

THE

House of Assembly Debates

(OFFICIAL REPORT)

FIRST SESSION 1986 - 91

HOUSE OF ASSEMBLY

Tuesday, May 26, 1987

Pursuant to the adjournment, the House of Assembly met at 12.15 p.m. o'clock.

PRESENT

His Honour L. A. Weekes, (Speaker)
His Honour J. J. Payne, (Deputy Speaker)
Rt. Hon. E. W. Barrow, Q.C., B.Sc., LL.D., (Prime Minister and Minister of Economic Affairs)
Hon. L. E. Sandiford, B.A., M.A., (Econ.), J.P., (Deputy Prime Minister, Minister of Education and Culture and Leader of the House)
Hon. H. deB. Forde, -Q.C., M.A., LL.B., (Leader of the Opposition)
Hon. B. M. Taitt, B.A. (Hons.), M.A., LL.B. (Hons.), (Minister of Tourism and Industry)
Hon. P. M. Greaves, Q.C., B.A., (Minister of Transport, Works and Telecommunications)
Hon. E. E. Greaves, B.A., Ed.M., (Minister of Trade and Commerce)
Hon. Dr. R. C. Haynes, M.B., Ch.B., F.R.C.P. (Edin.), (Minister of Finance)
Hon. M. A. King, Q.C., LL.B., (Attorney General and Minister of Legal Affairs)
Hon. W. O. Franklin, A.I.C., M.I.A.S., J.P., (Minister of Agriculture, Food and Fisheries)
Hon. N. K. Simmons, (Minister of Health)
Hon. H. A. Blackman, B.Sc. (Econ.), (Minister of Housing and Lands)
Mr. D. A. C. Simmons, Q.C., LL.M.
Mr. O. S. Arthur, M.Sc. (Econ.)
Mrs. M. Barker-Welch, (Parliamentary Secretary, Ministry of Employment, Labour Relations and Community Development)
Mr. C. V. Walker, (Parliamentary Secretary, Ministry of Education and Culture)
Mr. L. L. Brathwaite, J.P.

Mr. E. Bourne Dr. E.

A. Simmons

Hon. W. W. Hall, (Minister of Employment, Labour Relations and Community Development) Mr. C. A. Neblett, B.A. Mr. C. L. Trotman, M.A. Mr. R. L. Morris, B.A., Cert.Ed. Mr. P. J. M. Miller Mr. R. P. Byer, LL.B., L.E.C.

Prayers were led by Rev. Father Ivan Harewood.

Mr. SPEAKER: The House is in session.

MINUTES Mr. SPEAKER: The

Minutes of Tuesday, May 5, 1987.

Hon. L. E. SANDIFORD: Mr. Speaker, the Minutes of the meeting of the House of Assembly for May 5, 1987 have been circulated.

I beg to move that these be taken as having been read and, subject to any amendments in term of the accuracy, that these be approved as an accurate record of the proceedings of this Honourable Chamber.

Hon. P. M. GREAVES: I beg to second that.

Mr. SPEAKER: If there are no observations or corrections, let these Minutes stand confirmed.

PAPERS

Hon. L. E. SANDIFORD: Mr. Speaker, on behalf of the Minister of Employment, Labour Relations and Community Development, I am commanded to lay:

The Annual Report of the Child Care Board for the period April, 1985 to March, 1986.

Also, on behalf of the Minister of Housing and Lands, I am commanded to lay:

The Annual Report and Financial Statements of the National Housing Corporation for the year 1984 - 85.

Hon. Dr. R. C. HAYNES: Mr. Speaker, I am commanded to lay the following:

Statements showing Net Customs and Excise Receipts for months ended February, 1987 and March, 1987.

Guarantee given by the Minister of Finance under Section 32 (1) of the Exempt Insurance Act 1983 to:

1. Attorneys Insurance Mutual Limited.
2. Bridgetown Reinsurance Company Limited.
3. Camarin Limited.
4. Concordia Insurance Corporation.
5. First National Life and Casualty Assurance Company Limited.
6. Highwood Limited.
7. Laidlaw International Insurance Company Limited.
8. CT Insurance Company Limited.
9. Energy Insurance Mutual Limited.
10. East River Insurance Company Limited.
11. Global Insurance Company Limited.
12. Oban Insurance Company Limited.
13. Primex Limited.
14. Professional Asset Indemnity Limited.
15. Professional Services Indemnity Company Incorporated.
16. RBC International Insurance Company Limited.
17. Richmond Insurance Company (Barbados) Limited.
18. Stella Maris Insurance Company Limited.
19. Transco Company Insurance Group Limited*
20. XL Insurance Company Limited.

21. Preferred Amusement Risk Limited.

The Annual Report and Financial Statements of the National Petroleum Corporation for the year April, 1985 - March, 1986.

The Annual Report, Auditors' Certificate and Financial Statements of the Central Bank of Barbados for the year 1986.

Hon. L. E. SANDIFORD: Mr. Speaker, on behalf of the Prime Minister, I am commanded to lay;

The Defence (Rate of Pay and Allowances) (Amendment) Regulations, 1987.

GOVERNMENT NOTICES

Hon. L. E. SANDIFORD: Mr. Speaker, I beg to give notice of the following:

A Resolution to approve the rates of salary applicable to the post of the Staff of Parliament, and other posts set out in the Schedule to the Resolution.

Sir, I will be seeking your permission and that of the House to deal with this matter in all of its stages today.

A Resolution to amend the Explanatory Note to Head 24 — Pensions, Subhead 1 — Pensions, Gratuity and other Retiring Benefits.

A Resolution to approve the guarantee by the Minister of the repayment of a principal sum not exceeding \$10 million and of interest thereon borrowed by the Barbados Development Bank by means of a seventh issue of National Development Bonds.

A Bill to repeal the Miscellaneous Amendments Act, 1986.

FIRST READINGS OF BILLS

Hon. L. E. SANDIFORD: Mr. Speaker, I beg to move that a Bill to repeal the Miscellaneous Amendments Act, 1986 be read a first time.

Hon. B. M. TAITT: I beg to second that.

The question that the Bill be read a first time was put and resolved in the affirmative without division. 12.25 p.m.

Hon. P. M. GREAVES: Mr. Speaker, I move that a Bill to amend the Transport Levy Act, notice of which was given on May 21, 1987, be read a first time.

Hon. B. M. TAITT: I beg to second that.

The question was put and resolved in the affirmative without division.

Hon. Dr. R. C. HAYNES: Mr. Speaker, I beg to move that a Bill to amend the Property Transfer Tax Act, Cap. 84A be read a first time.

Hon. M. A. KING: I beg to second that.

The question was put and resolved in the affirmative without division.

Hon. Dr. R. C. HAYNES: Mr. Speaker, I also beg to move that a Bill to amend the Stamp Duty Act, Cap. 91 be read a first time.

Hon. M. A. KING: I beg to second that.

The question was put and resolved in the affirmative without division.

Hon. Dr. R. C. HAYNES: Mr. Speaker, I beg to move that a Bill to amend the Companies Act, Cap. 308 be read a first time.

Hon. M. A. KING: I beg to second that.

The question was put and resolved in the affirmative without division.

ORAL REPLIES TO QUESTIONS

Hon. L. E. SANDIFORD: Mr. Speaker, I beg to give notice that the Reply to Parliamentary Question No. 19, asked by the honourable Member for St. George South, is now ready.

ORDERS OF THE DAY

Mr. SPEAKER: Government Business is now the instant Order of the day.

SUSPENSION OF STANDING ORDERS

Hon. L. E. SANDIFORD: Mr. Speaker, I beg to move that Standing Orders 6, 16, 18, 20, 42(5), 43 and 44 be suspended for the remainder of the day's sitting, subject of course to the rights of honourable Members, including the rights of the Opposition.

Hon. B. M. TAITT: I beg to second that.

The question that those several Standing Orders be suspended for the day's sitting was put and resolved in the affirmative without division.

GOVERNMENT BUSINESS

Hon. L. E. SANDIFORD: Sir, I beg to move that Order No. 11, which is a Resolution to approve the rates of salary applicable to the posts of the Staff of Parliament and other posts as set out in the Schedule to the Resolution, be the instant Order.

SALARIES OF STAFF OF PARLIAMENT AND OTHER POSTS

Order No. 11 was called ~ to move the passing of a Resolution to approve the rates of salary applicable to the posts of the staff of Parliament and other posts set out in the schedule to the resolution.

Hon. L. E. SANDIFORD (St. Michael South): Mr. Speaker, this is a non-controversial matter.

This Honourable Chamber has already made provision for revision of salaries for members in the Public Service and in a number of instances in some of the statutory corporations, and this particular Resolution that is before us now makes provision for the Staff of Parliament.

It applies the principles similar to those applicable within the Public Service for the increases. This Honourable Chamber has already adverted to those principles and given consideration to them.

I do not think that there would be any controversy on this matter, and I therefore beg to move that this Resolution do now pass.

Hon. B. M. TAITT (St. Michael West): Mr. Speaker, I beg to second the Resolution.

I am happy to see that the reportorial and typing staff of Parliament will in effect be getting a salary scale and arrangements from which we can move forward. I will leave it at that, but I am very happy to see that things are falling into place.

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

THE TRANSPORT LEVY (AMENDMENT) ACT, 1987

Order No. 7 was called - to move the second reading of a Bill to amend the Transport Levy Act.

Hon. P. M. GREAVES (St. Michael North): Mr. Speaker, the purpose of this Bill is to amend the Transport Levy Act in order that full effect can be given to the measures proposed by the Minister of Finance in his Budgetary Statement to this House last month. 12.35 p.m.

Mr. Speaker, during the Budget and, indeed, at Estimates time, I had a few things to say about the Transport Board. At that time I could have said a lot more about the Transport Board. I do not propose on this occasion, unless I am invited to do so, to revert to what I have already said, or even to add to the things that I have already said about the Transport Board. It is on record. What is not on record, Sir, I do not propose to put it on record, unless, as I said just now, I am invited to do so.

At this point I would like to move in with the Transport Board. I would like to so order the things of the Transport Board that even this amendment that we are proposing today might become a dead letter in the course of time. Of course, "in the course of time" would have to be a very large time, because the affairs of the Transport Board are in a fairly perilous state, and it would require a long time before we can bring sufficient order to the Transport Board. But that is my commitment, and it is my intention, so long as I hold responsibility for that subject, to do all that I can to possibly one day wipe out any subsidies, deficits or any extra financing that might be required for the Transport Board.

Asides.

Hon. P. M. GREAVES: That might very well be the case, we might never be able to do so, but at this time the level at which the Transport Board is being subsidised, whether directly from the Treasury or indirectly in some other way, as we are now proposing to do, is found to be unacceptably high to me and to this Government. Therefore, we have to take all measures that we can take to improve the financial position of the Transport Board, both in terms of collection as well as in terms of a reduction of costs.

Over the years from 1979 — 1980, we have had an appropriation for the Transport Board and a supplementary in each year. In 1979, the amount voted originally was \$3.6 million. That was supplemented later in that year by even a greater amount, \$3.7 million. The following year, 1980 - 1981 there was a vote of \$8 million, and that was supplemented by \$3.9 million. And we came right down the line right to the year 1986—1987, when the amount voted was \$10 million and the supplementary was \$8.6 million. Despite these supplementaries, year after year liabilities were carried forward into the next financial year, and substantial liabilities. The amount carried forward for 1986—1987 was over the figure of \$8 million.

I well recall that in the 1985—1986 year, when an additional \$6 million was voted as a supplementary to supplement the original appropriation of \$8 million, I, then shadowing the Ministry of Labour and National Insurance, enquired about the liabilities of the Transport Board National Insurance Fund — this would have been around

March last year — to be told then, or to be misinformed then, by the Prime Minister — it was not his fault — that, in fact, the Transport Board had met all its liabilities to the National Insurance Board. I am not talking about loans. I am talking about monies deducted from the workers to be paid over to the National Insurance Board. The Prime Minister said in all honesty that it was paid, but he was misled right on the floor by the then Minister responsible for Transport.

I was amazed when I became Minister and saw our liabilities to the National Insurance Fund. They were exceedingly high. I have given strict directions to the Transport Board that at all costs, whatever it takes, never again during the time I have responsibility for the Board must they make deductions from the workers' pay and hold them over in order to carry on the operations of the Board. It must be paid over whenever it is deducted as and when it should be paid to the National Insurance. That is the instruction I have given, and I mean it. How can we call on the private firms and companies to meet their liabilities to the National Insurance if we are setting bad examples? This must not be done again.

With the position of the Transport Board being what it is, I am very happy that we will be able in some way to finance the Transport Board. I am hopeful that with the proceeds of this levy we will be able to meet the total operation of the Transport Board.

The Transport Board has serious problems. We have to computerise the accounts of the Transport Board and we have to bring the computer to our assistance in our route planning, so we have planned to purchase three computers to assist us in the work of the Transport Board. But not all the route planning will eliminate the problems of the Transport Board unless we have a sufficient number of units to ply the routes of the Transport Board, and this is another problem.

Asides.

Hon. P. M. GREAVES: I have ready support here from the honourable Member for St. Lucy. (Hon. E. E. Greaves).

Sir, we need more buses, and never again do I want to see buses that are barely six or seven years old being sent up to Mangrove, parked at Mangrove, full of petrol, left there and never driven out again, but later cannibalised, have parts stolen from those vehicles.....

Asides.

Hon. P. M. GREAVES: I do not know what has, happened to those parts stolen from those vehicles. Some of those parts are used to repair other buses, I do not want to see that happen again with buses that are only six or seven years old.

As I said, we are trying to look forward. I am happy to say that the revenues of the Transport Board, although not rising as significantly as we would like to see them rise, are at the moment rising, and the Board has been working exceedingly hard at trying to reduce the cost of operating the Transport Board. These are things that we are hopeful would be of great assistance to the operation of the Transport Board. 12.45 p.m.

We are taking the liberty at this time, Sir, to amend the Transport Levy Act. The funds of the Transport Levy are audited — the Board, in my opinion, works quite well — and we see the audited accounts once a year, and we see no other accounts of the Transport Board. They are not paid into the Consolidated Fund they are paid over to the National Insurance, and I am happy that the Cabinet has been able to agree that we will now be able to table at quarterly intervals statements of account in relation to the Transport Levy Fund, Sir, I think that is a very important measure being taken — to let the ' House, Parliament and the country understand and see everything in relation to the Transport Levy funds, what the collections are and how they are being applied. That is democracy at work, Sir.

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

Hon. M. A. KING: Mr. Speaker, I beg to second that motion and reserve my right to speak.

Mr. D. A. C. SIMMONS: Mr. Speaker, just a few questions for the Minister. Now that he has had virtually a year in the Ministry, could he tell us whether he is satisfied with how the Transport Levy Fund, not the Board itself, has been administered since its inception in 1980 or whatever year it was introduced? There were allegations made in this House in May 1985 which suggested that that fund was being operated as a private slush fund and account by the then Minister. The now Prime Minister made those allegations, and I would like to know from the Minister whether he has any evidence of that, because it would reflect very poorly on the quality of the Board administering the fund, and the honourable Member for Christ Church East Central (Mr. R. L. MORRIS) has been a member of that Board for many years.

I note also that despite those criticisms in 1985, the present Chairman of the Fund has been retained by the present Government.

The Minister said that there was a need for additional units. We have just come out of the Estimates, even though we did not get to Transport — the Minister will choose his occasion to perhaps give a more indepth look at the Transport Board — and it would be interesting to know how many units are serviceable on the average day. There was a problem, certainly that I was

aware of, in 1986 and part of 1985 in getting more than, I think, 300 on the road per day; or 200-odd. I think I have to withdraw the 300. I may have forgotten and am perhaps confusing the 200 with 300, I do not know what the level of serviceability is now, and I should like to know whether there are any significant gains in getting a sufficient number of units on the roads to relieve some of the problems that representatives from the rural parishes are experiencing.

I have had to write the Transport Board on May 7 in relation to the bus service from Sturges. I receive a reply on May 12, a very prompt reply. When they have nothing to say, I can expect a prompt reply. The reply was so prompt that it said nothing. This is from one Mr. R. E. Miller, Administrative Officer, Board Secretary-.

"The Board is currently examining the schedules on a number of routes with a view to improvement. Sturges is included. You should bear in mind, however, that we are operating with an imbalance in terms of having too few buses to adequately service our total complement of routes, and are at present making a number of adjustments based on our ridership patterns."

I understand that. There are a lot of words, but what he is saying is that we do not have the number of buses to adequately service the routes.

I also complained about the discontinuance of the Hopewell service, which was introduced and functioned for a few months and then was summarily stopped. I am amazed that this gentleman could write and tell me that "our buses were experiencing a problem turning at Hopewell and drivers were complaining about illegally turning from the north into Hopewell, which resulted in buses having to reverse on the main road."

Sir, it is regrettable that a quasi-public officer should commit himself in writing to telling what is really a patent lie, and I accuse the Transport Board of deliberately lying to the representative of St. Thomas in respect of the Hopewell service.

When that Hopewell road was built, it was so designed that there were three points at which buses could turn with ease. Big trucks, tractors and trailers with canes use the new road. They go in and turn at the first turning by Ms. Henry. It is a big wide exit that would take you down to Ms. Henry's shop. They could turn further up by the road that takes you down in the back past Ms. Clarke. It is a wide junction. They could turn at the other point near the Church or the hall. It is not an Anglican Church, it is a hall. Those are the three areas where the buses could turn with ease.

I took this letter into the constituency on the weekend and showed the people at Hopewell. They were

amazed, and they told me I had to come and complain publicly about it, because to say that is not true, and I invite any Member of this House, any time he passes through St. Thomas, to go in Hopewell and see where a bus, two and three could turn. The turning is not like the turning by Forde's Road which would interfere with the smooth flow of traffic. This is off the road, up into Hopewell, and you have a wide junction for them, and if you go up a little further, you have another, and then you have a third one further. It is ridiculous to send this out.

I understand the Minister's position. He has said that when we were in Government, we were misled as a result of information coming out of the Transport Board. If he were to take this letter and go and look for himself, he would also see that it is very misleading to write this, and I am disappointed that the Transport Board should resort to a situation like that.

Be that as it may, we understand the problems at the Transport Board. We know that the Minister and all the Ministers who have had to deal with the Transport Board have tried to reduce the deficit. It is one of these things that is virtually impossible to wipe it out. You may succeed in reducing it, but you cannot wipe it out. In any event, I do not think there is any harm, when the country has a responsibility for providing a social service, in the country itself assuming some level of subsidisation. The question is, how much? 12.55 p.m.

If the Minister is moving towards establishing levels of efficiency and at the same time requiring greater levels of productivity, he is moving in the right direction, and we have no quarrel with that. We would like to give the Government a chance to see to what extent it can impact in a positive way on the financial fortunes of the Transport Board. It is a vital service to the people of Barbados and it deserves to be run as efficiently as is humanly possible, and I am happy to hear that steps are being taken to computerise various aspects of the Transport Board's functioning.

Sir, the Transport Levy, we were told in the Budget in April this year, is to remain "as a temporary measure." I wonder if the Minister knows what is meant by "temporary." Is temporary a year? Because the Minister of Finance did indicate in his Budgetary Proposals that he was giving the Transport Board a year, I believe — I am going to find the words for you — to see if they could turn around significantly the problems that they have. And having given them a year, one is wondering whether the temporary imposition of increased levies would be on for a year.

The Minister of Finance, at page 22 of the now printed Financial Statement and Budgetary Proposals, said:

"With effect from May 2, and on a temporary basis, I propose to increase the portion of the Transport Levy payable by employees by $\frac{3}{4}$ of one per cent and give the new Board an opportunity to demonstrate whether it can bring reasonable levels of efficiency to bear on that operation."

Then later on he said, Sir:

"Mr. Speaker, to put these increases in levies in a clear perspective, they amount to a mere 2½ cents in the dollar for employees. This a small price which I am sure all of us will be happy to pay to help find jobs for the unemployed, improve the skills of the young, provide better care for the aged, the chronically ill and the young, and tide over the Transport Board for a year until, with better management, the financial situation there can be improved."

What I am seeking to find out, Sir, is whether this increase in the Transport Levy is to stay on for a year, having regard to the two paragraphs of the Minister on page 22.

Asides.

Mr. D. A. C. SIMMONS: No, I am not vex. I am not vex at all. I might be sleepy.

Aside.

Mr. D. A. C. SIMMONS: Not yet. You have to warm up, man. Wait until Saturday night!

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Sir, they are encouraging me to make it interesting, but I am only asking a number of questions so that the Minister can respond. I am not seeking to make a speech on transport. I am asking some questions and I want some answers.

That is my contribution on this Bill for the time being, Sir.

Mr. R. L. MORRIS (Christ Church East Central): Mr. Speaker, Sir, I should like to recognise, as the honourable Member for St. Thomas (Mr. D. A. C. Simmons) said, that I sat as a member of the Transport Levy Board for a number of years representing the Barbados Workers Union. I do not recall, as he did, comments made about corruption in the Board. I have heard of «* certain transactions that might not have met the kinds of standards that one might expect in dealing with financial matters, in

terms of procedures that might not have been

followed closely. I do not remember, on the other hand, hearing any statements from any side that there was corruption in terms of infelicities, a bad judgement, or fraud committed by anyone on that Board. So I just want to clarify the comments as I recall the comments as having been made about the Transport Levy Board.

I think that one needs, Sir, to recognise that the Transport Levy Board is a different kind of Board. It is not an executive and administrative Board like the Transport Board itself. In fact, anybody who studies the Act that gives authority to the Board understands that the Board really acts on the instructions of the Minister of Finance, who determines what are the rates to be collected, and the Minister of Transport and Works who determines how the money is going to be spent and how it is going to be invested. That is the basic structure in which the Levy Board would have operated. It is a system that is clearly open to the type of Minister of Transport and Works that one has, and from my own experience, Sir, also the fact that you are dealing with a Transport Board, that, as far as I am concerned, at only one time during the period that I was on the Levy Board had leadership and guidance on that Transport Board.

Several problems resulted from the structure of the Transport Levy Board itself. Under the Barbados Labour Party Administration, while I was on that Board, and from very early, I would have put my reservations clearly in the minutes about a number of things. I started out with the reservation of the longevity of the Board itself, because our philosophy did not support the concept of a levy, and it is something to which I will speak again and again. The Minutes of that Board would reflect very clearly my statement about what kind of planning could you carry on when one was holding in question how long the levy was expected to last.

Within that parameter, it was clear to me that when the honourable Member for St. Michael East (Dr. D. G. Blackman) was Minister of Transport and Works - I am forgetting that although he is now in a different arena, he has again been elevated to that honourable status — and Mr. Codrington was the General Manager of the Transport Board, there, was a philosophy which buttressed the problems of the Transport Board that led to a certain concept of efficiency. I think that at one time, Glenroy Straughan was the Chairman, and I think they had worked out a policy, so when they came to the Transport Levy Board, they had programmes to suggest where the Board could go in terms of for instance, capital provisions and restructuring the Board in terms of a new headquarters.

When the Member for St. Michael East was no longer the Minister but was replaced by a man called Vic Johnson, I think things changed completely. Mr. Johnson had no concept at all about where the Transport Board should be going. I make no excuses for saying that

at all. It was very clear that he had in his own mind that he owned and controlled the Board, and, therefore, he changed all the determinations that had been set by his predecessor. He changed all the directions of the Board, and he started to make ministerial inputs in terms of what should or should not be done. When we asked about the fare box system, had he carried out any feasibility studies about what this system was designed to achieve, would it be cost effective, could he carry out a study on a few selected routes first to see how it would work out — none of that was done. It was a ministerial directive to the Levy Board — release money, and we released the money, because the way the Board is structured, you could not do anything else. That is the kind of direction you had from the level of the Minister.

1.05 p.m.

At the administrative level, you had to be dealing with a series of persons passing through who had no idea whatsoever what management of the Transport Board meant. You had a piece of Arnie Walters. You had a piece of one Waterman, who is now at BMC, or up at the airport in one of the duty free shops. You had them rolling through one after the other. You could not find anybody at the level of a General Manager who could bring to Board Meetings any kind of programme, and that suited the Minister, because the Minister was really the General Manager at the time. That suited him perfectly. He did not want any administrative staff at the Transport Board. He made no attempts whatsoever to built up a cadre of administrative staff that could propose plans and policies to push the Transport Board further.

So when the honourable Member for St. Thomas said that all of the Ministers of Transport and Works were interested in reducing the subsidy, I will have to take exception with him on this one. I will go further to say that when the honourable Member for St. Michael East adumbrated as a philosophy that the minibuses could not coexist with the Transport Board and the Transport Board be profitable, Vic Johnson came in after and said the minibuses have to live. But he meant more than that — he meant they had to be expanded, and what that meant was that there was an erosion — a significant erosion — in the profitability of the Transport Board, because once that was ministerial policy — and I go so far as to say that I believe it was supported fully by the Cabinet and the Leader of Government at that time, the late Prime Minister Tom Adams — it meant that gradually you could see the losses of the Transport Board being transferred to certain private persons in this country. These things have to be said.

The Transport Levy Board would have looked at these matters and would have discussed them, but had no power whatsoever to advise the Transport Board, which is a different institution altogether. One could not get the feeling, quite frankly, that the Transport Board had the kind of direction which one would have wanted in such a

major institution in this country. It has been a ship floundering for a long time. You have a Transport Board that utilises large quantities of funds, but for a long time we did not have top management. Even now, one cannot talk in terms of a Transport Board economist, and one cannot talk in terms of an engineer.

We are now trying to make right a lot of these deficiencies and problems, but we are coming from so far behind that it is going to take some time. I am therefore sympathetic to the Minister of Finance and the Minister of Transport and Works about the problem that is now facing them. But I have to insist, and we spoke out some time ago, about the problem of the levy, and if it is the intention of this amendment, as it seems to be, to make the levy more open to scrutiny by this Honourable Chamber, I am happy about that. We are now talking about quarterly reports coming here rather than a yearly report, and, therefore, one will be able, according to this amendment, to look and see what is happening to the monies going into the Transport Levy Board.

I am hoping that these amendments are not being introduced to sweeten a system which we find unacceptable to us. I am hoping that by removing certain difficulties in the existing statutory instruments, it is not the belief that those of us who are against the technique of the levy will come around to support it, because my fundamental problem with the levy exists. As I said, I am sympathetic to the problem, but I will have to speak against the levy. But I accept these two improvements, because on the first improvement, looking at Clause 7 — of course, we will get into details when we go into Committee — there was some difficulty in understanding what is meant by "defraying the cost of improvement of public transport." Did that mean only providing buses? Did that mean only putting money in for capital purposes, or did it mean, for instance, bringing in an information system, bringing in computers, cars for those who needed to use cars, and furniture at the Transport Board? Did it mean paying wages and salaries? Could they have been interpreted within the concept of the cost of the improvement of Public Transport? It is clear that the amendment here seeks to remove any ambiguity, because it points to the area of the operational cost of the Board, and I think that is where perhaps, we are looking at a fairly serious amendment here in terms of its intention and where it can go in the future. That is why I say you have to put in the concern that by modifying the Act, we are not giving room to making it more of a fixture and making it more permanent, because I am sure that some of us will still have some objections to it.

I want to make the point that one has to note that this Transport Levy Act really does not create a Board with any strong powers. It is a Board that can advise the Minister, but in the long run, really it is the Minister who has to make the decisions. It is the Minister who will

determine where the funds will be invested and the Minister who will determine how these funds will be spent. It is therefore a different kind of board from the Transport Board.

I would like to suggest that some serious amendments should be given to the Transport Board itself. For instance, I believe that anybody who employs over 1700 workers in this country, for those of us who believe in worker participation, should have representatives of the workers on that Board. I believe the Board could very well take representatives from the shop floor as well as representatives from the supervisory level. I believe that that will help very much in solving some of the problems sometimes arising at the Board.

I remember, for instance, that when the bus stand was to be built, a design of the bus stand was made by the architect, and when the then Acting Manager came to the Transport Levy Board and was asked whether this design had been exposed to the workers, he said no. But not only did he say no, he could see no reason why the workers would want to see a design of the bus stand that they will be working in. We asked for a model of the bus stand to be displayed prominently so that the workers could see it and make comments. But the concept was that this was something being done by a political party, it was a political concept, not understanding that the workers could make legitimate contributions in terms of how to remove bottlenecks that could be created because of certain short-sightedness by designers, who are not really into the practical situation of using this particular facility. So I believe that we need to look at the representation of the workers on that Board. I believe that that could help very much in terms, first of all, of assuaging the difficulties created at that Board on occasions because of the human resource problem.

I think that some of the big problems at the Transport Board has been for some time human difficulties. I think that has surfaced over and over again, and I believe that any measure that can be taken to remove those abrasive difficulties would be in the interest of making the Board a more effective place, and, in the long run, making public transport better for all of us Barbadians. 1.15 p.m.

Dr. E. A. SIMMONS (St. Michael South East): Mr. Speaker, I want to allude to the letter introduced by the honourable Member for St. Thomas (Mr. D. A. C. Simmons) to this Honourable Chamber. If my understanding of the letter is correct, I think the answer to his question was, in summary, that there were not enough buses, and I am surprised that he would have introduced that.

Those of us who before May 28 wrote letters to statutory boards and Government offices seldom ever got

an answer, so, first of all, when he can say that he got an answer within a week, at least we have seen some improvement in the functioning of the statutory bodies.

In terms of whether there were not enough buses, I think the honourable Minister of Transport and Works made reference to the fact that under the last Administration, in excess of 20 buses were driven off the road full of gas, full of diesel, up to Mangrove and they were left there, working buses, and those buses were cannibalised, and tyres and engine parts were taken from them, so the problem was that we had a shortage of buses. In addition, under the last Administration they went and bought a series of Mercedes Benz buses which were totally incompatible with the climate and other conditions in Barbados, so they did not function properly.

But the problems at the Transport Board — and I know the Minister of Transport and Works did not want to go into a lot of these problems — were even more compounded. You had a situation at the Transport Board where, while all of that was going on, there was in excess of \$2 million of parts stacked up at the Transport Board, and some of them were so obsolete that they had no buses to fit them. The Honourable Minister of Transport and Works can bear me out if this is not true.

When you get to the problem of National Insurance, not only did the Transport Board not pay in the National Insurance to the relevant authority, but the records at the Transport Board were so bad that you had a situation where people who worked at the Transport Board became sick, some of them totally incapacitated by illness, and for months they could not get a penny in National Insurance benefits because no records could be found. That was part of the problem that you had at the Transport Board.

Mr. Speaker, I think that there is another aspect that we have to look at seriously and it relates to the minibuses. I think an in-depth study has to be done about the minibus service. It is a fact that minibuses were put on the short routes, possibly catering to the interests of certain people, and that the Transport Board had to compete with the surplus of minibuses in short haul areas. In an area like the Pine, the minibuses ran at the rate of four per Transport Board bus, so that when a Transport Board bus went into the Pine, it was literally going there for a jolly ride to come back out. Furthermore, there was no proper scheduling of the Transport Board buses going into places like the Pine. People living in the Pine or going into the Pine had no idea of when a bus would leave or when it would come back, so the minibus service was given a free run.

In a place like Silver Hill, you had some 19 minibuses on the route. The interesting thing is that there

are people who had routes in the Silver Hill area but, because of political affiliation, were taken off those routes and sent to places like St. John and St. Philip, while other people came in and commanded those routes. That was under the last Administration.

These are the facts we have to face, and it is my belief that if the Transport Board is going to seriously tackle the problem of financing as far as bus fares are concerned, a policy will have to be worked out where owners of minibuses who own more than one minibus will have to share the long haul routes with the short haul routes. It is unbelievable and unfair for one owner to have five and six minibuses running on a short haul area, raking in all the money, and ask the Government transport that is subsidised by the people of Barbados to go to St. Lucy, St. Philip and to St. John. The people who are making the money with minibuses must be asked to service those areas, and if they are not prepared to service those areas I say they should be asked to come out of that transport system altogether.

It is a fact that people in the minibus business are making a lot of money. There is nothing wrong with an individual going into a business and making a lot of money, but when it comes to the public interest, they have to share the bitter with the sweet.

Hon. H. deB. FORDE (Christ Church West): Mr. Speaker, I have heard it all before, and I am sure if I remain in this House for another 15 years I am going to hear the same point being made as has been made by the honourable Member for St. Michael South East (Dr. E. A. Simmons).

Let me begin by saying that the Opposition has nothing to defend at all on this measure and is not coming in here in any defensive mood for the benefit of the honourable Member. In a couple of days, the Government would have been in power for a year. They would have had opportunity to formulate their policies, to put right whatever they say was wrong and to get on with it. This is not a retrospective position for the Government. The Government cannot continue to hide behind the coattail of excuses. We want to hear what the Government is doing.

The first point is the point raised by the honourable Member for St. Thomas (Mr. D. A. C. Simmons). The Government said that it was going to abolish transport levies. We have to take the Government seriously at its word. At least I do, if Government members do not. It said so after a serious retreat at which it said it had been studying the economy of Barbados. It had access to all of the figures, it had access to all of the information and it came out with a policy statement that, as soon as it assumed office, it would abolish the transport levy. The Government cannot continue to hide behind an excuse

now. It has had to reverse policy and it must find some excuses to make itself look good. It either did not do its homework previously, or, if it did its homework, it has now come to realise its policy was wrong. That is the first point that has to be made in this debate, and no amount of hiding and twisting will save the Government from that position.

Certainly the Opposition does not apologise for having introduced the Transport Levy, nor the philosophy that was behind that levy at the time. The simple reason was, as the Member for St. Michael East, if he was here, would say, that we felt that social policy demanded that persons who use the transport system and others who did not use it, but had the benefit of the road, given the development position of Barbados at that time, had to make a direct cost into the transport system. You may or may not subscribe to that philosophy. I believe that that principle is a sound principle.

We had a shortage of buses, a worse shortage than there is now. Honourable Members forget so easily in this House. We had some buses that were as old as 1948 when we came in in 1976. They were not 'even in a condition for being cannibalised. Honourable Members do not remember those things. It was necessary to deal drastically with the Transport Board system. 1.25p.m.

In addition, it was felt that the Tenancies Road Programme called for an extraordinary spurt of expenditure on the part of the Government.

The honourable Member for Christ Church East Central, as a member of the Board, has said that there was no corruption in the administration of the funds of the Board. I have understood his statement quite well. The funds of the Board had been administered. Nobody has stolen any money from the levy. Go and look. The funds have been audited.

Mr. R. L. MORRIS: Mr. Speaker, on a point of order: I do not think that I ever made any statement to say that there was no corruption. I was not aware that there was any corruption, but I have never made that categorical statement.

Hon. H. deB. FORDE: All right. The honourable Member was not aware. His Government has had the opportunity for a year to have access to the levy funds, and I am saying that if there is any corruption, they have a duty to expose it. Do not continue to leave allegations up in the air. Expose it if there is any. You now have the funds, they have been audited by the firm of auditors and you have every receipt of expenditure of the fund, and I am saying that if there have been any acts that you know of that constitute corruption, deal with them according to

the Laws of Barbados. Do not continue to leave things behind in the trail.

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We have always said on this side of the House that with any person who is guilty of corruption, either on this side or that side of the House, in or out of the House - deal with them according to the Laws of Barbados! They are not going to hide behind any membership of political parties, as far as we are concerned. But do not continue to bedevil us and the country with these vague allegations that leave matters there, when we know that ¹ those are not the issue.

Sir, transport will continue to be a charge on this country once the Government continues to run a transport system. There are very few transport systems any part of the world that have ever ran themselves other than through a deficit or from some subsidy. Even the private transport system that operated here had some indirect subsidies from the Government, and eventually most of the people who were in private transport, at the ^ level at which the Rocklyn Motor Omnibus Co. Ltd. and the other companies were, found themselves subsidising the public. We have to face that fact.

I believe that certain social costs have to be shared, and that is why, speaking, certainly, for myself, and with the knowledge of transport I have — limited knowledge, some Members may want to say — I can conceive of the circumstances where the Government may well have to continue to subsidise the transport system for a while. I am not arguing for subsidising inefficiency, but do not try to continue to give the public the impression that you will get to the situation where no subsidy at all may be called for.

Sir, the problem of the minibuses. It is correct that the minibuses have provided competition for the Trans-^ port Board on its routes, and that the presence of an increasing number of minibus operators will mean, if the Transport Board is not efficient, that the revenue of the Board is now being shared among many other operators. As I understand it, the policy has been to work to a position where, on the short-haul routes, the Transport Board would have smaller buses able to turn around * quickly and compete with the minibuses which are operating on the short-haul routes, and we had started a process of purchasing enough buses for that particular purpose. That had been the intention in the long run. Whether the Government is still pursuing that or not, I do not know, but I want the Government to enunciate a policy quite clearly.

You have had enough time now. Is the new policy of the Government not to renew permits for minibus owners?* Are you going to keep them at the same number? Are you going to get rid of them? I want to know what is the policy now. Do not continue to harp on the past.

You are now there. If the position is that it is eroding revenue, a point on which the honourable Member for Christ Church West Central (Hon M. A. King) used to harp, he is now in the position that he is in power. Implement it. Let me hear if you are going to reduce the number of minibus owners. Come out clearly and state your policy.

What have you put in its place if this is still eroding the revenue. Are you going into increased competition with them? Have you examined the scope for such competition? Because, make no mistake about it, as much as honourable Members talk the availability of buses on routes, particularly the country routes, is still as serious as it was some years ago. I live in the country and I can tell you that it is still as serious as it was. I drive through the constituencies of the Members for St. George North (Mr. C. V. Walker) and South (Mr. R. P. Byer) every day and certain parts of St. Michael and I have to act as a transport system for the constituents up there.

Asides,

Hon. H. deB. FORDE: I was in transport before you were bom.

The honourable Member should know that daily I have complaints in the area of Society, Four Roads, Gall Hill, Small Town, all those areas, for buses not being available.

Asides.

Hon. H. deB. FORDE: In Ashbury and in Society, where I live, they complain to me about buses not being available. And not only that, the honourable Members would have heard, if they -listened to Gutterperk and the other call-in programmes, that in my own constituency, in Forde's Road, ...

Asides.

Hon. H. deB. FORDE: They have buses, but not enough now. The Prime Minister said they have some in Forde's Road, but the position in Forde's Road on mornings, right up in Christ Church, is very chaotic. There is a shortage, despite the presence of minibuses. The honourable Member must know that there are very few minibus operators who, for instance, let me give it to you, want to ply the route from under the hill in St. Andrew, St. Joseph, in Ashbury. In fact, I can tell you that on the route going through from St. Helens right up through St. Augustine's into Groves, right through Ashbury Tenantry, there are probably only two private minibus operators who ply that route.

A sides.

Hon. H. deB. FORDE: The honourable Member wants to know how long I discovered that. The honourable Member has not read my speeches on this.

The problem of shortages will continue.

Asides.

Mr. SPEAKER: Order, please.

Hon. H. deB. FORDE: What we really need is a proper scheduling of the minibus service into the overall public transport system and a proper system of transfers.

Asides.

Hon. H. deB. FORDE: The honourable Member wants to know how long I have discovered that. I have spoken in here about this before, if you would read the old debates. Repetition does not get us much further, because the ideas about how to improve the system have come from both sides of the House, but as soon as we go into it in the partisan manner that we have, we do not seem to get it implemented. But you need a system of transfers. You need a system of buses that go around the country and can transfer into the main pool bringing the people into central Bridgetown. It is not necessary for every bus to leave central Bridgetown and go to the ends of Barbados if the transfer system is working properly, and that is what we should be concentrating on — how to get a proper system implemented.

Sir, there have been positive things done from this Transport Levy. I have to say that. Anyone who has seen the improvements that have taken place in the bus terminals — there is the Fairchild Street Bus Terminal, which the Government does not even have the grace to open — would be pleased to see the improvement that has been made in transport. 1.35 p.m.

I agree that we should be idealists in this House and in this country, but we do have a system of transport in Barbados that is perhaps better than anything else in the Caribbean, including the Spanish-speaking and some of the other Caribbean. We can improve it a lot more. We have used the Transport Levy for this purpose. I can cite the Bridge Road. One of the things we used it for was widening the bridge. You must remember the confusion that you used to have on the Bridge Road.

Aside.

Hon. H. deB. FORDE: Sir, the honourable Member says we have done it illegally, but all these things are being paid for from the Transport Levy. I believe that positive steps were taken to use the levy for the benefit of Barbados.

We may well reach the stage where, eventually, the direct cost of transport will decrease over the years once we have improved the system enough. The Minister was optimistic that he was going to abolish this levy within a year. I want to know from him if he is still so optimistic. I heard a different story from the Minister of Transport. The Minister of Transport says some time in the future, and he is not specific as to how long in the future the levy will be necessary. I would like him to give us

some idea as to how long he envisages now, with the knowledge he has at his disposal, he will need the Transport Levy Act to go.

If I may say so, if it is intended to be four years, five years, whatever, it is possible to give the honourable Members for Christ Church East Central and St. Michael Central (Mr. C. L. Trotman) the assurances they want in this very bit of legislation. All we have to do in Committee is to put in a clause saying that this Bill shall cease to have effect as from — I am not sure what date the Prime Minister calling the election next time will choose — let us say, September 30, 1990. It is possible now for the Government to tell us how long it envisages it will need to carry the levy. Does it envisage it will carry it for a year? Does it envisage it will carry it for ten years? Does it envisage it will carry it for fifteen years?

Another mechanism that the Government can ensure, since there is a basic objection by some Members to the philosophy of the levy continuing *ad infinitum*, is for the Government to make this Bill renewable annually, so that it is possible to build into the clauses a provision that the Bill will fall except by a Resolution of Parliament every year. You will have answered the problems that you have heard in the House from time to time.

Sir, I want very briefly to deal with this question of the Mercedes Benz buses. As I understand it, when the Mercedes Benz buses came in here, the honourable Member for St. Michael East was then the Minister, and Mr. Mitch Codrington went into a study of all the buses being used. There were some being offered from India, the Seddons were coming down here, Leylands, all of them were offered, and they came to the conclusion that the Mercedes Benz buses were the preferable ones for durability and reliability based on the contract. The problem that occurred was the problem of the torque ratio in the hills of St. Andrew, because Barbados apparently has such a very high gradient although we are a low country — we have not cut our hills down to go around these hills — and the engineers had not adjusted the torque sufficiently to take this into account. I heard the then Minister, the honourable Member for St. Michael East, say that the Mercedes people sent down engineers and corrected that problem at their own cost, at no cost to the Government, and I believe that this probably shows up in the files.

Asides.

Hon. H. deB. FORDE: I am only going by what was said by the honourable Member, who is still a Member of this House, who has been praised for his vision on transport and under whom this problem was dealt with.

There was some reference to how guarantees were given and all that. Once again, the Member who is being

praised for his vision was the Minister responsible who authorised that. I do not for one moment believe he acted with any bad *bona fides*, although I do not have to defend him. I think one must understand that one was trying to grapple with problems that were confronting the transport system at the time, and new measures were being tried, sometimes probably with a swiftness and not with the strict legal ease that one would have expected on reflection at some time. The House has already debated that measure in another Session. I heard the Honourable Minister of Finance at the time railing about it, until he found out it was the honourable Member for St. Michael East who was the Minister responsible at the time. The honourable Member for St. Thomas came down in the then Government and said that his legal opinion on the matter differed from the legal opinion of the former Solicitor General on the matter and, therefore, he brought the matter down to the House. Nobody was hiding behind anything. Full disclosure has been made in this House, and the guarantee point was dealt with.

It is difficult for us sometimes to convince non-lawyers that lawyers can have a genuine disagreement about how to approach a particular legal problem. There was the view that it could have been done the way the honourable Member as Minister then, sought to do it, and there was a different view taken by another Attorney General and another Solicitor General, and probably within the Legal Department you will still find people arguing about it, just as some of us may argue that the change to Clause 7 was not necessary, that the provision of public transport includes anything ancillary thereto, and that there was always the power to use the funds, Mr. Speaker, for the purpose of operational costs. Some lawyers feel so. some do not feel so. The Honourable Attorney General, out of an abundance of caution, has brought the amendment, and in so far as it goes as a legal point, I have no objection to it, but I do not think that Members should confuse a genuine difference of a legal opinion with any sort of skulduggery or lack of *bona fides* on the part of Members.

Mr. R. P. BYER (St. George North): Mr. Speaker, I shall not be very long in what I have to contribute to this debate. At the outset I would want to say that the issue of transport and the problems surrounding the transport system in Barbados have been talked and argued about backwards and forwards on many occasions since I have been a Member of this august body. And it seems to me that for all the time I have been here and most of the honourable Members have been saying that we have a problem at the Transport Board, the problem seems to be a problem of revenue and not having enough monies to meet what is necessary to make for a proper transport system, and that once that hurdle is cleared, we would have a better system more or less. 1.45 p.m.

Even though I support that view in some measure, I think that the human relations problems at the Transport Board need to be looked at, and without going too much into that matter, I want to urge upon the Minister that he addresses this problem. I have been receiving a number of complaints from members of the Transport Board who are constituents of mine about the problems they face there daily, and that when these problems are examined, or when it is sought to deal with them by persons who should deal with those problems, they are less than satisfied with the outcome, even though it is a matter of agreement between the Transport Board and the Barbados Workers Union as to the particular procedure that should be followed.

There is one person there now, who I can mention, who many persons are not happy with.

So it is not a question of throwing money at the problem of transport. It is a question also of dealing with the public relations of the Board, of dealing with the human problems that the Board is presently faced with. If we should address these problems as much as we are addressing the question of revenue and improving the revenue system at the Transport Board, I am certain that a lot would be done in terms of improving the morale at the Board and, thereby, the whole transport system.

Sir, only last week, we had an accident when a bus overturned in my constituency. Fortunately, we did not have any serious injury.

Aside.

Mr. R. P. BYER; I was there on my way to work. I did not see you either.

Laughter.

Aside.

Mr. R. P. BYER: I did not see the other man, either, the man in the Other Place.

Asides

Mr. R. P. BYER; Fortunately, we did not have any serious injury. I believe that the most seriously injured person on the bus that morning was a cousin of mine who suffered some injury to her neck. Her neck is now in a brace. But, Sir, this highlights that the road that that particular bus takes definitely needs improving. Along the bend that the bus went off the road, two cars cannot even pass sometimes very comfortably. It is a road that I have been walking from the time I was four years old going to school at St. Luke's School, so I know what I am talking about. It needs widening at that junction and all along that very road.

I am told that when it was decided to improve the bus service to the St. George South constituency, along Route 8, a recommendation was made — and I am speaking under correction — that roads along that route be improved, that would be stretching from Mount Hill through Union Lodge, through the Mount, Melverton and Frenches, and then into Drax Hall and Drax Hall Jump. You have some good stretches of road along that route, but then there are other areas that are cause for concern. The roads are very narrow and are very bad, and they need improving. It is a very, very good service, and that morning the bus was very packed. Fortunately, as I said, you did not have many injuries, and the ones that you had were not very serious.

This brings me into another point. Recently we read in one of the newspapers that there were cost savings at the Transport Board because of the improved driving. My contention is that if you are going to improve the transport system in this country, hand in hand with that you also need to improve the road system, because you can make other savings in terms of the savings in foreign exchange, your repair bill must, of necessity, be less, tyre life and the bus life would be longer, and it even stretches into the area of private transport, because cars would last longer. I am urging on the Minister that any policy on improving the transport system in Barbados must take into account the fact that our road system must improve commensurate or concomitant with the improvements in the transport system. This is a very important point, and even though I do not want to belabour it, it is important that it be made, because I do not have to harp on the point that our road system in Barbados really, really needs improving. But this is not a motion that can allow me to go into areas of discussing road improvement.

Aside.

Mr. R. P. BYER: That is true. Road and road improvement is in the Act. But I do not want to use this occasion, though, for that purpose.

I want to focus on certain problems that I am having in my constituency, and there are things that the honourable Member for Christ Church West (Hon. H. deB. Forde) touched upon. He can now say with some degree of pride that he lives in the country and he travels through the constituencies of St. John, St. George North and South from time to time, and he knows what he sees on the road on mornings. I cannot blame him for that, especially when it comes to my constituency.

For some time now on Route 8, and to the same extent on Route 8A, because Route 8A also services a portion of my constituency as well, we could hardly get a bus from the Drax Hall bus stand moving at 7.00 and at 8.00 o'clock. This was so for a very long time now,

and the situation has not changed. I would be very glad if the Minister would make a note of this, and I am asking him, Sir, to impress upon the people at the Transport Board that the bus system at the peak hours in the morning, at 7.00 o'clock and 8.00 o'clock, need improving along Route 8 and Route 8A. There are not many bus routes that you have in St. George South. You have one coming from Greens going right through to Ellerton, you have another one going from Drax Hall to town, you have a Route 9 that goes through certain parts of my constituency as well, that goes to College Savannah, Society and so on. The areas that need servicing, particularly at the peak hours, are the routes that come out of Greens where I live, and also the route that comes out of Drax Hall, which was recently added to the service. It passes through Byde Mill.

This brings me to the Bowmanston route, the route that runs from Bridgetown through Newbury, St. Jude's on to Bowmanston in St. John. Bowmanston, St. John, is the far eastern end of my constituency. There used to be a bus leaving town at night at 11.00 o'clock going to Bowmanston. That has been discontinued, for what reason, I have not been able to find out. It makes it very difficult for people getting into the district of Todds in St. George. Anybody who knows from Perogative to Todds in St. George, passing through Elsmere and Macaroni Village, would know that it is a very lonesome and desolate place, and if I am passing that way at 11.00 o'clock going home, I have to take people into Todds or Macaroni Village. I would like that service from 11.00 o'clock at night restored. It is very, very important. 1.55 p.m.

The Drax Hall route also has a little thing in that route as well, when they are not very certain when the bus will run on Sundays. Sometimes the bus that services Greens has to service the Drax Hall route at night, and I will also ask the Minister to look into that for me and try to regularise the situation.

From time to time, I have had complaints about a bus scheduled to leave the bus stand at 11.00 o'clock at night and then at the last moment the Inspector comes and says no bus is going on the route. This causes great hardship to people who are caught in that situation. This seems to me to be inadequate planning. It seems to me that we have reached a point now where we are no longer caring about our own and how they get home at night. I think it is a very insensitive attitude to take. My view is that if the Transport Board issues a timetable with times and they have their schedule to leave and people plan their business from this schedule to leave a particular point at a particular time — people go to the cinema expecting to come out and catch this bus and go home, and when they reach there they are told that the service is no longer going — from a purely legal standpoint. I would think that if a patron is placed in

that position, a position of hardship and inconvenience, based on the present state of the law that he can very well bring an action against the Transport Board for breach of contract. I do not really want to go into that. But it is a very insensitive position to take to issue a time that you are moving from the terminal and then come and tell the patron that you are no longer offering the service. I think that this is something the Minister would want to look into and try and correct, because it is causing a lot of hardship on many people, and I can tell about one occasion in my constituency when, the next day, I had several complaints.

In closing, I want to make the point again that if we are seriously going to look and develop a coherent policy for transport, we ought at the same time to develop a coherent policy in relation to our road system and the public relations aspect of Public Transport.

Thank you, Sir.

Applause.

SUSPENSION OF SITTING

Hon. L. E. SANDIFORD: Mr. Speaker, I beg to move that this sitting be now suspended until 3.05 p.m. today for lunch.

Hon. B. M. TAITT: I second that.

The question that the sitting be suspended until 3:05 p.m. today for lunch was put and resolved in the affirmative without division.

ON RESUMPTION Mr.

SPEAKER: This sitting is resumed.

When the suspension was taken, the Member for St. George South (Mr. R. P. Byer) had spoken on the Second Reading of a Bill to amend the Transport Levy Act. Does anyone else want to make a contribution?

The question that the Bill be now read a second time was put and resolved in the affirmative without division.

On the motion of Hon. L. E. SANDIFORD, seconded by Hon. M. A. KING, Mr. SPEAKER left the Chair and the House went into Committee on the Bill, Mr. R. P. BYER in the Chair.

if

COMMITTEE

Mr. CHAIRMAN: The House is now in Committee.

Clause 1 was called and passed.

Clause 2 was called.

Hon. P. M. GREAVES: Mr. Chairman, I move that Clause 2 stand part, and I want to state that Clause 2 virtually repeats Section 7 as it is in the Act itself, except, Sir, for the words "including operational costs" which were queried by the honourable Member for Christ Church West (Hon. H. deB. Forde). That was put in out of an abundance of caution, Sir, to make it quite clear that in fact the funds of the proceeds of the Transport Levy could be used for financing the operations of the Transport Board.

Hon. M. A. KING: I second that.

The question that Clause 2 stand part was put and resolved in the affirmative without division.

Clause 3 was called and passed.

On the motion of Hon. L. E. SANDIFORD, seconded by Hon. M. A. KING, Mr. CHAIRMAN reported the passing of one Bill in Committee, and Mr. SPEAKER resumed the Chair and reported accordingly.

On separate motions of Hon. L. E. SANDIFORD, seconded by Hon. M. A. KING, the Bill was read a third time and passed.

THE JUDGES REMUNERATION AND PENSIONS (AMENDMENT) ACT, 1987

Order No. 1 was called - to move the second reading of a Bill to amend the Judges Remuneration and Pensions Act.

Rt. Hon. E. W. BARROW (St. John): Mr. Speaker, the Judges Remuneration and Pensions Act, Section 12 (1) (a) reads as follows:

"Where the holder of a judicial office dies while he is in office or while he is entitled to a pension under this Act, then,

- (a) if he leaves
 - (i) a widow but no entitled child, or
 - (ii) a widow and entitled children by such widow only, the widow is, subject to subsections (2) and (3), entitled to a pension at an annual rate of 2/3 of the highest rate of pension paid to such person under section 6, as the case may be, to a pension which would have become payable to such person under section

6 had he retired at a rate immediately before his death."

There was some question as to whether this amendment in Section 12 (1) (a) of the Act was intended to mean that the widow of a judge who had died before he retired is entitled to the same pension the judge would have drawn had he died after his retirement.

The purpose of the amendment here is to remove any doubt on that particular matter, and the Bill which we now have before us, which is cited as the Judges Remuneration and Pensions (Amendment) Act of 1987, states very clearly that Section 12 of the Judges Remuneration and Pensions Act is amended by deleting the words "as the case may be, of a pension" occurring in subsection (1) (a). By deleting those words, Mr. Speaker, it is made abundantly clear that the rate of pension receivable by the widow is 2/3 of the pension and not the remuneration which would have been receivable by the judge had he retired before and was entitled to draw a pension, whether it was a full pension or a 2/3 pension.

Some judges received a pension equivalent to their full salary and some judges, under the amendments which we have passed, receive a pension which is equivalent to 2/3 their pensionable emoluments, but whatever it may be, the widow will now receive 2/3 and not the full pension of the judge.

I think there is no controversy about this particular amendment and it is merely for clarification.

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

Hon. L. E. SANDIFORD: Mr. Speaker, I beg to second that and reserve my right to speak.

The question that the Bill be read a second time was put and resolved in the affirmative without division.

On the motion of Hon. L. E. SANDIFORD, seconded by Hon. M. A. KING, Mr. SPEAKER left the Chair and the House went into Committee on the Bill, Mr. R. P. BYER in the Chair.

COMMITTEE

Mr. CHAIRMAN; The House is in Committee.

Clauses 1 and 2 were called and passed.

On the motion of Rt. Hon. E. W. BARROW, seconded by Hon. L. E. SANDIFORD, Mr. CHAIRMAN reported the passing of one Bill in Committee, and Mr. SPEAKER resumed the Chair and reported accordingly.

On separate motions of Rt. Hon. E. W. BARROW, seconded by Hon. L. E. SANDIFORD, the Bill was read a third time and passed and cited as the Judges Remuneration and Pensions (Amendment) Act, 1987. 3.15 p.m.

STAMP DUTY (AMENDMENT) ACT, 1987

Order No. 9 was called — to move the Second Reading of a Bill to amend the Stamp Duty Act.

Hon. Dr. R. C. HAYNES (St. Michael South Central). Mr. Speaker, I rise to move the second reading of this Bill which seeks to amend the Stamp Duty Act to achieve various objectives. One objective is to exempt securities of Public Companies listed under the Securities Exchange of Barbados from the payment of Stamp Duty. As you may be aware, that was one of the proposals in the Budget of this year, namely, the abolition of stamp duties in respect of certain transactions on the Securities Exchange, which is due to come on stream next week.

The second object of the Bill, Sir, is to give effect to the budgetary proposal which reduced the stamp duties on CARICOM imports from 12 per cent to 10 per cent whilst increasing the stamp duties on extra-regional imports from 12 per cent to 15 per cent.

The Bill also retains the reductions in the Stamp Duty which were put in place in the July Budget of last year, which reduced the Stamp Duty on certain items of food and building materials from 12 per cent to 10 per cent.

On the whole, Sir, I believe that there has been some attempt to mis-inform the general public as to the nature of the stamp duties in this country and how they became part of the tax structure of Barbados. There can be no doubt that when the two budgetary instruments introduced by the Democratic Labour Party since it took office last year are taken together, there has been a substantial overall reduction in the burden of taxation on the people of this country; and that has been accompanied by a substantial increase in disposable incomes, which would permit the people of Barbados to cope with any increases resulting directly from any changes in indirect taxation.

It is a matter for record, and a matter of fact, that the stamp duties on some basic goods and building materials were reduced in July last year. I did not hear any complaints from the Opposition or anybody else that prices went down. It is also a fact that the stamp duties this year have been reduced on the large volume of goods which we import into Barbados from CARICOM. I have not heard any complaints from the Opposition about any reduction in prices consequential to that reduction either. But, Mr. Speaker, it is nothing short of the most bare-

faced duplicity and the absence of any sense of shame, which must be indicative of a kind of psychic personality, that has overtaken the Opposition in this country, and I want to let this House have some indication of what has happened in relation to the stamp duties in this country.

They all come inside here and play saints because they do not want to face up to debate, and as soon as they go out of in here, they run to the Press, they go to Henry Christopher, and create all sorts of confusion in this country. But they are going to have to stand up here and face the music on the floor of the House. Those days are finished when you are going to come inside here and, because you have a small table around here, show one side of your faces and then go outside and immediately start to create mischief in this country. You are going to be dealt with on the floor of this House on any matter that affects the portfolio of the Ministry of Finance. It is as simple and straightforward as that.

Sir, I intend today to let this House know what has happened over the years in relation to stamp duties in Barbados. Prior to 1976-1977, there was no *ad valorem* Stamp Duty in this country. The stamp duties were charged under the Stamp Act on certain bills of exchange, \$5 I think it was at that time, or stamp duties on receipts and that kind of activity.

It was the Barbados Labour Party who, in 1982, for the first time introduced in Barbados an *ad valorem* rate of Stamp Duty as a form of trade tax in Barbados, and applied it across-the-board to food, medicines and everything imported in this country, apart from certain capital goods which were subject to exemption within the particular Act. The rate was fixed at 2 per cent on April 1, 1982.

Sir, by virtue of the Stamp Duty (Amendment) Act, 1983, the fixed rate of Stamp Duty was increased from \$5 to \$10 by the Barbados Labour Party. In 1983, again the *ad valorem* rate was increased, from 2 per cent to 3 per cent, by the Barbados Labour Party. In April 1984, the Stamp Duty was further increased, from 3 per cent to 5 per cent, so it moved from zero in 1981 to 5 per cent in 1984. That is in April 1984. In October 1984, just a matter of a few months later, the Stamp Duty was increased by another 5 per cent to 10 per cent. On May 7, 1985, it was increased by another 2 per cent across-the-board, so in a matter of three years they introduced an *ad valorem* Stamp Duty, which is a form of trade tax, and increased it from zero to 12 per cent, and argued on the floor of this House again and again that these taxes were not inflationary and would have no impact on prices. 3.25 p.m.

What has the Democratic Labour Party done since it came into office? The first thing it did was to reduce the Stamp Duty on certain basic items, including food and building materials. The second thing it did was to reduce the Stamp Duty on CARICOM imports. What is the third thing it is doing now? It is abolishing Stamp Duty on certain transactions on the Stock Exchange in Barbados, and it is only in the area of extra-regional imports, for significant economic reasons, as part of our policy to expand the domestic market in this country to assist in job generation, that that increase has taken place.

That is what I call duplicity of the highest order. I call it two-facedness, I say they are trying to mislead this country of Barbados by saying that the Democratic Labour Party has taken any significant action in relation to Stamp Duty increases when that is the record that they have to face.

They say that by imposing Stamp Duty, the Democratic Labour Party is imposing burdens on the poor people of this country, and they have to be called to account. In 1976 — 77, the *ad valorem* Stamp Duty was zero, not one cent. By 1986 - 87, despite the fact that we had made some reductions in that area, it was yielding \$85.5 million a year. From zero millions in 1976 - 77 to \$85.5 million a year in 1986 - 87! Can those people, who have such a high level of awareness, or pretend that they have such a high level of awareness, of the impact of indirect taxes on the community as a whole, tell this country why they imposed the taxes, why they increased it from zero to \$85.5 million a year? No wonder the people lost all confidence in them and kicked them out of office! It is that kind of duplicity, that kind of dishonesty, that people reject in due course.

That is the situation, and I think it is important that the public should clearly understand what has happened in relation to Stamp Duty. They should understand that it was the Barbados Labour Party that imposed an *ad valorem* Stamp Duty as a form of trade tax, that they had raised it from zero to 12 per cent in a matter of three years, across-the-board, and that since the Democratic Labour Party came into office, it has addressed the problem in terms of reducing the Stamp Duty on CARICOM imports on selected, though a narrow range, food and other items in the 1986 Budget, and now today would be abolishing the Stamp Duty on certain transactions on the Stock Exchange of Barbados. I would love to hear the response to that. I have asked my Ministry to give me a factual analysis of what has happened over the years in relation to the *ad valorem* Stamp Duty, and those are the facts.

The situation, Sir is even worse with other areas of indirect taxes. The other major indirect tax in this country is the Consumption Tax, which was introduced under the Democratic Labour Party before it demitted office in

1976, to make up on some items for items which they could no longer charge duty on under the Common External Tariff. The total amount that that tax yielded in 1976—77 was \$12 million. They introduced a most wide-ranging Consumption Tax Schedule in this country, and the net result of that, Sir, is that by 1986-87, the total yield from consumption taxes was \$120.8 million per year. In summary, Sir, they increased the tax yield from stamp duties and consumption taxes from \$12 million a year to \$200 million a year. Did they know at that time the price effects of indirect taxes? Did they know at that time any impact it might have on the poor sections of the community or any section of the community? They knew nothing about that! It is only now they are walking up and down the country trying to mislead everybody.

The net increases which have been put on by the Democratic Labour Party for economic reasons, particularly expansion of the domestic market and job generation in this country, is insignificant compared with the amount of taxes which have been levied by that Administration under stamp duties and consumption taxes. That is the record of the status in relation to consumption taxes in this country.

Talking about other indirect taxes, Sir, they came in here and made a big song and dance about taxes on agricultural products when there was clearly a typographical error in the schedule. When that same schedule is currently analysed, you will see that there is a tax on onions, eschalots, potatoes, yams, sweet potatoes, eddoes, carrots, beets, potato slips, cut flowers, foliage, trees. Those are in the existing schedule.

Asides.

Hon. Dr. R. C. HAYNES: I will tell you what is going to happen right now. It was in the schedule, but it was never applied, except in the case of one producer in Barbados, a known supporter of the Democratic Labour Party in St. Philip, Edward Cumberbatch. The complaint came to me last Tuesday. I have investigated it and discovered that on the 20th of the month they have been religiously paying the taxes on their produce, and I have investigated further and discovered that a former Minister of Finance, a Barbados Labour Party Minister of Finance, gave a directive that the tax would be applied to them and no other. That is correct, that is what happened; and it was consequential on their perceptions of the activities of the Cumberbatches in the General Elections of 1981, when the present honourable Member for St. Thomas (Mr. D. A. C. Simmons) lost his seat.

Asides,

Hon. Dr. R. C. HAYNES: I did not say you knew about it. I am telling you what was done. I am not saying you did it.

Mr. Speaker, I have taken immediate action, and under the appropriate section of the Act that gives me the authority to waive the appropriate tax, the Cumberbatches will no longer pay Consumption Tax on their agricultural products, nor will anybody else. That particular section of the Consumption Tax which was reproduced in that Schedule will be reduced to zero when the appropriate instrument comes down here. The point I am making, Sir, is that it just shows the extent of the duplicity of certain people.

Aside.

3.35 pjn.

Hon. Dr. R. C. HAYNES: That is not correct! Cut flowers tax was being collected.

Asides.

Hon. Dr. R. C. HAYNES: It was part of the Consumption Tax schedule. That is point one. Point two, only the Cumberbatches ever paid the tax. Point three, the customs officers who were not aware of the previous directive went to three other producers to register them. That is how the complaint came to my notice.

Aside.

Hon. Dr. R. C. HAYNES: They went to three others to register them, not to charge the tax, and that is how the matter came to my attention.

Aside.

Hon. Dr. R. C. HAYNES: Last week. Since then, the Horticultural Society has written a letter to the Minister of Agriculture, who has forwarded the letter to me, and I have advised him of the decision that I took last Wednesday, that is, to abolish the tax in respect of all locally produced agricultural products.

Applause.

Hon. Dr. R. C. HAYNES: So do not try to upstage anybody that you have a letter. The fact is that you wickedly and maliciously went out there to harass

Mr. SPEAKER: Who did that?

Hon. Dr. R. C. HAYNES: The Barbados Labour Party Sir.

Laughter.

Asides.

Hon. Dr. R. C. HAYNES: The Barbados Labour Party wickedly and maliciously went out of their way to do that.

Asides.

Mr. SPEAKER: Order, please.

4.

Hon. Dr. R. C. HAYNES: Sir, that is what happened in Barbados. We have reduced it. When the appropriate Consumption Tax Schedule comes down, you will find that that will be a zero in all those areas, the whole lot.

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

Hon. M. A. KING: I beg to second that, Mr. Speaker, and reserve my right to speak.

Mr. O. S. ARTHUR (St. Peter): Mr. Speaker, I can understand and sympathise with the discomfiture that this Minister of Finance really experiences when he comes to the House on a matter of a tax increase, because perhaps, Sir, this matter is bigger than just the details of a Stamp Duty or the details of a Consumption Tax. What we are debating implicitly, Mr. Speaker, is, in a sense, an economic philosophy and the contradictions in an economic philosophy. This is precisely what the Minister of Finance cannot understand, that there was an economic philosophy which up to a year ago said that we could ignore all of the problems in the economy out of the context of the functioning of the international economy, ignore the fact that we are part of a world system, and that we would come to one conclusion, as spoken by the Minister of Finance in July of last year, that the only problem with the Barbados economy is the problem of over taxation, and that to that extent, Sir, the economic solutions to this country's problems would be found by way of a permanent reduction in the level of taxes in this country. That is the economic philosophy that this Minister of Finance put to the country as part of the general programme of the Democratic Labour Party to guide us for five years. So that if he has a discomfiture, Sir, it is a discomfiture of his own manufacture, because you cannot in one breath say that a country is suffering from over taxation and then in the next breath try to solve the problems caused by over taxation by imposing more taxes. So if the Minister is unhappy, if the Minister finds himself in a position of great discomfort, I say that your position of great discomfort is one of your own manufacture.

Mr. Speaker, as regards the Stamp Duty, every increase in the Stamp Duty has been brought before this House, and there has been a tremendous debate on the Stamp Duty on every occasion it has been brought before this House. I have on one occasion pointed out that the Stamp Duty under the Barbados Labour Party was so structured as to allow it not to fall on energy products,^v to allow it not to fall on raw material or other investment inputs used by manufacturing enterprises operated under fiscal incentives, to allow it not to fall on capital

equipment, and to ensure that educational and scientific and even cultural material were not the items that had to carry a Stamp Duty. So the broad picture that the Minister seeks to give this evening of the nature of the Stamp Duty as imposed by the Barbados Labour Party is a picture that does not square with reality, because there was a large number of very important things ranging from raw materials through to energy, through to books and all other types of materials which were not subject to Stamp Duty in this country. And if the Minister finds himself in an uncomfortable position with the Stamp Duty, Sir, it is precisely because he has for so long been hammering against the incidence of Stamp Duty in this country and is embarrassed that he must now do the very things that he has had in the past to criticise the Barbados Labour Party for doing. I want to say for the Minister's benefit that if the imposition of a Stamp Duty was wrong when imposed by the Barbados Labour Party, if it was wrong for the Barbados Labour Party to increase the Stamp Duty incrementally over the years, it is equally wrong for the Minister of Finance now to come and do precisely what he has criticised the Barbados Labour Party for doing for a number of years.

The Minister would want to tell us that he has cut the rate of Stamp Duty on regional goods and increased the rate of Stamp Duty on extra-regional, but he must look at the net position. In net terms, given the fact that we depend more heavily on extra-regional imports than regional, the effect of your cutting one and increasing the other is to bring about a general increase in the Stamp Duty. If you want the proof of it, your own figure, as set out in your Budget, estimates that the additional revenue you expect to gain from Stamp Duty is \$11 million. Therefore, Sir, it ought to appeal to the sensibility of the Minister of Finance, if he has it, that he is giving up one thing with the right hand and taking back something with the left hand, and when you balance the two, the net effect is an increase of \$11 million. So the Minister must not be surprised that for those extra-regional goods, which must now carry this increased Stamp Duty, the effect can be significant, particularly when the Stamp Duty now is to be increased in conjunction with an increase in the Consumption Tax. And I challenge you to show me anywhere in the past when any Barbados Labour Party Administration had simultaneously increased both the Consumption Tax and the Stamp Duty to the extent that you are doing. And the fundamental point, Sir, is a point of philosophy, that you cannot in one year tell a country that it is overtaxed and then in the next year come and increase taxes, as if those taxes is a solution to overtaxation. 3.45 p.m.

I really want, Mr. Speaker, to ask the Minister a specific question of detail. In the July Budget, Stamp Duty on a number of commodities was cut. At that time, there was no distinction made between regional and

extra-regional, but some of those commodities could be commodities coming from an extra-regional source. Under the present dispensation, there is now to be a distinction between the Stamp Duty applicable on imports from regional sources and Stamp Duty applicable on imports from extra-regional. In the event that items in the July dispensation which attracted a 10 per cent Stamp Duty are imported from extra-regional sources, is the Stamp Duty on them now to be increased from 10 per cent to 15 per cent? Nothing to date has been said to clarify that particular matter.

Mr. Speaker, I want to talk a little more generally this evening about the question of indirect taxes, because we have to begin to discuss Government's overall economic policy not only at the level of detail, but in terms of what it means for the broader development of this society. There was a time when the Democratic Labour Party use to be very critical, extremely critical, of the incidence of indirect taxes in this country. There were times in 1980 and 1981 when our gradual approach to Income Tax reform was criticised by the very Member for St. Michael South Central (Hon. Dr. R. C. Haynes) on the grounds that we were carrying this country more and more in the direction of relying on a regressive form of indirect taxes, and it was understood by you then that a heavy reliance on an indirect taxation system has as much economic implication as it has social implication. The direction of Government's current economic policy is, in fact, Mr. Speaker, to cause this country to rely more and more heavily on indirect taxes as a means of financing Government's operations, and we are building up in this society, through this reliance upon the indirect taxation system, an overall fiscal regime which is designed, virtually by definition, to bear more heavily on the poorest in the society. Indeed, Sir, the Minister of Finance felt so embarrassed about the whole matter that when we drew it to his attention in the Budget Debate that he was even seeking to impose a Stamp Duty on soap, he rushed and removed it.

I also want to argue, Mr. Speaker that this increasing reliance upon indirect taxation as the means of financing Government revenue is going to reduce the reflexivity that this country must have in running its economic affairs. I mentioned it in the Estimates Debate, and it is worth talking about, that we have to be always careful in balancing fiscal considerations against the balance of payments, and we are now finding ourselves in a situation where the manoeuvrability of the Government is being reduced because it has come to depend so heavily upon the high levels of imports as a source for Government revenues that even if the balance of payments' management required it to reduce imports, it is so bound by fiscal considerations that it could not make the desirable move. These are the kinds of things that bother me and should bother a Minister of Finance when he brings such a degree of imbalance into a fiscal system.

I come back, Sir, to the philosophical point, because the Minister might want to bog us down in details on this matter. It is not the Member for St. Peter who has imposed this tax. It is not the Member for St. Peter who has imposed \$59 million in taxes on the people of Barbados. It is you, the Minister of Finance, and you have to live with that responsibility, coming nine months after you told the people of this country that their only economic problem was the economic problem of overtaxation. Your problem is simply a problem of having been forced by the sheer reality of economic circumstances to reverse yourself, and the problem of the Democratic Labour Party and the problem of the Minister of Finance is the problem of having to completely reverse himself even at the level of economic philosophy before he could give his measures a chance to work.

So I am not surprised that the Minister might want to throw a tantrum on the Stamp Duty. It is the Stamp Duty imposed by the Democratic Labour Party and the Minister of Finance, and it would be better for him to get up as a man and say that he needs to increase his Stamp Duty to raise revenue to keep the country running, rather than to tire the House with foolishness as to how many different times in the past the Stamp Duty was increased by the Barbados Labour Party. The people of Barbados have already voted on that point, and if it was wrong under us, it is doubly wrong under you.

Mr. Speaker, Sir, I am obliged to you.

Hon. H. deB. FORDE (Christ Church West): Sir, I wish to just intervene in the debate on one point. I understood the Minister to say that vegetables had been taxed under the Barbados Labour Party. If the Minister is saying that, he is misleading this House. He can read the Consumption Tax Act, Cap. 73 and the First Schedule to it, and he will find that nowhere in the Consumption Tax Act or the schedule were vegetables ever taxed. Indeed, when the Minister introduced his Budgetary Proposals earlier, he had indicated quite clearly that the present rate was nil. He can read - the laws are here. If the Minister says there was a tax on vegetables prior to May 28th, 1986, he could show me where in the law it was. I am saying that the Minister is absolutely mistaken. It is not true at all. Let him show me, Sir!

The Minister obviously does not understand the descriptions given in the Schedule to the Act, — it is here — about the matters that were taxed. The Minister had four tariff heading numbers — 06.01, 06.02, 06.03 and, I think, 06.04 — which related to cut flowers, bulbs, tubers, tuberous roots, crowns and rhizomes live plants including trees and cut flowers. The Minister will be aware that in so far as there was a local flower industry, no tax was ever collected on the industry at all, other than in so far as there may have been an export of cut

flowers. Let the Minister of Agriculture show you the letter that he has in his file, if you doubt me. 3.55 p.m.

The Minister knows as well that the Horticultural Society, of which I am a member — the Minister should know that, so when he is talking he is talking to someone who is speaking from knowledge - had been discussing with Minister Cheltenham in order to encourage

Aside.

Hon. H. deB. FORDE: when he was then Minister, Dr. Cheltenham.....the flower industry, had been discussing the removal of all duty on the export of cut flowers in Barbados. The Minister knows that. The Minister might have arranged his Press for the afternoon for the benefit of getting his numbers, but he must get the corrections to go in as well. He would have brought his special correspondents into the House at this time, but he must also understand that he will get the alternative put, so I want him to get it.

The Minister knows as well that the first time he became aware of whether or not there was a duty on cut flowers was when it was drawn to his attention less than a week ago, through the Minister of Agriculture, on representations made to the Minister of Agriculture as a way of promoting the development of the cut flower industry, of which the Minister of Agriculture had been speaking so much. The files will reveal that before Dr. Cheltenham exited the Ministry, he had given the Horticultural Society the undertaking that the duty on the export of cut flowers from Barbados would have been reduced. The Minister knows that, so do not let the Minister come in here giving anybody any boast whatsoever about these matters.

He is quite correct when he says that no duty was ever collected on cut flowers locally, except from Mr. Cumberbatch. If Mr. Cumberbatch paid, then what you must do is to give Mr. Cumberbatch a refund.

There is nothing in the Minister's brief with which he should believe he is going to surprise people with, because this side of the House is as well briefed on the history of what was happening in cut flowers as he is. I challenge him again, Sir, get up and show me in the law of Barbados as it existed prior to his Ministerial Statement on May 28, 1986, where, as he says, vegetables were subject to tax. That is what he has to tell me, because the laws are there. They are there for anybody to see, and unless he does not understand the tariff description, and unless he does not understand the international tariff designation, then he could not possibly make the statement that he made to this House this afternoon. We rest very certain, Sir. I am glad

the Minister is now a convert to recognise that you have to read the matters very carefully. He must by now have realised that.

The Minister knows that what he has done is that locally he has doubled, in almost every instance, the Consumption Tax which he found in place when he came in. Regionally he has doubled it. Do not make a lot of fuss about you have made a distinction only locally and regionally, when you raised the tax, the very thing you were complaining about, from 5 per cent to 10 per cent, a 100 per cent increase. He knows that.

Aside.

Hon. H. deB. FORDE: In the Budget, in the appendix. The honourable Member for St. Michael West (Hon. B. M. TAITT) is not only now getting aged, he obviously cannot read. He was fluent before, he is probably losing his vision, Sir, but he has it in his hand. Look at page 32.

The Minister knows that there was never a tariff designation under string beans, pigeon peas, carrots, cucumbers, other, cashew nuts, mangoes, apples. He knows that prior to the 28th there was no designation in the laws of Barbados. The first time the designation came in is when the Minister put in the designation, so what is the Minister saying?

Mr. Speaker, I just wanted to clarify for the Minister's benefit that he should really read his situation. And he talks about a mistake? It could never have been a mistake! I am not going to go over the debate we went into in this House on the Budget, because we are not very far from that. The Minister is obviously stung. He is so stung that not only does he have to get up from his sleep to respond to a Press Release over the telephone and give a direction to CBC to carry it, but he organises his special Press Agents at the appropriate time to take whichever part of his Budget that he wants taken in the House. He is entitled to do that, he can reply as much as he likes, I say that the Minister really does not understand what is in the law of Barbados. We can give him the order made in 9.05. You could look at 6.01 as much as you like and interpret it. It says bulbs, tubers, tuberous roots, corms, crowns and rhizomes, dormant, in growth or in flower, unless the honourable Member does not understand what is a tuberous root, a corm, a crown and a rhizome from the flower world. He would get it confused with an onion, and I understand that the honourable Member is obviously waiting to say that he is confused with that, Sir. He does not know what is a rhizome.

Hon. B. M. TAITT: Mr. Speaker, I really find it a little tiresome when the Leader of the Opposition especially, in seeking to establish his *bona fides* in the cut flower world, gets involved in this debate at the level he

did. The truth is, Sir, that the whole question of the " nomenclature applied to systems and products is not a matter that is known to all and sundry — these are matters that are usually reserved for the experts. For a substantial amount of time in this country.....

Asides.

Mr. SPEAKER: I need not remind Members of the Standing Orders. Let us get on with the debate.

Hon. B. M. TAITT: For a substantial amount of time in Barbados, and indeed the Caribbean, I remember that a former Comptroller, Mr. Nathaniel Greene, became the adviser to the Caribbean Community Secretariat on this whole question of the nomenclature and the allocation of products into the various categories determined at Brussels over many years, before the times of honourable Members who sit around this table, and it is a tradition in Barbados that Ministers of Finance have left the appendix to the professionals.

If in the context of the delivery of a two hour speech the Minister of Finance makes a reference to a set — because that is what they are, they are sets — of items, it is, strictly speaking, correct that from the time he utters the words they become law. If the honourable Member for St. Peter (Mr. O. S. Arthur) makes some of these points, we understand and we accept those points from him, because in the field of law, the honourable Member for St. Peter can be described as a neophyte and, therefore, he would not be offended if I smiled when he made some comments in the field of law which were not generally acceptable to say, the Attorney General, or the former Attorney General. 4.05 pjn.

(Certain remarks made at this stage by the honourable Member for St. Michael West (Hon. B. M. TAITT) were ordered by Mr. SPEAKER to be expunged from the record.)

Hon. B. M. TAITT: When two former Attorneys General, and I am very serious about this, seek to gain political mileage out of areas which are traditionally left to the vagaries of the drafting sections in the Attorney General's Office — and I want to deal with the issue, because it is very important for the public

Asides.

Mr. SPEAKER: I am not going to accept any more interruptions from any honourable members.

Hon. B. M. TAITT: Thank you, Sir.

When two former Attorneys General, who are aware that when the Minister of Finance makes his state-

ment the matters are tidied up in the legislation, and when, as we have demonstrated over and over again, the Barbados Labour Party Administration of the late Tom Adams and Mr. St. John committed, if the word may be used, the exact and same identical kinds of statements which were corrected, it is a travesty on the public life of this country that they allow journalists, who themselves may be ignorant of the situation, to put forth to the community that when the Minister makes a statement, it is law, and, therefore, if he says that there is a tax on carrots, there is a tax on carrots. When a former Minister of the Crown, a Senator from the Other Place, is going to tell the public that it is a law and that these things now have law, let it be recorded that if what they say is, strictly speaking, correct, the same honourable Member, the Minister of Finance, spoke subsequently, so if when he spoke the first time it was law, when he spoke the second time he repealed that law.

No wonder they are not now in their chairs, Sir, because it is patently dishonest. This business of law has confused.....

Hon. H. deB. FORDE: On a point of order, Sir: I am in my chair, Sir.

Hon. B. M. TAITT: You are certainly in the Prime Minister's chair. I do not now see him. I heard, as one honourable Member once said, an aberration, but I have not seen anyone in their places.

Seriously, Sir, the Leader of the Opposition has been an Attorney General, and I know that he knows that these matters are correct. That is fine when we are debating, but the Press does not have to have the same level of competence in law as the Attorney General. No member of the Press is required to have that. If that were so, there would be no Press people in *The Advocate* at all, so no member of the Press is required to have the same level of competence as the Attorney General. But the members of the Press have a right to expect a certain decency in debate, both inside and outside of this House, when it comes to what constitutes the law of the land, and it is simply not true that because a word was uttered by the Minister in a Budgetary Statement, it becomes automatically the law, because in the business of drafting, it has always been, and will continue to be, that they will tidy up and they will refine the arrangements such as to make the law less than foolish. Therefore, Sir, it is patently dishonest for the Barbados Labour Party to be putting out information to the public and giving the public the impression that there is a tax on carrots, beets and tomatoes, and, furthermore, allowing people in this country to have an impression that the Minister of Finance did not know what he was doing.

For two hours the Minister of Finance makes a speech in this Chamber, and in the course referred to

an appendix, as his predecessors have done. All Ministers of Finance in Barbados have said in the course of their presentation that they will refer to the appendix given, from time immemorial since they had a Budget.

The Barbados Labour Party fakes that, it has over 40 years of history as a political party. It is a fake that has been brought in, just like they said the late Prime Minister was an economist, which was a figment of the imagination of a journalist. They faked a number of things. The Barbados Labour Party and the present Leader of the Opposition should be ashamed to be associated with that kind of fakery but he, too, contributes to this business of their having this long 40-year history, but let it pass. They can do that when they are trying to attract the masses. The masses have spoken to them infinitely, contritely, in a supplicant manner, and they still will not hear, so there is nothing you can do for them now. They have to let the dead bury the dead.

The Barbados Labour Party had no such thing as finances and Budgets. From the first Budget that was produced in here by Tom Adams, when Tom Adams spoke for four hours, they allowed the people to believe that speaking for a long time is making a lot of sense. The previous Prime Minister and Minister of Finance in this country used to deliver a Budget, and succeeded for 15 years, for an hour or so. Tom Adams came into the House of Assembly and delivered a four hour speech and the Labour Party then built around him an aura of invincibility that he could speak for a long time, he and Castro, except that Castro made sense and he repeated. What he did was to take the Economic Report and read it. Then he brought the honourable Member for St. Peter, and the honourable Member for St. Peter is contributing to this concept in Barbados that brilliance is length, and we in this country are allowing a certain attitude to be manifested as a demonstration of intellectual capacity if you talk for a long time, even if you repeat yourself every half hour.

I invite honourable Members to examine what the honourable Member for St. Michael South Central said in the last Budget. I invite honourable Members to see what he said in the first Budget that he produced in this House. I would never sit in this House or anywhere and allow any honourable Members, least of all the honourable members of the Opposition, to try to give the impression that he got up in this House and made a mess, when all he said in the process of a delivery is that he was referring to the index. 4.15 p.m.

All of us can look through the records of Parliament. The honourable Member for St. Michael South (Hon. L. E. Sandiford) is the longest serving Member

after the Prime Minister on this side, and he can confirm that all of us have said things in this House which have subsequently been put in proper perspective.

Mr. Speaker, when I worked as a person in the United Nations producing a finite record for history of what speeches were made in the United Nations, it was the duty of the group to which I belonged to produce for history and for the record the verbatim record of what was said, and we have people who used to speak in English and it was not their mother tongue, and we used to put the language in proper perspective. That is what Parliaments are about. So if the Opposition is in such dire straits that the only thing they can fly on to is that we are putting taxes on mangoes and ackees, in spite of the speeches made by the Prime Minister, the Deputy Prime Minister and many of us on this side, let the Opposition say that we have taxed ackees, let Senator Miller say that there is a tax on mangoes. But the people who buy mangoes know that there is no tax, and if the *Barbados Advocate News* or the *Daily Nation*, or CBC or VOB wish to make history out of the fact that we taxed mangoes, they, too, will know that they are aberrations.

It is a travesty on the intelligence of people in this country to continue making a mountain out of this very mild mold hill. We must stop it. The facts are here, Sir. This is now the law, and the Attorney General of yore knows what the law is, and the time has come for us to move on to a higher and better level of debate, than to have three honourable Members getting up and saying that the honourable Member has taxed onions, potatoes yams and eddoes, when, in fact, it is not true. It is a continuous waste of the time of this Honourable House, and I believe that the time has come for us to move on.

If there is anybody who can produce evidence that they have paid a tax on these items, except who I will not deal with the vindictive nature of the taxing system of the Barbados Labour Party. I dealt with that on the political platform, and the Honourable Leader of the Opposition himself has said that the level of debate in this Chamber is the best he has ever experienced.

Asides.

Hon. B. M. TAITT: Are you now denying it to the Press? Did you not say that? Are you agreeing or not? You agree that this is the highest level of debate you have had in Parliament.

I am not going back and discuss on the platform what you have said before. What I will discuss is this, the inherent wickedness. Mr. Speaker, there is an inherent wickedness where a practising politician, Nigel Barrow, who was thrown out of office, has now at his disposal..... I am not prepared to say he is unemployed because he

works at a distinguished agency, or rather he is employed by that agency, but, Sir, it is wrong, it has to be patently wrong in this country, and nobody wishes to bell this cat, but the *Advocate-News* has hired Nigel Barrow, a practising politician, who is now writing.....

Asides.

Hon. B. M. TAITT: I am irrelevant. I know you would say I am irrelevant. Mr. Speaker, he is going to say that I am irrelevant, but I am going to show my relevance, if you bear with me, Sir.

Mr. Nigel Barrow, a former Minister in a just defeated Government, is able to write editorials three times a week, and then write a special column on Saturdays as a special correspondent attacking the Government — if that is not dishonest and disreputable, nothing is — contaminating the public life of this community. The people who are running the *Advocate-News* cannot hide behind the principle of a free Press. You cannot hide behind the principle of a free Press while convoluting and converting the same free Press into a kind of intellectual prostitution, and that is what is happening. Every time you read the *Advocate* these days, there are shrill editorials which bear absolutely no relation to a contribution to the public life in the community. Rather, they are the outpourings of a particular political frustration.

The honourable Member for St. Thomas, a former Attorney General, to his everlasting credit, although he spurs the others to make these foolish statements, he has not been caught in the trap. You wish to get up and object to that? I beg your pardon, Sir.

The point I am making, Sir, is that the public commentary in this country can be raised to a much higher level, and it has to be. We have had good debates in this House, and we have had situations in which good points have been made on both sides, and this Government has not been so self-centred that it has not recognised points of value made by the Opposition, and the Opposition have acknowledged it. But when they come down to the nitty-gritty and they are starting to allow trivia to be raised to the level of serious comment, and then the rest of the community is being led..... We will not discuss Henry Christopher — the least said of Henry Christopher the better — and we are not going to discuss Smith. We are not going to discuss trivia at that level, because some of the things I have seen relating to the Budgetary Proposals and some of the things I have seen on this question of the appendix are so appalling that to comment on them would be to give credence to them.

The point I am making, as I come to the end of my intervention, is that we in this House have sworn

to raise the level of debate. Whether we made a public commitment, all 27 of us, or whether it just happened, it is a fact that a lot of the ignorance and a lot of the calumny which was manifested in at least one Parliament in which I had to sit has given way to deliberations in this Honourable House of Assembly of which we can all be proud. I think that when the honourable Members had the television cameras, they took the opportunity to make the point, and if we were in Opposition, we would have made the point as well. But the point is not only raised by the honourable Member today, the point was raised outside of this Chamber, and the point the honourable Member made is that we cannot have twiddle-de-de and twiddle-de-dum, we cannot reprobate and approbate, you cannot come in here and give us the impression that we are operating at this level, and when you go outside, you put the Press into believing something else. You cannot go out and bamboozle the public and the Press, and I say particularly the Press, because you feel that because you are learned, a former Attorney General and a Lecturer in Economics, that alone is sufficient to bamboozle the Press, and therefore when you utter certain words, you have a care and a duty to make sure that those words do not descend to the same level as the meeting which you held at the corner of Westbury Road, where another former Attorney General also made some very fundamental mistakes. 4.25 p.m.

(Aside: Get to Speightstown Saturday night.)

Hon. B. M. TAITT: I believe that the three honourable Members are entitled to go any part of Barbados and have themselves a good time.

Aside.

Hon. B. M. TAITT: If they wish to go to Speights-town after going to the bottom of Barbarees Hill, just outside my constituency, that is their privilege. They went to discuss the former honourable representative for the City and they left as they had gone in. The former honourable representative for the City came in.....

Aside..

Hon. B. M. TAITT: Because you discussed it. And the honourable Member should know that the Rules say that when you are discussing a money Resolution, you can say anything. Do not come in here with any rules on me!

Mr. SPEAKER: The Rules must be relevant to the Resolution.

Hon. B. M. TAITT: Yes, Sir. I was just explaining to Your Honour.

Aside.

Hon. B. M. TAITT: The fact is, though, Sir - I am going to finish now, Sir, and I am grateful to Your Honour for allowing me the opportunity, because I have -* been concerned — when I go outside of this country on the noble task of restoring the revenue base and I hear people in Los Angeles and pkces like that asking me how is the Opposition doing, I tell them, Well, they are there" — they ask me if we still have an Opposition because they do not hear them, and I say, 'No, they are making themselves heard, but they are not saying anything intelligent yet, and so they are not being reported' — and then I come back and see that in the Press that they are trying to deal with such smaD things as peas, carrots, ackees and bananas and trying to run down the Minister of Finance who has been able to fulfil his mandate in a short time. The Minister of Finance, in the shortest time possible, has delivered. There is almost nothing left now. The wicket has been rolled, the Minister has delivered and the country is feeling comfortable. I am seeing a new spirit out there. Tourism is going well, all is happening and even the Press is happy. They have not been happy for a long time. ,,,

Mr. Speaker, I am grateful and much obliged to you, and I hope that these words will not fall on the deaf ears of my colleagues in the Opposition.

Thank you very much, Sir.

Hon. E. E. GREAVES (St. Lucy): Mr. Speaker, I propose to intervene in this debate at two levels, and I promise you that I will be brief in my contribution.

When the Honourable Minister of Finance introduced this Bill, which seeks to amend the Stamp Duty Act, I think that it was introduced on two levels, one related to the reduction of Stamp Duty on CARICOM goods and, secondly, the whole question of* the Stamp Duty as it applies to the Securities Exchange, which will be launched shortly. There are other Bills which, hopefully, we will be discussing today, which will also have some bearing on the Securities Exchange.

Let me, Sir, make the point at the outset that having stamp duties in Barbados is really nothing new — it is something to which we have been accustomed to for a number of years. So I do not think there could be any argument about stamp duties.

I recall that in the last period, 1981 - 1986, when this country saw the introduction of stamp duties on a scale which was never yet experienced before, we attempted to make the point that these stamp duties would have serious impact on the cost of living. The^ Government argued that this was not so. I remember very clearly that when the last Stamp Duty was imposed, the then Leader of the Senate argued vehemently that this would have absolutely no effect on the cost of living.

We have a situation where we have an increase in Stamp Duty which could be considered as negligible compared with what the Barbados Labour Party imposed. They argued at the time that the impact on the cost of living was nil or would be negligible, but with this very small increase in Stamp Duty, one is hearing all sorts of arguments being adduced by the Opposition, and, obviously, these arguments are reaching the newspapers, indicating that the increase is having an impact on the cost of items imposed which are sold in Barbados. And saying so, I am reminded — even if one were to take the effect of the Consumption Tax — of the article which appeared in the last *Weekend Nation* which indicated that there was a terrific rise in the cost of commodities in Barbados as a result of the budgetary measures.

Sir, the Price Control Division of the Ministry of Trade and Commerce has been monitoring the movement of prices of a number of basic commodities in Barbados for a number of years, and when I saw this I asked for an updated report on this. They have indicated very clearly that, so far, the items which they have been monitoring, and which they have been monitoring for years, have not shown any increase whatsoever. And I happened to see a letter which was written by a large distributor in this country, which was copied to the *Nation* and also was copied to the Minister of Finance, distancing himself from the report which appeared in the newspaper and asking the *Nation* to give the same prominence that they gave to the story, which was on the front page.

It is true, Sir, that the Price Control Division does not monitor the prices of all items in Barbados. I have asked them to widen the net, because we would honestly want to be able to determine whether prices have taken the jump, as is being claimed. But what is happening is that the Opposition, we know, is funnelling this kind of information to the news media and giving the impression that prices are moving as a result of the Budget.

Asides.

Mr. SPEAKER: Order, please.

Hon. E. E. GREAVES: We recognise, Sir, that with the duties which have been imposed particularly in the area of clothing coming from extra-regional sources, that will go up. Indeed, it was a deliberate policy to give an opportunity for local manufacturers who produce clothing to get a foothold in the market. I want to say very clearly that in doing so, we must insist that they have to produce quality items and items which are acceptable to the consumer, because, in the final analysis, the consumer will be the determinant of whether they are able to make the kind of impact that we hope they will make.
4.35 p.m.

Let me just go on to another development which they claim has taken place as a result of the Budget, and which is exercising the attention of the Ministry, and I would want to make a public statement on this now.

You would recall, Sir, that almost immediately after the Budget the soft drink industry and Banks Breweries raised their prices, and they said that this was as a result of the Budget. I mean, almost immediately! Well, I have some very serious questions to ask about this particular matter, and the Price Control Division has been asked to investigate the rationale which has been used for this price increase. I believe that when this investigation is finished — I do not want to prejudice the investigation — the kind of increases which have been imposed are not justified. The Ministry is investigating this increase,

Let me say this, Sir, and this is something that has been wrangling me for some time, and I am glad that the opportunity has been invited now for me to make this point, if you take a company like Banks Breweries, which has been in this country for a number of years, which has recently, as a result of the reduction in the corporation taxes, has been able to benefit substantially, which has been making tremendous profits in this country for a number of years, and one talks to that company for example, about getting into the export market, whether it is in CARICOM or beyond, and showing some commitment to this country in terms of earning foreign exchange for the further development of this country, one finds a negative attitude being displayed. The Deputy Prime Minister could tell you that he was in the United States of America or in Canada and people have been asking about Banks Beer. The point is that it is a fact that it is a good beer, and one is flabbergasted by the attitude which has been displayed over the years, and up to this time, by the management and by the directors of this company. I had reason to have discussion with a member of the management team from that company, and I also was approached by a director some months ago, and when this question of getting into the export market was raised, do you know what they said to me, Sir? They are satisfied with the 95 per cent of the Barbados market that they have and they do not want to get into the hassle of getting into the export market.

Sir, when you get a company which is as big and powerful as that which has adopted that kind of attitude, that company really needs to be jolted. I would hope that this kind of discussion here this evening and the points which I am making will jolt them into a realisation that they have a commitment to this nation and that they also should pull their weight when a Government is making it possible for them to broaden their profit base. They should have a commitment to get out, get into the export market and try to earn foreign exchange rather than just using up foreign exchange for their

opportunities. Because all they are doing, Sir, as far as this country is concerned, is using the foreign exchange earned by other sectors rather than earning any foreign exchange commensurate with the kind of profits they make in this country. I would like to indicate to them that they ought to be more nationalistic and be more concerned with the development of this country than they have been displaying so far. I hope that this message will go out to them.

This amendment, as I said, will go into facilitating the establishment of the Stock Exchange, and it will allow the adjudication of stamp duties to be transferred from the Registrar to the Stock Exchange, and it will assist in facilitating transactions on the Stock Exchange. I will have an opportunity to talk about the other amendments when they come.

I support this Resolution not only from the point of view of the Stock Exchange, but also what it seeks to do in terms of having an impact on regional and local production, because I believe it is a step in the right direction.

Thank you, Sir.

Hon. Dr. R. C. HAYNES: Mr. Speaker, there are a few points which I would like to respond to in terms of the honourable Member for St. Peter. He seemed to be suggesting that my problem is that I suggested that there be a permanent reduction in the level of taxation in Barbados prior to July 1986 and that situation has been altered by the recent Budget. I can only imagine that that is intended for propaganda, because the honourable Member can do some simple arithmetic. The simple arithmetic is to look and see what was the expansion of the Gross Domestic Product of this country last year and see what was the level of taxation as a percentage of that. There can be no question that the overall level of taxation today is substantially lower than it was prior to the 1986 Budget. It is a simple matter of arithmetic. The Gross Domestic Product of this country rose by almost \$200 million in the last year from about \$2.4 billion to \$2.6 billion or thereabouts, and look and see what has been the percentage increase in taxation. There has been a substantial and significant reduction in the overall level of taxation when the two Budgets are taken together. So if that is the point you are making, it is a non point.

The second point he seemed to be making is that the Stamp Duty introduced by them in respect of extra-regional imports did not cover a range of capital goods, and that the increase by us includes that range. I would like to reiterate the point that the Stamp Duty Act remains the same, with the same categories of exclusions. So I cannot understand what point he was making. He was making the point that we have reduced the Stamp Duty on CARICOM goods and that we have

reduced it on certain extra-regional imports. But when you look at what they did in terms of extra-regional imports, they had excluded a wide range of products, and there has been no change in terms of excluding, for example, companies that benefit from certain fiscal incentives legislation, certain types of capital goods, certain export oriented industries, and where the law does not so stipulate, in many instances—the Minister of Finance exercises the rights that he has under that Act and other Acts to give the exemption pending a permanent Order, or permanent legislation, being put on the Statute Books.

The people of Barbados have a choice between the high direct and indirect taxes that existed under the previous Administration and the low direct and indirect taxes under the present Administration, and I am sure that if you go out there and do a poll, you will get more people voting for the policies of the Democratic Labour Party. 4.45 p.m.

I will tell you more. I have started the process of reducing the stamp duties on essential items in this country. It was started in July. I have furthered that process, in the interest of CARICOM unity, of reducing the Stamp Duty in respect of CARICOM trade, and I am looking forward to the day when I can reduce the stamp duties even further on a wider range of essential goods, particularly foods and building materials. That is the strategy and the policy of the Democratic Labour Party.

He comes back with this song about all these increased imports into this country. What are the facts, Sir? Last year there was a reduction in the overall level of imports into Barbados. In January of this year there was also a reduction in the level of imports. What has happened is that we have managed to improve our collections in indirect taxes because we have cut out as much of the corruption as we could that existed before in that area. The Minister of Finance no longer intervenes to say whose car should come in without taxes and whose should be taxed. Every tax is applied according to a principle, and no one in this country can get a tax exemption unless it accords with a principle applicable to every other citizen. That is what is happening, and that is why you will see the revenues will be improving.

Former Attorney General, the Honourable Leader of the Opposition, and former Attorney General, the honourable Member for St. Thomas, have both functioned as Attorneys General in matters following budgetary presentations. They both know that within the wording of a Budget it is impossible to look at all the parameters and, therefore, it is the duty after a Budget is delivered for the Legal Department and the various departments within* Government to come together, and very often the final product, providing it is not offensive to the original proposition, is what comes before Parliament, particularly

in complex Income Tax legislation and other areas of legislation. That is a fact.

(*Aside:* Mr. D. A. C. SIMMONS: That is true.)

Hon. Dr. R. C. HAYNES: For example, there is a file in the Ministry now looking at the question of the tax reserves certificates. I can go from the beginning of that file and come through and see how a budgetary presentation was made and how it was modified, within certain parameters, of course, until the final legislation is brought before Parliament. It goes through several Attorneys General, who have the final responsibility to advise in that regard.

The Honourable Leader of the Opposition challenged me. He claimed that I was misleading the House on the application of consumption taxes to certain agricultural products. I am telling him that when you take the tariff schedule and when you take the Consumption Tax schedule, and then when you look at the nature of the items affected in Barbados, there can be no question that under this Consumption Tax schedule here agricultural products, including the items that I read out, were taxable, whether they were for growing or otherwise. Let me give you an example.

If you take bulbs and tubers and tuberous roots, you are talking of onions, eschalots, potatoes, yams, sweet potatoes, eddoes, carrots and beets. When you go to a man to buy yams, how are you going to be able to tell him that you are not going to eat the yams, that you are going to plant the yams? The point I am making is that as this schedule stands - this is the existing schedule here, this is the one that was there since 1982 - they could be taxed, and they were taxed. I am not saying that that was necessarily the intent of the legislation, I am saying that it was there.

I will give you another example. Take potato slips. What they are saying is that if you buy potato slips to grow potatoes, that is not taxable, but if you buy potato slips to feed your rabbit, that is taxable. That is the argument you are making. It says slips here, it says 5 per cent. It does not distinguish between local and external. That is a fact. We have had this thoroughly examined in the Ministry before. It says slips, 5 per cent, and the point I am trying to make is that the old schedule does not distinguish between local, CARICOM and extra-regional.

If you look at Tariff No. 06.01 and you come down, you will find it. Look at 06.02 "and slips".

(*Aside:* Mr. D. A. C. SIMMONS: "Cuttings and slips".)

Hon. Dr. R. C. HAYNES: You add a 5 per cent tax. You may not have the most up-to-date list. All these items carried a 5 per cent or 10 per cent Consumption Tax under the old regime. When is an onion dormant? When is a potato dormant? The facts are, Sir, that this entire schedule can be applied because of the nature of the items that you are dealing with. The point I am making is that under the existing Consumption Tax schedule, prior to any changes I may have made, these items could have been taxed, they were taxable. What I have said is that the tax was never collected except in the case of one person, and that is a fact.

If the Honourable Leader of the Opposition wanted me to point out the legal basis of it, all I can say is that he was not looking at the most up-to-date Consumption Tax schedule, because if he looked at this, he would see that they were all subject to taxation.

I wish to reiterate that since the matter was brought to my attention with effect from last Tuesday, under no circumstances would any of these agricultural products, listed in the Consumption Tax schedule since 1982 and taxable at the rate of between 5 per cent and 10 per cent, attract taxation after Tuesday of last week. It is all here. When you try to make foolish political points, they can backfire on you. That may have been the interpretation that you all intended but that is not what the law says.

Mr. D. A. C. SIMMONS: On a point of order The honourable Member is now misleading the House. He has his own Budget statement in front of him with the tariff numbers at the back, and he knows full well that the tariff heading number 06.03 refers to cut flowers and flower buds and so on. All under 06.01 on page 32 of the Budget refers to flowers and foliage and so on. Heading 07.01 says vegetables fresh or chilled, present rate, nil. 4.55 pjm.

Sir, it was circulated today, so my friend, the Honourable Minister, must not seek to mislead, when it is clear that 07 deals with vegetables, 07.01.2 deals with tomatoes and 07.01.41 deals with string beans. Number 07 deals with the vegetables to which we are accustomed. He should not do it.

Hon. Dr. R. C. HAYNES: Thanks very much for the elucidation, which again emphasises the ignorance of the Opposition. If you look at 06.01, it speaks about bulbs, tubers, tuberous roots, corms, crowns and rhizomes, dormant, in growth or in flower. What are bulbs, tubers and tuberous roots? Onions, eschalots, potatoes, yams, sweet potatoes, eddoes, carrots and beet in the context of Barbados. What I am saying is that since with most, if not all, of these items, the very item for planting is the very item you consume, there is no way that you can

distinguish between those two in law, and that the legal effect of this was a tax.

Cut flowers is a completely different group altogether. There has always been a tax on cut flowers in Barbados grown locally for export or otherwise, and that is what I am changing. It is also a fact, that it was only imposed on one person.

Asides.

Hon. Dr. R. C. HAYNES: Slips are potato slips.

Mr. SPEAKER: Get on with the debate, please.

Hon. Dr. R. C. HAYNES: The matter is going to be solved once and for all, because, as I said, all these things will appear as zero in the amended schedule, full stop, and that will finish all argument.

The only point I was trying to make was the same thing you have been accusing me of. In fact, you had the same things in the schedule for over a long period of time, but only taxing one person.

Mr. Speaker, I think that we have exhausted debate on this particular matter.

The question that the Bill be now read a second time was put and resolved in the affirmative without division.

On motion of Hon. L. E. SANDIFORD, seconded by Hon. P. M. GREAVES, Mr. SPEAKER left the Chair and the House went into Committee on the Bill, Mr. R. P. BYER in the Chair.

COMMITTEE Mr.

CHAIRMAN: The House is in Committee.

Clauses 1 - 3 inclusive were called and passed.

Clause 4 was called.

Hon. Dr. R. C. HAYNES: I beg to move that Clause 4 stand part.

Hon. P. M. GREAVES: I beg to second that.

Mr. O. S. ARTHUR: Mr. Chairman, I would like to ask one specific question, and I am doing so in good faith. In July of last year, certain items, food, building materials and others enjoyed a cut in the Stamp Duty rate from 12 per cent to 10 per cent, but at that time — and I raised the point in a further presentation and it is relevant now — there was no distinction between either a CARICOM or non-CARICOM source of those particular items.

We are now making a distinction relating to the Stamp Duty on imports in terms of CARICOM and extra-regionally, Sir, and the question I posed to the Minister, to which I did not get a response, is whether it is still the intention of Government to retain the Stamp Duty on those items, food and building materials at 10 per cent irrespective as to whether they are in the CARICOM area or not.

As 4(a) is presently structured, if some of those items were to come from outside the region, in essence, they would be subject to an increase in Stamp Duty of a 5 percent increase in Stamp Duty. I am therefore giving the Minister the opportunity to give clarification as to whether, in fact, the policy as of July last year that held the Stamp Duty on those items particularly building materials and food, would be retained at 10 per cent irrespective as to whether they originate in the region or outside of the region.

I am obliged to you, Mr. Chairman. ^

Hon. Dr. R. C. HAYNES: Mr. Chairman, I believe that if the Member had addressed his mind to Clause 5, he would see that Clause 5 specifically exempts those items which got the benefit of the reduction in Stamp Duty in last July's Budget from the increases in this Budget, irrespective of whether from CARICOM or extra-regional origin. Clause 5 is specifically inserted for that purpose.

The question that Clause 4 stand part of the Schedule was put and resolved in the affirmative without division.

Clauses 5 and 6 were called and passed.

On the motion of Hon. L. E. SANDIFORD, seconded by Hon. P. M. GREAVES, Mr. Chairman^ reported to His Honour the Speaker the passing of one Bill in Committee, and Mr. SPEAKER resumed the Chair and reported accordingly. 5.05 p.m.

On separate motions of Hon. L. E. SANDIFORD seconded by Hon. E. E. GREAVES, the Bill was read a third time and passed.

Order No. 8 was called - to move the second Reading of a Bill to amend the Property Transfer Tax Act, Cap. 84A.

Hon. E. E. GREAVES (St. Lucy): Mr. Speaker, the Bill seeks to amend the Property Transfer Tax Act to exempt securities of public companies listed under the Securities Exchange of Barbados from the payment of Property Transfer Tax.

As indicated earlier, this is part of a regime which we are seeking to put in place to facilitate the establishment of the Securities Exchange, which as has been announced, will be coming on stream from June 1, which is in a few days' time, and we are grateful to the Opposition for agreeing for us to move these Bills today in this Honourable Chamber through all their stages.

It was recognised that if the Property Transfer Tax was kept in place for securities under the Exchange, it would have an inhibiting effect on transactions. It is true that by removing this the Government will lose a considerable amount of revenue, yet we consider that this is the price which we have to pay, and we believe that it will have the effect of encouraging transactions on the Exchange, and it is in that context that we are moving the amendment to the Property Transfer Tax Act.

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

Hon. L. E. SANDIFORD: I beg to second that and reserve my right to speak.

The question was put and resolved in the affirmative without division.

On the motion of Hon. L. E. SANDIFORD, seconded by Hon. E. E. GREAVES, Mr. SPEAKER left the Chair and the House went into Committee on the Bill, Mr. R. P. BYER in the Chair,

COMMITTEE

Mr. CHAIRMAN: The House is in Committee.

Clauses 2 to 3 were called and passed.

On the motion of Hon. L. E. SANDIFORD seconded by Hon. E. E. GREAVES, Mr. CHAIRMAN reported the passing of one Bill in Committee and Mr. SPEAKER resumed the Chair and reported accordingly.

On separate motions of Hon. L. E. SANDIFORD seconded by Hon. E. E. GREAVES, the Bill was read a third time and passed.

THE COMPANIES (AMENDMENT) ACT, 1987

Order No. 10 was called — to move the second reading of a Bill to amend the Companies Act, Cap. 308.

Hon. E. E. GREAVES (St. Lucy). Mr. Speaker, this is another amendment connected with the Stock Exchange, and again it is designed to facilitate transactions. It was realised that according to Section 179 of the Companies Act, Cap. 308, and paragraph 14 (1) of the model general by-law for the Companies Regulations

1984, it was an intention for the transferee not to be required to sign the instrument of transfer in regard to the transferring of shares and debentures.

The fact that at the moment the transferee has to sign the transfer form means that again transactions on the Exchange would be somewhat slow, and we took counsel on this and recognised that if we are going to be able to expedite transactions on the Exchange, this particular amendment would have to be made. So this particular amendment is designed to facilitate the expedition of transactions on the Stock Exchange.

Before I move the second reading formally, let me say at this stage, since this is the last bit of legislation connected with the Stock Exchange, that the Government will want to place on record its thanks for the expertise which was provided by CIDA, the Canadian International Development Agency, which worked assiduously with the officers in the Ministry of Trade and Commerce, and with the Ministry of Finance, to bring the legislation to this stage, and also the Stock Exchange to a point where, as I said earlier on this afternoon, it will be functional in a matter of days. I think it says something for international co-operation in these areas, and we are very pleased to have been associated with CIDA in this venture. I also want to take the opportunity to express my thanks to the officers in the Attorney General's Chambers for the work which they did in this exercise. At times, I think one could say, they went beyond the call of duty in terms of the speed with which they worked, knowing that you had a particular deadline to fulfill. There were also some private citizens who worked along with the Ministry in bringing about the Stock Exchange. 5.15 p.m.

Indications from the business community are that the Stock Exchange is a promising area of development in this country. We believe that there are a number of companies which will be trading shares. There are a number of them who have already become members, and we think that the opportunity which will be provided for shares to be traded will not only provide an opportunity for companies to raise capital, but, at the same time, an opportunity for people in Barbados who are interested in the purchase of shares to do so. This is an opportunity which they never had before.

The Exchange is embarking on an educational and information programme which will have the effect of trying to inform the public about what a Stock Exchange is. We hope that people will not rush madly in, because we know that a number of people have lost their shirts, as it were, on Stock Exchanges, but that people would take advice before getting involved. But at the same time, we think that the opportunity and the environment is there for investment, and this is one of the things which we as a Government would certainly want to encourage.

There is no doubt that the Government is committed to the Stock Exchange. I think that both parties are committed to it. We, in this year's Estimates, have demonstrated this commitment by the provision of \$100000 to assist with the functioning of the Exchange, because we recognise that, in the initial stages, it will not have the kind of revenue to keep it going, and the Government is committed to keeping it going until it can stand on its own feet. The Stock Exchange is basically a private sector institution, but Government feels that, because of the nature of the operation, it ought to be in on the ground floor encouraging it and, as it were, giving birth to it. We hope that, gradually, we will be withdrawing from the actual day-to-day functioning of the Exchange and, as it were, become overseers of the operation. I want to commend it to this Honourable House and, of course, to the public of Barbados.

I have the greatest pleasure in moving that this Bill be read a second time.

Thank you, Sir.

Hon. Dr. R. C. HAYNES: I beg to second that, Sir.

Mr. R. P. BYER (St. George South): Mr. Speaker, I want to use this opportunity to raise a number of matters that were brought to my attention in my day-to-day dealing with the officers in the Corporate Affairs Department.

You would recall, Sir, that around, I think it was October 7, 1986, I tabled a question enquiring about the status of the department, whether the Corporate Affairs and Intellectual Property Department was a department within the Ministry of Legal Affairs or whether it was a department within the Ministry of Trade. The learned Attorney General replied on October 25, 1986 that it was a department within the Ministry of Legal Affairs. Since that time, it has been brought to my attention — and I am asking the Minister of Trade to clarify this situation for me, and to put at rest the concerns of the officers of that department — that time a letter came out saying that a number of staff members were transferred to the Ministry of Trade as Corporate Affairs Officers. So the question has once again surfaced, and it is causing some concern within that department, as to whether the department is within the Ministry of Trade or a department within the Ministry of Legal Affairs. I think it has to do with the administrative arrangements that are presently operating within that department, coupled with what has happened in terms of the letter that was recently sent out, that is causing the concern.

Aside.

Mr. R. P. BYER: It appears that it came from the Ministry of Trade, according to my information.

There is also some concern within that department about the amount of temporary posts. There seems to be many temporary posts within that department, and there is some concern that a lot of them could be made permanent posts. That is a small matter which, I suppose, would come within the ambit of the general day-to-day administration of the Public Service Commission.

Another point I want to raise concerns the level of collections, that is, revenues that are now being generated under the new Companies Act that we have. Under the old Companies Act, a lot of money was collected. I once functioned as the Deputy Registrar, and I know a lot of money used to be collected. We had to pay money in annual returns and in filing different documents. Because of the new Companies Act, a lot of the documents you had to file are now eliminated. I think, for example, Sir, you only have to file annual returns where the share capital of the company is in excess of \$1 million or so. Before, you had to file in respect of all companies. It was a very important source of revenue. Maybe the Minister of Finance could examine this as a revenue collecting source.

Aside.

Mr. R. P. BYER: Yes, I agree, but the point I am making is that I believe that not enough money is being collected to service the normal day-to-day operations of that department. For example, you used to pay for a notice of directors. If you sent in a notice that the directors were changed, you used to pay \$50; now, you are only paying \$25. In relation to external companies, they had to pay \$250 for filing a balance sheet, but now they are only asked to pay \$100 to file an annual return. That is a loss of revenue. There is a whole range of fees and commissions that are charged for the filing of certain documents and for doing other services which I believe the Minister of Finance may want to examine, because a lot of money is being lost now because of the new Companies Act, and I would urge the Minister to examine these avenues as possible sources of revenues. In as much as the Corporation Tax is now lowered, I do not see why they should reap the other benefits as well. They should be made to pay otherwise. 525 pm.

Mr. D. A. C. SIMMONS (St. Thomas): Mr. Speaker, I had not intended speaking, but the Honourable Minister of Trade was very selective in his congratulations, and I think that the record of this House must reflect the history. So I just want to make some broad, sweeping — "

Aside.

Mr. D. A. C. SIMMONS: No, I am not declaring any interest. The only interest that I am going to declare is the Barbados Labour Party's interest. I have to make some broad, sweeping statements.

The honourable Member who just sat down perhaps gave me the cue about where I should start. I have always felt that the Companies Registry Department of Corporate Affairs and Intellectual Property should be under the Ministry of Trade and a separate Registrar of Corporate Affairs and Intellectual Property created, rather than have it as a continual appendage to the Ministry of Legal Affairs. The Company Law Committee, headed by Mr. Justice Williams as he was then, strongly recommended that, and I was a little surprised that this Government did not appear to accede to that recommendation, because it seems to make sense in terms of rationalisation of the various departments. The commercial activity and matters connected to trade and companies should be with the Ministry of Trade. But that is a policy decision, and I am not quarrelling with it.

It was all part of the philosophy of the Barbados Labour Party between 1976 and 1986 that commerce needed to be modernised. It meant that we had to modernise the legislation that affected the various aspects of commercial activity, and so it took some time, but eventually we were able to bring in a new Companies Act. I must confess, not having been a member of the Company Law Committee, that I am concerned about certain aspects of the new Companies Act in practice. There are a number of grey areas, there are a number of loopholes existing in the Act, and even though one appreciates the intention of the Company Law Committee and the framers of that Act to provide for a fair level of informality, I believe that, in trying to achieve that objective, they may well achieve it at the expense of the integrity of corporate business. As I say, you can drive a coach and horses through the Act in several areas now.

Asides.

Mr. D. A. C. SIMMONS: No, I am not giving examples. We are still two and a half years away from election. In two and a half years' time I will give the examples. I am only doing pure negative stuff now. You will hear the policy later on. What will happen is that as these loopholes appear, recommendations will be made. On another occasion, perhaps I will bring some of the problems. They are serious problems relating to pre-empting the rights of shareholders, for example, that are showing themselves up now. I will bring some of these problems, as a matter of public duty, to the House and perhaps to the Honourable Attorney General's attention. When the problem arise, it will be the function of this House to amend and close the loopholes.

But we modernised the Companies law. We modernised the captive insurance legislation and introduced totally new legislation in respect of intellectual property and copyright legislation, and for all that the Minister of Trade has said, he omitted to say that it was under the Barbados Labour Party that the legislation relating to the establishment of the Securities Exchange was prepared, by Dr. Barry Rider of Cambridge and the Commonwealth Secretariat, who came here and prepared it. We did not implement it, because the private sector, as the honourable Minister knows, had been groping and feeling its way towards the proper manner in which it could be established. But the Minister had found a wicket prepared, he only had to bat. In fact, the Minister did not even have to bat, because it is really a private sector thing. But whatever legal work was necessary for the Exchange to operate and flourish was done years ago, under the Barbados Labour Party's regime.

Asides.

Mr. D. A. C. SIMMONS: Well, he will reply and say that.

I think we all on both sides would hope that there is enough business transacted on the Exchange to ensure that it thrives. In the national interest, it has certain potential for revenue and investment, and I trust that, in due course, Barbadians will get adjusted to it. It is an area that we, particularly black Barbadians, have had little experience of.

Asides.

Mr. D. A. C. SIMMONS: I said "little", not none. I know that the honourable Member for St. George North (Mr. C. V. Walker), being a very wealthy person in his own right, and one who had lived overseas, will probably have had some experience of it, and may have even played.

Asides.

Mr. D. A. C. SIMMONS: Who? He did what?

Asides.

Mr. D. A. C. SIMMONS: I do not know who plays the Stock Exchange. One or two of us may play the horses. We are now getting very mundane in the animal kingdom.

The Stock Exchange is an area in which we must now develop as a people. It is all part of the maturing and the developmental process I am happy to think that it is coming, and I am very glad that the Minister has been able in less than a year to expedite it and get it on

stream, Sir, and for whatever part he played, I congratulate him most sincerely. As I said, the wicket was prepared, Sir, but we still have to give credit where credit is due.

In relation to the Corporate Affairs Department and the problems raised by the honourable Member for St. George North (Mr. R. P. Byer), I endorse a lot of what he said. But there will always be problems with temporary staff. I do not know if that department is any worse off compared with other departments in terms of the number of persons on the temporary staff. I do know, I think it was last year, that certain officers in the Registry and in the Corporate Affairs Department were appointed and made permanent.

It is a matter for Government as it sees how it wants to expand or contract, or whatever, the Public Service, but I feel that there should be a policy at some stage, that after a person has served certainly five years which should be the maximum, there should be a movement towards the appointment of that person. I had a little flexibility when I was a chairman of statutory boards, because one of the first things I did when I went to the Housing Authority was to ask for the number of persons who had been working there in excess of three years, and I appointed all those in excess of three years within months, and made it a policy that as soon as somebody served three years, he should be appointed. I do not know what happened after I left. 5.35 pjn.

It seems to me that if you can pay a temporary public servant for five or ten years — I have heard of cases of people who have served 11 years, and in the case of one person in the Registry, 13 years — you are saying that for those 13 years that person could have been appointed. We found cases of 10 and 12 under the Democratic Labour Party when we took over in 1976, but I am not going to apportion blame to either party or try to reap up cases. What I am saying is that the principle must surely be that if somebody could stay in a job for five or ten years as a temporary person, it shows that you had the financial capacity within Government to keep that person in "permanent" employment for those five years and you could have appointed the person.

I feel that we must develop stratagems that would allow us, after a -period of time that is reasonable, to make these appointments. I think five years should be the maximum, but it is a matter that would have to be negotiated with the unions, the Ministry of the Public Service and the Government generally.

Sir, I am obliged to you, Sir.

Mr. C. V. WALKER (St. George North): Mr. Speaker, I am going to be rather brief. I did not join the

debate because the honourable member for St. Thomas (Mr. D. A. C. Simmons), made the comments, but I realise that Barbados is a small community and that in this amendment to the Bill here, we are talking about allowing the transferee to sign the document. I think it holds well for a small community if we feel that at any one time the transferees, as we know them in stock related matters, will be resident in the country. I am only bringing to the attention of the Minister that maybe some time later we may have to further amend the legislation if and when the Stock Exchange becomes, not an on-going, but a very buoyant and active organisation, because in the normal course of any Stock Exchange trading, it is well known that the document, the certificate which is called the stock certificate, very seldom reaches what we are now referring to as the transferee or the owner, the person who has indeed purchased that stock, because, in many instances, as we grow you will find that one may have to make use of a broker or an agent, as is normally done on any trading exchange, and that is done in the trading exchanges throughout the world. We will have to also consider that if we are going to be stringent, the transferee will have to somehow return to Barbados to sign that document, because again we will find that it may not be feasible — it may not even be legal — to send that document out of the island to have the signature of the transferee.

As we grow on the Exchange, we will no doubt get into what is commonly called in the jargon of the trading the "puts" and the "calls", where you establish your price and someone at the other end will call it when the stock would have reached that particular price, or you may even have to get involved in the other simpler matter of what we call the "bid" and the "ask". In other words, I decide to offer you, a particular price and you say, well, I am asking that you call up the bid, and they ask.

Again, you will find that if you have a rapid turnover, because I may purchase a stock today from a particular company and decide, because of the movement, notwithstanding the fact of the trading taxes that may be involved, to sell it the following day, a member and I may have the same broker who may be dealing in the stock for us, and he might decide to retain that document in his office because two of his clients are dealing with him and there is no point sending it from me to you to be delivered back to him the next day. So I would ask the Minister if he would look at that, because he would have to, maybe in the future as the Stock Exchange grows, consider the permission to trade in the documents without the actual transfer of the stock.

Mr. Speaker, the Member for St. Thomas is not here, but I speak with a little authority, because I think I am probably the only member here who was once a member of the National Association of Security Dealers dealing on the Stock Exchange.

Thank you, Mr. Speaker.

Hon. H. deB. FORDE (Christ Church West): Sir, the real purpose of the reforming of the Companies Act in 1982 was to simplify very archaic legislation which had remained on the Statute Book since 1908 and was really based on the English 1901 Act. One of the effects of changing the legislation has been to do away with a lot of the troublesome charges that were made in the Registry and to cut down on the bureaucratic requirements of filing documents that neither provided relevant information for people dealing with companies, nor indeed any protection for them.

I would not like the Companies Act to be seen as a revenue earning measure. The honourable Member for St. George South (Mr. R. P. Byer) has a lot of practical experience of administration of this type of legislation, having been a Deputy Registrar, and when he drew attention to the fact that there were certain documents not now required to be filed and it had a revenue less effect, the Minister of Finance, so keen ever to be a tax gatherer, was making a note to see where he could no doubt in the budget next year put on some tax.

Sir, I think that if one is serious about encouraging commercial and economic activity, one has to lessen the constraints on business. I am not from the school of those who believe that one has to react to every pressure from the business sector to give them every incentive at the cost of consumers and at the cost, sometimes, of the public weal. I am really from the school of thought that believes that the minimum of red tape should be placed in the way of the carrying on of effective and efficient business organisations, so that by their own measures they can generate a thriving business climate. In this regard I have a little fundamental difficulty with some of the reaction that one is now getting to private sector pressure, rather than showing the private sector the ways in which they ought to thrive in this community. When we are seeking to reform legislation, one must free up business without necessarily burdening them with unnecessary taxes. 5.45 p.m.

The Companies Act never was put forward as a perfect bit of legislation. In fact, there were quite a few errors in the Act which we passed in this Parliament. Some of them have now been corrected, but I am sure that there is still further need for an improvement of some of the provisions of the Act.

The Act is based substantially on the Canadian legislation, the Canadian Business Corporation's Act and the Alberta Corporation Act. But we have left out a lot of their provisions, because we had not dealt with other related legislation which should be modernised. There is a really urgent case for modernising the bankruptcy

and insolvency legislation in Barbados. A committee was set up, of which I was a member — with a change in political fortune, the Minister may find some difficulty in justifying my special expertise to members of the Cabinet — to look at the insolvency legislation and the legislation dealing, generally, with bankruptcy. I think it is urgent that that committee, broad-based as it is, even if some of its members are replaced, should function as soon as possible.

Within this aspect of the companies law, there is an extraordinary provision, a provision that one does not find in legislation in many forward-looking countries. We have kept the provision in during our term of office, and in some regards we probably added to it, but it is one that has given all of us who look at these matters a great deal of concern. I am sure it is one that Ministers of Finance welcome, the provision that in a liquidation or in a receivership, Government takes over. One finds this legislation in St. Lucia and in other countries. It is in its worst form, perhaps, in New South Wales. It is an onerous and unfair provision, and if one did an examination of the laws of the people of the Commonwealth, you will find that normally the Governments take their losses like anybody else, and share, as a preferred creditor, only to a limited extent.

Asides.

Hon. H. deB. FORDE: Sir, the legislation was on the Statute Book before us. We added to it with the National Insurance contributions and the severance payments in the wide way, but there was legislation there before. I believe that what has happened is that it has been added to, without an overall study that we should have done to get a fair legislation available to us. So I really would like to see us update still further the commercial aspects of legislation dealing with business in Barbados.

Having said that, although there is euphoria in establishing our own Stock Exchange, we must realistically recognise not only the lack of experience that there is in Barbados in managing a Stock Exchange, but recognise that such experience as existing in Barbados has been confined to a particular segment of our community. In these days when I hear so much about black enterprise, I would have thought that this is an ideal situation for the majority of our citizens who are serious about getting a shift in the emphasis of ownership in Barbados to make themselves familiar with this legislation, with the operation of a Stock Exchange and to get in on the ground floor, and that one will not see that the experience of the Stock Exchange is restricted only to a narrow community in Barbados.

Sir, there are many Barbadians overseas who should be enticed back to start stockbrokers' firms and to parti-

cipate actively in this securities market. I do not know what measures are being taken in this regard, but it is one of the things that concerns me.

The second concern I have about the Stock Exchange is that we really have not got in place the legislation to prevent insider trading and the fraud that could result from it. There is a limited amount of legislation in the Companies Act and a limited amount of legislation, no doubt, arising out of the by-laws of the Securities Exchange to deal with some measure of insider trading, but the problem of insider trading calls for a much wider sweep than we have here. Honourable Members would be aware of the fraud committed in even sophisticated Stock Exchanges such as the London Stock Exchange and the New York Stock Exchange, recently, and therefore it is necessary, very, very necessary, that we update the legislation, and what is more, not only the legislation, but that we have in place the expertise to deal with this type of problem.

I have been conscious of insider trading in the economic life of Barbados where a lot of small people have lost their investment. A few years ago, we had the awful spectacle of what happened with the Foundry Group of Companies. That was even more than that. I raised the matter on the floor of the House at the time and I thought that then, even under the existing Companies Act, it was possible to appoint an investigator.

We need protection for what I like to call the consuming public, the investing public. The small lady in Balmoral Gap who buys 2 000 shares over her lifetime is really going to depend on the dividends which flow from these shares to help her survive, and the persons who have the use of her money in the company must have an obligation to her, as fiduciaries, to protect her investment and keep it safe so that she will get a reasonable dividend.

I go further and say that they must not only protect that investment in the way they manage the company, but they must make sure that takeover bids and acquisitions will not come in such a way that she sells out to some smart person that makes a killing on the transaction. We must not in our enthusiasm forget this aspect of it. I would not like to think that in five years' time the scandal on the Barbados Stock Exchange would reach the proportion that one is going to find problems, because one would have a real crash, as has happened in other places.

The other danger I really must warn against is that I would not like us to reach the stage where what happened with the Kirpalani Group of Companies happens here. Their effects also face us here in Barbados, because if you go back, that was coded on the Stock Exchange. Some people made a packet over a period of

years, but in the last resort it is the small investor who has to take the loss. It is not us in Opposition who have the responsibility to build in these safeguards, but we warn about them. Sir, I hope I do not have to revert to this speech some time in the future. 5.55 p.m.

The last statement I wish i in modernising company law, on have to remember is that we ha this legislation with other bits oi tute Book and coordinated it to sary. It is a tough task for the A bers, staffed as it is, and we always had this problem of Finance that it is necessary. It Attorney General becomes the Pr of Finance that we would have a

0 make to this is that ; of the things that we ke not tied in a lot of 1legislation on the Sta- lie extent that is neces- torney General's Cham- Attorneys General have coryncing the Minister of 's only when the next ujne Minister or Minister (Hire to this problem.

I think that one has to i ejcognise that it is not always possible in bringing legisli t'ion for you to see the whole of the implications coming from the legislation. But there is now a very strong base for tying in legislation under the Companies Act alnd the legislation under the Income Tax Act in particular, and one will find again that in this area, business is being stultified in a way by the lack of the co-ordination called for between these two bits of legislation.

I am sorry to have delayeji the Committee, but I consider that the changes as they relate to the securities legislation and the Companies Act is of such importance to the whole community that¹ I should make a speech of this nature. You will note it lias not been a partisan speech. It is principally because I think that this is too important a part of the national life that one wants to be looking at it from a particular political point of view.,

The Stock Exchange has been many years in coming. A lot of people have contributed to the work, and praise has been handed out in this House to various private sector persons who have contributed, successive members of the Chamber of Commerce. I can think of Mr. Leonard St. Hill who, in his year of presidency of the Chamber of Commerce, pressed very hard for the Stock Exchange to come into being.

We politicians are very severe on ourselves. In the system of Government which we operate — I am not against it, it has its virtues and also has its disadvantages — we only wait until our colleagues, whom we make the people believe are our enemies for the purpose of the battle, depart to give them the encomiums. But I want to say here that if there is an Honourable Minister, who really took a tremendous interest in this area of the legislation and contributed his expertise to it, it is the former Minister of Trade and Prime Minister, Mr. Bernard St. John, who had a personal interest in this and had a

tremendous knowledge of this area of the law and the business activity. He was very instrumental in pushing a lot of the forward looking concepts that we have seen in reform in this aspect of our national life, and I think that it should go on the records of this House that I, certainly as a Barbadian with a few small investments in stocks — not anything to talk about, not in the same manner as the stocks of the Honourable Minister of Finance, the honourable Member for St. Michael South Central, but I take an interest in this - appreciate the work former Prime Minister St. John did.

Aside.

Hon. H. deB. FORDE: Sir, the honourable Member for St. Lucy says that he has some stock, but they are Black Belly sheep. I will let him know that I am now going into the rearing of Black Belly sheep, so interested am I in stock, Sir, and I have my order into Greenland.

i Sir, seriously, I would like to end this probably by appealing to Barbadians, and I am talking about the mass of Barbadians and the small man in particular. If he is to be able to own part of the wealth of Barbados, he is now being provided with an opportunity to invest in stocks. We as policy makers must put the protection in there for him, because he may not have the sophistication of some other persons who can manipulate stocks and shares. For instance, I make it a matter of policy, certainly in my family, that if I give my son a birthday present and it is only \$50 or \$100 nowadays, I buy it in something like shares. Too often we spend that \$100 on something that is a consumable and it goes. For one thing, it is making him conscious of the need to save; for the second thing, it makes him get into the ownership and see how his country is really run and understand it, and thirdly, it gives him a sense of responsibility. I think I can make no stronger plea, particularly to those people of my hue who want to own part of the country, to use the opportunities that are available, and use them wisely. You may begin small, but someday maybe you will be the person who can say that you are at the top of the Stock Exchange in a proper manner.

Hon. M. A. KING (Christ Church West Central): Mr. Speaker, I wish to reply to a couple of queries which have been raised by the honourable Member for St. George South (Mr. R. P. Byer) and which I believe, have been supported, to some extent, by the honourable Member for St. Thomas (Mr. D. A. C. Simmons) in relation to the Department of Corporate Affairs and Intellectual Property.

Concern was expressed, I believe, as to where the Department of Corporate Affairs and Intellectual Property would be. A decision has been taken that it will be a department of the Ministry of Legal Affairs. It is to be headed by a Registrar, and there will be a separate and full staff for the Department of Corporate Affairs and Intellectual Property. It will not be a sub-department

of the existing Registration Department, as is presently the case, it will be a separate department in its own right.

What needs to be done to accomplish that is that I believe some changes have to be made to Civil Establishment Orders. Perhaps new Civil Establishment Orders have to come to be laid in Parliament, and, Mr. Speaker, I cannot anticipate legislation, but in the notices of Bills which have been circulated today, there is a Bill to repeal the Miscellaneous Amendments Act of 1986, which will in a way unscramble the existing position as far as the Department of Corporate Affairs and Intellectual Property, the Registry and, I believe, the Registrar of Titles and Cooperatives. By repealing the Miscellaneous Amendments Act, which dealt with the problem, we will unscramble all that was done before and reconstitute a Department of Corporate Affairs and Intellectual Property as we have decided. After that is done, what will be left then is for a Registrar, who will be a person with legal qualifications, to be appointed by the Judicial and Legal Service Commission, and the Public Service Commission, presumably, which has responsibility for the appointment of staff in the Public Service, would make the necessary appointments to the Department of Corporate Affairs and Intellectual Property.

There will be in that exercise, hopefully, the establishment as well - I think it has been established — the whole problem of rationalising the third Registrar, and the function of the third Registrar will also be settled, the Registrar of Titles, who will deal with the problem of registered land. We hope that with the appointment of all the Registrars and the putting of them in place, these areas will be able to take off — Corporate Affairs and Intellectual Property, Registry of the Supreme Court and the Registry of Titles. 6.05 p.m.

There is, too, Mr. Speaker — the honourable Member for St. Lucy (Hon. E. E. Greaves) has just reminded me of this — to be established the office of Registrar of Cooperatives and Friendly Societies. That will be under the jurisdiction of the Ministry of Trade, and that is where that will remain.

In relation to the wider aspect of the debate I did not have any intention to speak too much to this. A lot has been said on it, and I should just like to comment on the optimism of the Honourable Leader of the Opposition that the Securities Exchange and the establishment of a Stock Exchange in Barbados has the potential for doing so much for the small man in transforming the ownership of shares in this community. It is an optimism which I would like to share, but I am not so sure. In the interest of the small man in this country, I hope that the Leader of the Opposition is right, that by the establishment of this Securities Exchange the small man will benefit.

Aside.

Hon. M. A. KING: He said like himself. If you are talking about the persons of his hue, I can understand persons like that having a share and a direct influence on the Stock Exchange. But when you talk about the small persons in the community, I am not as optimistic as the Honourable Leader of the Opposition that by virtue of just establishing a Stock Exchange of this kind in this way, a whole lot is going to be done to alter the level of ownership of the masses of the people of this country. A Stock Exchange is not going to do it. There has to be far more fundamental change in the structure of the society before that is accomplished.

With that, Mr. Speaker, I have great pleasure in supporting the Bill.

Hon. Dr. R. C. HAYNES: Mr. Speaker, as one of the provisional Governors of the Stock Exchange.....

Laughter.

Hon. Dr. R. C. HAYNES:.....I rise to say that I was very pleased to see the warmth and the affection with which the Opposition has welcomed this measure brought by the Democratic Labour Party and has supported the Minister so fervently.

There can be no doubt that since 1970 the whole concept of a Stock Exchange in Barbados was being explored. The ideas found expression in legislation in the Eighties, and now the Stock Exchange will become an actuality next week. So the development of the process has, in fact, covered three Administrations.

I am exceedingly hopeful that when this Securities Exchange is established it will be a very important factor in expanding equity ownership in this country. I say that because if you look very carefully and see what is happening in Barbados, there is clearly a considerable amount of money which is available for investment but there is a limited number of instruments available for investment purposes in Barbados, particularly so in respect of the small man. When we look at the kind of financial assets available in this country, they are not inconsiderable. You are talking of billions of dollars, really. When you look at the distribution of those financial assets, you would see that a considerable amount of the assets of the small man are often held in saving deposits in commercial banks, which probably would give the lowest yield at any point in time to him when compared with all the other instruments on the market.

I think it is going to be a matter of education, promotion and of adequate protection, of course, within the legal framework to ensure that our people understand how to make use of the Stock Exchange, and also to

make sure that once they have the cash available, they do not feel afraid to buy few shares on the Stock Exchange. This is the big problem which we will be facing.

From a Government point of view, I think I have already said elsewhere that I propose, in due course, to make sure that Government instruments will be traded on the Stock Exchange. One of the measures taken in the last Budget, which you may recall, was to increase the variety of Government investment instruments available to the people of Barbados and probably to increase the accessibility by means of the Tax Reserve Certificates and Tax Refund Certificates in that there would be a more immediate communication between the potential buyer who has the resources to buy and the certificate. That can be compared with a situation now where if you have an issue of savings bonds, there are many people who might wish to buy savings bonds but just simply do not know how to set about to get it done.

So I think, Sir, that this has come about at a very opportune time. We are taking steps, and I think either today or tomorrow there should be an announcement as to the composition of the new Barbados Investment Council and the Tourism Promotion Corporation private sector organisation would be coming on stream. There is also a considerable amount of excess liquidity within the system at the moment which does not find its way into equity. This is the problem, that you have excess liquidity in the banks and all Government paper is consistently over subscribed, and yet there are a lot of ventures in Barbados which are starved of equity because of the inability to channel some of that liquidity into equity, thereby enhancing the productive capacity of the economy and, ultimately, the return on the investment for everybody within the country, and in that way substantially augmenting the financial assets of the country.

When one looks at the amount of funds available, from private institutions, individuals and Government that can be traded through the Exchange, I rather suspect that you might find that there is a significant rapid rate of growth in the amount of money traded on any given day. But what is of particular importance, as I see it, is that the liquidity in the market will be considerably enhanced. I think that the valuations of existing companies would also be improved. I think that investors would have an opportunity to diversify their portfolios quite readily. It would represent an opportunity to facilitate the raising of new capital and the strengthening of the capital base of existing enterprises. 6.15 p.m.

I think that these are the key things, because, basically, when you think of Barbados, when you think of its further economic development, you come back to two words — investment and marketing. Whether it be in the services sector, the area of export of goods, in the

domestic distributive sector or the local productive sector, the two key words are investment and marketing, and I think that every step that we take which can enhance investment must be a step in the right direction. I am quite satisfied that the timing is correct and that we will see a fairly significant growth in this area of financial activity in Barbados in the not too distant future.

Thank you very much, Mr. Speaker.

Hon. E. E. GREAVES: I just want to assure this Honourable Chamber, the Leader of the Opposition and indeed the public that we note the concerns which have been expressed in here this afternoon regarding the protection which should be afforded the investor. They were couched in the context of the small man, whom we all recognise, and we have to pay a particular interest in protecting him since he may not have had the exposure in this kind of operation. Let me say that we in this Government are concerned that the regulations which will emanate from the legislation to develop the trading on the Stock Exchange would afford protection not only to the small man, but to everybody who trades on the Stock Exchange.

The Leader of the Opposition cited examples of insider trading and fraud which have taken place on Stock Exchanges in other parts of the world. I do not believe that Barbados would be exempt from attempts at such rascality. Remember, I have chosen my words very carefully.

Laughter.

Hon. E. E. GREAVES: Sir, I mean it is a fact of life which we have to face. It seems to me that we are dealing in a situation where honesty and integrity are of paramount importance, particularly relating to those people who will be operating on the Stock Exchange and who will be charged with the responsibility of operating the Exchange. I believe that the regulations as far as possible have sought to capture whatever protection there is to be captured at this point. This is not to say that the legislation and the regulations are fool proof and would not be in need of revision as experience is developed. I would hope, as I said, that we will get people of integrity who will recognise that this is a chance which is provided in this country for this kind of activity and that they would not try to take advantage of it in terms of ripping off people who may not be as versed in the operations of a Stock Exchange as they will be. But we are dealing with human nature, and there is no doubt there will be some smart Alects who will try to get around the regulations. I hope that the persons who are charged with the responsibility of enforcing the regulations will be so versed that they will be able to spot these and will be able to take action as quickly as possible.

The technical assistance which we have had from the Canadian International Development Agency will continue for some time, and we have sought to involve persons in the community who have had experience, as limited experience as it might be, in this area. One hopes that with this kind of co-operative approach, we will be able to have an Exchange which will function to the benefit of this country.

I believe, Sir, that the matter of information and informing the public at this point is of paramount importance for the success of the Exchange. I said in my opening remarks that the Exchange has developed an education programme through the media to inform the public. They have had a number of seminars, to which they have invited companies and persons who have expressed an interest in participating in the Exchange. But it would seem to me, Sir, that now that we are embarking on this new venture, the news media can play a most positive role in this development. I believe that an opportunity like this has never been presented before for the media in this country to rise to the occasion and play a positive and constructive role towards the development of this country. I am not saying that if there is any skulduggery involved in the Exchange that it should not be exposed. But I am saying that they can play an informative role in this regard, and I would call on the news media, the newspapers, the radio and CBC Television to really pay attention to this and do a public service in informing the public in this particular area. I have not seen any indication of this as yet. I think that the opportunity is there for them to do it for the public ought to be prepared, and I hope that the media generally, would really rise to the occasion and be positive, if only for once in this country. I think the country deserves it and the Stock Exchange deserves it, and we expect them to play their part in this.

Thank you, Sir.

The question that the Bill be read a second time was put and resolved in the affirmative without division.

On the motion of Hon. L. E. SANDIFORD, seconded by Hon. E. E. GREAVES, Mr. SPEAKER left the Chair and the House went into Committee on the Bill; Mr. R. P. BYER in the Chair.

Mr. CHAIRMAN: The House is in Committee.
6.25 pjri.

Clauses 1 and 2 were called and passed.

On the motion of Hon. L. E. SANDIFORD, seconded by Hon. E. E. GREAVES, Mr. CHAIRMAN

reported the passing of one Bill in Committee to His Honour the SPEAKER, who resumed the Chair and reported accordingly.

On separate motions of Hon. L. E. SANDIFORD, seconded by Hon. E. E. GREAVES, the Bill was read a third time and passed and cited as the Companies (Amendment) Act, 1987.

GUARANTEE OF LOAN BY EXPORT DEVELOPMENT CORPORATION, CANADA, TO BARBADOS NATIONAL OIL COMPANY

Order No. 5 was called - to move the passing of a Resolution to approve the guarantee by Government of a loan not exceeding U.S. \$1 300 000 to be made by the Export Development Corporation, Canada, to the Barbados National Oil Company Ltd., in order to finance the construction of a natural gas processing plant.

Hon. Dr. R. C. HAYNES (St. Michael South Central): Mr. Speaker, this Resolution seeks the approval of Parliament for the Government to guarantee a loan of up to US \$1.3 million made by the Export Development Corporation of Canada to the Barbados National Oil Company to finance the capital equipment, engineering design, construction, supervision and commission services in connection with the construction of a natural gas processing plant.

The details of the loan are all set out very clearly and precisely in the memorandum. The interest on the loan is to be paid at the rate of 5 per cent per annum, the first payment being due on the sixth month following the commissioning date, which is set out by definition here in the Addendum. The basis for the repayment of principal is also set out in the Addendum.

There are just a few points, Sir, which I would like to make. I believe that this matter is potentially non-controversial, but one has to be prepared, knowing the nature of the enemy.

This loan will meet part of the cost of the construction of the plant, which is estimated to cost US \$2.1 million. The remainder of the funds will be internally generated by the Barbados National Oil Company.

The Leader of the Opposition, during the Estimates, I think, had enquired whether or not we were going to proceed with some privatisation of this investment at this point in time. I have given careful consideration to it and I do not think that at the moment it would be an appropriate investment for privatisation. The reason for it is that it is only one part of a three-pronged project, if you may recall. There is the plant, there is the six-inch pipeline and there is also the section relating to the

compressors and so on, so therefore I do not think that at this point it would be the ideal kind of project in which to invite private sector participation. „%

However, the private sector companies have expressed an interest in the marketing of the LPG. The plant, as you know, will produce a propane-butane mix for sale on the local market. We are expecting that this will reduce imports by some I think, of 25 per cent, which will be an important factor in the saving of foreign exchange.

In addition, with the pipeline, what is going to begin to happen is that there will be a significant reduction in the flaring of gas. So in the future when we start to drill again and more wells come on stream, we will find that all the gas being produced in the oil field will be put to productive use.

One brief point about the Barbados National Oil Company. I indicated some time last year that one of the reasons why we had cut back on the production of oil was to reduce the losses, bearing in mind the fact that the oil prices had dropped considerably. The losses would have been in the region of some \$23 million if we had continued production at the level of 1 500 barrels a day or thereabouts. We have been able to reduce those losses to some \$4 million, representing a \$20 million saving to the taxpayers, and indeed there was only a significantly smaller cash flow deficit. At the moment we are projecting that with the increased output, now that the oil prices have risen back to some 1 500 barrels a day, the Barbados National Oil Company would show a profit in the next financial year.

I thought that the House might have been interested in that kind of information so that they will be able to assess what has been the result of the policies which we put in place in respect to levels of production. Indeed, Sir, I hope that during this year we may be able to generate enough funds internally so that when we start again on a cautious drilling programme, depending, of course, on the market prices of crude oil, we may be able to finance a significant portion of the drilling programme from internally-generated funds. 6.35 p.m.

While I am on this point of the savings, I think that I can safely say that there has been a significant improvement in the performance of most of Government's commercial operations over the past year. Many of them are now showing a profit situation.

Asides.

Hon. Dr. R. C. HAYNES: I will deal with that matter at another time. >

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

Hon. B. M. TAITT: I beg to second that and reserve my right to speak.

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

BORROWING BY GOVERNMENT OF SUMS IN
VARIOUS CURRENCIES RE CONSTRUCTION
OF 496 HOUSING UNITS, HUSBANDS, ST.
JAMES

Order No. 6 was called - to move the passing of a Resolution to approve the borrowing by government of sums in various currencies to assist in the financing of the construction of 496 independent housing units, of the industrial type, at Husbands, St. James.

Hon. Dr. R. C. HAYNES (St. Michael South Central); Mr. Speaker, this Resolution, I think, is also relatively non-controversial. The programme is familiar to Members on both sides of the House. It has been in the pipeline for some time, and a considerable amount of investigative work was done, both by this Administration and the previous Administration, largely in the area of the financing of the project, on the one hand, and on the other hand, to ensure that the kind of home which should be built would be acceptable to Barbadians and consistent with the traditional housing to which Barbadians are accustomed. We are now satisfied that designs and the construction will conform with those criteria, and after detailed investigation by the Ministry of Housing, we feel confident that we can go ahead with this project.

The Addendum sets out very clearly the sources and the terms of the funds. One source will be the Venezuela Investment Fund, for Bolivars, \$7.5 million, and US\$2 million. The rates of interest and terms and the amortisation are as set out in the Addendum.

The second loan is for \$7.7 million, from the Central Bank of Venezuela, functioning as the administrator for the Export Financing Fund of Venezuela. Again, the terms and conditions are set out in the Addendum.

The third loan is from the Banco Mercantil Venezolano for US\$1 million. The terms are clearly set out.

The fourth loan will be from Inversiones, who are the contractors, \$1 170 862.

The Government has repeatedly indicated that one of the main areas of economic activity in which it is interested is that of the building of housing. We see this as an opportunity to deal with two pressing problems facing the poor people of this country, (1) jobs, (2) housing, and by constructing houses, you would

tend to be making contributions to both major problems at the same time.

The houses will be located at Husbands in St. James. The number of houses to be built will be 496, in three phases. The types of houses will be as follows: a two bedroom one bathroom house for \$48 000 or thereabouts; a three bedroom, one bathroom house for \$51000, and a three bedroom two bathroom house for \$68000, exclusive of the cost of land. So the houses would be constructed in three phases.

The total cost of the project is estimated to be \$29410950. This is money which the Government will be injecting into housing during this financial year, apart from the \$20 million which I have made provision for in the April Budget.

The National Housing Corporation will be the executing agency, and a contract will be signed between the National Housing Corporation and Inversiones. The estimated period of construction is 24 months.

Asides.

Hon. Dr. R. C. HAYNES: The Minister of Housing, I think it was during the Budget Debate, indicated that one of the main problems which he was encountering was the downpayment for houses and the duration of the mortgage. I feel that this is an excellent opportunity because of the method by which this development is being financed where the Government is guaranteeing the loan, building the houses and then, of course, will be paid out of the proceeds of the mortgage money, to respond to the wishes of the Minister of Housing to make sure that the downpayments are as low as possible, if possible, zero. The Ministry of Finance has no objection whatsoever with this arrangement.

Applause.

Hon. Dr. R. C. HAYNES: I would like to see in this situation that the period of repayment for the mortgage be extended from 25 to 30 years. So this is an excellent opportunity to put to the test the possibility of building homes for lower income groups with the lowest possible downpayment, or no downpayment, and for the longest possible mortgage. We believe that within the kind of financial structure which I am thinking of in relation to housing development in the context of lower income groups, this \$29 million can be an important form of seed money for the generation of further activity within that area. 6.45 p.m.

I believe we will meet our targets on housing, and if we meet our targets on housing, we will be contributing towards the reduction in the levels of unemployment in

Barbados and to the education and health development of the nation, whilst at the same time satisfying a very basic need in the community, namely the need for housing, particularly among the lower income groups in Barbados.

Mr. Speaker, it is with great pleasure that I move the passing of this Resolution.

Hon. H. A. BLACKMAN: Mr. Speaker, I beg to second that and reserve my right to speak.

Mr. D. A. C. SIMMONS (St. Thomas): Mr. Speaker, just a couple of questions of the Minister of Finance. He said that these houses would go towards fulfilling and satisfying the targets that Government has set for housing. I wish to have a definitive statement from somebody on the other side as to what is the target. In the Budget the Prime Minister said the target was 2 000 houses a year. The country heard that, and the debate will soon be published.

Asides.

Mr. D. A. C. SIMMONS: Sir, I thought the Minister of Housing was going to tell us what the Prime Minister said, since he was disagreeing.

I want to know, Sir, since the Minister was careful to give quite a lot of information to the House, for which we are grateful, what is the level of employment opportunities envisaged in this project? Speaking from my previous knowledge of about two years ago, this was to be a system-built project, and the system-built project which was coming from Venezuela did not have a very high local employment component, and if it is going to employ 30 or 40 people.....

Asides.

Mr. D. A. C. SIMMONS: I will bring the figures of employment on the access road next week when we meet. You would be shocked!

It seems to me that it is not going to make a significant impact on unemployment unless it is a project which is going to be substantially labour intensive. We all agree on both sides that the construction industry is one industry that could contribute significantly to the relief of unemployment, and that is why under the Barbados Labour Party Administration we eschewed any attempt to construct houses in Barbados using systems, like spraying on concrete or building the moulds, pouring the concrete and then screwing and bolting up the house.

Asides.

Mr. D. A. C. SIMMONS: I do not know anybody called "Mohammanama". If the Minister of Tourism is referring to his former friend and confidante, Mr. Muhammad Nasser, I would have him speak in more favourable terms.

I have seen some of these systems in operation. In Jamaica, for example, one of the Spalding brothers had a housing project using a system of moulds, spraying on

concrete, screwing up and bolting up. It suited Jamaica. The Portmore Development across the causeway in Kingston is another example of a massive housing development > using systems.

The Minister was quite right, in introducing the Resolution, to point out that one of the considerations that the last Government took into account in the negotiations on this project was that the type of house should as far as possible conform to standards that Barbadians had become accustomed to. You found in the Portmore Development in Jamaica, for example, some very small rooms, some very square and unattractive houses and some very hot houses, which quickly developed into slums. These would not have been acceptable to Barbadians, given the type of houses that Barbadians have become accustomed to in the public sector housing developments in the various estates, and I believe that in the private sector, we have had an example of failure where the first few houses that were done, I think in Newton, by a private contractor were unacceptable to the Barbadian house owner or potential house owner > aesthetically. I believe they modified their designs when they went out to Husbands.

This is a matter which I think the Minister of Housing must always keep foremost in his mind. He is going to be bombarded by all kinds of entrepreneurs between here and North America who are going to be offering systems and offering trips to see systems. If they are going to pay, go along, enjoy the thing and have a look, but when you have been to two or three, you will realise it is a waste of time. They are all Santa Clauses, and they would not take any risks, but I see the Government is prepared to take a risk here.

Sir, I was relating system-built houses to the problem of unemployment. These system-built houses do not offer any great scope for making a substantial dent in the unemployment figures. That is why I would like to -* hear some figures about what is being said would be the level of employment in these houses.

Housing has always been a critical social problem, and I am not going to be critical of the Government for making a start, by whatever means, to try to relieve the great pressure. The houses, however, do sound a little bit expensive for what is being offered. Without having the benefit of dimensions, with two bedrooms, one bathroom, what else is offered and what is the square footage or the floor space for which you are being asked to pay \$48 000? How does this compare with what was happening at West Terrace, for example?

Asides.

Mr. D. A. C. SIMMONS: It could not be half the price, because I am now settling matters with houses in West Terrace at \$44000 for the house, and then the land "**• is another \$12000. They go from \$44000, so it seems we are in the same general ball park. When you look at this, it is really worthwhile to go into this Venezuela deal

where you are going to construct a house not necessarily bigger — these are all assumptions, and I am speaking on the basis of assumption not having had the square footage - you are going to be building a similar type of house to the one which is presently being built in Barbados by a system which may not be employing as many people as if you were following the traditional method of construction, perhaps at a little higher cost? 6.55 p.m.

I wonder if these matters have been fully explored. They are matters which present themselves to me and I just throw them out for consideration by the Government. If the negotiations are not closed, they might be matters that you could look at.

Mr. O. S. ARTHUR (St. Peter): Mr. Speaker, Sir, I want to add a few additional points in a non-contentious manner to the very excellent contribution made by my colleague from St. Thomas. This project, together with a number of major projects, was an idea which was under discussion under the previous Barbados Labour Party Administration. But there were a number of aspects of the project which bothered me then, and would continue to bother me now if they were part of the project, from an accounting point of view.

I have no difficulty, Sir, with the pure financial aspects of the project, and indeed I am not going to dispute the need for this country occasionally to have access to foreign financing for areas such as housing. I subscribe to the view that there is no area of economic activity which, on a point-to-point basis, can generate the volume and the diversity of employment as the housing construction sector can, and I support financing for housing in every aspect, even if it requires us to borrow from time to time for the purpose.

But as I understand it, Sir, this project had about it during the course of discussion, when last I was aware of the discussions, the notion that Barbados would be importing from Venezuela houses in a prefabricated form. Since the Minister of Finance did not go into the housing aspects of it, I am asking if that is still a part of the project concept, because if it is, I would understandably have to say that I could not support the loan, not because the money is not attractive, but because it would be wrong, in principle, for Barbados at this time, particularly when we have a cement plant, to be seeking to import houses in a knock-down form merely to assemble in Barbados.

I ask Sir, merely to broaden the discussion, what exactly is in this for Venezuela merely beyond the lending to us of this amount of money for housing construction? I know that there was a lot of debate going on at the level of the technical officers regarding the Venezuelan input and the Barbadian input, and obviously these facts are not in the hands of the Minister of Finance, but I would really be glad if, when the Minister of Housing speaks, he could give us a fuller overview of

the housing aspects of this project so that it may set our minds at rest.

I am obliged to you, Sir.

Hon. H. A. BLACKMAN (St. Philip South): Mr. Speaker, in the early part of 1985, the Ministry of Housing looked at this proposal put forward by the Venezuelan housing company, Inversiones. The company proposed that they construct these 496 units in Barbados, and at the time the company said that funds would have been available at very low interest rates. Certain officers from the Ministry of Housing — the Permanent Secretary, the Chief Housing Planner and, I believe, one or two other persons visited Venezuela to look at the type of houses that were being built by the company and to satisfy themselves that the company is a reputable company.

The design of the houses did not meet the approval of the housing officials from Barbados, and they asked the Venezuelans to change the design to make it more compatible with what we like, or need, in Barbados. That was done, and after the design was changed, it was found to be acceptable.

A paper was put to the Cabinet in 1985, and the then Cabinet agreed that, subject to the availability of financing on satisfactory terms, an agreement should be entered into with the company for these 496 detached units at Husbands. So the only reservation that they had at that original time was the availability of financing. It was thought at the time that the total cost of the project would be around US \$16.7 million, of which \$9.7 million or 58 per cent would have been met from Venezuelan funds.

Three months after the decision was made by Cabinet to agree to the building of these houses subject to the availability of financing, the proposed project was reviewed, because the Cabinet, apparently, had second thoughts about the project on different grounds. The first thing was the financing, where Venezuela was only putting up 53 per cent now as opposed to the 58 per cent that they promised before. The Cabinet also looked at the effect which the amount of houses being built would have on the local construction industry. That pulled them back, as well, because they were looking at if the construction industry could take the 496 units all at once like that. They also were looking at whether the Venezuelan company would not be having an advantage above the local contractors as far as the marketing is concerned, because the whole idea of this project is that the Government undertakes to market the units. Those are the three constraints that the past Administration had after agreed, in principle, previously.

Cabinet then decided that the project should not be pursued, and that the reason to be given to the Venezuelans was the inability of Government to provide counterpart funds. But I just called out the reasons that caused them to backtrack.

The Venezuelan company, having received this information, submitted another proposal, in which they were willing to finance 80 per cent of the project. So they originally said 58 per cent, then they went down to 53 per cent, and then because the Government of Barbados backtracked a bit, the Venezuelans said they would provide 80 per cent of the financing. The previous Cabinet, having heard that the Venezuelans were now going to provide 80 per cent of the financing, considered this proposal on May 15, two weeks before the election. Cabinet agreed that in view of the foreign exchange implications for the Barbados Government *vis-a-vis* its relations with the Venezuelan Government, and also in view of the fact now that Venezuela was providing 80 per cent of the funds, the project should now be implemented. That was the last thing the past Administration did on May 15. There rests the Barbados Labour Party. 7.05 p.m.

This proposal was put to this Administration seeking endorsement of the decision taken by the previous Administration. Remember the previous Administration agreed that the project should go ahead. I am hearing all sorts of reservations coming from over there now, when they agreed on May 15 that they would go ahead and let the people build. I cannot understand how all the reservations are coming from over there now. And the honourable Member for St. Peter (Mr. O. S. Arthur) was Acting Minister of Housing at some time during that period.

Asides.

Hon. H. A. BLACKMAN: I said at some time during the negotiations you were Acting Minister of Housing, and Acting Minister of Finance, too, and you agreed. But now I hear all sorts of reservations now.

Anyhow, this proposal was put to this Cabinet on June 26, 1986. The proposal was deferred at that Cabinet meeting for us to have a look at all the implications. This Cabinet eventually decided that the project could be undertaken, and should be undertaken, and the decision was made that we go ahead with it.

Mr. Speaker, there are some questions that were raised by the honourable Member for St. Thomas (Mr. D. A. C. Simmons). He said that the Minister of Finance stated that this project will go some distance in satisfying the targets we have set for housing, and he wanted to know what target we have set. As the Minister of Finance has said, the sky is the limit.

Asides.

Hon. H. A. BLACKMAN: Okay, right. But let me get to more serious things. >

In Barbados today, the demand for housing is roughly about 1 300 units per year. The Honourable Prime Minister never said in his Budget speech that the Government is going to build 2 000 houses. That is what you did not hear, and you cannot at anytime say that you heard the Prime Minister say that the Government was going to build 2 000 houses. The point is that the figure of 2 000 houses being built in Barbados in a year is not out of reach. Even now the number of starts this year in housing will reach over 1 400 houses without any additional effort from Government. So if we put in more effort, we will get over the 2 000 houses this year. There is no problem with 2 000 houses a year, so I do not understand why you think that 2 000 houses a year is impossible. But you wanted to put somebody on a spot by saying that Government was going to build 2 000 a year. Do you know what would happen to the market for any single person to build 2 000 houses a year? What would happen with the contractors? You would not have enough workers to share around with the other contractors at all. Do you think so?

Aside.

Hon. H. A. BLACKMAN: That is what I am saying in the public sector. So, obviously, you knew what the Prime Minister meant, because you knew the public sector could not build the 2 000 a year. Anyhow, I will go on.

You asked about the level of employment we expect we will get from this project. I cannot tell you what the level of employment will be. The house is a system-built house, but it is not a pre-fabricated house coming in from Venezuela. That is the fundamental difference. One of the stipulations that we made before we signed any contract is that all materials that can be bought in Barbados must be bought in Barbados, including the cement from the cement plant.

Applause.

Hon. H. A. BLACKMAN: We insisted that all the cement should come from the cement factory. You can see how the cement factory will make a bit of money this year!

Asides.

Hon. H. A. BLACKMAN: Well, at least cut their losses. ^

Asides.

Hon. H. A. BLACKMAN: Local people are building the houses.

You wanted to know about the models being built. Right now they are putting down two model houses in Husbands which you could look at and decide if you like or not. That was one of the stipulations that we put into the contract that two model houses should be built first so that Barbadians could look at them and decide and we could get public reaction.

One of the other conditions was that we could not give permission up front to build 496 houses. We asked them what is the least number of houses they could build to break even, and they said the least number of houses they could build to break even was 165. We told them that after they have built these model houses and we are satisfied with the model houses, build 165, then when we are satisfied that the 165 are being sold in a manner that we would like them to be sold, fairly quickly, then go ahead and build the next set, the Phase 2, and when Phase 2 is finished and we are satisfied that that number has been sold in a manner we expect, then build Phase 3, and that is the 496 houses. That is how we went about this thing, it was not a matter of just rushing into something with your eyes closed. We thought about this, and I believe we made the right decision, and when you take into consideration right now that there is a deficit in the housing stock in Barbados of about 8500 houses, you would know that 496 houses now really could not be putting local contractors out of work at all,

I do not know the figure that will be employed, but I do know that there will be some employment, because we are employing all Barbadian people. You have to pour the concrete and all of that, so there will be some employment. I cannot tell you the figure. I would hope that it will be great, but I cannot tell you the figure.

With those few words, Mr. Speaker, I beg that this Resolution

Hon. H. deB. FORDE: The Minister was not winding up. He was making his speech, Sir.

Asides.

Hon. H. deB. FORDE: Sir, the honourable Member would like to tease me on this very serious matter.

I have heard the Minister's position, Sir, but I have had some experience in negotiating with the Venezuelans on these matters, and certainly the negotiations about housing with the Venezuelans started a very long time, even well ahead of the oil facility, and I really wish some more assurances in this House. One of the assurances I would like is about the contract which will be entered into between Inversiones and the National Housing Corporation. I think it is important that we look at the

terms of the contract to see whether the contract is on terms more favourable than we would expect, and it is not only the contractual arrangements between the Government for the financing of this enterprise, because in the last resort we will be repaying to the Government of Venezuela the hard currency which we are borrowing, part in Bolivars and part in U.S. dollars. Obviously the Government is getting the loan, it is being used by the Central Bank, assisting the Government's foreign exchange position for a period of time, and on-lent to the housing sector, it is true, but it is repayable over a period of time by the Government of Barbados to the Government of Venezuela. 7.15 p.m.

In the meantime, Inversiones would have got its money and gone, and it is very necessary, therefore, that the contractual arrangements between the National Housing Corporation and Inversiones should be tight. The Government must ensure that persons who are purchasing these houses from the corporation will themselves have a good deal of protection. The Government must be aware that when you are buying a house and land and you buy a defective building, in fact you are up against the principle of *caveat emptor*, and the Barbados legislation is a little bit defective in giving protection to the ultimate purchaser. So I want to be satisfied that there is a sufficient indemnity in that contract if those system-built houses do not add up to the standards that one would expect.

I understand the Minister to say, and I accept his word on this, that the Government has asked that as much as possible Inversiones should use local materials, but I still have not been told what is the component of local materials that is going into the system. One of the things that you find in foreign financing, and foreign financing particularly from Venezuela and some of these countries, is that the loans are tied to the goods and material from the lending country, as indeed sometimes from the donor country. For instance, when we are getting a loan from CIDA for water development in Barbados, we end up buying Canadian pipes which are more expensive, let us face it, than if we went on the open market. I want to know if we are going to be buying Venezuelan wood, Venezuelan bricks, Venezuelan cement, Venezuelan fittings, whatever we want, even the plastic that is going into the piping system from Venezuela. Are we being bound by a contract that will mean that we have to buy those components right out of Venezuela, regardless? I want to hear that answered. Plastic pipe is available in Barbados.

I also want to know whether the Government is giving any concessions — and both Ministers had better listen on this one — to Inversiones in relation to the income that will accrue to it by way of profit on this exercise. If it is giving such concessions, I want to know

•if it has weighed this against the concessions which local builders get under existing legislation.

A couple of years ago, in 1984 or 1985, the Barbados Labour Party Government reduced the tax for construction companies which went into the construction business to increase the building of houses, and the maximum tax is 25 per cent — 20 per cent now, I believe. But if a foreign contractor is going to come in merely because his Government is making a loan, which we are going to have to repay, and find himself in a better tax incentive position than a local construction company in the market, then, of course, our local construction companies are going to feel very disadvantaged.

We do have a good deal of experience in construction in Barbados. As a matter of fact, I reckon that our contractors are now in a position, had Barbados got the money to lend, to go into similar enterprises in the Eastern Caribbean to assist with the building of houses in places like Dominica, where you have the materials down there — certainly they have the wood, and we have the cement. We can put together in the Caribbean a Caribbean project of this nature. It is one of the matters that we had been discussing with Dr. Eric Williams, if the honourable Members want to know. You have all the faith that everything is in private enterprise, but we find, sometimes, that you really have to hit private enterprise to get them to move, and this is one of the areas. It has taken a lot of time to generate, but one of the ancillary projects out of the cement plant was putting together the resources of the Caribbean for a major construction factory in the housing sectors, using Guyana, Trinidad and Tobago, Barbados and Dominica. You can now work on it, if you like, it is there.

Aside.

Hon. H. deB. FORDE: You can tell me Venezuela is a part of the family. You can go and read the speech I made on foreign policy and find out how far down in the family they came. The honourable Member must still let me know what is going to be the tax position. I am not in the numbers game. This is a very serious aspect of our national affairs, and it is not every gift horse that one wants to look in the mouth, but one has to analyse some sort of gift horses, and if this is going to be a joint venture, I wish that an analysis of that joint venture was done.

This concerns the Minister of Housing. I know he has spoken already, but maybe he can pass information, I would be grateful. I want to know what is the rate of interest that is going to be charged on lending to the

Hon. H. deB. FORDE: I read the Addendum. I know the rate of interest the Venezuelans are charging us on the various loans, and it depends on the component that is coming from the private sector banks as opposed to what is coming from the Venezuelans. I am not on that. I am asking about the rate of interest that the National Housing Corporation is going to charge on the rates on lending to the people who are borrowing.

(*Aside:* Hon. Dr. R. C. HAYNES: As much as you charged under USAID).

Hon. H. deB. FORDE: Let him tell me what is going to be the rate. The National Housing Corporation is going to be the marketing agency for Inversiones and, therefore, I expect that the funds are going to be circulated through the National Housing Corporation rather than through the banking system, and if it is not going through the banking system, we cannot be met with the argument that there had to be an administrative cost, and therefore this Government should be in a position to reduce the rate of interest being charged.

Aside.

Hon. H. deB. FORDE: The administrative cost is not the same rate, because the profit element is out of it. The honourable Member knows that, Sir. The honourable Member and I have been around politics for too long, Sir, when he was a member of the Under 40s, and he knows that I know all these things.

Sir, the administrative cost to the National Housing Corporation will not be of the same nature as the administrative cost, for instance, if it was going through Barclays Bank or one of the others and they had a profit element built into it, so it should be possible on this loan, as distinct from the loan which comes under the various other credit funds, for the Government to reduce the overall rate of interest being charged to borrowers.

Aside.

Hon. H. deB. FORDE: I am arguing your case for you. If you have not argued it, do not complain with me. I know they always set you up to answer me, but I am giving you the points that are there. 7.25 p.m.

I also want to know in what year these 400-odd houses are to be built. Is it in the calendar year January 1, 1987 - December 31, 1987? Is it in the financial year April 1, 1987 - March 31, 1988. Is it in the year May 26, 1987 - May 27, 1988? I want to be specific about this. The honourable Member does not want me to tie down the Government now, so he is going to find me tiresome, but I want to know these details. This Minister reads his

*Aside**

files, I want to hear the details. When he held us in here and gave us a two hour speech, you were complimented. I want to hear the details given us with great care in this matter.

As I said earlier, we have now had a tremendous experience in housing construction in Barbados over the years. We have got a considerable number of components in Barbados, whether it is beautiful coral stone from Chapel in St. Philip, for instance, cement from St. Lucy or building sand from St. Andrew, and, of course, we have tremendous expertise in the workmen and artisans in this country. Our problem in housing has been basically a management problem of bringing together the several components. It has not even been, in some respects, a problem of financing. It has been largely a matter of trying to get the various management systems together in some respects, to improve the systems where there is room, and in some respects, perhaps, to get our designers, who have a sense of the local and the indigenous, together.

Hopefully, we are now producing larger numbers of our own architects, quantity surveyors and draughtsmen — we have a lot of them; in fact, there is an excess on the market - and, hopefully, we are going to produce the companies which understand mortgage financing. It is an area, for instance, in which the various co-operatives can make a tremendous impact, and I envisage that, less and less, we will need a foreign component of the nature and as wide a nature as we are going in with Inversiones. I believe that we should encourage whatever foreign component there is to come not only merely to use a limited number of Barbadian workmen and the marketing expertise of the National Housing Corporation, but our negotiations with people like these must be that they should come in in joint venture in which they are limited partners rather than on a broader basis. I also want to hear about that.

I am not throwing cold water on this project. I know the anxiety of the Government to prove that it is building the houses and to honour some of the rhetorical promises that it made on the platform in its flight of fancy, but I do hope that the hard realities of these sorts of situations will now be faced. I also hope that this project, which I am not throwing cold water on, would give them at least an opportunity to wet their feet and eventually let us put housing, once and for all, on a very sound basis in Barbados.

Hon. B. M. TAITT (St. Michael West): Mr. Speaker, I should not be very long in this debate, because I think that there is obviously no controversy, especially after the Minister of Housing, the honourable Member for St. Philip South (Hon. H. A. Blackman), has indicated so well that what he and the Democratic Labour Party are doing

in this project is to bring to fruition, in a Barbadian way, an offer that had been made during the regime of the Barbados Labour Party, which had been accepted in principle by the Barbados Labour Party and which the honourable Member who has just spoken seems to be suggesting could benefit more from a higher input of Barbados and Barbadians. It seems to me, however, that if his argument is left without more, that we may have a wrong perception of what precisely the Minister in his policy on housing, and, indeed, the Democratic Labour Party Government, is attempting to do during his sojourn in office.

I wish, first of all, to remind this Honourable House that it was the Democratic Labour Party, and I am not saying this in any partisan way, but more particularly the honourable Member for St. Michael North (Hon. P. M. Greaves), who is now the Honourable Minister of Transport and Works, while that member was Minister of Housing, that we saw an almost revolutionary change in the provision of housing by Government in Barbados. And I wish to remind the honourable Member who just spoke about designs, the management and provision of housing by bringing together a number of elements, that in the era before 1976, the honourable Member for St. Michael North caused to be built some housing of lasting endurance in Wildey, Eden Lodge, Lodge Terrace, Friendship Terrace, Haynesville, Husbands, Wanstead and in Oxnards, in Rock Dundo, and that does not take account of the private sector housing which occurred by and with the concurrence of the Minister. I wish to point out that this housing was not merely the provision of shelter, but, in fact if one looks at the developments that occurred in places like Rock Dundo and Oxnards where houses were sold at that time between \$29 000 and \$36 000, a large number of upper lower class Barbadians and middle class Barbadians acquired their first housing of a substantial quality, which houses have now reached levels of nearly \$185 000 in value.

Concomitant with the building of those houses, we had developments such as those at Paradise Heights which sold for \$45 000 in those days, not very long ago in the 1970s. The houses in Paradise Heights, complete with swimming pools in some instances, sold for as little as \$45 000. Those houses are now worth in excess of \$185 000. Some of them have sold for over \$200 000.

The design and the endurance of those houses cannot, in any way, be enhanced in terms of Barbadian ability and capability. Indeed, the National Housing Corporation and some of the same people who are now administering housing in Barbados were involved in those relatively large scale productions of houses. And I make bold to say, in a non-partisan way, that if the administration that followed the honourable Member's sojourn as Minister had continued in similar vein, a substantial

part of the chronic lack of housing in Barbados would not have reached the level we have now found, that we would not have had the difficulties we have had. 7.35 p.m.

It is necessary to put this debate in perspective. A substantial part of the problem has to do with a non-settling down in the Housing Ministry. If one looks at the pattern which occurred during the regime of the Barbados Labour Party, you will see that there was a litany of woes emanating - from four Ministers of Housing, ten General Managers!

The files are replete with foolishness written by people who did not have a chance to study the files. I am very glad to hear that the Leader of the Opposition can say that this Minister obviously reads his files. That is the hallmark of the Democratic Labour Party Administration, that while we do not lay claim to being total and complete geniuses, we do not lay claim to having anything but Barbadian good sense, but because we recognise a certain level of humility, we are able to acknowledge that there are people who know more about some things than we do, and therefore we rely on expertise of a certain kind, and that is why we are able to bring this measure to the House today. We are able to say that we examined a project which you examined and that we were able to bring to bear precisely what you are saying that you would like to see.

On the question of systematic production of housing, of course it is desirable that Barbados reach the level where Barbados could produce large quantities of houses on a conveyor belt basis. We attempted to do that during the era I was discussing with the honourable Member for St. Michael North, but this is a pattern which will take years to develop, and it also requires a certain stability in the housing administration. I think that the Democratic Labour Party has started to show that we are going to bring that stability to the housing market. First, at the level of financing, the Minister of Finance has already made public statements in that regard. Secondly, at the level of housing management, we have tried to bring some order into the chaos that existed, the kind of foolishness which sees people with their names on a housing list for nine years, the kind of discrimination where people who come from St. Michael West or St. Philip or St. Lucy, because those areas were represented continuously by Democratic Labour Party representatives, nobody from those areas could show evidence of having received a house from the Housing Authority.

\ I do not wish to dwell on that aspect of the debate, because we have spent time on it before. If the honourable Member wishes us to discuss housing in a calm and dispassionate way, we also have to discuss the dispensation of those houses in an equally calm and dispassionate way. There has to be in Barbados at some time before the

end of this decade a system of housing which does not put an applicant for a house into a prostrate position before any authority in this country. No man or woman has any right genuflecting before another group in order to get housing. Housing is no longer a privilege, it is a right, and the Democratic Labour Party recognises that it is a right. Nor do you have to join a political party to get them, as the honourable Member, correctly says, because he knows that people from Christ Church West are still getting houses with the same frequency at which they were getting them.

Mr. Speaker, those of us who represent constituencies on the western side of Eagle Hall, constituencies like St. Michael West, St. Michael North West, St. Michael North, St. Michael Central and St. Michael West Central, to say nothing of the distinguished constituency of the City and St. Michael South East, would like to see the kind of project which the honourable Member has brought to this House with this Resolution, where the Venezuelans will be participating along with the private sector housing, the Barbados Mutual and other private sector mass housing developments which will take place. We anticipate that all of these projects will get underway at approximately the same time.

The honourable Member raised the question of a bunching of projects. What we are saying here is that we will have a co-operative approach to housing such that the massive benefits which you identify as arising out of the construction industry will accrue across the board, thereby generating a certain demand in the community, and coupled with the other sectors of the economy which have already or will have been put into train, we are going to get the kind of economic buoyancy, which is already evident, that will bring back an era similar to the 1960s when almost everybody in Barbados agreed that Barbados was a great place to live in.

I am surprised that the Leader of the Opposition would have allowed himself, towards the end, to raise this question, because he must know that the Venezuela project is only one of many projects. It is not as if we were saying this is *the* housing project.

Asides.

Hon. B. M. TAITT: Would you like us to tell you about some of the projects you left for us? The \$7 million you spent on the Furniture Trading Corporation? Do you wish me to go down that line? We have had to re-examine every one of the projects you left for us, and when we have re-examined them, we have had to discard some; the ones we consider to be worthwhile, we have resurrected them and we have got them going; the ones that were moribund under the

Aside.

Hon. B. M. TAITT: You were not even in the Cabinet. You left the Cabinet because you could not understand what they were doing. Now you are be having

Hon. H. deB. FORDE: The honourable Member is obviously getting tired, Sir. He is not only being irrelevant, he is really misleading the House. I never left any Cabinet. The honourable Member does not realise that persons' times in Government come to an end by effluxion and by the operation of elections. Prime Ministers call you and Prime Ministers do not call you. I promise the honourable Member that when I become Prime Minister, I would not be calling him.

Hon. B. M. TAITT: Mr. Speaker, I apologise to the honourable Member for suggesting that he left the Cabinet. I did not know that the Prime Minister did not call on his services. He thanked you for your services and did not call you anymore! That is just like when a skipper says to a bowler, "Thank you very much, you have had enough."

My experience with the honourable Member on how long he stays in the Cabinet could be faulty because I made the error of depending on his word in this regard, and to this day I am still without my just reward. He keeps telling me that he has bought the case of champagne. It is out of your Chambers?

Sir, the levity is well worthwhile, but, quite seriously, I thought we should put the housing debate in perspective, because it is important that people understand that it is our thrust to prevent the kind of psychological badgering which our people have had on fair promise. There is nothing as debilitating for a woman with four children to go to the National Housing Corporation every month with her number waiting to get a place to house her children and her family. We believe that everybody in Barbados should have an opportunity to own their own home if they can, and to the extent that they cannot, they ought to be able to get affordable housing at a decent rental. That is where we are. And that is why I am grateful to the Minister of Finance and the Minister of Housing for their combined efforts in putting forward this Resolution which is a manifestation of the excellent housing policy of a magnificent political party. Thank you very much.

Applause.

(Aside: Hon. L. E. SANDIFORD: I am going to suspend for dinner now. Are you going to complete in ten minutes?)

(Aside: The Rules are suspended.)

Hon. W. O. FRANKLIN (St. Philip North): Mr. Speaker, I will be very short. I want to address two areas that the members of the Opposition seem to have some concern about, and the first one is the level of employment that these units will generate. I want to assure them that because it is going to be a system structure, that is not going to reduce considerably the number of persons employed on the unit for the simple reason that the construction process right up to the sub-structure is going to be the same. In other words, you have the same foundation system, the same system for the filling and same system for the casting of the floor. It is only the superstructure that you are going to have what is called insitu concrete poured. Any of us who have a passing knowledge of it would realise that it is easily the fastest part of any house to go up, in that with a house of that size, two masons could easily construct the block work for the superstructure in a week's time. So all you are doing is substituting a poured concrete in a steel system.

To address the second point about the structural integrity of the building, I think you will have a better structural integrity, because you are going to have an insitu concrete pour which would be far better than if you have had pre-cast concrete assembled, in that all of your joints would be tied, giving your house a better structural integrity. So I do not think you need have any fear, as long as they are vibrated and you have your reinforcement inside with all of your conduit work.

When they have finished the superstructure, the continuation of the house is going to be in a similar vein, because you have to have your finishes, your trowel plastic people have to come in, your plumbing, people doing all of the cupboards and the electrical wiring so the reduction in labour force is going to be very marginal, and you would not lost any structural integrity. Far from losing it, you would have a better structural integrity in these houses.

So in those two areas, I do not think you need to have any fear about this particular system. You need have no fear either about a mass invasion of Venezuelans. All they will be doing is bringing a supervisory team, in the first instance, to teach the Barbadians how to assemble the form work. With Barbadians being as adaptable as they are, I am certain that after the first ten houses you will have a complete team of Barbadians that can do the construction.

This is actually needed at this time, because one of my fears in this country at the moment is that when the housing programme, as planned by the Democratic Labour Party, gets on schedule, you can well have a slowing down due to the shortage of skilled masons and carpenters. So we might need this type of expertise if we

are to have the capacity to do 2 000 houses in a year. We must have industrial type houses and the local type construction.

Hon. Dr. R. C. HAYNES: Mr. Speaker, I will give primacy of consideration in my reply to the Leader's gastric anxieties, and, therefore, I shall seek to conclude my speech by 8.00 p.m.

Laughter.

(Aside: Hon. P. M. GREAVES: He knows his patient.)

Hon. Dr. R. C. HAYNES: I think most of the essential points have been responded to. The question of employment has been adequately answered. The question of Barbadian participation has been answered, since most of the labour and other inputs would be local in economic terms, in a joint venture operation.

On the matter of the financing, if you look very carefully at the maturity structure of the loans, you would see that they were very carefully designed to accommodate a lower rate of interest than one would normally have in the market place.

As far as the duration of the mortgage, I think that — you were not here — I said 25—30 years. I am supportive of the lowest down payments.

On the question of the foreign exchange component, there is no doubt that housing like any other domestic activity, has some foreign exchange cost, and therefore if you can get built into one of your projects in a given year a foreign exchange component, that certainly helps to relieve the pressure of your balance of payments. So there are a variety of reasons, apart from the purely housing considerations, why the Ministry of Finance would have readily agreed to this kind of financing for at least one sector of the housing programme for this year.

On the question of concessions and taxes, this has not arisen at any point in the discussions, and, as far as I am aware, they would be eligible for the same considerations as anybody else, no more and no less which I think is perfectly reasonable. I think that the provisions at the moment, the special tax concessions for construction, is that if you construct more than two wall houses in a year, you pay at the rate of 20 per cent or thereabouts. I think it is either 20 per cent or 25 per cent, I do not recall, but that is still in force.

On the question of management — I do not think you were here — I believe that the Ministry of Finance would certainly be very interested in an upgrading of the

lending institutions within the Ministry of Housing in order to co-ordinate and accelerate the financing of the programme. I think the Government did very well last year in housing, and, quite frankly, I think we are off to a good start with this programme which will be in place, some \$29 million, and we still have the additional \$20 million provided in the Budget to come on stream immediately as soon as it is required by the industry.

Thank you very much, Mr. Speaker.

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

Hon. L. E. SANDIFORD: Mr. Speaker, the final subject we shall deal with today, Sir is "ORAL REPLIES TO QUESTIONS".

I beg to move that Question Time be now taken.
7.55 p.m.

QUESTION TIME

Mr. SPEAKER: Parliamentary Question No. 19, asked by the honourable Member for St. George South.

QUESTION RE PLAN FOR OLD ST. LUKE'S GIRLS SCHOOL

Mr. R. P. BYER: Question No. 19, Sir, reads as follows;

To ask the Minister of Education and Culture: Will the Minister state whether it is Government's intention to convert the Old St. Luke's Girls School building located at Upper Brighton, St. George into a community type centre?

Hon. L. E. SANDIFORD: Mr. Speaker, the reply to Parliamentary Question No. 19 is as follows;

1. The old St. Luke's Girls' School building is already being used as a Community Centre by the Ministry of Employment, Labour Relations and Community Development.
2. The building is also used by the Seventh Day Adventist Church for holding religious meetings and by the National Training Board for conducting classes under the Skills Training Programme.

ADJOURNMENT

Hon. L. E. SANDIFORD: Mr. Speaker, that brings us to the end of Government Business for today's sitting.

I beg to move that this sitting be now adjourned until Tuesday, June 2, 1987 at 12 o'clock noon.

Hon B. M. TAITT: I second that, Sir.

The question that the House be now adjourned until Tuesday, June 2, 1987 at 12 o'clock was put and resolved in the affirmative without division, and Mr, SPEAKER adjourned the House accordingly. 8.05 p.m.

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BLACKMAN, Hon. H. A. (St. Philip South)
BYER, R. P. (St. George South)
FORDE, Hon. H. deB. (Christ Church West)
FRANKLIN, Hon. W. O. (St. Philip North)
GREAVES, Hon. E. E. (St. Lucy)
GREAVES, Hon. P. M. (St. Michael North)
HAYNES, Hon. Dr. R. C. (St. Michael South Central)
KING, Hon. M. A. (Christ Church West Central)
MORRIS, R. L. (Christ Church East Central)
SANDIFORD, Hon. L. E. (St. Michael South)
SIMMONS, D. A. C. (St. Thomas)
SIMMONS, Dr. E. A. (St. Michael South East)
TAITT, Hon. B. M. (St. Michael West)
WALKER, C. V. (St. George North)
WEEKES, His Hon. L. A. (St. Michael North West)