interact with each other, would see the results and they will hear of them eventually. What we do not intend to do is talk a lot, but deliver little. We will do it the other way around. We will deliver a lot and we will speak at the right time.

Sir, overall, we will do that against the background of some of the heavy necklaces that have been placed on our necks, such as a guarantee of US\$10.5 million, but we will do these things in a way that would allow us slowly to whittle away these debts, but at the same time, very quickly build the confidence in our people, that we have the capacity to make this tourism sector, as with other sectors of the economy, much better and more productive, while doing so against a background of efficiency, transparency and the greatest level of integrity.

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

Mr. PRESIDENT: Senator Holder.

SENATOR A. E. HOLDER: Mr. President, it is quite ironic that, as we seek to debate this Resolution in relation to the payment of a loan relative to Cricket World Cup 2007 (CWC), that a couple of weeks henceforth, we

shall be hosting the Finals of the T20/20 at Kensington Oval. It is also ironic when we examine the guarantee of this loan that the Democratic Labour Party has trumpeted the notion of examining Barbados, not as an economy, but as a society, so that we ought to be considering, not just the guarantee and the repayment of this loan, but the tremendous benefits that accrued as a result of the successful hosting of the World Cup within this Region, and primarily from the Super Eight to the Finals, as it relates to the legacy of the Kensington Oval. I will speak to that.

Sir, it is, therefore, important and imperative that in examining the guarantee of this loan, we examine the background in relation to acquiring the services of this cruise liner. It is most important. The Local Organising Committee (LOC) and the Barbados Tourism Authority, successfully launched a bid to host the Finals of the 2007 World Cup (CWC). In so doing, there were a number of pre-requisites. It was important in obtaining that bid that a need assessment be undertaken. Before we could successfully bid, we had to understand the bed capacity that we were capable of undertaking. This would have been based on the visitor-ship of previous World Cups. Also, the fact that it was a novelty event within the Caribbean, the first time it is coming to our shores. We had to anticipate the likelihood of the visitor impact.

SA30 3.00 p.m. Sequence 18

Friday, April 30, 2010

Senate A30, sequence 19, 3.00 p.m.

SENATOR A. E. HOLDER: Sir, the Need Assessment Survey was conducted and it revealed that Barbados needed a minimum of 3 500 to 4 000 beds, based on the capacity that we had at the time. The possibility of the home accommodation was explored and the challenges in relation to those were understood and undertaken. It called, in some instances, for the Town and Country Planning approval to existing homes. Some persons also wanted grants rather than loans in order to facilitate that process.

At the completion of the Home Accommodation Survey, it was revealed that we had 500 beds. Therefore, we were still deficient to the tune of 3 000 to 3 500, and these were needed with a degree of urgency.

In consultation with the International Cricket Council (ICC), the concept of accommodation via a cruise ship was undertaken, so that it was not something whimsically done. It was undertaken after consultation and analysis. The Barbados Tourism Authority then engaged the services of Laundry and Clean specialists in the area from New York, who had successfully undertaken

supplementary accommodation for mass events before. They came with a proven track record, having successfully undertaken accommodation for Atlanta Wonder Pix in 1966, and the Super Bowl in New Orleans. Sir, not only that, the concept from the beginning was that it would be self liquidating, that the packages would pay for themselves.

Sir, again, the concept was that by the selling of the packages, it would be self-liquidating, so that it would not be a burden to the Barbados Tourism Authority (BTA), or to the country, and it was projected that with 85 per cent occupancy, that it would have been a success.

Additionally, the Asian Diaspora in the United States of America was a prime target market, given their affinity to cricket, so that *ceteris paribus*, other things being equal, the process as it stood, was earmarked for success but, Mr. President, who could have anticipated that early in the proceedings, we would have witnessed the death of Bob Woolmer, for example? Sir, that was not anticipated.

Who could have anticipated, based on current form, and given their traditions in cricket, especially the limited overs' version, that there would be the early elimination of Pakistan and India, whose countries possess fanatical followers as it relates to cricket, who love, who breathe, who sleep, who live cricket, but that is what occurred. Sir, the early exit of those teams had a tremendous negative impact on what was anticipated.

Nonetheless, Sir, we were able to utilise the same cruise ship to ferry persons throughout the Caribbean, based on the capacity, and to have short-term cruises. Sir, we sought to make back some of the money so that it could not be said that the concept of a cruise liner for supplementary accommodation was a bad concept. Sir, that cannot be said.

The fallout occurred, not as a result of anything being done negatively by the Government. It was a natural occurrence that had nothing to do with the Administration of the Barbados Labour Party. Mr. President, what was not being said, were the benefits that have been derived from the successful holding of the Cricket World Cup, 2007.

Sir, no one is talking about the fact that Caribbean Tourism Organisation's (CTO) estimates revealed that this country obtained revenue in the sum of US\$76 million. I wonder why. No one is speaking to the fact from the same CTO's estimates that there was 26 000 visitors to this shore as a result, but that is not all. That is if you are speaking to it from a solely economic perspective, but that Side speaks of a societal concept.

Senate A30, sequence 19, 3.10 p.m.

Friday, April 30, 2010

SENATOR A. E. HOLDER: Mr. President, as a result of the Cricket World Cup, there has been infrastructural development in this country. That cannot be denied. Successful training of personnel in relation to mass casualties, the training of Environmental Health Officers, the improvement and uplifting of our health standards, and the training of food handlers and vendors. There are multiplier benefits within the society as a result of the same Cricket World Cup.

Mr. President, not only that, it is clear and obvious that had it not been for the successful holding of that Cricket World Cup, we would not be in a position to successfully bid for the T20 finals. That again is part of the legacy concept.

Mr. President, I must ask the question: Has not this Government invested in this same T20 World Cup? I wish to know. They would not have to invest very much if all of the infrastructure has already been completed, so there is, but little for the Government to do, but to reap the benefits thereof, because a path of success is there.

Mr. President, in order to host this Twenty/20 Finals, there is no need for any more infrastructural development, it is there already, and there is no need to train handlers, inspectors, or security personnel, all of that has been done.

Mr. President, in seeking to examine the guarantee of this loan, it has to be placed in a different context. It ought not to be seen as an attempt to waste taxpayers money, not if we are using the mantra of this Government, as it relates to examining it from the entire holistic perspective of a society.

Mr. President, the mere fact that this loan was unable to be self-liquidating, cannot be placed at the feet of a Government, whether it is the Democratic Labour Party, or the Barbados Labour Party. What occurred were circumstances beyond the control of a Government.

Mr. President, what is clear for all to see, is that there are lasting benefits to be derived from the investment by the Barbados Labour Party into Cricket World Cup 2007, so much so, that once again, Barbados reigns supreme to host the Finals of the T20.

Mr. President, in examining Resolutions, we must be careful when we just seek to apportion blame. What I would wish the Leader of Government Business to do, when she seeks to wrap up this Resolution, is to clarify, if she can, certain questions that I wish of her. Given the fact that there is an emphasis on the whole notion of sports tourism, and it being an engine of growth and a tool for growth in the future, it is critical and important for there to

be investment in that critical area. Given the fact that it is hoped that tourism is seen and utilised, not as seasonal in nature, programmes must be put in place to make it all year.

If we are using the services of parts of our legacy and on the premise of good governance, transparency and accountability, which has been said is the hallmark of the current Administration, I would wish to know, if you are utilising our legacy tools, why has the National Cultural Foundation been unable to pay for the rental for Kensington Oval for Crop Over 2008-2009, and if some, or all of these monies would be paid before Crop Over 2010?

I understand that the Barbados Football Association has been unable to pay for the rental of Kensington Oval for the World Cup qualifiers in 2008, so I want to know if it is true that the Arts and Sports Promotion Fund, which started with the Barbados Labour Party, is going to be utilised to pay the debts of the Barbados Football Association to Kensington Oval which comes under Kensington Oval Management Inc. (KOMI). That is all as it relates to good governance, transparency and accountability. Those are questions I would wish answered if the Leader of Government Business has answers to those.

Mr. President, in wrapping up my contribution, I think it is important that we do not look at this guarantee separate and distinct from the totality of the events surrounding the Cricket World Cup, but that we sincerely and honestly qualify and quantify the benefits that this country has achieved from the successful holding of that Cricket World Cup, and will so do for the T20, and will continue to do so in the future, because the trend that has been put in place by the Barbados Labour Party Administration in securing a legacy relative to the benefits to be derived.

I am obliged to you, Mr. President.

Senate A30 Sequence 20

3.20 p.m.

Friday, April 30, 2010

Mr. PRESIDENT: Senator Chandler.

SENATOR Dr. F. L. CHANDLER: Mr. President, I am aware that we are debating an issue after the fact. The deed has already been done and the country has already been committed to a loan of US\$10.5 million, therefore, there is not much point in speaking too much on the issue. It should have been debated in 2006/2007.

Mr. President, in my opinion, there is too much emphasis on Barbados proving to the rest of the world that

we are a developed nation and spending large sums that we can often ill-afford to prove it.

Sir, in my opinion, development does not mean only impressive structure, or hosting big events. It also means building a good foundation, developing our human resources in a way so that they can contribute to productivity and contribute generally to the building of the nation, protecting our environment, strengthening our industries, and implementing policies to encourage the increased growth of the economy.

Mr. President, for some time now, I would say that the very moral fabric of our country has been crumbling. We see drug abuse, the abuse of children, the elderly and others, we see crime and violence in schools. I sometimes cannot imagine that this is Barbados. I think we need to concentrate our efforts on building a better society. As far as I am concerned, that is the first prerequisite to building a developed nation, then all the other window dressing can come.

Mr. President, I do not think we could say that there has been no benefit from Cricket World Cup, 2007. I know that the volunteers were trained very well and other sections of the society were trained extremely well, and I think that the park-and-ride system that was put in place for that time worked very well. I think it should have been kept in place.

We have wonderful infrastructure at Kensington and other places, but I think that some of this could prove to be a millstone around our necks. But when we allow our society to slide, when we concentrate our efforts on all of these physical things, and we allow our society to slide, instead of spending money on positive projects, we have to spend it on what you could consider negative projects, like building massive prisons and other reform institutions, so we need to concentrate on getting these things right before we attempt to show off to the rest of the world, in my opinion.

Mr. President, this US\$10.5 million could have been much better spent implementing at least some part of the improvement in the sugar cane industry - recommendations were made since 2003, but nothing has been done to date, yet you spend US\$10.5 to rent a cruise ship.

Something could have been done for upgrading the Accident and Emergency Department of the Queen Elizabeth Hospital which I consider to be crucial, something which puts the fear of God into me to have any member of my family having an emergency. It could have been used to extend some of the primary schools that at present have two classes in one room going on at the same time, which is absolutely impossible.

Mr. President, the question is, can we afford to gamble with such a sum of money? No one obviously could have predicted the outcome of the early games in the Cricket World Cup, 2007, only if we were going to become engaged in match-fixing, which I do not think we would want to do, so why would we risk such a sum of money on something that depended so heavily on an outcome which we could not control?

Mr. President, I cannot support the reason for the borrowing, but as I said before, the country is committed to the debt. It is fait accompli and, therefore, we must accept the commitment. I thank you.

Mr. PRESIDENT: Senator Crichlow.

SENATOR The Very Reverend H. CRICHLLOW: Mr. President, I rise to support this Resolution and to say first of all, that I would like to commend the Honourable Senator Holder for his excellent defense of reasons why this money was spent. I am not going to go over it, because I do not think I could do it as well as he has done. He has done a very comprehensive job. Only about four of us in this Honourable Senate at this time were here when the matter was debated and I think we all agreed that - not you Mr. President.

Mr. President, I remember how happy we all were to support this measure and I certainly cannot now stand and oppose, having supported it. You would have to remember the situation at the time and we were so happy that we were chosen. Sir, in any case, as host, we had to provide places for all the people who were expected to come to the games and I do not think that the Government should be left having to repay this loan in full.

I think the Barbados Tourism Authority should have written to the West Indies Cricket Board and West Indies Cricket Board should have written to the International Cricket Council about this matter, because it was all done in the interest of the country, the Region and world cricket.

Sir, a lot of money is being made in cricket today, and I feel that some of this expense should be shared by bodies such as the West Indies Cricket Board (WICB) and International Cricket Council.

Mr. President, as Senator Holder said, nobody could have foreseen what happened.

3.30 p.m.

Friday, April 30, 2010

SENATOR the Very Reverend H. E. CRICHLLOW: If the Iceland volcanic dust had continued for a few more weeks, which was quite possible, the same thing would

have happened with this tournament, because the cricketers would not be able to get to the Caribbean, because of lack of air travel, and we would have lost a lot of money, but it would have been, because of things that are beyond our control. I do not really think that the former Government should be blamed for what they did. In the circumstances, I really do not.

Mr. President, I think we are in danger too of confusing Party with Government, and Government with State. Very often, we slip into the practise of talking about Party when we mean Government, and talking about Government when we mean the State. I know, of course, that there are two meanings of State. In some jurisdictions, the State means the political directorate and in others, the State means the entire population of people.

I really think that all the arrangements that were made for the last tournament, were made sincerely, and they were made in the interest of everybody. I really think that we should see this matter in a completely different way. He used the word “holistic” and I accept that. I am sure that any Government of Barbados would want to do the same thing if we were faced with a similar situation.

Mr. President, I agree with Senator Chandler that we sometimes think that Barbados is much bigger, and much wealthier than it really is. I am not fascinated by the rush towards developed country status, because I know that the people of Barbados, as a people, have not reached the mental stage of a developed country. I know some of us have, and I am very glad about that. We ought to try to convince the vast majority of our fellow Barbadians that we need to move on, but it is not easy with our social history as it is. It is not easy to reach this status almost overnight.

Sir, developed country status means that we have to be prepared to help other countries. Really, are we able, materially to help countries very far from Barbados with money and personnel to meet tragedies and so on?

Sir, we are still a poor country. We need to change so much of our thinking and our behaviour to reach developed country status. I think we should help our own society by not behaving as though we have reached developed status.

Mr. President, what many of our people are doing is living above their means. There is a kind of equality, an egalitarian society, but everybody must be treated in the same way. Sir, everybody is supposed to be competent to speak on any subject, whether they have studied it, or know anything about it at all. Sir, all opinions are supposed to have the same kind of value. Sir, all of this is unreal, and just as we are trying to be thought of as a developed country, the people who are not supposed to know better

are using this same kind of idea. It does not matter what they know, or what they do not know, but their opinion must be considered as equal to others who have spent years studying and suffering for what they have been able to arrive at.

Mr. President, I am sure that this matter was undertaken by the previous Government, with the best will in the world, and it was thought that it would be successful, but things happened that proved otherwise. I do not think it is fair to say that the tournament was a resounding success. I was at Kensington on that last day and how it ended, there were no flood lights at Kensington and so many things went wrong. It certainly left us with a bad taste in our mouths. Sir, as a result, we have much better facilities in the Caribbean, flood lights are at Kensington, and so on.

Mr. President, I would like to support the Resolution and say how happy I am to be able to defend the previous Government for doing what it did.

Mr. President, I thank you.

Mr. PRESIDENT: Senator Gilkes.

SENATOR P. W. B. GILKES: Thank you, Mr. President. The older people had a saying, “You can hide and buy land, but you cannot hide and work it”. The former Government nearly bought the Carnival Destiny, but they could not work it. We would never have known where we are today had it not been for the fact that the electorate spoke on January 16, 2008.

S/A30/3.40 p.m. Sequence 22

Friday, April 30, 2010

SENATOR P. W. B. GILKES: The reason we are here is to approve a guarantee of a loan for US\$10.5 million. It has been necessitated because of the neglect shown by the last Administration and the former Deputy Prime Minister, in her own wisdom, who withdrew the Government security for this loan. We are paying this massive loan to satisfy an ego. That in itself is sad. The loan, as we were told by Senator Holder, was intended to be self-financing. The likelihood of that happening was slim to non-existent.

I think the Carnival Destiny has about 2 300 cabins. Those cabins would have been running at about \$9 000 per cabin during Cricket World Cup, a hard task, almost impossible task.

Sir, Cricket World Cup, 2007, overseen by former Minister, Mr. Noel Lynch, would have to be the biggest disaster to hit our shores in a long time. I would suggest at this stage, may be he should humble himself and concede

that on both counts, the chartering of the Destiny and the money that was spent at Kensington, were bad investments. The cost of nearly \$400 million to rebuild Kensington Oval is excessive. Sir, there were stadia built in the other Caribbean islands for less than a quarter of that. Our cost at some stage should be analysed to find out why it has reached the figure of \$400 million.

This Government, on coming into office, had to fund another \$10 million, to provide the lighting for a stadium that was recently rebuilt and hosted the World Cup Finals in darkness.

Sir, let us not forget that with the hosting of the Cricket World Cup, 2007, everything was supposed to be fantastic. We were supposed to have the largest number of arrivals, the biggest spend. It was not until 2008, that Barbados recorded its dollar spend, not during Cricket World Cup year, but the next year that was recorded.

The current programme has done an about turn on how the people's money is spent. The Barbados Tourism Authority has created more airlift out of Canada, and the United States of America, resulting in significant increases in arrivals. March 2010, showed an increase of 48.4 per cent in arrivals, related to 13 733 United States visitors, and the Canadian market of an 18.2 per cent increase. This is the effort that the Barbados Tourism Authority, and the Minister of Tourism is making, that is paying off, not "airy fairy" plans that amount to little, or nothing.

Sir, it is so unlike the former Minister who contracted Air India, to fly about 356 passengers to Barbados during Cricket World Cup at a cost of \$1.3 million. On closer analysing, it would be clear to see that it just did not make sense. We have had JetBlue deliver something like 17 000 odd people and their subsidy works out to \$1.4 million. Senator Holder, your former Administration moved 356 persons at a cost of \$1.3 million.

Sir, the former Minister has just returned to Barbados having done a four-month stint at the Caribbean Hotel Association and is no longer employed by them. It would indicate that...

Mr. PRESIDENT: Senator Holder.

SENATOR A. E. HOLDER: On a point of order. Sir, is that a fact he is speaking to?

Mr. PRESIDENT: I want to ask all Honourable Senators to get hold of this book and read it please, so that I would not have that situation where Senators are functioning as if they are in a rum shop. I do not want it to happen, please.

Senator Holder, you were saying?

SENATOR A. E. HOLDER: On a point of order. Is the good Senator Peter Gilkes speaking of facts before this Honourable Chamber? I would wish for clarification if he can say that those are facts to which he is speaking to.

The Honourable Senator is misleading this Chamber. Unless he presents the letter of dismissal before this Honourable Chamber, then he can speak of that.

Asides.

Mr. PRESIDENT: Senator Gilkes, you may continue.

SENATOR P. W. B. GILKES: Sir, putting it this way, the Caribbean Hotel and Tourism Association (CHTA) and Mr. Lynch parted company very quickly. It took them only four months, unlike us, it took 14 years to part company with him as a Minister. Let us move on. We are not wasting any time there.

Sir, the tourism effort has been confirmed that we will focus on delivering people to our shores. As we speak, Barbados is presently hosting a world event called the "Fireball Barbados World 2010". It is being hosted right here in Carlise Bay, where we have nearly 300 visitors to our shores, 70 boats and 140 teams participating. These are arriving at a time that would normally be a quiet time for tourism arrivals. It has been placed at this time to help with the numbers to provide some benefits to some of the hoteliers, guest houses and things like that.

Sir, these people have come here for this event. They are staying at hotels ranging from the Hilton to Alamanda, guest houses and cottages. The spread of the wealth is across the board. It has been a coordinated effort with the Barbados Tourism Authority, and the organisers, to position us at this time, and we are seeing the benefits. These people are out and around enjoying life here in Barbados, and to this end, the hosting of this event has exposed us to the management team of the Youth World Programme, which, in speaking to them, they are very keen to bring a Youth World Yachting Programme to Barbados in 2012.

Sir, in terms of yachting, we have the President of the 505 Internationals which is another class of sailing boat, that is coming to Barbados to witness the Fireball World. Once they have come and have seen and are pleased with the way this has been operated, there is every likelihood that Barbados will be granted the 505 World in 2013.

Sir, the sports tourism effort continues. It is continuing at a pace. We recently hosted four County teams from the United Kingdom.

SA30 3.50 p.m. Sequence 23

Friday, April 30, 2010

Senate A30, sequence 24, 3.50 p.m.

SENATOR P. W. B. GILKES: I would like at this time to congratulate the effort made by the staff of the Barbados Tourism Association (BTA), for the effort that they put in to make that a successful, well-run event for these four visiting teams.

Asides.

SENATOR P. W. B. GILKES: They went beyond the call of duty to make the ground spectacular in the drought season which was a difficult task. On return to the United Kingdom, the management team of these four Counties has had nothing but praise for the event planners and the coordination of the Barbados effort, the grounds and everything that went into making the visit of these four teams successful. The teams that have been here, have already confirmed that they will be returning next year, along with four other new teams that will be joining the parade.

Asides.

SENATOR P. W. B. GILKES: We also participated as a Government in the Sanibel Polo, and that was a massive success for the very reasonable outlay of \$1 million. The Barbados exposure worldwide amounted to about \$40 million. It was on every television station and in the press around the world.

Asides.

SENATOR P. W. B. GILKES: Especially when the Prince fell. That is correct.

The fact of that is, that for a creative approach, without the use of having to spend massive amounts of money, you have been able to create exposure and value for Barbados, and we did not have to spend \$400 million to do so.

Asides.

SENATOR P. W. B. GILKES: Mr. President, just touching back for a moment on the matter of sailing. I would also like to add that coming next month, we will have had the tremendous support of the Barbados Tourism Association. Barbados is probably, if you speak to people

that are in the world of sailing, you would probably find that most of them will tell you that the hardest 98 miles to travel, are the 98 miles from the Caribbean chain of St. Vincent to Barbados. Those 98 miles are tough and in an effort to attract a very good entry to the regatta that is coming up, the Barbados Tourism Association has kicked into action and they have provided financial assistance to put these smaller boats on a ferry service and have them delivered to Barbados.

In doing so, each of those boats will have a crew of five, or six, but in each of those boats, you will probably have 10, or 12 people coming to Barbados to be part of that regatta. So far we have 22 boats from St. Vincent. Let me also mention that in an effort to promote sports tourism and cruise tourism, we are also promoting youth in yachting.

Asides.

SENATOR P. W. B. GILKES: The Barbados Tourism Authority has found a way to get two youth teams, one from St. Vincent and the Grenadines and the other one from St. Lucia. Their boats are being shipped to Barbados. They are actually in Barbados today, and we will try to find some help for them with accommodations.

Sir, we are trying to create an environment which is wholesome and for the benefit of Barbadians as well, and for those that come to Barbados and enjoy Barbados.

We have these youngsters coming up. My only sadness in all of this is, that we in Barbados will not have a Youth Sailing Team to compete against the ones from St. Vincent and St. Lucia. Sir, that is something that we need to work on very closely.

With those few notes, Mr. President, I support the Resolution.

Mr. PRESIDENT: Senator Hunte.

SENATOR R. A. HUNTE: Thank you, Sir.

Mr. President, I rise to support the Resolution. The responsibility of repaying this loan, Sir, is a foregone conclusion. It is a commitment of the Government of Barbados, therefore, the Government of Barbados, if I can borrow that expression from Senator Dean Crichlow, the State has some responsibility, as far as this commitment is concerned.

Sir, the issue for me in this debate is not how well or what contribution the Cricket World Cup 2007, has made in this particular debate, the Cricket World Cup 2007, has done, or has not done. The issue in this debate is that the Government of Barbados as it states in the Schedule, and I read:

“A Letter of Comfort dated December 4, 2006, issued by the Ministry of Finance, undertaking to ensure that any debt, resulting from the standby Letters of Credit in the total amount of US\$14 772 000 dated May 5, 2006, and issued in favour of the Carnival Cruise Lines, is repaid in accordance with the terms and conditions agreed between the Barbados Tourism Authority and the Bank, pending Parliamentary approval of this Resolution.”

Sir, it never came. I want to see if I am corrected on this date. It does not sound right to me.

“Written confirmation from the Ministry of Finance dated January 7, 2008 that they have no objection to the proposed loan of US\$10.5 million to the Barbados Tourism Authority, supported by a Government guarantee and that the abovementioned Letter of Comfort will remain in force, pending Parliamentary approval and issuance of the Guarantee of the Government of Barbados.”

Sir, this is what we are debating now. We are debating now a Guarantee. It has nothing to do with whether, or not, you foresee anything. What happened is that after a Letter of Comfort was written by the Ministry of Finance in 2006, there was no Parliamentary approval for this Guarantee for this loan. That is the issue. What has happened in between there? The record states that this matter was on the Order Paper and was withdrawn in May of 2006.

Asides.

SENATOR R. A. HUNTE: Mr. President, that is the issue in this debate. What has happened in between there has nothing to do with whether you owe 25 cents, or \$25 million. Sir, that is not the issue for me in this debate. When these things happen, it questions morality, openness and honesty of an Administration in Government at the time - we are taught to say by the Reverend leader, the word “office”. The word “power” suits other people. Power belongs to God. We do not use it. We try hard to stay away from using “power”. We say “office”.

I remember when we were speaking about open Government some years ago, Sir, Senator Trotman in a public statement said that “open” could mean a cesspool. Sir, that is what we had. An open cesspool, and a lot of things have taken place during the operations of the Cricket World Cup 2007, which we have to seriously question in Barbados, in terms of how it was financed, the input and some of the miscalculations by the previous Administration.

Sir, do not let anybody fool you. This is politics we are dealing with. This is not a Church service. The point is that the 2007 World Cup was all about returning the Barbados Labour Party to Government. It was a big

campaign that spread all through to India. I do not know if we can draw the Iceland situation to this.

Senate A30, sequence 24, 4.00 p.m.

Friday, April 30, 2010

SENATOR R. A. HUNTE: The Iceland situation did not occur, but the 2007 World Cup did, and we are paying for it. The Iceland affair has not finished yet, but the boats come here and the cricketers are here, so somebody is not seeing too clearly.

The point in all of this is that a lot of money was spent on that World Cup that is questionable in some cases, and unanswerable in others. What has happened that there was never any parliamentary approval, if it was so accepted by the nation of this country?

There were a number of things that came before Parliament, and they said that they did not agree with certain things, but in the name and interest of this country, they would approve it. Why was not this brought to the Parliament? That is the question that has to be answered.

Mr. President, what took place in terms of upgrading the health institutions and so on, was not anything that was initiated by the Barbados Government. It was the rules and regulations of the International Cricket Council (ICC), whereby all of those venues had to be upgraded in one form, or the other. Those things were on the table to be done, but they did not give them the money to do it. The money had to be found.

Mr. President, I have some association with Kensington Oval and I am extremely concerned with what is taking place at Kensington Oval. Sir, it was a novelty, so a lot of things would, or would not have taken place in 2007, or the lead up to the Cricket World Cup, 2007.

Sir, I have a bird’s eye view of what is taking place at Kensington Oval. There is, down there, a three-dimension operation. It has to be spoken about and I will speak about it, because at the end of the day it is the taxpayers’ money that is financing that Kensington Oval, no matter what you hear them saying.

There are lots of commentators. There is one who gets paid for talking, but he has never run a Government yet. I do not know if he ever had a meeting turn. Kensington Oval should be opened up to the people because it belongs to the people. The grass is very pretty and all sorts of things, but it takes a lot of money to run Kensington Oval.

Mr. President, I mentioned just now about a three-way dimension. There is a staff at Kensington Oval that

functions under the auspices, or the control of the Kensington Oval Management Inc. There is another entity that in reality, it belongs to them, that functions as a part of that building. I am dealing with Administration, I am not dealing with all the people who are on the Barbados Cricket Association Board that keep a lot of noise and so on. They, along with Kensington Oval Management Inc. (KOMI) staff, are not directly involved in this cricket and it has brought some tension down there.

The International Cricket Council (ICC) and the local organising body, on the behalf of the International Cricket Council, is the organisation, or the people that are calling the shots. What has happened is that the staff at Kensington Oval has been sidelined, people are passing people and not speaking to people, and people do not know what areas to go in because of security. This is a staff at Kensington Oval. You might forgive 2007, because there was no Kensington Oval Management Inc. It was an International Cricket Council sub-group that was operating under the late Stephen Alleyne, so I am not going to compare then with now.

Mr. PRESIDENT: Senator, I do not wish to interrupt you, but if you are going to call a person's name, you have under the rules, prior to calling that name, to acquaint the Chair that you intend to call that name. We cannot in this Senate treat citizens in a particular way. The rules do not allow it. Continue please.

Senator R. A. HUNTE: Sir, I am sorry that I could not give you any advanced notice to call Stephen Alleyne's name, but he is dead. I am sorry about that.

Mr. PRESIDENT: Apologies are accepted.

SENATOR R. A. HUNTE: Sir, if the International Cricket Council as an international organisation will set up... Government money is currently being spent down there. What I have seen in these documents is that \$1.7 million had been advanced to the local committee on behalf of the Barbados Tourism Authority and the Barbados Tourism Investment Inc. Sir, I do not think that is good enough.

When the International Cricket Council tournament lasted for two, or three weeks, it is still the administrative staff, including the groundsmen, that have to run Kensington Oval. These things cannot be hidden. There is tremendous tension at Kensington Oval. Why should any staff be alienated like that? It should not be under any circumstances.

Sir, I do not know what is in the Agreement. That is, the lease between the Government of Barbados and the Barbados Cricket Association. However, what I would say is that the Government from herein on, that is whoever the

Government is, has to look seriously at the financial involvement in Kensington Oval.

I am saying that as a citizen and a taxpayer of this country, it has to be looked at, and looked at rather seriously. I do not know what the Agreement says, but nothing is forever, but Jesus.

Mr. President, I am saying that unless you sell your interest to some organisation internationally, locally, or otherwise, Government funds would have to be number one in running Kensington Oval, if it is to be kept in the condition in which it is being kept in now.

Mr. President, if you are going to have this kind of situation where, when the International Cricket Council steps in, everything else takes a back seat, including staffers who have to be there on a day-day basis, it is not good.

Mr. President, every category that is operating down there, volunteers, staff and security that come in, is in total confusion, because people do not know how to function. Sir, it is sad. Management cannot even tell staff how to operate, because they themselves do not know. How could you have that? What would have been so difficult to incorporate either/or both members of the Barbados Cricket Association, who have been involved in running cricket at Kensington and members of Kensington Oval Management Inc. staff, a number of whom were involved in the 2007 Cricket World Cup. They are totally experienced and totally trained. Sir, that is not happening.

Senate A30 Sequence 25

4.10 p.m.

Friday, April 30, 2010

SENATOR R. A. HUNTE: Mr. President, you cannot see a situation like that. Spectators would not see it. They probably would soon see it, for what some of the intentions are in another week, or two, but it is total tension, and it cannot be fair to operate in those circumstances. It cannot be fair. It is not fair. It is not good public relations, nor is it good human relations in any capacity at all.

In Barbados we have hidden things because we want to keep friends. When you get a certain age, you do not worry about friends. Just yesterday I celebrated my 61st birthday. Do you think I could be looking at friends now? When you get to this age, you cannot be looking for friends. I leave that to my children and to my grandchildren. When you get to this stage, you do not look for friends, there are institutions there to look after you.

Asides.

SENATOR H. A. HUNTE: Mr. President, I am serious about it, because you cannot hear people - and they will say things to you, because they feel that you will talk about it - nobody gave me a message. I gave nobody advanced warning, but I will say to this Honourable Chamber what is taking place, or what has taken place at Kensington Oval. It has nothing to do with the personnel of Kensington Oval Management Inc. (KOMI). It is the atmosphere that has been created, because every time you are going to have an international event, and the main thing is cricket so far, and a local operation is set up on behalf of the International Cricket Council, new rules, new personnel, and new things come into place, and nobody else down there. Well, then it does not make sense, because whatever is going into Kensington Oval, is through Kensington Oval Management Inc.

Sir, I am saying that I do not know the Agreement. I do not know if they are locked in, or locked out, but Government at some time in the near future, will have seriously to look at the financial involvement in Kensington Oval.

Sir, I recall very well that shortly after this Democratic Labour Party came into office as an Administration, that US\$10 million was voted for financial operations at Kensington Oval, including the lights and a former Prime Minister did not vote for it and said that they should not get another cent, who was very much involved in the 2006/2007 operations.

The records are there, but some of us, not on This Side, not in here, elsewhere have a convenient memories, but thank God I do not have a convenient memory. I am extremely blessed to have a good memory. You cannot have everything in life, according to the guy on television, you would not have anywhere to put it, so you have to be grateful for what you have.

Mr. President, I make that statement, I made that plea, I would have been happy had the West Indies won the 2007 Cricket World Cup. I would be glad if they would win this one. My feelings do not take away anything about the West Indies team. It has nothing to do with that. It is a financial hole that I do not know how it is going to be filled. I have heard all kinds of figures: US\$200 million, \$300 million, so I cannot quote any particular figure, but what I can say is that not only was it a substantial investment, I do not know if any other grounds in the Caribbean have cost this much. Grenada got a free ground from China. I am not saying that everything went wrong leading up to the last Cricket World Cup, 2007, because Barbados really prides itself on good operators, and may be that is the jealousy that goes in other Caribbean islands. But because we pride ourselves on that, does not

necessarily mean that we always have to take up taxpayers' money and throw it all over the place.

Sir, when I hear people trying to beat this Administration to death, a Government which is only two and a half years old, and I read out earlier today the kind of debts that have been incurred and have to be paid, it cannot be right. People must say nothing, people must not talk about these things, people must get on. Do not worry about yesterday, get on now. All kinds of things you are hearing.

I am sure that Senator Holder regurgitated a lot of things that happened in Cricket World Cup, 2007, and that is the past. Anybody who could live without making reference to the past, then I want to see that person unless, of course, you are like the man who has recently been discovered in India, who is 77 years old, and has never eaten, or drank water. He does not eat anything, neither does he pass out anything.

When people are sleeping, I am listening to the BBC station at nights. That is where I get my information, but for 70 years this man has not drank, nor eaten anything. They have him now closed off and on close-circuit television, has not eaten, and he still is alive, but the point is that we have to look seriously at how we are spending our money.

I know that Senator Chandler says that we need to spend less, but I do not know how we could get that done. Senator Crichtlow talks about we have to change our lifestyles and habits, I do not know - Senator Crichtlow has been preaching for quite some time, but I do not know how much has changed since his preaching for him to have that holistic approach, but the point is, that Senator Crichtlow must do his job on behalf of the Almighty.

Mr. President, I must also do my job as a Senator in Barbados and that is why I am speaking the way I am right now, but we cannot go on like this. Once again, before I sit, I want to make this appeal that the Government of Barbados must seriously look at its financial involvement in Kensington Oval. You could not be a coach, or manager 20, or 25 years ago, unless you were born in Britain. Now, there are also kinds of coaches that sometimes you do not even understand what they are saying, and the owners of those Clubs in Britain are now owned by people in the Far East and Middle East, because this is a changing world.

Sir, I am saying that if Government can find an operation that they can sell their interest to, I would suggest that Government does so, whether it happens within the next three to five years, I feel it should be done.

Mr. President, with those few words, I beg to support this Resolution.

Mr. PRESIDENT: Senator Ince.

SENATOR J. INCE: Mr. President, I rise to support this Resolution guaranteeing a loan of US\$10.5 million, principal and interest payable. Mr. President, as I sat and listened to Senator Holder going through the reasons this US\$10.5 million should be seen, as he puts it, a liquidated loan. Sir, many times when he speaks, I reflect on 1994.

Senator Holder said that an assessment was done before the ship, the Carnival Destiny, was leased by the Barbados Tourism Authority to transport persons in and around Barbados and throughout the Caribbean for Cricket World Cup, 2007. Mr. President, no assessment was done.

4.20 p.m.

Friday, April 30, 2010

SENATOR J. INCE: If an assessment of the rooms available in Barbados was done, Senator Holder would have been aware that in 1994, when the Democratic Labour Party, this present Administration, left office, that one of the things the Administration did was to invest \$86 million in the tourism industry and 3 244 rooms were available at that time.

Sir, in 1994, this present Administration increased those rooms through incentives given to persons involved in the tourism industry and the number of rooms increased by 302, or 9 per cent, giving a total of 3 546 rooms.

Mr. President, when Senator Holder is going to say that an assessment was done, what assessment was done, Sir? The assessment that was done was done basically to have that ship in Barbados to sail both the starboard side and the port side without a single body. Sir, these are the principles that were used to lease that vessel - the availability of the vessel is what they used, Sir.

Mr. President, the so-called experts and consultants used the availability of the vessel and the size of the vessel. Now tell me, does that relate to hotel rooms? Sir, there were 2 316 staterooms and, as Senator Holder puts it in his statement, they had expertise in organising one Super Bowl in Jacksonville and Senator Holder puts it as a track record.

Sir, a Super Bowl is the national football league of North America. Sir, if my memory serves me well, that Super Bowl that Senator Holder speaks about would be the Washington Redskins and the San Francisco 49ers and, Sir, that stadium holds 90 000 people. It was not a ship.

Mr. President, if you watch a Super Bowl with the Miami Dolphins, and the New York Jets, there are 110 000 people in that stadium, so whosoever prepared that consultancy for the Government at that time, did a very

good job in convincing them that this track record was superb, and we were supposed to enter this contract. The contract was entered into for 28 days at a cost of US\$14.8 million.

Mr. President, if you use the international exchange rate of 2.0388, that is US\$1 to BDS\$1. I am speaking from my profession as an analyst, so 2.0388 would give you a Barbados value of \$30.2 million, so we rented a vessel at the cost of \$1.075 million per day.

Sir, the reason why the former Government never wanted to discuss this whole issue, is because they knew that Barbadians would have rejected this business opportunity where they were going to lease a vessel for \$30.2 million in 28 days. Sir, that is unheard of.

Mr. President, instead of bringing the issue to the House and having it discussed, they issued two Letters of Credit, something called an irrevocable Letter of Credit. Could you imagine that the experts said to a Government that is made up of three top economists, legal luminaries and brains, that they should not go to Parliament to discuss it, that they should just give two Letters of Credit and, Sir, they entered into an arrangement on that basis?

When we are looking at this whole issue of the World Cup, and, certainly, they are there in the documents, the Letters of Credit issued...

Asides.

SENATOR J. INCE: Sir, also with that Letter of Comfort, there were two letters issued to the financial institution that gave the loan to the Barbados Tourism Authority. They were so confused, Sir, they had a Letter of Comfort, also supported by two irrevocable Letters of Credit. Sir, there was mass confusion. Sir, I term it, "financial madness". Sir, that was the type of arrangement we went into. Sir, when I read it, I smiled because I said, how could a Cabinet with all of these brains allow themselves two irrevocable Letters of Credit as well as a Letter of Comfort. Sir, Senator Holder should have made mention of that.

Mr. President, the issue is the hidden debt of World Cup 2007, because many times the Opposition spoke about the secret IMF deal, but now we have a World Cup deal that was secret. Sir, it never came and now this Administration is saddled with having to find BDS\$21.5 million, if we are to avoid any embarrassment as far as our international finances are concerned.

Mr. President, the issue is not World Cup, the event. They discussed World Cup, an event, but they never discussed in Parliament that \$14.8 million, so let us be clear.

Senator Holder mentioned that \$76 million was generated from World Cup. Mr. President, our tourism winter season starts late November and ends almost the first week of June. Sir, that \$76 million that Senator Holder spoke about, I would like to know what percentage of that \$76 million was from our winter season, and what percentage was from World Cup.

Sir, in his position right now are the numbers from the World Cup, numbers from the Caribbean Tourism Organisation, but he refused to tell this Senate what percentage of that \$76 million was derived from World Cup. Mr. President, Senator Holder cannot tell us, because the numbers are too embarrassing.

Sir, Senator Holder wants us to believe that this \$76 million was derived from World Cup, when the World Cup was between March 2007, and April 2007, almost towards the end of our winter season. Sir, these are the things we must be aware of.

Mr. President, the former Government violated the financial rules pertaining to guarantees and pertaining to discussions as far as borrowings are concerned. Sir, there is no respect at all, but Senator Holder mentioned transparency and accountability, throwing words.

S/A30/4.30 p.m. Sequence 27

Friday, April 30, 2010

SENATOR J. INCE: Barbadians listened carefully to the former Administration and like the rich young ruler, when he asked Jesus, "Sir, what do I have to do to follow thee?" Jesus said, "Sell all of what you have." The former Administration said to Barbadians: "Invest all of what you have". That is what they are saying to Barbadians. Just as Jesus spoke to the rich young ruler, they said to Barbadians: "Spend all of what you have and follow me".

Mr. PRESIDENT: Senator, are you equating whoever they are to Jesus?

SENATOR J. P. INCE: No, Sir. It is the Scripture that Jesus used to the rich. What the Barbados Labour Party did was to say to Barbadians, invest what you have...

Mr. PRESIDENT: Should I check with Father Harry to see if that is correct?

SENATOR J. P. INCE: Yes, Sir. "Use what you have and follow us". Sir, Barbadians followed them. What was the end result? They spoke about continuous inflow of money, continuous rent, the apartments that were built, the expansion of your homes, the loans, and what was the end result? Many woes, apartments empty. Persons who invested money in fruit supply, had to find an alternative

means, or source of getting rid of that stock. That was the result of the World Cup.

Sir, this issue is: why was the guarantee issued? Sir, it was simple. The former Administration knew that if the venture for using that vessel failed, they knew that they could have availed themselves of the obligation by saying, there is no Letter of Guarantee. We do not have to pay. Sir, as my father would always say to me: "If common sense had to come in the form of a monkey, some people would form the tail and not the head".

Sir, they forgot that they issued two Letters of Credit, irrevocable Letters of Credit. They forgot, so when the financiers said, look, we are going to call those Letters of Credits, they had no choice, and not to face the embarrassment and to protect the reputation of Barbados, we are now here in this Senate on April 30, God's day, to decide again, and as I always say and will continue to say, whenever there are decisions to be made that would affect the lives of Barbadians, that would tarnish Barbados' reputation, the Democratic Labour Party is in office to defend the reputation of Barbados, both locally, regionally and internationally.

We are now faced with this situation and we are going to guarantee it, and see to it that the good name of Barbados is not tarnished, and we are going to do the people's business in a fair, transparent and professional manner, with no questions asked. Persons in Barbados would be able to say, well done thou good and faithful servant.

Mr. President, I am obliged.

Mr. PRESIDENT: Does any other Senator wish to speak? Senator McClean, you have the Floor.

SENATOR the Hon. Miss M. P. O. McCLEAN: Mr. President, as I wrap up the debate on the Resolution, I want to, perhaps, before I speak directly to that - well it does relate. Perhaps I can capture those comments in relation to some comments of the Honourable Senator Hunte who said: "It is often not always what we do, but how we do it that becomes problematic." I think that also speaks to other contributions.

I think there was a concern expressed by Senator Hunte about a situation where, when a country like Barbados, or entity, may very well be a company. Sir, say, Kensington Oval Management Inc., for example, gets involved in a partnership arrangement where, for example, in this case we have an international cricket body engaging in a tournament, notwithstanding the fact that they have contracted to run an event, it is necessary to remember that as we deal in relationships at the national level, and the international body level, the International Cricket Council

would be an international level and the country, or an entity within that country, we have to recognise that for these things to succeed, they must be good interpersonal relationships.

Those things are not necessarily something that can be contracted into, or captured in a contract, but should be taken as a matter of course. The entity does not come as an empty shell, or building. Therefore, in the best interest of all parties, we have to look at those things.

I believe that from those persons who negotiate on behalf of Kensington Oval and Barbados, as we participate in a second international event, there are some important lessons to be learnt. I believe the concerns expressed by Senator Hunte should be taken and addressed bearing those things in mind.

Sir, again, it is as often as I said before, it is not what we do, but how we do it. I did hear the endorsement of the Honourable Senator Crichtlow of the position, but I believe it is clear that had this Resolution been debated in this Honourable Chamber, close to the event, issues that we talk about now probably would have been fleshed out and perhaps the concerns would have remained the same.

I do not think that this would have been discussed then, because if it were discussed then, it would not have been discussed now. The decision to probably contract a cruise line might have been subject to parliamentary debate. I do not know.

Sir, it is clear from the various contributions that there were indeed a number of flaws. While we are addressing a matter effectively in a retroactive manner, there are some important lessons I believe that need to be taken away from this debate. We can see some important contrasts as well.

I believe that the circumstances surrounding this particular arrangement, was very illustrative of the approach to doing business of the previous Administration. There seemed to be a great laxity which translated into wastage.

Sir, I believe, and it is something that probably stems from my training in management, that when we talk about decision-making, and when we explore options, there should be some level of scenario planning.

We heard of the need to find accommodation and to include as part of a contractual arrangement, to conclude a contractual arrangement with the International Cricket Council. However, cricket is a game, they say, of glorious uncertainties, therefore, if we are negotiating a contract, those glorious uncertainties should be factored in. What if, in situation one, all of the major teams make it to the

Finals, we can anticipate substantial numbers. What if all the very powerful and attractive teams are eliminated earlier? What does that translate into to possible gate attendance, spectator attendance, et cetera? And you start to negotiate those things. You do not look at the best case scenario and say that we will cater to that. We need to look at those things and perhaps you look at best case, average case, worst case, and that is translated into possible spectator attendance, and you do your negotiations around that.

Sir, we talk about the need for accommodation. It is amazing that we have opted...

SA30 4.40 p.m. Sequence 28

Friday, April 30, 2010

Senate A30, sequence 29, 4.40 p.m.

SENATOR the Hon. Miss M. P. O. McCLEAN: Sir, in looking at the solutions, we also would have had to look at what has been the impact of one solution versus another. I mentioned, Mr. President, in my opening, that we were looking at the Carnival Destiny as a vessel that came to Barbados periodically, and we heard about the capacity of that vessel.

One of the things we heard was that it had a capacity of about 2 632 passengers, based on double occupancy. If you were looking at a situation of triple and quadruple occupancy, you looked at a figure of about 3 400 persons. If we looked at the normal arrangement of the Carnival Destiny coming to Barbados before the end of April, which is very much the end, that ship would have left Barbados in 2007, somewhere around May, or late April, in terms of its regular call.

If we estimated that it was calling once a week, four weeks in the month of April, at the first level what we would have had, if it was operating at 100 per cent capacity, between 10 528, or 13 600 passengers arriving in Barbados, if every cabin was booked, ranging from the figures I gave of double capacity to triple and quadruple capacity. If we look at 50 per cent of that in the month of April of 2007, we would have had about between 5 264 passengers, or 6 800 passengers.

Mr. President, coming out of the Cricket World Cup 2007, arrangement, according to the statistics of the Barbados Statistical Service, visitors for the months of April in the Carnival Destiny for that period, with all the numbers that were supposed to have, was the grand total of 1 712 persons.

Sir, we are talking about swapping the normal itinerary for that particular cruise line in that one month,

and moving from a maximum of 13 600, if it was maximum capacity, or we could take it down to 10 per cent of that and we could look at any configuration there, if it were about 50 up to a maximum of 6 800, to a simple number of 1 712 persons who would have booked on that.

Sir, we heard of the fallout of the early losses and elimination of India and Pakistan, but again, as I ask the question, if we were to look at the booking prior to that for this same arrangement, that too will tell a story. Sir, that is information I would have to go and pull from other places, and certainly in a case of this kind, I did not have the time to do it, but I can tell you that if you look at that number, you would see that people did not book, or people cancelled after the defeat of those two countries.

The bookings were poor from the beginning and that had to do with the poor quality of research that was done and the refusal of the persons involved doing the analysis and listen to voices saying: "Caution, look at X and look at Y".

These secret negotiations that took place, I remember very clearly, Mr. President, attending immediately before this Florida Caribbean Cruise Association Conference, and hearing the whispers of the failure of the arrangements and the information that would have trickled down to us, based on people refusing to listen. Sir, it was not a case of circumstances changed. As decision-makers and people who prided themselves of being very skilled and knowledgeable, in the negotiations factor and in the various realities that possible lend themselves and you build those into a negotiation.

I believe, Sir, that there was a lot more in this mortar than the pestle, and what we saw was a situation that when we now have to take out the pestle, we get a lot of pepper and it is going to burn our eyes and elsewhere, if we consume that pepper. I believe, Sir, that in this, as we heard, it was a question of coming now to make things right.

Retroactively, yes, but it was important because the way in which this was handled, and as I said, there are several more like this, speaks not only to the fact that we engage in very expensive decisions, but we also engage in an approach to making decisions, which left a lot to be desired, and which impacted on how we can continue to do business.

The approach to this had implications for the very financial institutions that provided the funds. A Letter of Comfort only carries so much weight in terms of accessing how a financial institution makes a decision. If a Letter of Comfort, which has a life of about six months, has to be renewed, think about it. This Letter of Comfort was issued in 2006, and about this time, and we are now getting

around, because we have had so many other things to clean up, to deal with this. Think about how that can impact that bank's evaluation, if this thing were not sorted out.

Sir, in essence, we have to look at this, not to say that we made some mistake and as the goodly former Minister of Tourism said: "If we are looking back now, we could have done things differently". If they had looked forward and listened to what people were saying, instead of taking a lot of grandstanding, getting involved in posturing and dismissing serious questions, we would have done a lot better.

I think, Sir, that for this Administration, as we seek to clean up the mess that is left behind, we now understand why we cannot forget and move on as we are often told because, as we move on, we are carrying a serious load.

Talking about the sea, it is like filling bags with lots of sand and trying to drag it. For a little person like me, that would be hard to do, but we will get it done.

It is important that this Administration insists at all times that our officials do what they have to do. We would not blame officials when officials are given instructions and made to, perhaps, sometimes sideline their own perspectives on these things. We listen and we will continue to listen, but this, Sir, is an example of how not to run a country and how not to make decisions.

I believe, Sir, that as we clean up this mess, along with all the other problems that would arise, I can say that I agree that there have been several benefits. Those legacy benefits as described by the Honourable Senator Holder would have accrued, even if we did not spend a cent to charter this particular cruise line, but there was a situation where there was money, and as I heard somebody described a man one time, he was throwing about money like a man without hands and this country saw a Government waste resources in a way that it is truly sinful. I know we have been using a lot of biblical references.

Sir, our task now is to get this ship back on course, to correct the errors that have been made, to right the wrongs and amidst all of that, Sir, get on with the business, and in this case, with the business of doing right by the tourism industry and that sector.

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

The question was put to the Senate and agreed to.

ADJOURNMENT

SENATOR Hon. Miss M. P. O. McCLEAN: Mr. President, I beg to move that the Senate do now adjourn sine die.

The question that the Senate do now adjourn sine die was put to the Senate and agreed to and Mr. PRESIDENT adjourned the Senate accordingly.

Senate A30, sequence 29, 4.48 p.m.

CONTENTS

ANNOUNCEMENTS BY HIS HONOUR THE
PRESIDENT

PUBLIC BUSINESS

ORDER NO. 2 – RESOLUTION TO APPROVE:.....1

Senator the Hon. Miss M. P. O. McCLEAN, 1, 2, 3, 4, 5, 6; Senator A. E. Holder, 4, 5, 6; Senator J. Ince, 5, 6, 7, 9; Senator Dr. F. L. Chandler, 6; Senator R. A. Hunte, 9, 10, 11, 12; Senator R. G. Cave, 13.

RESUMPTION

ORDER NO. 2 (resumed)

Senator the Hon. D. W. Boyce, 13, 14, 15; Senator the Hon. Miss M. P. O. McCLEAN, 15, 16, 17, 18, 19, 20, 31, 32; Senator A. E. Holder, 20, 21, 22, 25; Senator Dr. F. L. Chandler, 22; Senator The Very Reverend H. Crichlow, 23; Senator P. W. B. Gilkes, 24, 25, 26; Senator R. A. Hunte, 26, 27, 28; Senator H. A. Hunte, 29; Senator J. Ince, 30, 31.

SUSPENSION.....13

ADJOURNMENT.....34

Senator the Hon. Miss M. P. O. McCLEAN, 34.

SPEAKERS IN THIS ISSUE

BOYCE, Senator the Hon. D. W.

CAVE, Senator R. G.

CHANDLER, Senator Dr. F. L.

CRICHLLOW, Senator The Very Reverend H.

GILKES, Senator P. W. B.

HOLDER, Senator A. E.

HUNTE, Senator H. A.

HUNTE, Senator R. A.

INCE, Senator J.

McCLEAN, Senator the Hon. Miss M. P. O.

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EDITORIAL NOTES — NOT PART OF THE REPORT

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

EDITORIAL QUERIES

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

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

Q2. Opening. The clergyman who led prayers is named ‘Rev. Father Errington Massiash’; elsewhere in these reports the name is spelt Massiah. Printed as in the source.

Q3. Order No. 2, title of Resolution. The title reads ‘BY THE ISSUE OF THE ISSUE OF SECURITIES’. Printed as in the source.

Q4. Order No. 2, Senator the Hon. Miss M. P. O. McClean. The Leader’s first paragraphs on Order No. 2 concern the Carnival Destiny charter, the subject of Order No. 1; she then apologises for following the Order Paper and begins again on the US\$200 million borrowing. Printed as in the source.

Q5. Order No. 1, speech headings. Part of Senator R. A. Hunte’s speech after the take-slip at about 4.10 p.m. is headed ‘SENATOR H. A. HUNTE’, and two of Senator J. Ince’s headings read ‘SENATOR J. P. INCE’. Printed as in the source.

DEBATE SUMMARY

(Editorial summary — not part of the record.)

The Senate met on Friday, 30th April, 2010 at 11.10 a.m., with Mr. President in the Chair, and opened with prayers. The President received excuses from Senators Durant, Benn, Thompson and Hutson. No papers were laid and the Senate went straight to Public Business, taking Order No. 2 before Order No. 1.

Order No. 2 was the Resolution to approve the borrowing under the External Loans Act, Cap. 94D of up to US\$200 million on the international capital markets through Deutsche Bank Securities Inc., to finance the repayment of debt and support the balance of payments, and the establishment of a sinking fund. The Leader of the Senate, Senator the Hon. Miss M. P. O. McClean, explained that the money would redeem a US\$100 million note due on 15th June, 2010 and help meet the gap between revenue and expenditure in 2010-2011. Senator A. E. Holder asked whether the borrowing was for current rather than capital expenditure and where the reserves had gone,

drawing points of order from Senator J. Ince and Senator McClean, among them on the purpose of the sinking fund. Senator Dr. F. L. Chandler cited the Governor of the Central Bank on the decision to borrow an extra \$100 million to maintain foreign reserves, and urged action to reduce imports.

Senator Ince supported the Resolution, contrasting it with borrowing by the former Administration of about \$350 million between 1999 and 2000. Senator R. A. Hunte recalled that Barbados had joined the International Monetary Fund in 1970, and was asked by the President to identify a Central Bank press release he was quoting. Senator R. G. Cave said the Central Bank’s first-quarter reports left him comfortable with the economy but warned against wasting the money. After lunch, Senator the Hon. D. W. Boyce said the borrowing, BDS\$400 million, would also support the balance of payments, as tourism from the United Kingdom had not recovered and Government had kept spending to protect employment. Senator McClean replied and the Resolution was agreed to.

Order No. 1 was the Resolution to approve the guarantee by the Government of repayment by the Barbados Tourism Authority of a loan of US\$10 500 000 from the Bank of Nova Scotia for passenger transport services by Carnival Cruise Lines, the charter of the Carnival Destiny for Cricket World Cup 2007. Senator McClean, drawing on some 15 years in the cruise sector, called the arrangement lavish and poorly researched; she also reported on her visit to Brazil, where she had opened Barbados’ Embassy and attended the Brazil CARICOM Summit. Senator Holder defended the decision, citing a needs assessment that found a shortfall of 3 000 to 3 500 beds after home accommodation provided 500, and listed the legacy benefits of the tournament.

Senator Dr. Chandler said the issue should have been debated in 2006/2007 and warned against spending to prove that Barbados was developed. Senator the Very Reverend H. E. Crichlow commended Senator Holder’s defence and said he could not now oppose a measure he had once supported. Senator P. W. B. Gilkes said the ship had about 2 300 cabins and spoke of tourism events, drawing points of order from Senator Holder. Senator Hunte questioned the lack of parliamentary approval for World Cup spending and the Government’s financial involvement in Kensington Oval, and was reminded by the President of the rules on naming persons. Senator Ince argued that no proper assessment had been done and that BDS\$21.5 million now had to be found. Senator McClean replied that the ship’s capacity was about 2 632 passengers at double occupancy and that the legacy benefits would

have accrued without the charter, and the Resolution was | agreed to. The Senate was then adjourned sine die.

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