

THE

House of Assembly Debates

(OFFICIAL REPORT)

FIRST SESSION 1994 - 99

HOUSE OF ASSEMBLY

Tuesday, August 08, 1995

Pursuant to the adjournment, the House of Assembly met at 2.15 p.m. o'clock on Tuesday, August 8, 1995.

PRESENT

His Honour I. A. ROETT, B.A., Dip. Ed. (Speaker)

His Honour R. D. MARSHALL, (Deputy Speaker)

Mr. B. M. TAITT, B.A. (Hons.), M.P.A., LL.B. (Hons.)

Hon. O. S. ARTHUR, M.Sc. (Econ.), (Prime Minister, Minister of Finance and Economic Affairs and Minister for the Civil Service)

Hon. D. A. C. SIMMONS, Q.C. LL.M. (Attorney General and Minister of Home Affairs)

Mr. D. J. H. Thompson, LL.B- (Hons.) (Leader of the Opposition)

Hon. Sir Harold St JOHN, Q.C., LL.B.

Mr. L. R. TULL, Q.C., M.A.

Dr. R. L. CHELTENHAM, Q.C., M.A., M.Sc. (Econ.)

Hon. Miss B. A. MILLER (Deputy Prime Minister, Minister of Foreign Affairs, Tourism and International Transport), (Leader of the House)

Hon. G. W. PAYNE (Minister of Public Works Transport and Housing)

Hon. R. C. EASTMOND, JP., B.A. (Hons.), Dip. Ed., LL.B. Rural Development)

Dr. R. C. HAYNES, M.B., Ch.B., F.R.CP. (Edin.)

Mr. D. Carter

Hon. R. N. GREENIDGE, B.A., LL.B. (Minister of Labour, Community Development and Sports)

Mr. G. A. CLARKE, (Parliamentary Secretary, Minister of Public Works, Transport and Housing)

Mr. J. M. EDGHILL

Mr. F. J. STUART, B.A., LL.M.

Mr. W. C. C. CALLENDER, J.P., B.A., Dip. Ed., B.Sc. (Chairman of Committees)

Hon. R. St. C. TOPPIN, LL.B. (Minister of State in the Ministry of Foreign Affairs, Tourism and International Transport)

Mr. D. St. E. KELLMAN

Hon. Miss H. E. THOMPSON, LL.B. (Minister of Health and the Environment)

Hon. Miss M. A. MOTTLEY, LL.B. (Minister of Education, Youth Affairs and Culture).

Prayers were taken by His Honour the Speaker.

Mr. SPEAKER: The House is now in session. Minutes of Tuesday, August 1, 1995.

MINUTES

Hon. Miss B. A. MILLER: Mr. Speaker, I beg to move that the Minutes of the proceedings of the Honourable the House of Assembly for Tuesday, August 1, 1995, which Minutes have been calculated, be taken as read.

Hon. D. A. C. SIMMONS: I beg to second that.

Mr. SPEAKER: If there are no observations or corrections then let those Minutes stand confirmed.

PAPERS

Hon. R. N. GREENIDGE: Mr. Speaker, I am pleased to lay:

The Annual Report of the Child Care Board, April 1990 to March 1991.

Instruments adopted by the International Labour Conference at its 81st Session held in Geneva from June 7-24, 1994.

ORAL REPLIES TO QUESTIONS

Hon. G. W. PAYNE: I beg to give notice that Reply to Question No. 10 asked by the Honourable Member for St. John is ready.

SUSPENSION OF STANDING ORDERS

Hon. Miss B. A. MILLER: Mr. Speaker, I beg to move that Standing Orders 6, 16, 18, 20, 42(5), 43 and 45 be suspended for the rest of today's sitting.

Hon. D. A. C. SIMMONS: I beg to second that

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

ORDER NO. 4 - TO RESUME DEBATE ON THE SECOND READING OF THE INTERNATIONAL TRUSTS BILL, 1995

Hon. D. A. C. SIMMONS: Mr. Speaker, on July 18, I moved the Second Reading of this Bill and, at the request of the Opposition, postponed further consideration. I indicated then that there were certain amendments to be made to the Bill. Those amendments have been circulated and I beg to move that debate be now resumed on this Bill. I think the Leader of the Opposition would want to speak and that is one of the reasons why we postponed it since he was away.

Hon. G. W. PAYNE: I beg to second that.

Mr. D. J. H. THOMPSON: Mr. Speaker, Sir, I will not be lengthy in my comments on this Bill, because like all other Honourable Member, I am anxious to see it pass before the Senate and be available for use by potential investors in Barbados

I don't think a long ratiocination of the Bill is necessary. I think the Attorney General gave an adequate explanation for what I saw reported in the Press, except that I would repeat the views expressed previously that it is most regrettable that this Bill has been so long in gestation. I don't throw that blame at the feet of the Government. I wish to say however that there had been very rigorous debate among the professionals whom Government called upon to advise them about the content of this kind of legislation and that even though those professionals did not change but Government changed they still did not come to any firm conclusion about some of the policy aspects of the Bill. Even when the draft came from out from the International Business and Financial Services

Unit it initially proposed 2 alternative sections at various points. I think it was section 28.

I believe that in an attempt to speed it up, the decision was taken that we could as well put out what is being contemplated. Unless one had a firm idea as to what direction the Bill was taking, there was no point commenting on it at that stage. However, this long gestation has meant that other domiciles in the region have moved far ahead of Barbados, some by as many as 2 years, in putting in place new legislation, and, very regrettably, Barbados was not able to act speedily. Others, as soon as they heard that Barbados was moving in that direction already had their legislation out and moving.

Those delays which take place in the committee which advises Government IPS AC, which is provided for by legislation, have to be ironed out, and I think that attempts have to be made to ensure that legislation in this sector moves very quickly and that, based on the advice which Government receives from the experts which are paid, the legislation should follow shortly thereafter.

In this sector, in particular speaking on behalf of the Democratic Labour Party, I want to say that it would sometimes be better if a Bill was brought which maybe has some minor imperfections rather than to wait for an entirely new Act which seeks to deal with all the areas of law. It is not to say that the Trust as a vehicle for investment was not available in Barbados before, but, certainly, the legislation was complicated, and for the kind of configurations which we would have been competing with, it was necessary to bring new legislation.

It is also important, because even though the Central Bank Report - very regrettably - on Barbados, does not tell us about the offshore sector "so-called", because under the "International Business and Financial Services" sector it is silent on it, in the Economic Review there has never been a section which deals with growth in that sector - employment and so on, and it has been very difficult for Government to even gather information, because professionals don't like to surrender it, about progress made in the sector.

Notwithstanding that, I still am of the belief, as I said previously, that the sector stagnated in 1994 when everything else was growing and is presently stagnating as a sector. The blame for that cannot be thrown entirely at Government's feet because Government is not the prime mover in the sector. The blame has to be thrown at the feet of both Government and the private sector and, in the case of Government, the blame has to come in relation to legislation and other administrative changes which are desirable and which should be put in place urgently.

In that regard, I would like to suggest to Government that efforts be made to put in place the kind of research on an ongoing basis which would tell us what is happening in the offshore sector. What happened in the last economic report the Government put out, is that they looked at the raw statistics, the number of IBCs, the number of offshore banks, the number of Foreign Sales Corporations and they judged growth in the sector in relation to growth in the number of registrations. That, to me, Mr. Speaker, does not really tell us about the contribution of the sector to the Barbados economy. People then extrapolate from those raw figures and seek to make broad statements about the contribution of the sector to Barbados. So that professional planners, educational planners, economic planners can have a firm understanding of its contribution and can have access to the information which would tell them what needs to be done to stimulate greater growth in the sector. Right now that information is not available. I cannot myself understand why. I know that a major survey was done prior to the Democratic Labour Party demitting office and that much of that information was to be given on a voluntary basis. I would like to see the results of that 2.25 p.m.

As I understand it the Canada/Barbados Business Association invited a gentleman recently to Barbados from a Canadian Law Firm called Flynn Merritt and in speaking at that function I cannot quote from the document I have because it is not the kind of document that could be made a document of the House so I wish to precis for the House or with the House's permission raise some of the issues he raised so that they form part of the public record. He made the point then, Sir that there was a lot more that needed to be done even in relation to Canadian investors in the Barbados economy. He said that Barbados is not seen as the place where joint ventures can be formed for penetration into Latin America.

That is a very important point because Trinidad is being seen, particularly the growth of its financial sector, the number of Merchant Banks that have registered in Trinidad...

We have evidence of it I was not in Barbados but we had to go to the Trinidadian agent of Citibank for the second occasion to raise capital for Barbados. On the first occasion it was for the sugar industry and on the last occasion we used Citibank out of Trinidad to raise capital for Barbados of \$40 million a couple of weeks ago. Those packages are being put together by Trinidadians, who though their entry into the capital markets predated Barbados. It is also true to say that Trinidad has never had the kind of expertise or sophistication in relation to either the offshore sector or the financial sector which Barbados has but many of those entities prefer to function in Trinidad because of the less rigid exchange control

regulations and the fact that the Trinidad Government has done a lot to facilitate the re-entry of major banking institutions from North America and Europe into their markets, not necessarily to do anything in Trinidad, but because it is one of the English speaking countries that is closest to some of the markets in Latin America which they wish to penetrate, and is not, as it were, as aggressively under the eye of the American administration as some other Caribbean territories.

Trinidad is making major headway in that area and it is remarkable to see the progress that has been made by a Government which has essentially adopted a forward looking outlook and strategy in relation to developing the financial system domestically for its own people to invest and also to use their domicile as a place where funds fa-investment in Latin America and the Caribbean will be coordinated.

Barbados is not viewed as that kind of domicile and I repeat, once again, that as long as the Central Bank is not timely in its decision making and as long as we have the kind of Exchange Control Regulations which we have in this country we will not be viewed as that kind of domicile. So basically I am not saying that we should follow Trinidad unless we are going to be willing as a country to adopt a much more progressive stance in relation to exchange control regulations.

The time is now in Barbados for us to further liberalise exchange control and to facilitate foreign transactions in this country. The time is now for intervention by policy makers at the legislative level because the Central Bank is not above legislation. It may be above many other things but is not above our making legislation which would require more speedy action and decision making for which, if those decisions are not made within a specified time, they should be held accountable.

He also said there was an appalling lack of knowledge about opportunities available to Barbadian and Canadian companies working together. He says you must think multilaterally, not just about exporting to one country. These are very salutary remarks which need to be reflected in the way in which the offshore sector functions in Barbados.

Then, Sir, he goes on to the fact that in his own domicile in Canada publicity about the Offshore sector is not favourable. Whenever there is publicity about the Offshore sector it is by way of the Auditor General in Canada saying that he wants to clamp down tax loopholes which permit Canadian companies operating International Business Companies to pay lower rates of tax *etcetera*.

I am not saying that those comments are valid because the company could very well go to tax

havens instead of low tax jurisdictions which would defeat the whole purpose of having domiciles like this where there is reciprocal monitoring. But, at the same time, Mr. Speaker, Sir, it is clear that he feels that we must go out and sell the Offshore with pride.

Before I left office we wrote a long letter to the Minister of Finance in Canada setting out the benefits to Barbados and Canada because there are clear benefits to Canada, of the arrangements which we have in place - the double taxation treaty, the other agreements and the legislation which exist in both territories. There are benefits to both countries which the Government needs constantly to promote and highlight. To make the job for Canadian legislators much easier, it means we have to assist them in the process, even though Canada is as large as it is, of maintaining the benefits which Barbados has and maintaining the benefits to Canada.

Now he made some suggestions about making Barbados faster in terms of the processing of applications for various kinds of investment, for example, to make the registering and enforcement of intellectual property as easy as possible, perhaps through an intellectual property centre. We all know what has been happening down there for years and I cannot add to the criticisms/having not added to the solution in any way. Well hopefully that would solve some of the problems. To ensure that new offshore legislation is passed quickly to facilitate new investments, work with the Canadian Government to dovetail such legislation where possible.

That is the critical point he is making and therefore we still need to do a lot more to know where we are going. In that regard I hope the future legislation which comes will be speedy and will put Barbados ahead of other competitors because this really is just levelling the playing field. We have not added a product which is not available in other domiciles in the Caribbean.

While I think this legislation is important we have to look at new kinds of legislation. We need to have headquarters companies legislation in Barbados to facilitate the operations of regional companies and the tax position of their employees and we need to have other kinds of domestic legislation too. I will get to that point in a minute.

In terms of Barbados we have a scenario, Mr. Speaker, Sir, in which the investment climate in this country is as follows: A foreigner who can enter into an agreement with Government or is a beneficiary of existing tax treaties or legislation can invest in this country with preferences. Lower rates of tax and other kinds of benefits for their professional staff, speedy processing of some of the applications and automatic processing of things like work permits for accountants, *etcetera*. They have a pre-

eminent position in Barbados. Let us not fool ourselves about it. There are companies that come to Barbados, the people who operate the golf courses and so on, who are able to sign agreements with the Barbados Government and I was signatory to some and I accept that, which put them in a preferred position in this country where they are almost paying no taxes and they get great benefits essentially to create jobs in this country. Very often property transfer tax is waived in certain circumstances but the only disincentive where that is not waived, would be property transfer tax other than other advantages which may be available in other jurisdictions in the region. 2.35 p.m.

Then there are regional investors who are treated not as domestic in relation to Barbados laws. For example, they pay property transfer tax as if they were a foreigner. They have to apply to the Central Bank for permission. You have large regional companies in this country making very high risk advancements in the agricultural sector and elsewhere which have to apply for waiver of property transfer tax and are granted it sometimes largely because what they are investing is their policy holders' money, that is Barbadian policy holders' money, which they were not given those incentives they would be paying transfer tax on purchase of land, transfer tax on purchase of shares and so on. So they are at a severe disadvantage. That is the most disadvantaged group in relation to investment in Barbados.

Sir, then you have Barbadians and Barbadians are somewhere between regionals and foreigners. They pay the normal tax rate exigible in Barbados. They do not pay transfer tax on selling. They have hell in the Immigration Department. They smell hell when they make applications to the Central Bank. They have difficulty attracting loans from the banking system. They have even more difficulty getting other Barbadians to take their investment seriously and those who may want to take it have already been tarnished by the brush by maybe one or two failures in their life time.

So that a Barbadian investor in this economy functions in my view at a tremendous disadvantage and the time is coming when just as we have facilitated offshore investment, if the Central Bank Repeats do not start to tell us about the results that that investment has gained for this economy, if it does not start to tell us about the number of people employed, the taxes paid, the registration fees paid and the direct benefit to the citizens of this country, then the people of Barbados will themselves start to ask us to be accountable.

Why is it that we are giving these kinds of benefits to foreigners when Barbadians are not enjoying the same kinds of benefits and privileges and when regional investors, even if they are investing the money of

Barbadians, are not in such an advantageous position? We want to develop a regional capital market and I support, based on what I have heard, the decisions of the Heads of Government, the decisions taken by the Government of Barbados and the OECS. Those initiatives need to be undertaken. I have no qualms about that, but complimentary to that must be that regional investors must be given some of the benefits of being treated as domestic without the burdens associated therewith.

Mr. Speaker, Sir, there is right now in Barbados a large number of people who I think have grown up in a culture which seeks to promote the concept of self-sufficiency in starting your own business. They traipse into offices of lawyers everyday with all kinds of ideas, some of which are very good. But again out there in terms of our financial system they are not benefiting from any of the resources which are available. Then there are companies in this country, as I have said and I repeat it again, which have benefited time and time again from the patronage of successive Governments who need to be banned from benefiting from that patronage via the tender system enotherwise unless they are going to make those companies public companies.

We must have a programme in Barbados which seeks to make available to the citizens of this country opportunities to invest in successful companies. There must be a phase out period. There is no company in this country that should benefit from school meals, hospital, Ministry of Health contracts for 20 years without at some point somebody saying, look if you are going to benefit twice - you benefit by way of the contracts which you get from Government and then you benefit again at the private sector level when people purchase the items which you sell in the distributive sector or whatever - you will then have to transfer a portion of your capital or make available shares to the citizens of Barbados or we will have to debar you from the tendering process so that others can benefit from the system of tendering and patronage which we have in this country. When I use the word "ban", I am not forcing anybody. I am talking about a phase out period. We give you four more years and you can tender like anybody else. When that four years is up, by then you should become a public company in which those citizens who wish to invest in this country should have an opportunity to do so. I mean construction companies and companies in the distributive sector. That is how the process of economic democracy has to take off in this country.

We cannot continue in a scenario in which a small group who do not feel accountable to anybody, meaning us in here, in case anybody is confused. I am not saying that those who benefit when the Labour Party is in Government should be accountable to us when we are in Opposition and when we are in Government they should then be

accountable to you. I am saying all of those companies which have grown and developed on the basis of patronage need to be issued with some walking papers and some ultimatums about the way we expect a property owning democracy to function.

Right now America is on the verge of having a big debate about affirmative action and the black middle-class in America has been built, Mr. speaker, Sir, on the basis of timely intervention by successive Governments to iron out the kinks in the market process. Countries which are supposed to be more democratic and more enlightened like Barbados in which what is being addressed in terms of investment, Mr. Speaker, Sir, is that the majority of people in the country are not involved in controlling economic assets. You could not call that affirmative action, because the purpose of affirmative action is to assist a minority in moving forward. But imagine in 1995 in Barbados you need affirmative action programmes to move the majority into economic ownership in this country. So Clinton could probably abandon it and survive because he is dealing with a minority. But any Government in this country that abandons its responsibility to those people should not be re-elected or elected in the first place. So if these things are not at the centre of economic policy in this country, whether you wish to call it re-distribution of wealth, economic enfranchisement or whatever you wish to call it then we do not deserve to be in this Chamber. 2.45 p.m.

Mr. Speaker, Sir, it is very important in my view for us to ensure that efforts are made, by direct legislative intervention where necessary, to create the conditions for that regional and local investment. There are countries which have done it. Employee stock options programmes have been introduced in countries like Jamaica. In Trinidad in some companies it is now being done and in Barbados very few companies have gone through the process of genuinely offering their workers, of offering other prospective local investors an opportunity to own share in their organisation.

A very interesting story makes the rounds in London on the Stock Exchange there. A major Barbadian company was thinking recently of listing on the Stock Exchange, but when they discovered that they had to reveal the salaries of their principal executives they backed off. Part of the disclosure requirement for them to get on the Stock Exchange was that they would have to do certain kinds of disclosure, and one of the items was that they had to reveal the benefits and salaries of their principal executives, and at that stage the matter was withdrawn.

As I said, that is making the rounds. I am not saying it for anybody to deny it or confirm it. I know better

than that. There will be absolute silence on that subject, but the real point is that that is already a public company and its shareholders in Barbados - it is already listed here, it is already a public company in Barbados - do not know the level of remuneration of the principal executives. Can you imagine that? Lack of accountability to shareholders in this country by public companies and lack of interest by the existing shareholders in what is happening in those companies is such that very little information is available or made available and everybody talks on the basis of anecdotal information, rumour and rumour and suspicion are rife.

Mr. Speaker, I do not have to defend those interests because they have never been part of my constituency. As Minister of Finance I sought to introduce policies which were sufficiently broad based as to benefit any player in the economic system, and the second phase of economic engineering, the post adjustment phase, requires in Barbados major efforts being made to provide opportunities for our citizens to be involved in more investment through the capital markets, on the Barbadian Securities Exchange and so on.

I have strayed a little bit from the subject which is before the house, Mr. Speaker, but it ties in in a way, because as I say, unless accountability in relation to what incentives Government offers to major players in the economic system is available and unless the citizens of Barbados can feel that they know that the benefits of those concessions are X, Y and Z and the direct benefits to me are A, B and C, then those major economic players, whether it is in the offshore sector or whatever, may not feel themselves accountable. That is why the Central Bank Quarterly Review - I am not talking about the Economic Report - you can take up the Economic Report and read through it from cover to cover, that has sections in it on the offshore sector - it is the Central Bank's Quarterly Review to June 1995 and it says nothing at all about the contribution of the offshore business and financial services sector, and that is a major statement. It is something that could have been corrected in the last nine months but has not, but it has existed in Barbados from the outset

The Central Bank has never bestirred itself to accurately measure the contribution of that sector to the economy since the eighties, so it is not something to do with one Government or the other. I tried *vary* little to trouble the Central Bank during my tenure, because I feel that the Central Bank should be given some semblance of independence in relation to the work it has to do within the context of existing legislation. You cannot accurately measure, nor can economic planners effectively plan, just as we have information on sugar, non-sugar agriculture, construction, the distributive sector, tourism and so on, unless we have before us information on the financial

contribution, not the number of registrations, in terms of employment and so on of the sector to the Barbadian economy. That is what I am talking about, so you would not find what I am saying in the Economic report, and those Members who have suddenly been excited by my comments are looking in the wrong places.

I check my information carefully, Mr. Speaker, I do not come in here unprepared, and especially in that area when I got the Economic Report I looked carefully, because I was concerned that during my time the sector began a process of stagnation and therefore we had to look at the reasons why. Some say it was the Canadian Budget amendments, some say it was the failure to bring new legislation, there are a whole host of reasons. Whatever they may be, I am not able to judge in August 1995 whether anything has happened to change any of that, and I can only contribute fully to this country as a Member of this House if those who are charged with responsibility of providing timely economic analysis are providing it. I am saying it is not presently being provided by those who are charged with that responsibility.

Mr. Speaker, Sir, I want to give our support to this legislation. I hope that it adds significantly to the store of investment vehicles which will be promoted by Barbados when it heads off to Canada in October or November or whenever.

There is one point I should have made, Mr. Speaker. Complementary to this legislation is the involvement of major banking institutions outside of Barbados. This administration of Trusts is not going to be put in the hands of BNB or domestic banks, they are going to have to have direct correspondent *or* other relationships with major banks, whatever they are in the world today, I do not know what the major ones will be in the US - Citibank has a direct correspondent with Barbados - but those major banks are going to have to have direct relationships with domestic banking institutions for us to really benefit from this legislation. It is not going to be enough just to pass the legislation, but the administration of Trusts and the business which we need to generate is going to have to come from those sources, and unless those banks are active in Barbados it is going to be very difficult to attract business from the places where we want to attract it. I am not talking about Canada only, I am talking in particular about the United States of America in which the Trust vehicle is used quite actively, and that is the market we need to be going after in relation to this.

Mr. Speaker, we support the Bill and we hope that complementary to these initiatives in the offshore sector there will be initiatives in the domestic sector in Barbados which will assist in the process of economic democracy, economic enfranchisement and giving our citizens a greater stake in our economy.

Thank you, Sir.

Dr. R. C. HAYNES: Mr. Speaker, recently I made a fairly extended contribution on the general principles underlying the foundation, sustenance and development of the offshore sector and the need from time to time to review expeditiously legislation with a view to updating it and also to add additional dimensions which are complementary to other aspects of the offshore sector. 2.55 p.m.

Therefore, Sir, I do not propose to spend much time in dealing with this particular matter, either at the level of principle or otherwise, except to indicate firstly that I support it for fear that 10 years from now it would be said that I opposed it. Also to make sure that I take this opportunity to once again on the Floor of this House as I have done consistently since 1978 to bring to the attention of this Parliament that we are inadvertently creating 2 Barbadoses. With the best will and intention we have created a large number of instruments and, rightly so, to facilitate foreign investment in this country and also to promote the development of the offshore sector, but at the same time we have created a large number of disincentives to the point where today I can speak with absolute certainty that there are Barbadians who are legally creating situations where they are deemed to be non-Barbadians under the law in order to invest in Barbados.

Let me repeat what I am saying. We have a situation in Barbados where if Barbadians wish to invest in certain activities in this country they have to create instruments outside of Barbados where they are deemed to be non-Barbadians in terms of law in order to invest in Barbados and reap the advantages from Barbados. We have created this situation and it is time that we begin to look at this thing critically because Barbados is different in many ways from other small countries that have offshore expanding sectors. In many of those small countries either the residents pay no taxes at all - that is, no direct taxes - or in the alternate they enjoy a low tax regime domestically as well as in the offshore sector. In Barbados we have a curious monster here where we are creating instruments of this nature legitimately expanding the offshore sector in order to create more and more inflows of foreign exchange, whereas at the same time we have a situation in Barbados where our own people have to face all sorts of disincentives in the area of taxation and Barbados is no longer a favourable place for many Barbadians to invest.

Let me show you, Sir, the kinds of things that I mean. We have created a regime for certain property investments in Barbados that enjoy all sorts of tax free rides from transfer tax import duties. No Barbadian enjoys that privilege to put a roof over his head. *Over* and above that, many of these investments are making more and more

demands on our infrastructure, whether it be in terms of water, electricity, gas, roads or whatever. Sir a Barbadian is not only faced with high taxation but he is faced with the increased cost of supporting additional infrastructure to support these tax free ventures. Soon from now, Sir, this country is going to need a desalination plant. That is going to have implications for the water rates in this country that you and I have to pay. The people who would have created the increased demand by and large would have paid no taxes.

In addition, we have to face this kind of problem and this is something that we have to look at. That is why I am a firm believer in the view that this country will never ever be able to develop at the rate that it should develop unless we begin not only to create these instruments at appropriate pace in the offshore sector but at the same time drastically reduce the level of taxation that our people have to pay in order to invest in Barbados. Otherwise, we will have a Barbados that no longer belongs to Barbadians.

If you have 2 regimes where you are encouraging investment, ownership of capital and otherwise by non-Barbadians and making it impossible for Barbadians to invest in their own country and in fact Barbadians are becoming increasingly divested of their assets because of the system, what kind of country are we going to have? It's a fact. If today in Barbados a young couple were even to get divorced in this country, as part of that divorce settlement they have to pay transfer tax in any property settlement. I am not even so sure whether if you inherit a property if you don't have to pay taxes on it. But there are people in this country who get a free ride all along and it is important for us to begin to look at Barbados and when we are looking at the new tax structure to have a philosophical approach that is appropriate to the development of Barbados.

In the long run, foreign investment can only be seen as supplementary to Barbadian investment in Barbados. We cannot see this as a replacement of Barbadian investment. If we do and if we take that position in the long run we are going to create a situation where this country is alienated from us. Make no mistake about it. We are heading in that direction and we are heading there very fast indeed.

Now, Sir, this is not the first time I made this point on the Floor of this House. I made this point on the Floor of this House first of all in 1978 out of the experiences that I have had in other destinations. I think what the Government is doing is correct in promoting the expansion of the offshore sector as rapidly as possible and I recognise that the tax regime that one has in relation to the offshore sector has to be determined by the international competition out there, it cannot be determined here in Barbados. We have to maintain a very low tax regime because

unless you are competitive then you have no business. You cannot tap that international business unless you are competitive.

Sir, I have no problem with that whatsoever. Where my problem arises is how in this kind of society you are going to maintain the level of taxation that you have on locals and have this tremendous disparity between the 2 groups of people who participate in this economy. I am concerned, Sir. 3.05 p.m.

Now, Sir, there was a time when this kind of thing was largely concentrated in offshore banking and in certain financial areas but it is spilling over, Sir, into other areas of the economy and I believe that unless we set about changing the tax structure very fundamentally.....

I am not calling for anymore taxes in the offshore sector. What I am saying is that we have to have a regime of taxation in Barbados that allows people to invest in Barbados.

Do you know, Sir, that there was a time when any young person asking me what should be the first steps they should take in life in Barbados in investment I would tell them get a piece of land and build on it? Today I am not sure that that is the correct advice. You only have to look, Sir, and see what has happened to property investment which is the main area in which our people have invested in this country and by and large there is now an extremely low rate of return or almost negative return on property investment for Barbadians in this country.

The prospects of Barbadians getting involved in investment in the financial sector of Barbados apart from what they do now, apart from deposits in banks and so on again, I do not see that possibility because of the tremendous tax differential that is going to exist. Even if Barbadians got out of property and decided to look for other financial instruments in the context of Barbados today then there is a big problem and it is something that we just have to face. I hope that when value added tax is being considered, one will be looking at the totality of the tax structure in Barbados as it impacts on Barbadians so that Barbadians can feel that they are investing in this country with some hope of a reasonable return on their investment.

Sir, I make this point, not fundamentally critical of any particular administration, but it is a philosophical position that one has to look at and you seriously have to ask yourself where does a Barbadian.....

Aside.

Dr. R. C. HAYNES: I did not argue to get \$48 million before tax for any public utility. 30% return!

Mr. SPEAKER: Proceed please.

Dr. R. C. HAYNES: Anyhow I will not go any further. The point I am making, Sir, is that I feel that this thing has to be taken very seriously, to look and see what are the investment opportunities for Barbadians in this Barbados. What incentives we are making available to Barbadians and what prospects there are.

Now, Sir, I previously dealt with the levels of remuneration. I know of two persons equally qualified from the same university, living next door to each other in Barbados, doing essentially the same job, one in the offshore sector and one in Barbados. The guy from the offshore sector pays about one-twentieth of the taxes or less than the other guy and earns about 3 or 4 times the salary. I raised this point already. Funny enough they have two children, the houses are very similar, they are doing the same jobs right here in Barbados and because of our system that is what is happening.

Now, to some extent this will always happen once you have an offshore sector. The point I am making, Sir, is that I want to see more investment opportunities for Barbadians and I think we have reached the danger point when there are insufficient numbers of Barbadians being given the opportunity to invest profitably in Barbados.

Sir, let me give you an idea how this thing has changed. Twenty-five years ago a young professional in Barbados was able to earn a reasonable salary in this country, save and invest profitably in Barbadian investments. I am saying that has changed and changed very drastically. I think that it has been the taxation which has made the difference. So, Sir, that is my very brief contribution on this, to urge once again.

I do not want to get into the area of Trinidad and so on because I keep saying again and again that Trinidad's financial markets have expanded at a rapid rate. I said that about a month ago inside here. There was an attempt by the Honourable Member for Christ Church South who can be very mischievous from time to time sitting here -

Mr. SPEAKER: The Honourable Member, please.

Dr. R. C. HAYNES: He can be. He is not at the moment. To suggest that the only way we can compete with Trinidad is if we have an exchange rate adjustment in Barbados. I say that is not true. Since that remark was made inside here I have taken the trouble to talk to about 6 or 7 large companies in the Caribbean and outside the Caribbean, many of whom have located in Trinidad or are doing significant business in Trinidad and it is not the exchange rate problem. It is a mistake to think that it is the exchange rate situation in Trinidad which is creating the dynamism in the Offshore sector.

It is partially a larger capital market but it is also due to significant freedom from foreign exchange control humbug and the lack of confidence and the lack of comfort which that kind of humbug generates and that is what is making the difference between Trinidad and Barbados today. That is very important So that in the long run, whether you like it or not, if you want to get the full benefits of your offshore sector and of investment possibilities flowing from the offshore sector you are going to have to look at the question of exchange controls in Barbados and how they operate, and the inhibitory effect that they have on the development of the sector and also on potential investments that can flow from the existence of the sector in Barbados. Because, Sir, it is often frequently not appreciated that you have offshore sector here. You get some money in terms of licences, a modest amount of employment and this kind of thing like that But the big piece of the cake is whether or not the existence of that sector here can lead to foreign investment in this country and you are not going to be able to exercise that kind of leverage in attracting that foreign investment consequential on the familiarity of Barbados with the offshore sector unless you deal with the question of foreign exchange controls. 3.15 p.m.

Now, Sir, this is not an easy matter in the context of Barbados because our flows of foreign exchange are essentially seasonal. We do not have the constant daily flow which you will get in Trinidad and Tobago in that kind of economy, but somehow or other we have to face up to it and we have to deal with it So there is no point resting on our laurels in creating all of the instruments and at the same time not looking at those things which inhibit the full appreciation of the benefits that can flow from the offshore sector. But at the same time, whilst we keep ourselves so much focused on what foreigners can do for us in Barbados, let us begin to look and see what is inhibiting Barbadians from investing in Barbados. There are few people who have sufficient capital to invest in this country. There are not many Barbadians perhaps 10 per cent to 20 per cent who will have that kind of surplus capital to invest other than by way of deposits in banks. What is the problem? What are their fears? What are their concerns.

I have not heard in this House for a long time any debate of the problems that they face and we are not going to have a free Barbados that we can call our own, unless the investment process in this country is substantially owned and controlled by Barbadians in the long run. I have no doubt that it has changed. Opportunities for Barbadians in terms of investment are not the same as they used to be and my feeling is, in fact my judgment is that the problem is excessive taxation. This has been made considerably worse over the past 4 or 5 years as everyone would

appreciate as a result of the adjustment programme. So it is a problem. It is a problem that we have to deal with. It is a problem that we have to deal with for the future. It is a problem that we have to deal with for our young energetic people who want to have the opportunity to invest in this country.

Sir, I think that I can rest with those few points that I have made and I will come back to this subject again and again. Make no mistake about it. I have too many people who call me day after day. Do not make any mistake about this, that there are a lot of Barbadians who feel as I feel about these matters, who recognize that they are not getting the same opportunity as other people to invest in this economy. It has been driven home to them largely by what is happening in the area of real estate concessions and when they look and see what they have had to put in, what they have to pay year after year, what are the problems that they have and the impositions placed on them, and then what other people have got free in Barbados.

Sir, let me tell you something. Only a week ago a senior of the NDP....

Aside.

Dr. R. C. HAYNES:.....apart from the Honourable Member for St. Michael West - a senior member of the NDP raised a question which he raised 5 years ago with me and that question was whether or not we should have a situation like St. Vincent and Trinidad where in respect to property ownership where foreigners can only have a lease hold arrangement In Trinidad, most people have to have lease hold arrangements.

Aside.

Dr. R. C. HAYNES: I think he is mischievous. He is misleading the Honourable House. In St. Vincent and Trinidad it exists too and at the time I said that no, I did not think so. Because I think that we do not want to put any obstruction to the inward flow of investment in Barbados. I am not sure today and, as I told him, I am not so sure my answer 5 years ago bearing in mind the experiences in the past 5 years whether or not that my attitude would be the same. I am saying that I am not proposing anything. What I am saying is that 5 years ago I could tell him an outright "no". But when I look at what has happened in respect of property ownership in Barbados and in respect of what is being made available to non-Barbadians as compared with Barbadians and looking at the benefits that non-Barbadians enjoy and the tax impositions that Barbadians face, and looking down the road and seeing that if this regime remains in place that eventually more and more of the best of Barbados will leave Barbadian ownership permanently, now 5 years later that I would not say "no" with the same kind of certainty as I said 5 years ago.

Mr. SPEAKER: The Honourable Member has two minutes to conclude please.

Dr. R. C. HAYNES: And I will be very happy to do so. Those who believe that what is being said here today is a laughing matter, those who believe that they should not be concerned with the huge tracks of Barbados disappearing into foreign hands fostered and aided by concessions whilst Barbadians are having more and more difficulties in owning and even retaining the ownership of properties, those who believe that it is a laughing matter, those who have not got the vision to look forward 5,10,15 or 25 years from now and see what this kind of disparity will bring about in Barbados, those who are not willing to look to the future, that is there problem. All I am saying is that I enjoyed the glorious expansion days of Barbados in the late fifties, sixties and seventies when people like me enjoyed tremendous hope and opportunities to invest in this country and I do not want to see it disappear and I see a change. I recognize a major change and I hope that whilst we give our fullest support to attempts to expand the offshore sector, as this Bill represents yet another attempt to do, that we do not remain blind to what is happening in terms of Barbadians investing in this economy.

I thank you very much, Mr. Speaker.
3.25 p.m.

Hon. Sir HAROLD St JOHN: Mr. Speaker, I rise to speak to the Bill primarily which seeks to improve the number of vehicles available to people from abroad who wish to use Barbados as an international business centre. The Bill provides for the recognition of a special class of trust, namely an international trust, in our legislative framework.

As has been said by both spokesmen of the various facets of the Opposition in this House, this Bill should not engage us in much controversy. As a matter of fact, it follows a similar form to companion legislation in our competitive area. We have tried to improve some of the defects in the legislation which have been discovered in other countries, and I am very glad to see, as a matter of principle, that the Government has accepted the suggestion of some of us that it is important to ensure that Barbados retains a measure of control over those who seek to be the trustees of the assets which are part of the international trusts.

I am pleased to note also that far from discriminating against Barbadian trustees, the Government has accepted the principle that to be a trustee of an international trust requires the same pre-conditions as anyone who wants to be a trustee of a Barbadian trust. That is a significant amendment to the existing legislation.

The 'Honourable Members on the other side have spoken also of the need, in addition to the legislation, to ensure that other pre-conditions in existence in Barbados help to form and to promote Barbados. I want to make it clear. I have been for a long period of time a critic of some of the administrative people who have to be involved in the decision making process to ensure that potential applicants in the offshore regime are able to realise their ambitions. The Central Bank has never been a sacred cow to me, I have always regarded it as being very accountable like any other institution of Barbados. As parliamentarians we are accountable, as Ministers we are accountable, even in this country and in other countries Speakers are accountable, so the basic position is we all recognise that we can have the most perfect legislation in place and unless those people who are responsible for the day-to-day administration of the legislation regard themselves as being facilitators as opposed to being obstructors, then the legislation will not fulfil its purpose. So I can agree with some of the criticism that has been made by the Honourable Members in respect of the need for all of us to ensure that we develop a culture in this country that we must try to facilitate rather than obstruct

Now, Sir, the debate also provoked a number of comments in relation to other aspects, and although Your Honour has been very liberal, I trust that your liberality will extend to this side too, because there are some points that need to be answered. All of a sudden in this House there are Honourable Members who seem to regard the fact that in Trinidad and Tobago there is an attempt - and according to them a very successful attempt - being made to promote Trinidad as the financial centre in the Caribbean. I have absolutely no objection to that, Sir. The truth of the matter is that it must be recognised that in a financial centre where there is a great demand for loans, that centre will attract people who provide those services. Trinidad and Tobago, as I have been constantly pointing out, has an economy which is oil and gas driven and there is no greater need in any economy for large sums of money to be invested than economies which depend for their existence on either primary production of oil and gas or secondary production. A methanol plant in Trinidad costs millions of dollars, so that if you have a market where there is a need *for* that kind of investment, it is quite obvious that you will attract a larger number of people willing to provide that service than an economy like ours which is tourism and property driven.

Now, Sir, I want to deal with one impression that wittingly or unwittingly has been left by the Leader of the Opposition. He made a statement that Barbados has to go to Trinidad and Tobago to raise some loans. I would have thought, after the recent events when one of his advisors had made a similar statement and the resounding reply that such a statement received, that the Honourable

Member would have at least not dared to trespass in that area. The truth is, as this Honourable House knows, that Barbados was in a fortunate position when it wanted to raise that \$40 million of having a number of competitors to raise that money. My only quarrel with raising that money is that I feel we should have got it under 300 basis points, but the point is we had three or four people willing and able to raise such a paltry sum of money.

The second point I want to make, listening to some Honourable Members over there, I find it difficult to believe that they support the integration movement in the Caribbean. The position is you cannot have a single market with all of the full implications thereof and have differential treatment of various investors within that single market. The unification of your treatment of investors within your single market....

Aside.

Hon. Sir HAROLD St. JOHN: ...but of course including Barbadians. I will agree with the Honourable Member if he is going to advocate....

Dr. R. C. HAYNES: The point I am making, Sir....

Mr. SPEAKER: On what do you rise, Sir?

Dr. R. C. HAYNES: On a point of elucidation. The gallant Knight has given way, appropriately, Sir, on a matter of elucidation. My complaint is that Barbadians are faced with problems that others do not have and it bothers me. You know what I am talking about.

Mr. SPEAKER: Is this your point of elucidation?

Dr. R. C. HAYNES: Yes, Sir.

Hon. Sir HAROLD St. JOHN: Let him elucidate, Sir. We need to get this clear in our heads. All the fuzziness has to be removed.

Dr. R. C. HAYNES: I am saying that I happen to know that a situation now exists in this country where Barbadians have got involved in arrangements for investment in Barbados where they are deemed to be non-Barbadians. It is as simple as that. 3.35 p.m.

Hon. Sir HAROLD St. JOHN: Sir, I was one of those who, in 1979, along with the Honourable Member for Christ Church West, participated in the exercise of trying to ensure that within the Eastern Caribbean itself, Trinidad in particular, that there was equality of treatment between financial institutions, irrespective of where they were formed. That was part and parcel of the arrangements that

Barbados made with Trinidad and Tobago so that banks, insurance companies and all of those, would not face discriminatory treatment. That was the precursor of the single market.

The position is that you cannot say that here in Barbados you will have a different regime for taxation, investment and exchange control *for* Barbadians *vis-a-vis* other CARICOM countries. I am all in favour of equality of treatment, which will involve, as far as Barbados is concerned, the abolition of the discriminatory instruments that we have. The property transfer tax is one. It discriminates in favour of Barbados. It gives us an advantage just as we were against in those days Trinidad foreign investment laws and exchange control laws which prevented our insurance companies from having equal opportunity to invest freely within the Trinidad property market.

Therefore, Sir, I cannot follow the argument that is taking place here with respect to this. I have not yet started with the Honourable Member for St Michael South Central. I am dealing with the Honourable Member for St John, because of all the people who should criticise this area is the Honourable Member for St John, because as far as I am aware the largest investor in real estate in Barbados in acreage is not a Barbadian company. It is not a public company either and that is a remarkable thing.

I agree with the Honourable Members that sometimes we have got, in our affirmative action that is being called for, to ensure that people who receive public money for investment, whether under the guise of unit trusts, banks or otherwise, that they too have access not only to accountability in respect of satisfying the insurance regulations in the country but basically all public companies. I am all in favour of that.

I was a Minister of Government who brought the Stock Exchange Bill in here and it was the Barbados Labour Party that exempted shares on the Stock Exchange from property transfer taxes. In fact, it was the Barbados Labour Party...

Dr. R. C. HAYNES: On a point of order, Sir. I was the person who exempted shares from the Property Transfer Tax.

Hon. Sir HAROLD St. JOHN: That is very well. You followed us then. It does not matter, Sir. That would have been a record part of the Honourable Member's record as Minister of Finance because his record was one of increased taxation. Now, Sir, I apologise. He is the one who gave away \$150 million.

The basic position I want to get on with is that the question of exchange control we are in agreement on. This Government has gone on record for saying that the exchange control regime that we have should be substantially modified. The Government has publicly stated its position in respect to that. There has in fact been a liberalisation in exchange control; but what we are very worried about is the fact that we continue to receive complaints at the level of decision making with respect to approval of foreign investment, although it is a declared policy of the Government that inward investment should be facilitated to the greatest degree, once the money is not attributable to money laundering and things of that type.

We are still getting complaints that the functionaries are taking a long period of time to make up the thing. Now we want to deal with it, and the Honourable Member is saying that we should deal with it and when the Honourable Prime Minister had a few statements to make about the Central Bank the Honourable Member was one of the first to get up and say that he could as well tell the Governor of the Central Bank to leave now. Thereby he indicated that the Central Bank is a sacred cow but, Mr. Speaker, Sir, we cannot have a position like that. Either we are going to be men and women enough to get up and say that the functionaries in the Central Bank...

Dr. R. C. HAYNES: On a point of order. The Honourable Member must not mislead the House. I am asking the Honourable Member to tell the House who is the exchange control authority in Barbados?

Hon. Sir HAROLD St. JOHN: The Honourable Member knows very well that the exchange control authority is the Minister of Finance. The Central Bank administers the exchange control regime as a functionary and the guidelines and policy matters are laid down. But the point I am trying to belabour all the time is that, despite the fact that you have a clear and definite policy, unless the Ministers themselves are going to do the day-to-day administration, their objectives can be frustrated. If the Honourable Member had been in government long enough he may have realised that...

Dr. R. C. HAYNES: On a point of order., Sir, I am upset that the Government of Barbados has a policy position which it feels can benefit Barbados and we are told that that policy is being frustrated. I think this Honourable House should be told who is frustrating the policy and what is going to be done about it.

Hon. Sir HAROLD St JOHN: I am going to look forward to the day when we have an all party committee in this House with people like the Honourable Member and myself and others where we will investigate everybody and then we will have perhaps a situation in which the true reality of this situation is brought home.

The Honourable Member knows very well that the Government is on record as saying that as far as inward investment is concerned, provided that money is money that can be regarded as not tainted, that every effort should be made to facilitate inward investment.

Now, Sir, there are other matters that have been raised in respect of this and they are important, because this is the ambience within which the offshore regime is operating. There has been some talk here with respect to the special tax privileges which have been granted to the offshore regime. Every country that seeks to encourage foreign investment, whether in the form of a special offshore regime or in the form of a manufacturing enterprise or otherwise, has special conditions relating to that investment. There is no question about that.

In 1977, 1978 and 1979, when we were fashioning the offshore regime in Barbados, we took the decision that we wish to attract a particular type of business and we were prepared at that time to change the tax position in order to encourage that regime. I want to say clearly that a fundamental distinction has to be made in the minds of Honourable Members and the public when we are talking about the offshore regime. Barbados, as I understand it, is not interested in the numbers games of how many companies are formed each year in Barbados. We are interested in attracting those companies which use Barbados as a base for the purpose of utilising the services in the form of our human resources that are available. That is one of the reasons why although we may have far less companies like countries like the Virgin Islands or the Cayman Islands more people are in fact employed in our international business companies than are employed in those countries. We have one company alone like CDS which employs over 1 000 people. Our vehicle is adapted to suit the demands that we have.

There has been a perversion of the regime over the last 7 or 8 years. There is no question about that. Because what has happened is that new companies have come in who wish to provide a service whether as an adjunct to the tourist industry or otherwise and who wish separate concessions. Rather than the Government coming down here with a separate Bill which would set out for all and sundry to see what are the special concessions that the Government was prepared to make as a result of the utilization of a section of the Income Tax Act and of the Duties, Taxes and Exemptions Orders, orders and agreements were made to these companies which we knew nothing about. That is what has happened so a lot of people have become suspicious. 3.45 p.m.

We know Barbadians, jealousy is a very important problem in Barbados and the Honourable Member for

St. Michael South Central is a past master at understanding the impact of that. It would eat out the Honourable Member's gall from now until doomsday that certain people by the provision of proxy developments in a particular form will have to pay less tax than other people who are in the property development business.

When this Government was in office and we wished to encourage property development of a certain type we brought in laws by way of amendments to the Income Tax Act to give the investors the property bill, the commercial allowance and things of that kind. So that what I am saying is, Sir, we must be very careful what we are talking about. I am 100% in favour of a regime which....

Asides.

Mr. SPEAKER: Let us do it orderly, please.

Hon. Sir HAROLD St. JOHN: Sir, our position is clear that a Government of the day must make up in its mind what incentives it wishes to give in order to trap investment. Having made up in its mind, I believe the best thing to do is to embody those decisions in a Bill so that all and sundry will know and understand that provided you meet the criteria set out in the law you will be a beneficiary too. That is my understanding of the position.

Now, as far as Barbadians are concerned, Honourable Members forget that the Fiscal Incentives Act does not discriminate against Barbadians. Indeed one of the great mitigating pieces of legislation, namely the export allowances. I tried to explain this as long ago as 1986 to the Honourable Member and I am surprised that he does not understand it up to now. We were trying to explain that the effect of the amendment to the export allowances in the Income Tax Act provided Barbadians with an opportunity, like anybody else, to get into the manufacturing sector under the same terms and conditions as anybody else. That was a piece of legislation which sought to reverse.

We are on record here as saying that it is the policy of the Government to ensure that this country becomes a property earning democracy. The Labour Party in office between 1976 and 1986 passed more laws for the encouragement of the diversification of share ownership in Barbados than any other person. The bonus share issues, the employees share ownership, all those provisions in the income tax, those special provisions in the Income Tax, investment in private shares. All that has been abolished under the guise of a tax reform programme.

Mr. B. M. TAUT: Mr. Speaker, I have been trying very hard not to put this in the record, Sir, but it is impossible to continue functioning in here. This place is unhealthy. I do not understand why we cannot have proper air conditioning for these Chambers continuously. I came

in here at 2 o'clock, Sir, and I am sure, Mr. Speaker, you above all must be under some pressure. I think we should get some definitive word as to what to expect.

I really did not want to interrupt the Honourable Member. Let the Honourable Member finish his speech, Sir.

Dr. R. C. HAYNES: Mr. Speaker, I wish to support that it is clearly affecting the Honourable Member for Christ Church's thinking.

Hon. Sir HAROLD St. JOHN: It is the impact of the blows that I am administering on the ill-conceived points made by the Honourable Member. He is the one who has been getting up. I have not been getting up.

I want to remind Honourable Members that tax allowances were granted specially for investment in public shares by Barbadians together with the stock exchange, together with the employees share ownership plans, together with that additional incentive so that people like the Honourable Member who had excess income arising out of very profitable professional practice based on competence. I am not saying it is based on anything else. That he had excess income ...

Dr. R. C. HAYNES: Mr. Speaker, on a point of order, Sir. I know nothing about any excess income.

Hon. Sir HAROLD St. JOHN: Nothing is good enough for the Honourable Member. A mountain of money will not be enough, Sir. So great is the love of the Honourable Member for that thing, Sir.

All of these measures were introduced but we have a contrary position. We had a new position in which tax reform proposals were brought forward, where the top rates of income tax were lowered and you had a regime with limited exemptions and a lower tax rate.

Aside.

Hon. Sir HAROLD St. JOHN: I am not saying it is strange. It is part of the modern tax reform proposals that they have. Some people believe it. President Reagan of the United States of America believed in the reduction of taxes and left the highest deficit ever. So that is the position. So that, Sir, whereas we believe in tailoring your exemptions to suit a purpose ...

Now, Sir, I do not think that we should, in these debates, seek to noise it abroad that the Barbadian is at a tremendous disadvantage, *vis-a-vis*, foreigners is his own country. It is not true. And as far as Trinidadians and other CARICOM citizens are concerned, I say, Sir, I am all in favour of equality of treatment.

As a matter of fact, my understanding of the concept of a single market, this has been agreed to by both sides of this House, will involve an examination of all of the laws relating to investment and financial services intra-Caribbean and that they cannot be discriminated. That is nothing to do with the offshore regime. The offshore regime is outside of the single market. We have not come to the point yet where, as regards third countries, we must have a single set of laws.

Sir, I commend this Bill, particularly now that the amendments have been introduced and I hope, Sir, that our statements in here, I would not call them strictures, as to what we expect the functionaries who have to administer the day-to-day things, the things that we would like them to take into consideration, I hope that would lead to an improvement in the quality of administration of the Bill.

The last point I would like to make is this. I know that Honourable Members are critical and I agree with them of the knowledge that we all have of the impact of the offshore regime since it has been introduced. But I wish Honourable Members to understand this. You cannot on the one hand say that Government must not intervene in anyway in the economy and that all of these matters must be left to the private sector and on the other hand criticize when you do not have knowledge in relation to those things. 3.55 p.m.

I have always believed that in small countries like Barbados because of the nature of our private sector and the nature of the activity that is carried on here that Government always has a role as a supervisor whether it be tourism, aviation or banking finance. If the Government does not set up its department with sufficient economists, if the Government periodically does not demand that you have special studies of the economic impact of certain activities, the Government will never get the information because many of the participants in that process are people who have no loyalty in particular to Barbados. If you look at the big 6 accounting firms that you have here in Barbados who control a large part of the information in this area, their aim quite rightly and I do not blame them is to exploit to the hilt every advantage that is good for them and their clients.

I know the offshore regime has made a fundamental impact in Barbados. I only have to go from the top of Collymore Rock right down to the bottom. I even have now to go into Bay Street and I only have to look at the big 6 accounting firm buildings. So you can see what has happened in the last 10 years. Look at the Harbour Road and you will see what is happening now in the informatics industry and you trace the companies that are operating

there. See under what legislation they are operating. I would hope to see, and I have already expressed it publicly, that this country can become an important banking and leasing centre but we have to have the regime to encourage those kinds of companies. The Offshore Banking Act in Barbados is terribly out of date and it has to be amended. I have said so openly and the days have come to an end when you can completely separate the offshore sector from the internal sector, because they criss-cross. The days have come to an end, I say that, Sir, the days have completely come to an end when you can completely separate them. You must control the circumstances in which they impact, but they do criss-cross at some points.

Thank you, Mr. Speaker.

Hon. O. S. ARTHUR: Mr. Speaker, Sir, I do not propose to speak very long in this particular matter since I thought it was a matter which had enjoyed the entire support of all sides of this Parliament. But I do feel, Sir, that this piece of legislation that is being debated in Parliament today warrants a broad statement on Government's approach towards the development of the offshore economy in general and a statement in relation to our position on foreign investment, since these matters have been brought into dispute during the course of Members' contributions to the debate.

Now, Mr. Speaker, from the very outset Barbados set out to develop an offshore business and financial sector as one of the ways of diversifying its economy to take advantage of a number of attributes that Barbados possesses in abundance, not the least being its human resources and economic and financial infrastructure, that were conducive to doing business in this particular area. From the outset as well, Sir, Barbados' emphasis in dealing with the offshore sector was to attract sound and reputable business and we are still committed to ensuring that Barbados' name in the international offshore business arena is that of a place where sound and reputable business is done. But beyond that, Sir, our more recent emphases have been to ensure that the offshore sector is also a place where real activity takes place.

In many countries of the world where legislation has been put in place to attract offshore financial enterprises, a number of shell companies and name plate companies have been established with only a very marginal impact on real activity in the economy concerned.

Happily, Sir, the drift of legislation in the major industrialized countries has been in the direction of ensuring that companies that go offshore to those economies carry with them real activity, and it is

in our interest as well to make sure that the offshore industry whether it is in the informatics or the financial sector, is a place where there is a deepening of the level of real activity that takes place. Of late we have seen a deepening of real activity in the offshore insurance industry where, as a result of legislation arising elsewhere, Sir, more and more insurance business is actually being done in Barbados. The decision to move towards international trusts and into the area of mutual funds management is consistent with a strategy to deepen the amount of real economic activity that takes place in our economy, and this is with a view to enhancing the volume of foreign exchange income and particularly employment generation that arises from the existence of the offshore financial and business sector.

This Trusts legislation, Sir, together with the Mutual Funds legislation that is going to come, is part of that approach to have in Barbados not only sound and reputable international business, but international business that has substance. I can give the House the assurance that large numbers of enterprises are waiting for this legislation to be in place to bring substantial business to this country that will generate large volumes of income, employment and foreign exchange and I would urge Members of the House to see it in that context. We believe that this legislation together with developments in the informatics and the offshore insurance industry, Sir, is going to significantly deepen the scope of activity in this country.

Sir, I could not enter this debate without speaking about the tremendous role that has been played by private Barbadian investors over the course of the last 10 years in making investments to support first of all the creation and the flourishing of an international business sector in Barbados. The House must be told, Sir, that in 1986 a foreign exchange credit was put in place that was intended to allow persons investing in the generation of foreign exchange earnings to claim a foreign exchange credit from those earnings. For 10 years, Mr. Speaker, none of the entities involved in this sector were able to claim that credit but notwithstanding those entities still went ahead and improved their corporate system, Sir. They have improved Collymore Rock. They have spent money in promoting Barbados to the point where an industry that was earning next to nothing in 1986 is today earning in our estimate over \$100 million. When people speak in terms, Mr. Speaker, as has been spoken in this House of a regime for foreigners and one for Barbadians, people seem not to be aware that in the matter of the development of the offshore business and financial sector there has been a strong working relationship between private Barbadian investors and foreign investors in every facet of the industry's development. 4.05 p.m.

The private Barbadian investment is being seen now in the transformation not only of the infrastructure of

corporate Barbados but in the management systems, the computerisation, in the tremendous amount of funds being expended on the development of the human resources, particularly the training and retraining of people to function at the centre of this critical part of the economy. I would urge Members of the House who have spoken in this debate to recognise that there is a strong working relationship between private Barbadian investment and offshore investment in every facet of the development of our international business sector in all of its dimensions.

Aside.

Hon. O. S. ARTHUR: Sir, if I could really clinch the point, in this year's Budget one of the measures I introduced was a clarification of the foreign exchange credit that is intended to allow Barbadians who have invested in this sector for the last ten years, as an act of faith, at long last to know what their tax entitlement is. It has to be said that there has been tremendous investment response, not only by foreigners, but also by Barbadians to the investment opportunities existing in this most important part of our national economy.

I would like to see the day, Mr. Speaker, and I have said it in this House before, when Barbadians can be allowed to own international business companies. As the legislation presently stands, a Barbadian can now own only 10% of an international business company. An international business company is by definition a company that is trading outside CARICOM and there are a number of Barbadians who are interested in getting involved in the development of software. They will have obviously to look at the whole world as their marketplace. Many of them therefore will have to set up institutions that have the flexibility to be able to operate on equal terms in the international business arena, as all other international business companies, and I believe it is to accept the principle of a limited pregnancy to believe that a Barbadian can have only a 10% interest in an international business company but must not be allowed to own fully an international business company.

A Barbadian with an idea to develop software who wants to peddle that software internationally would have to get involved in a joint venture and cede 90% of the equity of the company to an extra-regional entity in order to be able to have an international business company. I think it is wrong and I look to the day when we will have in this House for the support of all Members of the House an amendment to the International Business Companies Act that will allow a Barbadian to own one, because the point of an international business company is not who owns it but the area in which it operates. I hope that will come to the House sooner rather than later.

Sir, a lot of discussion has ensued in this debate about the role of foreign investment in this country and the working of exchange control and the like. This is a country that for the last 30 years has had among Caribbean countries a relatively open and relatively liberal stance to the involvement of foreign investors in this country. A large proportion of our tourism historically has been in the nature of settler tourism to begin with, and much of the capital for development of our tourist sector, our manufacturing sector has come from foreign sources.

Barbados has also been characterised as one of the few Caribbean economies that in point of fact never had a lot of foreign exchange controls, and the reason why the Trinidad or the Jamaica situation may seem dramatic is precisely because those are the countries that had imposed the most draconian form of exchange controls on their citizens, so much so that the removal of those controls makes it appear as if there has been a major policy change. Where we are concerned, Sir, our citizens have been relatively free. We have had a system in Barbados where people have been able to register the foreign exchange brought in and, as all Ministers of Finance know, there has never been a case in the history of Barbados where we have imposed any restriction on anybody who has registered foreign exchange in this country taking it back out. There has never been any of those problems. We have never had any problems with our citizens being able to have foreign exchange for legitimate purposes, and this has been cited in international reports, we have had in point of fact very few foreign exchange controls.

Last year the Government moved to liberalise the foreign exchange controls regime even more to allow banks and other authorised dealers to handle even larger transactions. This is a process that has been continuing. There was a liberalisation of the exchange control regime in 1992 and in 1993. Barbados does in fact have a relatively liberal exchange regime. People trading in foreign exchange can go to a bank generally and get their foreign exchange without much hindrance. People bringing foreign exchange into and moving foreign exchange out of Barbados can do so without much hindrance. Foreign exchange controls, therefore, have not been a major impediment to either domestic or foreign investment in this country. That is a fact. We may have had, Sir, from time to time, as was the case in 1991, some difficulties in the volume of reserves requiring people to have to wait, but generally speaking it must be said of this country that one of the areas in which we have had a liberal and open stance, even before liberalisation became popular, has been in the area of its attitude towards foreign investment and in its attitude toward foreign exchange controls regulation. So much so, Mr. Speaker, that there are companies that have accumulated profits, and because they have felt so confident about our exchange control regime they have

kept the profits in Barbados and ploughed them back into our system, in the knowledge that our system is open enough that if the need arose for them to take them out the system would allow it. That is to the credit of this country. I think it is really selling this country short for people in the face of all this information to try now to invent a piece of fiction, mischievously so as far as I am concerned, that we are now practising some form of draconian foreign exchange control, when we have in fact historically, and sensibly so, maintained a relatively open stance where the management of our exchange control resources is concerned. That has been part of our economic history, a common thread and a common strand that accounts in large measure for the relative stability that Barbados has enjoyed in the eyes of investors.

Sir, I think that we should, to the extent that we can, maintain that asset. If there are matters that need to be resolved administratively we should resolve them, but the direction of change where the exchange control management has been, Sir, has been in the direction of increased liberalisation rather than in the direction of increased controls. I do not understand the ethos of the argument that is issuing from the minority position on the Opposition benches. It does not do credit to the fact that exist and I do not think that this debate was in anyway improved....

Dr. R. C. HAYNES: On a point of elucidation. When the Minister of Finance has said all he has said, it is nothing new. That is a fact. But the point is what is in the head of the investor who is placing the money in Barbados. The reality is that both among investors, among those lawyers who deal with the investors on a daily basis, among the accountants who deal with them, they constantly complain of the nuisance and the humbug relating to foreign exchange transactions in Barbados. That is a fact, so you had better face that. 4.15 p.m.

Hon. O. S. ARTHUR: Mr. Speaker, Sir, I am very clear in what I am saying. If there are any administrative encumbrances, we will deal with them, but thrust of policy in this country, not since September 6, but before, has been towards increased liberalisation rather than increased controls so that....

Aside.

Hon. O. S. ARTHUR: Mr. Speaker, Sir, the Member for St Michael South Central has fulminated in his debate about differential preferences for foreign investors *vis-a-vis* Barbadian producers and he says the danger point has come. Perhaps the danger point came in 1986 when a foreign investor in Barbados was allowed by a Minister

of Finance later in the year, after May 28, 1986, a 15% rate of return after tax on the capital employed.

Now Sir, as far as I am aware, no Minister of Finance before that nor subsequently has ever found it necessary or desirable to grant any investor, particularly a foreign investor, a 15% rate of return on the capital employed after tax. I want to say that if we were in a position to grant all the Barbadian investors the same kind of lucrative deal that MOBIL was granted by the then Minister of Finance in 1986, a 15% return on capital after tax, then there would perhaps be no problem at all, but the strongest distinction that has ever been drawn between treatment of local capital relative to foreign capital in this country is the guarantee to MOBIL by the then Minister of Finance in 1986 of a 15% rate after tax on capital employed. That is like finding money on the streets.

Dr. R. C. HAYNES: I was the Minister of Finance in this country from May 29, 1986 and during my period that decision was taken for one year only to compensate MOBIL for the problems they had with the previous Administration where it has a negative rate of return in 1985, a 2% rate or thereabouts in 1984 and between 1% and 3% in 1983 thanks to the former Minister of Finance, the Honourable Member for Christ Church South. That was a compensatory matter that was dealt with in 1986 only as a result of under-recovery for the previous years.

Hon. O. S. ARTHUR: Mr/Speaker, all the members is trying to say is the Barbados Labour Party tried to institute an energy pricing policy that did not allow price gouging by MOBIL to the disadvantage of the Barbadian consumers in the mid-1980s, the contrary of all the propaganda that the Democratic Labour party put out before 1986, but it has to be said, Sir, as a matter of record, that that 15% rate of return to MOBIL is a rate of return that has not been guaranteed to any private Barbadian investor in the history of this country and that we can find no comparison of it today.

If there was a.....

Dr. R. C. HAYNES: On a point of order. The Honourable Member cannot continue to mislead the House. Despite the rate of return MOBIL gasoline prices were reduced by me from the exorbitant level of \$1.20 to 85c at the meter. So the consumer benefitted in 1986. All this misleading took place when I was not in the House. Let us deal with it now, I am here. I can answer you here now.

Hon. O. S. ARTHUR: Mr. Speaker, Sir, he went and increased the price on kerosene and all that was involved was a reshuffling of the consumption tax.

Dr. R. C. HAYNES: On a point of order, Sir, it is thoroughly disgusting to attempt to say you can reshuffle taxes in such a way as to get revenue by shifting taxes from gasoline to kerosene when so little kerosene is used in Barbados. It is foolishness. It is stupidity that you are bringing to the House.

Hon. O. S. ARTHUR: The fulminations of the Honourable Member do not cancel the fact that that Honourable Member granted to a foreign investor in Barbados a 15% after tax rate of return.

Certain remarks made by the Honourable Member for St. Michael South Central were ordered by Mr. SPEAKER to be expunged from the record.

Hon. O. S. ARTHUR: Mr. Speaker, as for over-taxation, this Honourable Member for St. Michael South Central enjoys the infamy of having introduced in this Parliament the largest single package of taxes ever - \$55 million net in 1987. He even went to the point of wanting to tax cabbages and carrots and beets and all kinds of things in this country and we are now hearing him talking about the level of taxes being too high. If the levels of taxes are high, Sir, it is because of the danger point that was passed in 1986 that has caused Members who were part of his tax proposal in 1986 to speak of how they have carried the economy onto the rocks and how there were proposals that they had not been aware of.

That Member enjoys the infamy of having introduced the largest ever single package to taxes in the history of this country and long may he continue to enjoy that infamy.

What we are hearing, Sir, is a little competition among opposition forces for the headline. Sir, that is all it is. Sensational statements issuing from the lips of the minority leader must be seen in their correct political economy context, that he has to vie for the headlines. Therefore, we have to keep hearing how Barbadians are not now in a position to invest in Barbados.

Now, Sir, the Member is too experienced in these matters for me not to know that he wants to cause me to start to lambaste the Member for St. John, because he knows that all of the massive concessions to the foreign investors for golf courses and so on were not introduced by this Administration. He knows that since 1994, September 6, there have been no new discriminatory measures that have been introduced against Barbadians so that if there has been a form of discrimination against Barbadians in favour of foreigners it would have to be something that is not of recent vintage. He wants me to talk about the concessions for golf courses that were intended for casinos and for the land arrangements in St. John and so on, but I will not get into that. That is a conflict between the 2 Opposition Parties and I think that they should be allowed to fight that out.

Just to say, Mr. Speaker, Sir, that the regime of investments in Barbados by Barbadians is one that has to recognise that a lot of the institutional arrangements particularly that would support first of all the growth of an enterprises small business sector did not exist and we are seeking to resolve that by having a business development division as a specialised division of the Ministry of Industry and Commerce.

People believe that business development is something that happens naturally. A lot of people in Barbados, too, who have ideas and would like to invest need help in the business of developing business and that arrangement has been put in place. We have put in place as well, Mr. Speaker, a regime to assist the operation of the small business sector fully funding the Secretariat. I have announced measures as well to indicate that investment in equity designed to promote small business development is going to attract tax concessions. But the fact of the matter is that Barbados did not have a well developed set of institutional arrangements to promote investments, particularly in small business. It has been scrutinised but the institutional development was not well formed. It is also true, Mr. Speaker, that Barbados' money and financial markets have been very thin and have not been well designed to support high levels of domestic capital formation. A lot of the savings, the surpluses of the people of this country, are mobilised in support of retail commercial banks, but our financial sector, our capital markets, are undeveloped and underdeveloped and part and parcel of the effort to sustain high levels of investment in this country will have to take the form of our modernisation, the deepening of our money and capital markets and that is where the crunch is.

In a country like Trinidad capital markets exist to recycle surpluses. The Euro-bond markets have been developed to recycle oil surpluses and the larger the financial surplus that exists the greater is the opportunity and the chance to develop a capital market. In our instance, Mr. Speaker, our surpluses take the form, as I have said to this House, of the profits of about 18 public companies, the savings of the NIS, the savings of the Barbadian public, occasionally surplus savings by the Government sector, but Barbados is not a country that has large surpluses to recycle. Unlike Trinidad, Sir, where you have oil surpluses to recycle and unlike Jamaica, which as I have said to this House, is in the process of transferring a large surplus to the financial sector by allowing the financial sector to charge massively high interest rates but to enjoy a tremendous spread between what is charging as interest rates on its loans and what is paying to savers. If you go to Jamaica today, Sir, you will see what is happening there. It shocks me. A tremendous transfer of wealth and surplus from the real economy to the financial sector. 4.25 p.m.

We do not yet have in Barbados, Sir, a sufficiently large surplus to underwrite the functioning of a capital market of any worth. Our surplus goes, therefore into mortgages, some goes into public investments and the point I want to come to is that Barbados has to look to the development of its capital markets as part of a broader effort to mobilise the surplus in the region. As a result, Sir, our support for high levels of investment will take and must take the form of our being part of a relationship with the Organisation of Eastern Caribbean States to jointly develop our financial sector. I am pleased to inform this House, Mr. Speaker, that on Thursday I shall be going to St. Lucia to sign an economic co-operation agreement with the countries of the Organisation of Eastern Caribbean States, one of whose purposes will be for the countries, Barbados and those of the OECS, to participate in the development of our financial sectors and our capital markets.

We also have to look, Mr. Speaker, to be part of the efforts of the development of the capital markets in the region as a whole. Trinidad naturally has a broader base of financial transactions that can support a capital market. If we participate by having bonds paid for us by Trinidad institutions, Sir, it is for the good of the region.

This administration has already announced a policy that we would like to see a foreign exchange market evolve in the Caribbean. Last year the Member for St. John made a song and dance about how bonds were put on our behalf by Bankers Trust in the American markets. Big deal. American investors whose other option perhaps was to get their savings placeid in US Treasury Bills found a Government of Barbados instrument that was paying 4V₂% interest above treasury bills attractive and purchased them.

Equally so, there are a large number of people in the Caribbean who now hold foreign exchange accounts, there are a large number of businesses which hold foreign exchange accounts in the Caribbean and they should be allowed and be able to purchase bonds issued by the Government and get the kind of interest rates that historically we have been paying to foreigners.

The Democratic Labour Party Government placed a loan with an enterprise in England paying 13% interest a year for 25 years. No big thing, Sir, but that is precisely the kind of loan we have to refinance. That is like finding money on the streets for anybody to come and give 13% for 25 years. All I am saying, Sir, is if I had therefore to give good interest rates, let me put that interest

in the pockets of Caribbean people who are earning foreign exchange and whose other options will take their foreign exchange and invest it in the US in the Treasury Bills.

I want to open up this debate, Sir. We have over \$400 million in foreign exchange and of that \$200 million is invested in US Treasuries. What we are doing is earning foreign exchange to help pay the United States of America. That is a fact. So why cannot we, at some time in the future, rather than lending to the United States Government, because that is what we are doing, lend to some other Government in the Caribbean? That is what I mean by helping to create a foreign exchange market in the region. So that there are minds in this region, particularly Senator Mascoll, Mr. Speaker, Sir, who would see nothing wrong with our taking the taxpayers' foreign exchange and lending it to the American Government at 6% and 5%, but if we were to take the people's foreign exchange and lend it to another Caribbean Government at 10% we would be doing wickedness. And that is the kind of mentality

Aside.

Hon. O. S. ARTHUR: Mr. Speaker, Sir, they speak in terms of lending to Guyana. Even Guyana is paying its debts. Sir, I therefore, have again to say that the recent bond placed by the Government of Barbados in the Market through Citibank is no different from the Democratic Labour Party agreeing that Citibank could have raised a bond last year in the regional market for the sugar industry, Sir. The same Democratic Labour Party that agreed, as a Cabinet, that Citibank could have raised a bond on the regional market *for* the sugar industry is now coming to criticise the Barbados Labour Party *for* raising a bond on behalf of Government of Barbados in the regional market. And that party, Sir, expects the public to take it seriously.

The Member *for* St. John in the course of this debate referred to it again and all I can say, Sir - we are unapologetic about it - is that we feel that we must be part and parcel of the building of a capital market in the region. At Heads of Governments meeting after meeting concern has been raised about....

Mr. D. J. H. THOMPSON: Mr. Speaker, Sir, on a point of order, during the course of my presentation I attributed neither support nor lack of support for the attempts by the Barbados Government to appoint Citibank as its lead arranger *for* the securing of a \$40 million loan. I merely said that the fact that Citibank operates out of Trinidad and is so involved in Latin America and the Caribbean in raising loans on the capital market is something that we should note.

In due course, Sir, I will deal, when the parameters of the debate permit it, with the question of where funds

should be raised, at what cost should be the lead arrangers.

Hon. O. S. ARTHUR: Mr. Speaker, I do not know what it is I am to respond to, Sir. I shall proceed, Sir.

I Just want to make the point, Sir, since the whole question of our supporting high levels of investment in Barbados was raised....

Mr. SPEAKER: The Honourable Member has 2 minutes to conclude.

Hon. O. S. ARTHUR: ... that high levels of investment, Sir, will depend on our building capital markets but we have realistically to look to this as something that is best accomplished on a regional basis. I look, Sir, for more transactions involving Barbados and the OECS countries. I look, Sir, for more transactions involving Barbados and the Trinidad market and the Jamaican market and other places, Sir, where sound and reputable business can be carried out

In relation to the matter before this Parliament, Mr. Speaker, I support the legislation. As I said, it is not only going to add to Barbados' name as a place where sound and reputable business is undertaken but it is going to, in my view, strengthen the international financial sector in Barbados by allowing us to deepen the amount of real economic activity that takes place in the sector and I would urge the House, Sir, to view the legislation in those terms and to support it on those grounds, Sir.

Mr. B. M. TATTT: Mr. Speaker, Sir, when I came to the House today I came prepared to make a few comments on the international trusts legislation that is before us, but the debate has, with your kind permission, gone off into some area on which one would wish to participate in a discussion such as the one in a very difficult position of wanting to speak to the one thing and the other at the same time. But let me say, Sir, that there is nothing to disagree with in the broad parameters of policy in the bringing of this piece of legislation, except that I believe the Honourable Member for St John said that it has taken a long time to come through no fault of the Minister. But any legislation that is going to assist in making Barbados a place where people have hard currency would bring that hard currency to Barbados

4.35 p.m.

Aside.

Mr. B. M. TATTT: I am coming to that. Sir, I am very careful to say people who have hard currency who will be able to participate in the development of

this country because beginning in the 1960's Barbados discovered that the only way we were going to be able to develop and to have a quality of life commensurate with our dreams and visions would be to seek to find ways to induce investment from people outside of Barbados.

I recall, Sir, the initial fledgling attempts at getting into the offshore business. We had the original legislation. The first legislation did come in the 1950*s from the Barbados Labour Party as it then was and then in the 1960's there was some modernization of the legislation. I remember very well in 1964 they had the first attempt at modernizing the legislation and at that time we were all very excited about what Barbados was going to be doing.

Aside.

Mr. B. M. TATTT: We were overseas and everybody was excited about the possibility that there would be investment Sir, the Honourable Member for St George South wishes me to speak to some aspects of our relationship which I will be happy to do. He wishes to let everyone know that he once belong to the cause to which I belong, but we will get to that

Mr. Speaker, I do not think that in those days the Honourable Member knew any difference between "B" and "D". The point is, Sir, soon after that in 1965 I became pan of the offshore regime, part of the expertise inducing investors to come to Barbados and I think it was in 196S in fact that we brought the legislation again to have what at that time was considered to be the most modern piece of offshore legislation that any developing country had. Yet, Mr. Speaker, there was nothing revolutionary about it because in essence we had followed Jamaica, Puerto Rico and the Philippines and a number of other countries that had brought this legislation as is the custom. Some bright spark in the North American money markets had spirited this legislation through some process that eventually saw the legislation becoming part of those developing countries that had the capacity to and the interest in wooing offshore business so called to Barbados. Between 1965 and the late 1970's we used that legislation effectively.

In 1972 when the Central Bank was created and when the now Ambassador to Washington became the head of the Central Bank, I think it is fair to say that the job which he had was never sufficient to fulfil the workload to which he had become accustomed and he soon started looking for new areas to conquer. The Central Bank recognized that expertise which we had developed had remained somewhat static. The Central Bank then moved off into a new area and the efforts at this kind of legislation took a new tact.

Now the Central Bank quite frankly went into areas that were not their concern. Central Banks do not normally

and ought not to become involved in the promotion of offshore business. Central Banks *per se* had no business getting into that kind of activity. But the fact is that the expertise within the context of Barbados rested in the Central Bank, because the Central Bank was able to recruit at the level that was desirable for persons of a certain quality whereas the rest of the Civil Service was still marching along and chugging along at the levels that were designed for them. The Central Bank was able to recruit a certain level of expertise and so they develop a small cadre of person in there who not only had interest in but had knowledge of IDC's and all of the related offshore aspects of development and for a time the Central Bank took the lead. As a matter of fact, I recall very well being somewhat concerned that IDC and the Central Bank were in fact duplicating effort as Barbados pushed towards getting new forms of offshore business into Barbados.

If you are not too concerned with the allocation of work in the division of labour among the various Government agencies, there was nothing wrong with what in fact happened and to a large extent therefore the then General Manager of the Central Bank and the Governor of the Central Bank became the experts in Barbados on the creation of offshore business and the offshore legislation. One of the things which I wish to say to the Attorney General and to the Government generally is that we are falling again into a situation where we are lacking in expertise. We have about one or two persons in the system now that is in the public sector of whom it can be said that they have knowledge and expertise in the legislative aspects of offshore business. But the truth is that the Government of Barbados is going to have to develop, spend some money and find some very bright young people and put them into the arena and send them out to sharpen their intellectual teeth if you will in this whole area of offshore development

I think we have passed the stage where there is any question that it is going to be a vehicle for the development of Barbados. It is necessary therefore for us not to catch-up ball as we are doing now, not constantly to be doing something that is absolute almost at the time we discuss it, but for us to be even innovative; to be far reaching, to be looking toward how were are going to do the next thing to stay ahead. Take the United States Congress for example, Everytime there is an aperture open in this area somehow the United States Congress or the Canadian Parliament or some of those institutions that have responsibility for the containing of their own economies will seek to stop what in essence is a flight of capital from their capital markets or a flight of investment from their shores. It seems to me that we have in Barbados to start developing a cadre of persons not necessary in a department, not one or two in some department, but really to develop and sharpen the tools.

Mr. Speaker, you do not arrive at an attitude about offshore business development on the basis of lectures or speeches from people in the House of Assembly. It has to be an attitude that is born of an understanding of the marketplace out there from which you have to pluck the odd investor in Barbados and recognizing the competition. Only those persons who have participated in that offshore market and only those people who have had to try to persuade investors who have choices to choose Barbados as opposed to somewhere else can speak with real authority about how difficult a job it is. Sometimes when I see the secrecy and the attempt at mystery which is now surrounding these so-called offshore developments, I can only smile. Perhaps when you get to a certain stage that is the best thing to do, Mr. Speaker, but to smile. But if we are not careful, we are going to find ourselves as a country at the back of the heap because the other countries have recognized that you have to invest.

Sir, we have heard about the private sector people who over the last 10 years have taken the trouble to invest in developing skills and knowledge in this sector and some of them are beginning to reap the reward of that excellence or diligence. But in the same way that it has to be done in the private sector, the public sector has to do the same thing. You cannot expect that somebody who does a Degree in Economics at the University in Cave Hill will come into the Service and somehow will work his way up and will be able to function in the office responsible for offshore business and somehow we will muddle through as we have muddled through in years gone by. What we have to do is design very early a series of training modules for people who have been selected almost exclusively to do this, so that five years from now we will be the epitome of offshore business exploits both from in Barbados and out of Barbados by Barbadians. 4.45 p.m.

Mr. Speaker, in that respect I am concerned about a category of Barbadian who is constantly left alone by all the Government generally speaking. I have been raising this question in and out of Government, not always successfully, indeed perhaps never successfully. It has to do with those Barbadians that live outside of Barbados who wish to participate in the development of this country, who wish to invest in this country. They find themselves in a very peculiar position. For purposes of law they are Barbadians and therefore they suffer all the debilitation of a Barbadian living in Barbados when it comes to investment, but they live outside of Barbados. Many of them have dual nationality, many of them function *far* all practical purposes and indeed have always had their capital outside of Barbados, what happens? A Barbadian who has lived in London *for* the last 25 years is treated in exactly the same way as if he had never left Connell Town, Fairfield or Oistins when he or she wishes to invest in

Barbados. There is something fundamentally wrong with that.

Mr. Speaker, if you check the records during the difficult period of Barbados' economy between 1991 and 1993 you will find that Barbados' balance of payments was a large extent saved by Barbadians putting their pounds in Barclays Bank in Barbados. Mr. Speaker, you would be surprised at the level of banking which was done by a number of Barbadians who were paid out by the London Transport. Some of them received £200 000, some £150 000, some £85 000. The accounts at Barclays will show, Sir, because I have heard from the grape vine in Britain, and some of them have spoken directly to me. Some of the lawyers in here and elsewhere will know about those people who did not leave their money in Britain, they put it in Barclays Bank in Barbados and that saved Barbados. It is not the first time that remittances saved Barbados, Sir. In the early sixties when we had the problem, again it was the remittances from Barbadians overseas who saved Barbados. That is why I was very shocked when I discovered that the Prime Minister and Minister of Finance seemed to have varied a policy which we had persuaded the Minister of Finance in our regime to implement, concerning the return of Barbadian overseas.

We had implemented a policy that Barbadians who lived overseas permanently for eight years or more, who were coming home and who were bringing home their personal effects would be allowed to bring the car, which they owned, not one which they went out and bought, duty free. In recent times I have been telling those Barbadians who live overseas, who asked me: "Oh, yes, you can bring it home, I am telling you that is the policy," only to discover that the Government apparently has changed the policy very quietly, very surreptitiously and now they have re-imposed a 50% duty and the stamp duty on those Barbadians coming home. This has caused me some concern, Sir, because there is no reason why a Barbadian who is coming home to Barbados and bringing his hard currency should be treated differently from somebody who is coming from the United States to set up an operation here.

Also, we need those persons when they have retired, especially out of the United Kingdom. It is a strange phenomenon, but Barbadians returning from other parts of the world do not seem to have been able to gather the large sums of money which Barbadians who are coming from England seem to have been able to gather. I do not know what the phenomenon is, Sir, but the ones in England save every cent and they have one vision, one focus, to return to Barbados. They build substantial houses in this country. Many of them build the houses long before they can come home and I think the country owes it to the, because they have assisted in building this country, to give them

some incentive. I see that as investment I see those Barbadians who are returning here, after having spent 20 or 30 years out of Barbados, first of all as Barbadians. Honourable Members on this side, the Honourable Member for St. John and the Honourable Member for St. Michael South Central, and the Prime Minister talking about the need for Barbadians to be given equal treatment. I feel that returning Barbadians constitute one of the categories that have been ill-treated, not necessarily deliberately, but they have not been given sufficient consideration, let me put it that way, even though they have played a major role in the economic development and the economic sustainability of this country.

Mr. Speaker, I do not think it would be out of character for any Government of Barbados to regard them with some kind of special consideration. If you cast your mind all the way back to those who went to Panama, those who went on immigration schemes to the United States, who cut canes in Florida, those who went on the buses in London and remained in London, not the ones who came back home after they were able to improve themselves either professionally or otherwise, but the ones who remained, it is very important that we ensure that there is a place for them. Some of them know more about the money markets than a lot of the so-called economists and advisors who advise who should advise.

Mr. Speaker, it would be interesting if some of the people whose responsibility it is to advise Governments, the Central Bank and various institutions about investment and the markets could spend some time talking some of these ordinary Barbadian folk who went into North America and/or the United Kingdom and learnt the art of investment better than some of the people who were born there. There are many Barbadians who have done well and who wish to participate in their own economy and they should be given special consideration.

I feel that it is an area where we can continue to make an error. In 1986 after we went into the tourism downturn....

Aside

Mr. B. M. TAITT: As you know, Sir, in the tourism industry, no matter what the propaganda on both sides will put out, there is a downturn when there is an economic squeeze in the developed world and we see the effect usually a year or two after. Nineteen eighty-five was a bad tourism year and we picked up in 1986, and it was by promoting the Barbadians who live overseas, by going to them in five or six major capitals can saying to them: "If you invite two people to come home, that will make the difference," and, Mr. Speaker, the record will show that in fact we had an almost miraculous turn around. The record will show in fact that we had an almost miraculous turn

around between 1986 and 1987 and most of it was a situation where Barbadians were saying to people in their work place, to their mates and to one another, that they are going home this year. 4.55 p.m.

We have to give them some special consideration. When they arrive at the Airport it takes nothing to let them know that they are welcome. I think I saw a letter in the newspaper this week in which somebody wrote a very tongue-in-cheek letter telling people - they are obviously complaining - about how they are treated when they come in, and they were discussing how they are treated when they return to London.

They return to London, and in Britain, do you know what they are doing now? They are looking the other way when they go in with more than 2 litres of rum. But when they come into Barbados, they are still running into a certain psychological difficulty, a certain reaction, a certain attitudinal difference which does nothing to make them feel that they are coming back home. Sir, as you know, I am not stretching this too far.

There is a 300-year anniversary which is going on at the moment, and if you listen to some of the people who have home on that 300 anniversary celebration, many of them work in the area of Wall Street and in other areas. Many of them have ideas that would be of benefit to Barbados, but we are very reluctant to admit that they even be brighter than we or that they might have an interest in Barbados just like we do. Many of them do not get a chance to make an input and I have often wondered how we could talk so much about wanting to empower Barbadians and yet constantly you have to be fighting with people who work in our offices overseas to recognise that these people have a significant contribution to make.

Mr. Speaker, this debate gave me the opportunity to go in that direction because I think it is important when we talk about discrimination that we do not allow this pool of foreign hard currency, if you pardon the expression, which is available to us....

Which brings me to another point: both in and out of the Government, I have been pleading for Barbadians who live in Barbados to be able to have a foreign currency account. No one has ever explained to me why not. Could somebody explain to me if the Honourable Member for St. George South has US\$5 000, why should that Honourable Member not be able to have a foreign exchange account at Barclays Bank. It is so simple if it is done. All of the foreign exchange that is spirited away under the beds, if not all, a substantial part of it, would come out and would help to be available as part of the foreign exchange pool in Barbados.

The Honourable Member says that he wants to see us develop a foreign currency market in the Caribbean, but it seems to me that the place for that foreign currency market should begin right here in Barbados. Mr. Speaker, if in the course of your business you run into a couple of hard currency...

Mr. SPEAKER: Mine is just a little poor business.

Mr. B. M. TATTT: A small amount You would not be like the other Honourable Members, but suppose you ran into hard currency, it seems to me that right now the law is punitive. If the Speaker exchanges his with this Honourable Member who is speaking a US dollar bill and collects BDS\$2, that is against the law. Most people do not know that. Now how could we be talking about liberalising? It is true the DPP has never prosecuted anybody unless it is one of those who were spiriting away a valise full and usually when they catch them they catch the valise but they don't seem to be able to catch the money.

Sir, if all of us had access, if ordinary people, taxi drivers and hotel workers had access to opening a foreign currency account they would be able...

Aside.

Mr. B. M. TAFTT: The Speaker is trying to find out if anybody else wants to speak and he tells me time out Well, I never heard anything like this - and he is on my side too. He was only trying to give me a signal that I am running out of time. That's all.

Mr. SPEAKER: You have time.

Mr. B. M. TATTT: Mr. Speaker, the point I am making is that I really would like the Governor of the Central Bank to clear the air. I don't want to be invidious, but I have tried to find out why not In the same way, I tried to find out when Dr. Kurleigh King was the Governor of the Central Bank why we cannot have bonds issued just like they have bonds issued at the banks in the United States for ordinary citizens. No one has ever satisfactorily explained why not to me. If I have a godchild in the United States and I wish to give that godchild a gift, I am able to walk into any bank, proffer \$25, and get a Series E Bond for that child and put the child's name on it and that is that. Anybody who raises the money can do that

The great United States has been doing series that way for ever since they had a Central Bank in the 1930s but, somehow, the Central Bank of Barbados says that we would open the door to something which nobody has been able to explain to me satisfactorily if we try to do that and all you get is a run-around.

Mr. Speaker, in my view, all of the esoteric discussion about the development of capital markets will fall to the ground unless we are able to think through what it is we are trying to achieve by having capital markets. My understanding of having capital markets is that all and sundry would be able, some more successfully than others, to participate in the formation of capital by way of an investment at the level of which you can afford it The stock market which we have sought to foster in Barbados is not going to grow and develop unless taxi drivers, salesmen, nurses and policemen come to understand what the stock market is and how you can take your savings and take a chance, and instead of putting the money in the bank and getting 4%, that you can buy shares and maybe 3 months later those shares will bring you 6%.

Mr. SPEAKER: Can the Honourable Member conclude please?

Mr. B. M. TAITT: Yes, I will, Sir. These are the kinds of things which I believe that governments and people in the public sector who are trying to enfranchise Barbadians will have to lead Barbados into that new way of thinking.

I am grateful to Your Honour for allowing this discussion to go in that direction because I believe that we will be able to move away from having merely mortgages and savings from the NTS and savings from the savings banks and profits from 18 companies as the pod from which the Government can draw and draw effectively. I lode forward to the day, Sir, when Barbados will in fact truly become an enlightened part of the Caribbean heading towards economic enfranchisement.

Mr. D. St E. KELLMAN: Mr. Speaker, I would like to support this bill also, but, I have a couple reservations on this Trust Bill and I hope that we will not find ourselves in a situation where we encourage companies to come to Barbados where they have established pension funds belonging to poor people in the United States, Canada or England or elsewhere, where those people have a right to have a claim on their pension funds and these companies that we are encouraging to come to Barbados! we are allowing them to hold on to the rights of the citizens and beneficiaries of these pension funds.

As you are aware, Sir, and some Members of this Honourable House will be aware that there are some local companies which feel that they have a right to hold on to trust funds even though they are only managing them. They behave as if the funds belong to them and that the beneficiaries of these funds do not have a right to take part in these funds. 5.05 p.m.

I am saying, Sir, that if this Trust Bill gives that right to the overseas companies then I will have problems in supporting this Bill. So I am hoping that the Honourable Attorney General will assure me that these Trust Companies would not behave in the same way that local Trust Companies do behave in Barbados where they hold on to poor people's money and refuse to pay them. I hope, Sir, that when the Attorney General addresses this matter that he would assure me that the international companies would not be operating like the local companies. Thank you very much, Sir.

Hon. D. A. C. SIMMONS: If nobody else wishes to speak I will wind up.

Mr. Speaker, I wish to thank all Honourable Members for the contributions that they have made in relation to the Bill and its importance for Barbados. I am sorry that I cannot answer the question asked by the last Honourable Member because it is not within my competence to know how any trustee will manage funds in the future and whether he will himself commit any fraud on the trust property. What I can assure him is that what it says in Section 31 one would guess that the Trustee Act applies. We have incorporated the rules of the Trustee Act by reference that all of the rights of beneficiaries under the Trustee Act and indeed in general equity will operate. Any beneficiary who is defrauded or whatever will have the right to deal with the Trustee if the Trustee is delinquent.

In regard to the contribution of the Honourable Member for St. Michael South Central I had some difficulty with his assertions that there are Bajans who are creating solutions to deem themselves non-Barbadians to invest in Barbados. I would wish to say, Mr. Speaker, that if the Honourable Member for St. Michael South Central has any solid and credible information that Barbadians are using devices for the purposes of committing fraud then I would expect that having regard to his public office he should refer that information to the Director of Public Prosecutions. I, myself, have no knowledge that, and I am quoting him, "that there are Barbadians who are creating situations to deem ourselves as non-Barbadians for the purposes of investment in Barbados". Every, so often one does come across attempts made by persons, hiding behind the veil of incorporation to try to defeat the purposes of the Property Transfer Tax Act and using the company mechanism for the purpose of avoiding or, in that case, perhaps evading the payment of property transfer tax.

In fact the Registrar of Companies drew it to my attention about 5 weeks ago that there was one situation that she dealt with where an attempt was made by a Barbadian to avoid having to pay property transfer tax, using the mechanism of a company. She dealt with it and charged him the tax and it was paid. That is the only one

that I have any information about. As to persons deeming themselves non-Barbadians for the purpose of investing in Barbados I have no such information,

Aside.

Hon. D. A. C. SIMMONS: No, no, this was after a company had been formed the person wrote that they were a non-resident and they were resident. When in fact for the purpose of the property transfer tax they were non-resident.

Aside.

Hon. D. A. C. SIMMONS: No, no, it was the Corporate Affairs Registrar on the transfer of shares - the 25 000 business.

Mr. Speaker, Sir, I was quite dismayed that the Honourable Member for St Michael South Central should suggest that, in his words, we have reached danger point and we are creating two Barbadoses. Now what he sought to say was that we are giving a large number of incentives, through the offshore mechanisms, to non-Barbadians to operate and invest in Barbados but at the same time we are not giving commensurate incentives to local Barbadians. And he mentioned in particular in relation to the tax regime.

Now, Mr. Speaker, I said dismayed because it is thoroughly unrealistic. He was around in the sixties and he is aware that in order to attract investment to Barbados, particularly in the sixties and into the seventies, the Industrial Development Corporation operated a programme called, I think subject to memory, Operation Beehive where they were trying to get as many persons from developed countries as they could to come to Barbados and invest and one of the pieces of legislation that supported the thrust for foreign investment in the sixties and the seventies was the Fiscal Incentives Act. Here it is you were inviting in those days, particularly the garment companies and so on to come into Barbados, provide employment for our people, have tax holidays of seven years.

Aside.

Hon. D. A. C. SIMMONS: They were given incentives in the form of tax holidays and so on to come to Barbados ...

Aside.

Hon. D. A. C. SIMMONS: I am not getting into that, Sir. I do not want to carry the debate down that road. I am just making a point that there was a time in the history of Barbados, in its economic history, where it is clearly part of a determined policy, that neither

Government opposed, that you had to give some kind of incentives to foreign investors to get them to come here to invest in the country, to the extent that foreign investors were given incentives and Barbadians were not given in certain sectors. There was discrimination and there will always be. I think it stems from a misconception as to how offshore business operates, what really is the philosophy of offshore business and next time I will bring a Bill in here... I think it is a mistake to create divisions or to create jealousies as between Barbadians and non-Barbadians when clearly as a policy you want to set up a separate sector for international business and God knows what this country would have done without international business in the last 3 or 4 years. 5.15 p.m.

As for the point made by the Honourable Member for St. Michael West about returning Barbadians, my advice is, Mr. Speaker, that *under* the Democratic Labour Party motor cars attracted 4 types of tax or duty. I will repeat it. My advice is that under the Democratic Labour Party a motor owned by a returning resident attracted 4 types of tax or duty. What has happened is that..

Aside.

Hon. D. A. C. SIMMONS: Well, the consumption tax, import duty, stamp duty and one other. What I am told now, Mr. Speaker, is that the policy is that 50 per cent is now payable of what duty exigible.

Mr. D. J. H. THOMPSON: On a point of order. The Honourable Member is misleading the House. At the time when the Democratic Labour Party demitted office, there was a clear policy that in respect of Barbadian nationals who had lived overseas for 10 years or more that in bringing back a vehicle to Barbados there was only one impost that they would pay. The others were automatically waived by policy. Now for example, Mr. Speaker, Sir, the vehicle had to be 3 years old and months before the election we removed that restriction so that they could bring back a new vehicle and the exemptions would apply to that new vehicle. What I understand both from custom brokers and from officials in the Ministry of Finance on whose behalf I have made enquiries for overseas clients is that they now pay 50 per cent, but that ends up being more than what returning nationals would have paid under the Democratic Labour Party up to the time when we demitted office.

Hon. D. A. C. SIMMONS: Mr. Speaker, I am not in a position to dispute what the Honourable Member said but with more time between now and the next sitting of the House we will get the position clarified. I was careful to say my advice was, but I will have it clarified.

Mr. Speaker, Sir, to come to the Bill in particular...

Mr. SPEAKER: Please, could we hear the Honourable Member? Please.

Hon. D. A. C. SIMMONS: I did say, Mr. Speaker, at the time of introducing the Bill that I thought it offered certain opportunities for Barbadians to find employment in areas like management of trust cooperative funds and indeed there is some evidence that Barbadians are interested in this area. Since I made that speech, I had 3 calls from graduates asking and I told them to go and speak to some of the accounting firms about it. They are well qualified persons.

I would also wish to give some figures that I have as to the position with offshore companies since September and more particularly since April. There are a total of 1 688 IBCs (International Business Companies) currently on the books. Of that total, 263 have been incorporated between September 1994 and today. In fact, since April 1; there have been 106 foreign sales corporations famed and for the period October 1994 to July 1995 a total of 312 FSC's. It is estimated that we are incorporating about 50 offshore companies a month in various sectors.

Mr. Speaker, they would have made their contribution to the rates of employment. The Central Bank's yellow book for June 1995, Economic and Financial Statistics at page 91 shows that between September 1994 and the first quarter for 1995, 8 000 jobs have been created.

Aside.

Hon. D. A. C. SIMMONS: Mr. Speaker, they tell me that I cannot read it like that because it says the number of persons employed total 1994 third quarter 99.7 thousand, 1995, 107.7 thousand. They say total number of persons employed. Do you tell me that I cannot read that?

Aside.

Hon. D. A. C. SIMMONS: Point to point in the first quarter of 1994 was 104.5 thousand. If you read it so, you would have, Mr. Speaker, to ignore the fact that in the third quarter of 1994 it had declined. Mr. Speaker, they really want me to show that the first quarter of 1994 there were 104 500 people were employed; second quarter 103.3; third quarter - by the time the Democratic Labour Party went out of office they were down from 104 to 99.

Aside.

Hon. D. A. C. SIMMONS: They have given me these statistics, Sir. They tell a story and I have to make use of them using the point of September third quarter to the point at the end of March 1995 which showed a difference.

Whereas there were 99 000 people employed the third quarter last year, the first quarter of this year there were 107.7 thousand. Quarrel with the Central Bank. It is there on page 91.

Mr. Speaker, Sir, I have circulated the amendments to (he Bill which have taken account of certain concerns raised particularly by the Honourable Member for Christ Church South and the Honourable Member for Christ Church West. I want to take the opportunity to thank the Honourable Members for Christ Church West and South for their interest in the Bill and then for the support which they rendered to Chief Parliamentary Council to enable us to get amendments in a shape that would take account of such lacunae as existed in the Bill. I think the Bill is now all the better for the inputs of the Honourable Members for Christ Church South and West. 5.25 p.m.

Mr. Speaker, I have nothing else to deal with in this reply and I am therefore going to move that this Bill be read a second time and I will deal with the amendments in Committee.

Hon. Miss B. A. MILLER: I beg to second that, Sir.

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

On the motion of Hon. D. A. C. SIMMONS, seconded by Hon. Miss B. A. MILLER, Mr. SPEAKER left the Chair and the House went into Committee on the Bill, Mr. W. C. C. CALLENDER in the Chair.

Mr. CHAIRMAN: This Honourable Chamber is now in Committee.

Clause 1 was called and passed.

Clause 2 was called.

Hon. D. A. C. SIMMONS: Mr. Chairman, there are certain amendments to Clause 2, which have been circulated, in relation to Clause 2 subclause (1) and Clause 2 subclause (3).

I beg to move that Clause 2, as amended, do now stand part.

Hon. Miss B. A. MILLER: I beg to second that, Sir.

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

Clauses 3 and 4 were called and passed.

Parts II, III, IV, V and Part VI (Clauses 27 to 30), were called and passed.

Clause 31 was called.

Hon. D. A. C. SIMMONS: Mr. Chairman, there is an amendment to Clause 31, which has been circulated and redrafted. I beg to move that Clause 31 as amended stand pan.

Hon. Miss B. A. MILLER: I beg to second that, Sir.

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

Clauses 32 to 34 were called and passed.

The Schedule was called.

Hon. D. A. C. SIMMONS: I beg to move that the Schedule be the Schedule to the Bill, Sir.

Hon. Miss B. A. MILLER: I beg to second that, Sir.

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

On the motion of Hon. D. A. C. SIMMONS, seconded by Hon. Miss B. A. MILLER, Mr. CHAIRMAN reported the passing of one Bill with amendments in Committee, and Mr. SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Hon. D. A. C. SIMMONS, seconded by Hon. Miss B. A. MILLER, the Bill was read a third time and passed.

PRIVATE MEMBERS' BUSINESS

Hon. Miss B. A. MILLER: Mr. Speaker, I beg to move that Private Members' Business be taken at this time.

Hon. G. W. PAYNE: I beg to second that, Sir.

Mr. SPEAKER: It is my understanding that we will start with Private Members' Business, Order No. 3. 5.35 p.m.

Dr. R. C. HAYNES: Mr. Speaker, the Resolution which I am inviting other Honourable Members of this Honourable House to support can be described as a good faith Resolution. It is a Resolution which enjoys the support of some 250 000 souls in this country. It is one which calls on Government to give consideration to a matter and it is not a Resolution that binds government to any particular policy position.

It is the kind of Resolution where, in my judgment, there is no need for any political party to apply the whip and certainly I will not be applying the whip to this political party. It is a Resolution worded in the folk wing simple terms:

"WHEREAS there is a lack of integrity legislation to regulate the conduct of parliamentarians and public officials to ensure public accountability and eradicate corruption in public life; and

WHEREAS there is public concern over the many continuing allegations of misconduct relating to government expenditure and such allegations undermine confidence in the political process while damaging the image of our country; and

WHEREAS there is need for institutions and provisions to deal respectively with such matters of public concern;

BE IT RESOLVED that this House urges the Government to give consideration to amending the Constitution

- (1) to create a Commission on integrity in public life
- (2) to assign to the Public Service Commission total responsibility for all appointments, including temporary appointments, transfers, promotions and discipline in the public service and
- (3) to create an office of Contractor General to be responsible for the award of all government contracts for business and services subject to general policy directives of the Cabinet

Now, Sir, before I take my seat I am going to suggest in due course an amendment to the operative clause 3 so that will read:

"the role of the Contractor General will be to monitor the award and implementation of all government contracts."

I think it is important that when one is faced with this kind of matter before the House that we do not seek to dwell in the past, that we think of the present and that we think of the future.

It is important to remember that positions taken by individuals or political parties in the past, whilst they might have been taken in good faith and in many instances might have been the correct decisions taken at that point in time, it does not follow that that same decision is necessarily a correct decision today.

It is the kind of Resolution which I hope can be improved by amendments so that a consensus position can be reached in this House. There are 3 operative parts which may be separated if necessary in order that Members can support what they wish to support and not support what they do not wish to support.

I would urge Honourable Members to remember that this is a resolution, that it is not a Bill before Parliament and therefore it is important not to be nitpicking at words and so on and try to deal with the general substance of the Resolution and above all try to avoid getting stuck in sterile partisan considerations on this matter.

I have already indicated, Sir, that I am thinking of an amendment as a result of discussions that I have held with members of the other political parties. I think it can be improved and I have no problem with that. I sincerely hope that the Resolution will be further improved as debate takes place. The important thing is that the debate takes place.

Mr. Speaker, I believe that every parliament has to put some stamp on the political life of a country. I believe that a parliament has to lift itself from time to time beyond the bread and butter issues that occupy the attention of parliamentarians and that we should try to lift debates from time to time to a more noble level so that people can get involved in the discussion of ideas and the discussion of concepts. Looking back over the years, Sir, all of the parliaments of the past in this country have had as an important vibrant force important concepts that underline the tone of the entire Parliament and were not confined to dealing with bread and butter matters.

This Resolution calls for creation of a Commission on integrity in public life. I have no difficulty with the position of the Democratic Labour Party whose leader has indicated that he would second the Resolution. I am sure, Sir, that I shall have no difficulty on that particular matter with the Barbados Labour Party. Looking back at its manifesto in 1976, it committed itself among other things to a multi-party democracy which recognises the rights of all political parties. I will deal with that at a later stage.

It threatened in 1976 to pass legislation providing for Members of Parliament Senators and politically appointed members of statutory boards to disclose their financial assets and liabilities on assuming office and so on. It further promised in 1976 a code of proper conduct would be laid down for ministers, senior civil servants and political appointees to statutory boards.

Now, Sir, in this manifesto of 1994, the Barbados Labour Party also committed itself to accountability of all public officials to the people and the maintenance

of integrity in our private and public life. It committed itself to enactment of an integrity legislation governing the conduct of all Members of the House of Assembly, the Senate and public officials. It committed itself to the appointment of a permanent chairman of the Public Service Commission. It committed itself to a new Public Service Act etc.

The point I am making is that there is nothing in this Resolution which calls for the creation of a Commission on integrity in public life that should be at conflict with the fundamental policies of any political party in this country. I think the case has been made very briefly by me and I believe that this resolution is of vital interest to the people of Barbados, should be of vital interest to their government, to any cabinet, to all ministers of government and all Members of Parliament, because I have always been very concerned over the continuous stream of allegations against those holding public office in this country ever since 1951, since adult suffrage.

When I look at the lives of those who have passed through this Parliament and who have held executive office, when I look at the standard of living that they have enjoyed after leaving office it certainly does not in anyway match with the constant stream of charges of unlawful wealth acquisition that have been made against so many persons in the past. Therefore, Sir, I feel that if we were to pass this Resolution that it will have the same kind of impact as the passing of the Electoral and Boundaries Commission. From the moment that Commission was put in place a whole lot of the allegations of fraud and so on against politicians ceased, virtually over night 5.45 p.m.

I also feel, Sir, that this Resolution would give the opportunity to the public of Barbados to examine whether or not there are persons in the private sector of Barbados who can be held equally responsible for almost every act of corruption or alleged corruption that has taken place in Government over the years. It takes two to tango. It is not a one-sided affair. So, Sir, I have already indicated what the Barbados Labour Party position has been in 1976 and in 1994. Our position has been very simple, Sir. In 1991 we produced a Manifesto and in that Manifesto we talked about introducing integrity and anti-corruption legislation and to restore to the Public Service Commission the functions expressed in this Resolution.

In our Manifesto of 1994 we also talked about the same matters relating to the Public Service Commission and also introduced in our Manifesto, the concept of a Contractor General as a Manifesto position. So that, Sir, it can be seen that this Resolution that is before the House is something that political institutions have been grappling with over the years to try to find a format which would be

satisfactory to those in public life and satisfactory to the public in general.

Now, Sir, I will make a document of this House, Sir, a copy of the section of the Constitution of St. Lucia which provides for an integrity commission. I believe, Sir, that if that integrity commission was in place in St Lucia as provided for under the Constitution a lot of their current problems would not exist because it would be handled differently. That is the point I am making. It would have been quite possible to handle the situation very differently and I think that our Constitution should be amended along the lines of, probably, a part of section 118 and section 119(2) of the St Lucia Constitution. I just brought this along so that Members would appreciate that there is precedent right here within the Caribbean to have within the Constitution of a country, a provision for a Commission on integrity in public life.

Now, Sir, the second point I wish to deal with. Before I move on, I just want to make one point and it is this: We have tried in the past in this Honourable House to bring integrity legislation. I recall there were 2 Bills, a Bill to revise and reform the law relating to the prevention of corruption in Barbados and to repeal and replace the Prevention of Corruption Act and there was also a Bill that seeks to preserve the public confidence in the integrity and honesty of persons in public life as set out in its statement of purposes and provide for the establishment of a public integrity Commission to monitor the assets of those persons.

Now, at least one of these Bills was brought before Parliament in the late 1970s and we all know that it died a natural death in Committee and was never brought back to Parliament. It went to the Committee, then there was a General Election and that was the end of it. The point, Sir, that I want to make is this: We need to find a form and a structure for an Integrity commission which poses no financial burden on public officials to comply with it; one that does not disturb the families of persons in public life; and one which gives comprehensive investigatory powers. The accent of the Bill should be on the investigative powers of the Commission.

I think that the previous legislation that was brought to this House had its problems and I believe that those problems can be overcome if a Bill is structured in such a way as to meet the needs of Barbados and also to draw on our previous experience and find out what the problems were relating to that particular piece of legislation.

The next operative section deals with the call to assign to the Public Service Commission total responsibility etc. for appointments and so CHI. I want to say this, Sir. First of all, the term public service is a very wide

term and I believe that experts can draft legislation in such a way so as to amend the Constitution exclude a particular category of persons that are clearly designated as political appointees that come and go with the Government. I have no problem with that but we cannot have a situation which exists at the moment where people in the public service have the kind of problems that they have had over the years in their relationship with the political directorate. I believe the manifesto of the Barbados Labour Party commits itself to a clarification and a redefinition of that particular role, so I presume that the problem is recognised there as well.

Let me therefore say this, Sir. I feel that the public should be told that the days of massive expansion of the public sector are all over. That the public sector now, as it relates to the political directorate, should be concentrating on better management and improvement in the quality of service and improvement in morale in order to make it a more effective tool in social and economic development and in the creation of jobs elsewhere in the society. So that the key factor is no longer a matter of expanding the civil service year after year and with every change of Government. The key factor now is going to be an improvement in personnel management and we need a new kind of Commission, a new kind of approach by the Commission, probably a full time Commission. It all depends on how we see the role of such a Commission in the future. Maybe it is not only the Chairman, maybe the Commission itself may have to have people who can spend a lot more time dealing with the problems relating to the public service. We are dealing, Sir, with the management of some over 20 000 people and this is a full time operation.

I think we need to look at the whole structure of the Public Service Commission so its action can be timely, that it can take appropriate action in relation to discipline; that it can deal effectively with an assessment of recommendations for transfers and promotions and so on.

I feel that if we have a structure so set up that in modern management terms it can deal with the needs of the public service then a lot of the problems that the political directorate had in the past in dealing with the Public Service Commission and its level of activity will go away.

As I pointed out earlier, Sir, it would of course be necessary to define the term "public service" very carefully in any legislation. I do not think that we need to expand the Constitution to make it too big a document, maybe one or two sentences creating certain situations and those situations can find expression in Bills coming before Parliament. So that as time goes on we will be able to build a new type of Civil Service, a new type of relationship between the people and the public servants, a

new type of relationship between politicians and people who are seeking employment in the Public Service and *people* who are seeking promotions or transfers. Public servants will feel that important sense of independence of the political directorate whilst at the same time clearly understanding that they can only be promoted within the system if they reach certain standards of efficiency and so on. 5.55 p.m.

The third point and I have to move through these 3 heads very rapidly, Sir. I have to move very rapidly on to the next item and the next item calls for the creation of an Office of Contractor General to be responsible for the award of all Government contracts for goods and services subject to general policy directives from the Cabinet. My research has indicated to me, Sir, that there are two types of Offices of Contractor General. One will perform the functions as set out in the Resolution which I gave notice of and one which can perform a more limited function whilst preserving the other offices in Government which are responsible for the acquisition of goods and services but at the same time have enough powers to deal with the kinds of problems that the people of Barbados have been complaining about and which in my judgment all honest politicians should wish protection from.

I have made available to both political parties a copy of the Jamaica legislation which deals with the Office of Contractor General and I believe, Sir, that this can be a model piece of legislation which we can look at carefully in Barbados and see what is suitable for our purposes. If I may indicate, Sir, to Honourable Members, in Jamaica the Contractor General was established by an Act of Parliament as a Commission of Parliament to be known as the Contractor General. The Commission consisted of such persons appointed by the Governor-General by instrument on the broad sea after consultation with the Prime Minister and the Leader of the Opposition and any persons so appointed shall be known as Contractor General.

Now, Sir, the functions of the Contractor General and these are important:

- (1) to monitor the award and the implementation of Government contracts with a view to ensuring that,
 - (1) such contracts are awarded impartially and on merit and,
 - (2) the circumstances in which each contract is awarded or as the case may be terminated do not involve impropriety or irregularity and,

- (3) without prejudice to the functions of any public body in relation to any contract, the implementation of each such contract conforms to the terms thereof and,
- (4) to monitor the grant, issue, suspension, ex-revocation of any prescribed licence with a view to ensuring that the circumstances of such grant, issue, suspension, or revocation do not involve impropriety or irregularity and where appropriate to examine whether such licence is issued in accordance with the terms and conditions thereof.

For the purpose of discharge of his functions under this Act, a Contractor General shall be entitled:

- (1) to be advised of the award and where applicable the variation of any Government contract by the public body responsible for such contract.

It goes on and it sets out the conditions under which the Contractor General will be able to function. For example, he should have access to all books, records, documents or other property used in connection with any grant or issue, suspension or revocation of licences and so on; to have access to premises or location where he has reason to believe that any such books, records, documents or other property as I referred to in one other paragraph above may be found.

The Bill also sets out the independence of the Contractor General, his tenure of office, the conditions under which he may be removed from office, the disqualifications for appointments and a whole range of other matters relating to the position of Contractor General. The point that I wish to make is that this is a new concept that I am trying to introduce to this Parliament in Barbados but it exists elsewhere. It is nothing that I have just woken up one morning and just imagined. This was put in place to put an end to the severe civil disturbances that erupted in Jamaica if you may recall over the question of partisan allocation of jobs, contracts and so on and it has worked. It worked in Jamaica and there can be no question about it. What I am saying here is that in Barbados that with the Office of Contractor General in place it is a matter of protection for the public, protection of Ministers of Government, protection of public officers and the people of Barbados can feel confident that when there are rumours of corruption that matters can be dealt with expeditiously. It would also put an end to something else - politicians walking around the country spreading scandals about each other and that kind of thing, and a lot of that will come to an end as well.

Mr. SPEAKER: I hope the Honourable Member is not referring to any of the Honourable Members.

Dr. R. C. HAYNES: I am not talking about this Honourable House, Sir. I am spying that what has happened over the years is that one party or another has been making allegations about other people over the years. When I look at the bottom line and the lifestyle of all those persons who have been Ministers of Government over the years, I find it difficult to accept, when I see the overwhelming majority of them ended up their days in near poverty or poverty on both sides of the House, that there has been this wild corruption in Barbadian public life, but the people believe it. The people believe that there is something crooked about every politician in Barbados and we need to do something to correct that image. A lot of it relates to Government expenditure and I am saying this problem can be solved if you accept the amendment because it would empower him as an investigative person and when you read the Jamaica Act you will see all the protection within that Act in relation to the operation of the Contractor General. It is all in this Act how the Contractor General shall be appointed, how he should operate, how he can be supervised, how he can be dismissed.

Aside.

Dr. R. C. HAYNES: Read the legislation. It is all embraced in the legislation. It is an important step forward as far as I am concerned.

Sir, as I see it, this Resolution has three operative parts and the operative parts relate to the establishment of the Commission on Integrity and I am quite sure that I do not see any political party represented in this Honourable House which cannot support that part of the Resolution. The second one relates to an expanded role for the Commission. I anticipate that people will have different views as to how the political directorate should relate to a Public Service Commission in the future. 6.05 p.m.

The third one, the creation of a Contractor General to monitor the award and implementation of all Government contracts, I do not see how anyone can oppose such a particular proposition. The question has been asked whether or not we need to amend the Constitution to do all of these things. There are two views about this. When we tried to establish the Electoral and Boundaries Commission, there was an argument in this House as to whether we needed to put it in the Constitution or bring it in by simple legislation that can be reversed by a simple majority. The overwhelming feeling at the time was that it was sufficiently important that it should be in the Constitution.

I feel the same way about these three matters. I feel that there should be words in the Constitution that

make it mandatory to create a Commission on Public Integrity in Public Life and that a Bill should flow from that. I think there should be an amendment to the Constitution, maybe one or two paragraphs, that creates the situation of Contractor General and a Bill would flow from that, as in the case of the Electoral and Boundaries Commission. I feel that in the new arrangement I am suggesting for the Public Service Commission, that would largely involve a reversal of amendments that were made to the Constitution before anyhow, so I do not see what the problem is. I believe that these things are so important that they should be placed within the Constitution of Barbados and should not be left simply to the usual type of legislation.

So, Mr. Speaker, before I sit I would like to urge all Members to recognise that Barbadians want this kind of legislation. They want to see the Constitution amended to reflect their wishes. Remember that the Public Servants out there would like to see these kinds of changes come about. Changes made in the past, changes opposed by one side and then used by another side to their advantage are in the past. It is a different age, a different situation in relation to the Public Service and certainly the creation of the office of Contractor General would revolutionise in many ways the thinking of Barbadians about politicians and would let Barbadians begin to recognise that probably they are not as corrupt as a whole lot of people believe, and above all, Sir, that Governments when they lose office would not be put through again and again the mill with all kinds of allegations, Commissions right and left, and what not, which in the past have ended up, where? People are fed up with that kind of approach to the problem, so that when a problem arises then you say this is a matter for the Contractor General to investigate and the legislation would provide for the steps he can take in relation to Parliament and to other bodies in this country.

Mr. Speaker, I must wind up now. I indicated earlier that I would like to amend Section 3 in the operative part of the Resolution to read:

"To create an office of Contractor General to monitor the award and implementation of all Government contracts."

In other words, we are striking after "Contractor General" from "to be" to "award of" and the rest remains. For the benefit of other Members, it will read like this:

"To create an office of Contractor General to monitor the award and implementation of all Government contracts for goods and services, subject to general policy directives of the Cabinet."

I deliberately put that in there, Sir, so that concepts of affirmative action and so on could be brought into play in

dealing with these matters. You will see from the way in which the legislation relating to the Contractor General has been framed in Jamaica that the whole concept of Cabinet responsibility and Government policy positions can be preserved within the context of the establishment of the office of Contractor General.

So, Sir, I beg to move that this Resolution, as amended, do now pass. Thank you very much, Mr. Speaker.

Mr. D. J. H. THOMPSON: Mr. Speaker, I beg to second the Resolution and reserve my right to speak, and to move that further consideration be postponed.

The question that further consideration be postponed was put and resolved in the affirmative without division.

RESUMPTION OF GOVERNMENT BUSINESS ORDER NO. 5 - THE NATIONAL COUNCIL ON SUBSTANCE ABUSE BILL, 1995

Hon. D. A. C. SIMMONS: Mr. Speaker, Sir, Honourable Members are aware that last year in November the Government established the National Council on Illegal Narcotic Drugs and in the Estimates for this financial year funds were provided. The Council as of now is not a statutory body, it is a loose, amorphous grouping of 18 persons. The Council is headed by Dr. Delph and Dr. Richard Corbin is the Deputy Chairman. 6.15 p.m.

Since the Council has been established and functioning, it has developed a number of programmes...

Mr. SPEAKER: Please, could we hear the Honourable Member?

Hon. D. A. C. SIMMONS: ... aimed at reducing the demand for narcotic drugs in the community. For example, there is a project at Deacons using the old school at Deacons. There will be a project for the City and a project for Eden Lodge. There is a project for the Gall Hill, Silver Hill area, and there is a project for Pinelands. With regard to that one, for example, they want to help the youngsters in the Pinelands area to set up 30 micro-businesses.

The Council has received its funds thus far from the central government and in addition to that, I think it was on June 2 this year, I signed an agreement with the United Nations Drug Control programme for \$1 million which will be disbursed in tranches of approximately US\$300 000 a year which would be added as a supplement to the grant from the central government to enable the Council to carry on its work.

In the meantime, the Council has been experiencing great difficulty in the disbursement of funds and, indeed, in the receipt of funds from the central government. These difficulties have led to a hold up in the work of the Council. Let me give an example to show Honourable Members some of the difficulties. Take Deacons, the project at Deacons involved a number of young people from that area who were skilled in carpentry, masonry, plumbing, electrician's work, redeveloping the school - it was run down and the Council undertook to have it refurbished and renovated. We are using the talents of youngsters in the district who would ultimately participate in the therapeutic work that was going to be done at the school itself; but we had endless problems.

Government's financial rules did not allow payment to be made to these young people even though it was agreed that they should receive funds. There were situations where members of the Council even volunteered to pay the youngsters out of their own money and then recover from Government. All of that is untidy government accounting.

We had meetings with the Ministry of Finance, with the Accountant General and the Auditor General to see how an organisation that is expected to work quickly to have autonomy, to have flexibility of action, how it could be moved on to satisfy those objectives; and we were told that it was impossible. They could not have a bank account in the name of the National Advisory Council because of the present strictures in Government's financial rules and accounting procedures. It was recommended, therefore, that in order to allow the Council to function and function in a way where grants to the Council could be used for the purposes and the programmes of the Council, the best thing to do was to incorporate the Council as a statutory body. It would then receive a grant like such statutory bodies and still receive grants, for example, the National Housing Corporation and the National Sports Council.

The Government will give \$500 000 a year to the Council and they will then manage the funds like any other statutory body and they have to account. The usual provisions are in the Bill. So that is how we came to this mechanism of the statutory board to provide a means for spending the funds for the purposes for which the Council determines the funds should be spent properly in accordance with strict accounting procedures.

In future, after this Bill is passed, the Council will then have an existence that is recognised in law as a separate corporation, if you like, and the Bill merely seeks to do a number of simple things. After 7-8 months of existence, it was determined by the Council that they preferred to be called the Council on Substance Abuse rather than the National Advisory Council on Illegal Narcotic Drugs to give them a bit more scope and not limit

themselves only to psychotropic substances but to embrace alcoholism.

The Council is not set up just for this year. It is envisaged that the Council will operate over time and that they would have the authority to deal with and advise the Minister on all types of substance abuse as the vagaries of substance abuse reveal themselves from time to time.

The functions of the Council are set out on page 2, clause 4. The present Council comprises a number of persons active in the community who have an interest in the eradication of drugs and there is a wide spectrum of persons who are available to advise the Minister. The usual government departments are represented - Health, Education, the Police and Probation. It is to some extent a technical council as presently constituted. There are persons who are involved in professional capacities in substance abuse matters and one envisages that the Minister who for the purposes of the Bill is designated as Attorney General would give just broad policy directions to the Council, but generally the Council, because of its composition and constitution, would be able to advise the Minister, hopefully very effectively, on the matters provided for in its remit.

The structure of the legislation follows the usual form for statutory boards, the power to appoint committees, the power to delegate committees, appointment of Chief Executive Officer and staff. The financing of the Council is provided for in clause 10. As usual, as a statutory board, it cannot borrow without ministerial approval. It has to keep proper accounts and audit and it must report to the Minister annually and that report will be laid on the Table of Parliament 6.25 p.m.

When I set up the Council last year, Mr. Speaker, I did tell them that I would expect them to give me a report every year and I would lay it in Parliament. There was no legal requirement for that report. But now that they are a statutory body we have ingrained in the legislation that usual provision that requires statutory bodies to make annual reports to Parliament.

The Schedules deal with the internal management of the Council and Members will see that it is really a council of up to 20. In order to give the widest possible opportunity for participation we could not have a council of under 20, when we looked at it, having regard to the number of Government Departments that had to be represented and special interest groups. We have a number of community persons who are on the council.

Aside.

Hon. D. A. C. SIMMONS: This Council works. For their own internal operations they have done some very innovative things and they are working. The point is that they have all of these sub-committees in place and they have programmes worked out and fine tuned. They want to run with the programmes but the programmes call for expenditure of Government funds, Central Government funds. Take Gall Hill/Silver Hill in Christ Church. One of the things that we want to do by way of demand reduction in that area, on the advice of the young people in that area, is to create three football teams of different age groups and involve them. Indeed we want to expand that into weight-lifting. There is a gentleman in the Gall Hill area who has a little weight-lifting club. They are interested in sports. The Kneland is interested in micro-business. But the Central Government does not presently allow the passing of funds from itself to this thing called a Council which is not a corporate body and then down to the youngsters to buy football gear and various things. The only way we can get around that is to set up the Council as a statutory body.

Now, I want to make one other point Members on the other side, recently in Government, will know that international institutions which have funds to disburse wish to deal with a QUANGO. They wish to deal with a Quango parastatal organisation and this structure is one that will sit well with the UNDCP who are the counterpart contributors to the funds of the Council.

It is a short Bill, Mr. Speaker. As I say, it does not contain anything that is unusual and with those brief words, having regard to the commitments of Members, the Combermere Members on the other side, I said I would be brief and I beg to move that this Bill be read a second time.

Mr. B. M. TAITT: Mr. Speaker, Sir, I only wish to make a short contribution to this Bill. I think the Attorney General will know why I am smiling. I would not even put it in the record why I am smiling because I am glad to see that from the other side, now that he is a Minister he is understanding or remembering more clearly some of the inherent difficulties of trying to get something done in a particular way.

What I wanted to take this opportunity to indicate is that there is one technical issue in the definition of Minister. I notice that the definition is Attorney General. I think you should change that to the Minister responsible for whatever in the event that the responsibility is changed you would not have to change the legislation. I think the Attorney General and Minister of Legal Affairs. Anyhow it does not matter.

I think the more important thing I want to say is this. In Barbados we have continued unfortunately to regard the

problems relating to substance abuse only in terms of enforcement and as a result the tendency has always been to make the responsibility for solving the drug problem the responsibility of the law enforcement people.

I have always believed and I believe even more strongly today after much experience and examination of what is going on around the world that this must be seen primarily as an illness. I hope that the Council, there are some people mentioned who are sitting on the current council who have understanding of this particular point of view and without prejudice to the magnificent efforts being made by the police in Barbados over the last 10 years or so, and without prejudice to the need for us to have efficient law enforcement with regard to the proliferation of drugs, I think that the drug problem in Barbados must be seen at its core as an illness. It is a problem which young people have, a problem of addiction and addiction cannot be cured by imprisonment. It may be temporarily recessed but unless we assault the problem of substance abuse from the point of view of a health issue even at the same time as we take the necessary steps to ensure that we deal with the prevention and control, unless at the same time we give equal and perhaps stronger weight to the health aspects of substance abuse we are constantly going to be going around in circles and spinning top in mud.

I make no apology, for example, for holding to the view that violence is an illness and has to be so seen and has to be so treated. Unless we see all of these things as being inter-related and relate to them as issues that require some kind of cure and some kind of prevention we are going to continue to have some of the difficulties which are not peculiar to Barbados. They are difficulties that are peculiar to almost every country that exist and have been existing from time immemorial.

Addiction is not something new and sometimes when I read articles in the newspapers in Barbados it is as though drug addiction is something that happened yesterday, that suddenly came upon Barbados.

We also have this way of separating one kind of substance abuse from another without recognising that the same underlying difficulties which would make an individual personality susceptible to easy addiction and easy behaviour that leads to addiction can be found in those who attack alcohol at a very early age. I think that in Barbados we are not paying sufficient attention to the number of young people in this country who are affected by alcohol and tobacco. I am not going to spend time here because I have to go. But I hope that on another occasion I will certainly have a chance to speak extensively on this. 6.35 p.m.

Mr. Speaker, I am a parent I have young people in my household. I used to smoke and I know how difficult it is. I am not in any confessing mood but I can speak categorically and say that does not include her. I used to smoke cigarettes. I stopped smoking 10 years ago, Mr. Speaker. I have a young person in my household who has discovered what he perceives to be the joy of smoking and no amount of preaching and discussing what the difficulties are will stop him from smoking until he comes to realization that it is not a useful exercise of good living.

Aside.

Mr. B. M. TAITT: The Honourable Members wish me to discuss my entire family but there is nothing in the debate that requires me to do that. The point I am making though is that when one is dealing with substance abuse and addiction, one has to deal with the underlying causes. One has to be willing therefore to see this not only as beat and lock-up, but we have to see it in terms of the sociological and psychological underpinnings of the difficulties which many of our young people have. Those of us who represent constituencies in the urban areas are fully seized of the difficulty surrounding young people who cannot find employment, young people who are succumbing to peer pressure and that, Mr. Speaker, as you know better than almost anyone of us in here, peer pressure is the single most aspect of a young person's life. We therefore have to find avenues to allow the peers to be part of the solution to the problem of drug addiction in this country. None of us has the solution. Neither one of us here has all of the answers and indeed even collectively we may not have any answers, but it is our duty to try to find those answers.

I have always believed that health issues, and I regard this primarily as a health issue, are not susceptible to partisan discussion and anyone who has observed my demeanor in the last 10 years or so will know that except when we are in the throws of pure politics that I try to separate the health issues especially from the politics of the situation.

In the time that I have taken I wanted to put that particular imprint on the debate, that the debate should not in my view concentrate what other prison facilities we need, on how many halfway houses we need, how many more lawmen we need, but rather what kind of preventive mechanisms we can trigger at this stage given our resources to assist in preventing young people from falling prey to the difficulties which in turn lead to addiction.

Mr. Speaker, any of us who deal with young people on a daily basis can only be amazed at the capacity of young people, the energy of young people and their willingness to listen to one another in their daily lives. We

have to find a method of capturing that capacity of young people to teach young people and we have to teach one to teach one. Yes, we have to use the same techniques which led the Cubans to become the best athletes in the world at one time. Each one must teach one.

Mr. Speaker, for reasons which you know, I will have to stop at this point and I am very grateful for the Honourable Member for St. Philip South who was kind enough recognizing that I did not have enough time to allow me to go before him. I am grateful to Your Honour.

Mr. SPEAKER: The Honourable Member for St. Michael South Central.

Dr. R. C. HAYNES: Mr. Speaker, it is extraordinary how the drug culture has taken hold in various sectors of Barbados and the extent that it exists in this country. I believe that it is exceedingly important to be very clear in our minds precisely what kind of actions we are going to take in this matter. Now I believe, Sir, that a primary objective has to be to reduce demand and reduce consumption of narcotic drugs. How do we set about this?

We look around the world today and we see that in economies that have high levels of disposable income that the drug culture emerges predominantly in those communities, largely North America and Europe. But the amazing thing is the speed with which it is spread to those areas where it cannot be said that you have the same level of demand or the same availability of cash and spending power in those communities. So that whilst it was thought for many years that the available spending power in Europe and the United States was the major factor in creating the drug market, it is very interesting to see that in countries where the problem of poverty is so profound and we are talking really of a period of 10 to 15 years, the matter has become a major social problem. Additionally, if you look even within those developed countries, you will find that the demand is often heaviest in those areas where the disposable income is smaller rather than in the areas where you have larger disposable incomes. Now this says something to me and what this says to me is that whereas economic conditions are an important factor in the creation of a drug climate that there are other even more dominant factors that are involved. This is what makes it so difficult to devise programmes to reduce the consumption of any form of narcotic drug. The debate can be widened to include drugs like caffeine, nicotine and a wider range of drugs. But I think that it is important for us to focus on those drugs which have widespread social problems that spill over into crime and alter the behaviour patterns of individuals, groups and communities to an extent that is completely unbelievable, drugs that can so affect the mind and the psyche of individuals that they become relatively dehumanized and sometimes I wonder the level of

criminality that can be attached to someone who is in a psychotic state because of the excessive intake of a drug like cocaine. 6.45 p.m.

You have to be very clear on what programmes you are going to put in place and be absolutely sure that you deal with the question of consumption and demand. Unless you deal with that problem, you have a problem. The issue is whether education can do it I think it can only play a role. The question as to whether socialisation and the pattern of socialisation can do it, it can only play a role. The question is whether there are some people who have a genetic predisposition to dependence on these drugs and whether in fact there is some abnormality within the psycho-neuro personality of these people that render exposure so fatal and so lethal to them. All these are things we have to examine. Therefore, a Council of this nature I think has to be very well informed, it has to devise and target its programmes, it probably has to have different programmes in relation to different socio-economic groups when they analyse what are the factors driving consumption in those particular groups. It is a very complex subject, an extremely complex subject.

I believe a Council like this should have the benefit of serious professionals working along with them in order that they can help them to devise programmes to deal with the different groups within a society. How far and how many drugs and so on you would need to include in this programme, as to what the function is, whether it is going to deal with drugs which essentially affect individuals rather than affect the community. Nicotine affects the individual, caffeine affects the individual, someone who is having a nicotine or caffeine withdrawal does not go and break into somebody's premises or go to kill anybody. Cocaine forms a completely different drive when someone is going through a withdrawal state, so I think the Council needs to focus very early on the particular drugs we will be dealing with and looking at the techniques that can be used. I suggest that they probably start with the hard drugs that spill over into serious sociological problems within the society.

Hon. D. A. C. SIMMONS: On a point of elucidation, Mr. Speaker. When I was moving the Second Reading the Honourable Member was not in the House. I will take the opportunity now to give the names, since he is talking about the members of Council, it might help his speech to give the names of the members of the Council, and it is my intention to reappoint them to the Council on Substance Abuse:

Dr. Yvette Delph - Chairman

Dr. Richard Corbin - Deputy Chairman

Mr. Carl Ince - P.S., P.M., who has written a little pamphlet on the drug problem

Mr. Edwin Small, who is at Harrison College Miss

Nancy Binks, I think she was at St. Winifred's Mr.

Maurice Foster, I think we know him Mr. Glenroy

Straughn, who has been active in this area

Miss Sandra Husbands, who is also active in the area

Mr. Keith Foster

Rev. Dr. Theodore Taylor

Mr. Harold Hoyte

Mr. Derrick Murray, this is a gentleman from the Pine area

Mr. Danny Gill, who is a health planner

Mr. Cuthbert Layne, the Chief Community Development Officer

A representative of the Police, and

Mrs. Yolande Bannister-Gilkes

Dr. R. C. HAYNES: That sounds to be a pretty satisfactory composition and will deal in large measure with the kind of concepts that I raised with the kind of expertise that should be available to such a Council on a continuing basis.

I do not propose to detain the House any further, it is the kind of Bill that I will have no difficulty in supporting, but I think it is one of the most serious problems facing this country. I just want to give a little anecdote from a little experience that I have had among young people. Ten years ago if you went into certain areas and somebody was smoking marijuana, when they saw you coming, as a matter of respect they would put it away or move away. Five years ago when they saw you coming they would continue to smoke in your presence. One year ago one chap looked at me, took out a cigarette and said: "Give me a light". Do you understand the progression, Sir? This thing has now become very much pan of "we culture" among certain groups in Barbados and I think you need to get in there somehow or other and try to reverse that trend. Those simple observations will give you some idea that people in certain communities and certain age groups are accepting this as the respectable norm and it is becoming more

and more difficult for them to understand why people should consider this to be unacceptable behaviour. I have reflected on those three responses from the same group over a ten-year period as I approached them and it has been very instructive.

I thank you very much, Mr. Speaker.

Hon. Sir HAROLD St JOHN: Mr. Speaker, I would like to make a contribution on this. I have been able over the course of the last IS years to observe the profound change that has occurred in Barbados in relation both to alcoholism and other drug abuse. I believe that Barbados and Barbadians have been underestimating the impact of the drugs on the society as a whole. 6.55 p.m.

It is my opinion that a considerable amount more is needed to be done if we are to have a broad-based programme to mitigate this impact on our society. This is a worldwide problem. Not so long ago, while we were debating another Bill in here under the Vagrancy Act, there was a tremendous amount of debate along the lines that it was the duty of the Government not to pass legislation to deal with the consequential behavioural problems that arise but to go to the root of the cause and to bring in legislation and the other machinery to make sure that those people who suffer from the impact of drugs are dealt with in a different manner.

I believe that this Bill is the recognition of the fact that the Government believes that there has to be a holistic approach, not only in the criminal law courts but also another approach in the form of bringing machinery to mobilise a community effort to deal with this matter.

A couple of days after this debate, I came across an article written in a journal published by the Inns of Court, Inner Temple, and in the article there was a report from the estate manager of the property of the Inn. There it was, within the article, specific mention that the Estate Manager had a new problem in the Inns, that is, that at night a large number of people were invading the staircases and the entrances to the Inns who were drug addicts and other homeless people - it singled out drug addicts - looking for somewhere to sleep, who also indulge in the habit of begging.

Anybody in Barbados who thinks that that is not a problem here in Barbados should after certain hours visit St. Lawrence Gap, and I regret to say that the position has increased rather than decreased in the last couple of years, In Baxter's Road and, indeed, even in the fish market in Oistins, it is possible to see a large number of people in those areas who are addicts. We had a debate at a time when we were contemplating the introduction of halfway

houses in Barbados. At that time, there was a tremendous hue and cry by some communities that did not want these institutions placed in their areas. Luckily for us, there was a degree of persistence among the organisers and, eventually, despite the hue and cry, a number of halfway houses were established successfully. There are 2, as I recall, 1 in St Lucy and 1 in St George.

Important work has been done by these communities and anyone with a constituency office will have experienced parents coming to them in their capacity as Members of Parliament, asking them for help with their children. That led to a tremendous amount of discussion in constituency groups, and I am pleased to say that there is a lot more knowledge out there in some of the constituency groups as to what is needed in Barbados.

There are other people in Barbados who feel that the time has come for us to have another institutional framework. I cannot remember the name of the institution in the United States of America. The Roman Catholics have made a very big contribution towards the establishment of these institutions, but from my understanding of it, the general consensus is that what is needed in a community is a holistic approach; and I hope that this institutional machinery that we are establishing here will be able to act as a co-ordinator of the totality of the efforts in which you have your medical, sociological, law enforcement and other institutions which will be able to operate within the context of a policy formulated after a great deal of discussion.

I am glad to see too that the amendment has been taken, because I recall that there is a very eminent psychiatrist in the Caribbean who practises - he is really a Caribbean person - in Trinidad and Tobago, and is very adamant in his viewpoint that there is a lack of understanding within the Caribbean of the amount of damage alcohol has caused in our communities as opposed to narcotic drugs. I believe that he used to have an annual conference and Barbados used to be selected as the place because we had a Council against Alcoholism.

We must recognise that this is a problem that is likely to get worst before it can get better and there is another area where tremendous resources will have to be spent in trying to remedy the problems that inevitably arise from drug abuse. I would hope that the Council, in dealing with this matter together with the law enforcement agencies, will provide such and for the community a sort of clear and precise information as to the cost of remedying the impact of drugs and alcoholism so that when laws are passed in Barbados which appear to be draconian for some it would be realised in the community out there that all we

as legislators are trying to do is to bring home by the nature of our laws the serious, social and economic consequences of drugs in a country.

I am very glad to be able to support the Bill and I trust that the efforts of the Council would be successful and that the community as a whole will recognise that this is a very serious problem and that only a relentless community action will be able to provide a measure of relief to the problem.

SUSPENSION

Hon. Miss B. A. MILLER: Mr. Speaker, I beg to move that this House do now suspend until 8 o'clock p.m.

Hon. O. S. ARTHUR: I beg to second that.

The question that the House do now suspend was resolved in the affirmative without division and Mr. SPEAKER, suspended the House accordingly. 7.05 p.m.

RESUMPTION Mr.

SPEAKER: This sitting is resumed.

Hon. D. A. C. SIMMONS: I beg to move that this Bill be read second time.

Hon. O. S. ARTHUR: I beg to second that.

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

COMMITTEE

On the motion of Hon. D. A. C. SIMMONS seconded by Hon. O. S. ARTHUR, the House went into Committee, Mr. W. C. C. CALLENDER in the Chair.

Clauses 1 to 16 inclusive were called and passed.

Hon. D. A. C. SIMMONS: I beg to move, Sir, that the First Schedule be the Schedule to the Bill.

Hon. O. S. ARTHUR: I beg to second that.

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

Hon. D. A. C. SIMMONS: I beg to move, Sir, that the Second Schedule be the Schedule to the Bill.

Hon. O. S. ARTHUR: I beg to second that.

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

On the motion of Hon. D. A. C. SIMMONS seconded by Hon. O. S. ARTHUR, the Chairman reported the passing of one Bill in Committee and Mr. SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Hon. D. A. C. SIMMONS, seconded by Hon. Miss B. A. MILLER, the Bill was read a third time and passed and cited as The National Council on Substance Abuse Act, 1995.

Order No. 11 was called.

COMMITTEE OF SUPPLY

On the motion of Hon. D. A. C. Simmons, seconded by Hon. Miss B. A. Miller, the House went into Committee of Supply, Mr. W. C. C. CALLENDER in the Chair.

Mr. CHAIRMAN: This Honourable Chamber is now in Committee of Supply.

SUPPLEMENTARY ESTIMATES NO. 4 OF 1995-96

HEAD 15 - CABINET OFFICE - \$150 000

Hon. D. A. C. SIMMONS: Mr. Chairman, the Government is seeking supplementary provision in the sum of \$150 000 to supplement Head 15 - Cabinet Office to provide a sum by way of contingencies to meet the estimated cost of expenditure connected with the Commission of Inquiry into the issue of public service vehicle permits.

I was going to say this is one in which Members have to have considerable restraint. It is known that the Commission of Inquiry has been established, funding is being provided for it and this is the funding that we are seeking to be put under Cabinet office because originally some provision was made. This is just to make sure that the Commissioner of Inquiry has funds during the period from now until the House resumes after the summer recession and to take it out of expenses that have been incurred. It is going to be by way of a replenishment. What has happened is that the Commission of Inquiry started under MTW but it was considered prudent to move the responsibility for providing funds from MTW which is the Ministry that is subject to the investigation to a neutral Ministry where there could be no allegation of conflict of interest or even the appearance of bias. The funds are being transferred to the Cabinet Office to provide an independently and as it were untainted source from which the Commission can get funds. That really is the purpose of this Resolution. 8.10 p.m.

Hon. G. W. PAYNE: I beg to second this Resolution, Sir.

Mr. CHAIRMAN: The question...

Dr. R. C. HAYNES: Mr. Chairman, I wonder if the Honourable Member for St. Thomas will let the Members have the benefit of the very detailed account of the status of this Commission.

Hon. D. A. C. SIMMONS: Mr. Chairman, the status of the Commission is subjudicate. I believe that one of the arguments before the Court is the status of the Commission and I am not going to get into that.

I beg to move that this Head stand part, Sir.

Hon. Miss B. A. MILLER: I beg to second that, Sir.

The question that Head 15 stand part was put and resolved in the affirmative without division.

HEAD 30 - ATTORNEY GENERAL

Hon. D. A. C. SIMMONS: Mr. Chairman, Sir, it is known and accepted that for some considerable time there has been chaos in the Public Service vehicle operations in the country. The Prime Minister in his Budget Speech explained that it would become necessary to supplement the rights of the Police Force by the provision of additional Special Constables to assist in traffic management. I suspect that during the Budget I may have mentioned it I do not remember clearly now that MTW has a number of inspectors and some of them had been assigned to duty in the ZR Terminals. To my certain knowledge, there were a number of incidents some of which were violent and resulted in injury to some of the MTW inspectors. The inspectors became very fearful for their lives and limbs and the general melee in the ZR Terminals suggested that it would be more appropriate to have in the terminals and generally around Bridgetown additional uniformed personnel. There were meetings between MTW and Commissioner of Police and then MTW, Commissioner of Police and the Prime Minister. It was agreed that an additional 45 Special Constables should be deployed to assist in the better management and control of the Public Service vehicles in the terminals and on the roads.

This Supplementary therefore seeks an additional \$401 000 plus the National Insurance component of \$33 093.00 and the washing allowances for 45 Special Constables of \$55 813 to take us from the period July 1995 to the end of the financial year. These additional constables it is anticipated will assist in the better regulation of traffic and, of course, it is a desire on the part of the management of the Police Force to recruit from the Special Constables into the ranks of the Force from time to time those Special

Constables who have shown good ability and who have shown themselves competent and worthy, as it were, promotion into the ranks of the full-fledged Police Service.

So that in essence, this Supplementary provision that is sought will pay the expenses connected with the recruitment of the Special Constables. They will be subjected to a period of training in the first instance of 5 weeks and subsequently another period of training. Now this is step one.

There are still a number of matters causing concern to the Ministry of the Attorney General in particular the staffing of the Magistrates' Courts, both the existing Magistrates' Courts and perhaps the need for an additional Magistrate. Just briefly, I will explain what I mean. There are a large number of traffic cases which have remained unserved or part of which were destroyed by rampaging rats. We had two problems sometime last year before the change of Government where a number of cases were made, written up and sent over to the Courts by the Police. They were stored somewhere in the Magistrates' Courts and when they were found they were full of rat droppings and they were bitten up and so on, and the staff refused to touch them understandably. Now in addition to that, I believe very nearly half of the 20 000 cases that the Commissioner said were made were taken out by the Marshals for service but could not be served, because one of the features of the ZR culture has been that the police officers would purport to report a person. I say that because the person would give a name and an address to the police officer, which is written on the summons, and when an attempt was made by the Marshal to serve that person at that address it was found that they were non-existent, so they were beating the system because there is overwhelming evidence of an attempt to circumvent the proper procedures by the giving of false information to the police. When I found out about it I instructed that the police, the Marshals' Department and some of the court clerks should have a session together with the heads of their departments to examine a procedure for getting round that bit of skulduggery that was being indulged in, and they have had meetings on it 8.20 p.m.

That is not to absolve the Marshals' Department totally. It is known that there are staffing shortages in the Marshals' Department and we are examining the need for additional Marshals, and more particularly to help us to deal with this backlog that I mentioned we need additional clerical officers. A paper has been put up to the Ministry recently by the Registrar setting out in detail the need for additional clerical officers and marshals and a submission will be made to the Ministry of the Civil Service for additional posts.

However, it may become necessary also to create a separate court to deal exclusively with traffic matters to help us reduce the backlog. As an expedient, the recommendation at the moment is for us to use the court at St. Matthias. We have to make some renovations there and we will be able to deal with some of that backlog of 20 000, but one of the areas that we need the clerical officers to function is in the collection of and pursuit of penalties. I think the Government of 1991 was short-sighted, because when structural adjustment came they sent home a number of clerks in the Magistrate's Court and it meant that the Order Books which have to be written up to show who was convicted and what was the penalty remained undocumented for a considerable time. So that there is out there, as it were, a quite substantial amount of money in uncollected fines that has remained uncollected because there was no follow up action because there was a lack of clerical officers. I said the Government at the time was short-sighted because that is a revenue centre of Government and it can easily pay for itself.

If you need to have three clerical officers at \$12 000 or \$14 000 a year, you spend \$50 000 and you collect \$500 000, you more than pay for yourself, so I thought that the policy was cock-eyed at the time. Therefore, in the area of traffic control, traffic management and so on, what we are going to be doing, if I may summarise before I sit down, is -

- (1) increasing surveillance by providing additional manpower through the Special Constabulary;
- (2) pursuing those outstanding cases which are not statute barred and collecting some revenue from those who are found guilty;
- (3) creating some efficiency within the Magistrates' courts in terms of getting the Order Books up to date and pursuing the current situation in a proper way; and
- (4) looking at the additional staffing that will be required for the Marshals Department, the Court Process Office, to make sure that people who genuinely transgress are summoned and that these things are done accurately.

There will be certain techniques that will be used, which I will not go into and they do not really concern me, those are matters of operation rather than policy or administration.

Before the end of this financial year I expect greater efficiency in traffic management and greater efficiency at the level of the District "A" Magistrates' Courts. Before anybody asks I will also say that we are planning to

air-condition the Registry, starting with the top floor, and to air-condition the District "A" Magistrates' Courts. By the time the House reconvenes work should be very nearly completed, certainly substantially on its way, in terms of the air-conditioning of District "A" and the Registration Department.

With those words, Mr. Chairman, I beg to move that Head 30 stand part.

Hon. Miss B. A. MILLER: I beg to second that, Sir.

Dr. R. C. HAYNES: Mr. Chairman, just a few little concerns I have. Perhaps if I started where the Honourable Attorney General left off, he indicated that the policy which his Ministry will be pursuing is one of financing additional expenditures for law and order maintenance through the process of collecting fines and a more efficient court process to allow for more rapid collection of fines and so on.

I must say, Sir, that I find it interesting from the point of view of jurisprudence purity, should I say, that the proper approach to financing that additional expenditure is being followed by the Office of the Attorney General, that is, to seek the more efficient collection of fines from those who are found guilty of offences. This is a proper way in which to do it

That raises two questions in my mind. First of all, it relates to the intrinsic nature of the supplementary. I do recall, Sir, that the Minister of Finance gave this House an assurance that there will be no supplementaries during this year as an indication of new, good management and I think he warned all his Ministers at that time that he would not be entertaining any supplementaries. I wonder whether this is a departure from policy or whether this is special treatment being accorded to the Attorney General. That is the second point I wish to raise.

The third point I wish to raise, Sir, in view of the fact that we have seen this new era of propriety being brought to public affairs by way of financing increased expenditure in the area of law and order by limiting impositions only to those who are found guilty of offences, what in fact is the Attorney General's view on the question of levying taxes on the guilty and the innocent in order to pay for the employment of additional personnel. There seems to me to be an inherent conflict. 8.30 p.m.

Sir, I do appreciate and it is my understanding that the Attorney General did not see the Budget beforehand and if he had seen it then those taxes would have been raised in different terms and different language because he would have recognised that such language is not

really the right language to use because you cannot treat the guilty and the innocent alike.

Aside.

Dr. R. C. HAYNES: I am being generous tonight because I don't like being critical of persons when they are not in their place and I am focussing on this matter now through the Attorney General who is in his place.

I find a bit of a conflict in my own mind. I applaud the adherence to the principles of seeking increased revenue by making sure that those who are convicted of offenses pay up and pay up readily and provide staff for that purpose. I am sure that anyone will support that kind of view and I support the Attorney General in that view; don't get me wrong. He would have to explain to me, Sir. I think it is important that all of us understand that the Attorney General is not only the legal advisor to the Government but he is also the legal advisor to the official Opposition in here and to the unofficial opposition in here. So I wish an opinion on the Floor of this House from the Attorney General as to his views, as to these two conflicting methods of raising taxation and how that accords with the general principles of jurisprudence and what he understands to be the legal arrangement relating to taxation. Just for my own edification.

The Attorney General is different from any other Minister of the Crown. He holds a constitutional position that is different from all his colleagues and on a matter like this that simply goes to the heart of juridical matters, then I think he has to give an impartial view in a matter like that and it cannot be compromised Sir, by political considerations.

The final point I want to make is whether he is aware that time is running out. We have 120 days only to come down here with legislation to allow those taxes to be collected and, to the best of my recollection, we have not had such legislation down before the House. I would like to know whether the hold-up is in the Ministry of Finance or in the office of the Attorney General and if he is having problems with drafting the legislation or not because if at 12 midnight on the 120th day after the delivery of the Budget and that legislation is not before Parliament I am going to insist that under the Provisional Collection of Taxes Act every cent be refunded.

The Budget was in May - June, July, August and I am quite sure we are pretty near...

Aside.

Dr. R. C. HAYNES: I am talking about the fact that we have not had substantive legislation down here. I will

deal with certain matters after I have heard. I want to hear the legal opinion of the Attorney General tonight and when the legislation comes up, then based on what he has told me, I will be able to deal with that more definitively. Thank you very much, Mr. Chairman.

Hon. G. W. PAYNE: Mr. Chairman, there are just a few brief points I would like to make based on this Resolution. I would like to say that there has been tremendous improvement in the operation of the public service vehicles by the operators since this Government's insistence that the regulations are enforced. This has nothing to do with the uniforms and the music and the suspension of the various violators of the regulations.

I would like to say that since the presentation of the budgetary proposals that we have been having the presence of the police in the River Road bus terminal and in the minibus stands, but it is fairly obvious that as a result of this provision here that we need to tidy up the proposal in the budgetary measures which were instituted by the Minister of Finance. It is hoped that the 25 inspectors which we presently have will be able to attend to other matters within the Ministry. At the moment, we still have difficulty in doing a lot of policing within the Ministry.

We have evidence that there are a number of persons who have been suspended and who are still plying the route. We have estimated that we are losing about \$2 million per year as a result of persons driving on the roads with vehicles that are not registered. We would hope that when we have these special constables we will be able to free up those inspectors that we have to do other duties and that we will be able to tighten up the discipline in the River Road bus terminal and the minibus stand.

Two concerns were mentioned by the minibus operators relating to the lighting which is being addressed. The bases for the lights are now being installed and it is hoped that within the next couple of weeks the terminal could be lighted so that the chaos which we see in Independence Square will be a thing of the past very shortly.

We have recently awarded a contract to Structural Systems for the building of passenger facilities, toilets and shelters in the River Road bus terminal so that it is hoped that the complaint which was made by members of the public and the minibus operators will be addressed within a very short space of time.

I would also like to say that this provision relates to 45 new constables but it does not really address fully the additional staffing that will be required in addition to what the Attorney General mentioned about the Magistrate's Court. We also have problems in the Ministry with a number of persons who have been driving minibuses

making complaints or rather when complaints are made they are bringing their lawyers. The Chief Licensing Officer and the Permanent Secretary and the personnel in the Ministry are not really competent to deal with these matters. Very shortly we will be going to Cabinet for additional legal personnel. We will need a senior legal officer, an assistant and a few legal clerks to deal with the problems that are being encountered, these and other problems that we will be faced with and it is hoped that, certainly by the end of the financial year, these additional officers will be in place. 8.40 p.m.

I would also like to say that the chaos which was brought on us, I am not referring to the inquiry, by the additional drivers in the system has stabilised more so because of the fact that we have not issued any new licences. The figures we had given in the past were 384 new licences but our recent findings have revealed there were actually 436 new licences which were issued during that short six-weeks period leading up to the September 6, elections.

Dr. R. C. HAYNES: On a point of order, Sir. That particular matter, as you know, is before the Courts and I really think the Honourable Member cannot comment on it, especially in his capacity as the Minister of the Crown and also in a sense the originator of the allegation.

Hon. G. W. PAYNE: I do not know what the Honourable Member is referring to. I am not referring to the Commission of Inquiry. I am just setting the record straight where the actual amount...

Mr. CHAIRMAN: In a matter in which a judicial decision is pending in such a way as might, in the opinion of the Chair, prejudice the interest of parties thereto. In view of the fact that there has been objection I would wish that the Honourable Member desist from going down that road and any reference being made with relation to the matter be struck from the record.

Hon. G. W. PAYNE: Mr. Speaker, the judicial decision has nothing to do with the actual total amount of licences for vehicles during the actual period. The Commission of Inquiry is dealing with other matters but if that is your ruling....

Mr. Chairman, I would also like to say that since the budgetary proposals we have had private discussions with personnel within the system and it is hoped to convene another meeting within the next two weeks and hopefully to have the meeting which was promised with the Prime Minister and the officers in the Ministry and the Attorney General in September.

I would like to state for the record that we are very pleased at the support which we got from the members of the public on this matter and the persons within the system and contrary to what was anticipated at the time when proposal was made there have been no transfers of licences by persons within the system and other persons who want to get into the system. Apart from those licences which are outstanding at the time of the budgetary proposal and I think that should be taken as a measure of support for the measures. I thank you, Sir.

Mr. D. A. C. SIMMONS: Mr. Chairman, Sir, the Ministry of the Attorney General was not singled out for any special treatment as alleged by the Member for St. Michael South Central in respect of supplementary provision. I believe that the Honourable Prime Minister made it clear from the start he would wish that applications be not made for supplementary provision in respect of matters which were reasonably foreseeable, but in respect of the other matters which would arise *ex improvis* from time to time. I am sure, for example, that the effects of the flood and the damage at Weston might well provoke a supplementary and even though that may have been an unusual circumstance this matter arises out of the budget and I think all Honourable Members should be aware that even now as a Government we are still being surprised from time to time by information and events which show that the last management of our affairs was not perhaps as skillful or diligent as they ought to have been. For example it is only since April that we really knew for a fact what happened about summonses, those that had been affected by rats, it was only then that we knew during the meeting that came up that the Order Books were not being followed up because there was shortage of personnel and so on. Now that is something I am sure when the Honourable Minister of Finance would have spoken about the general attitude to fiscal management he could not have believed that the last Government has behaved like that. But now that we know what is the reality we have to deal with it. The only way we can deal with it expeditiously is by moving for supplementary provision.

Mr. Chairman, the Honourable Member made a point about the need to bring what I call the budget bills within the 4-month period after the Minister of Finance announces in his budgetary proposal a particular imposition but the provisional Collection of Taxes Act deals with increases in taxes and imposition of new taxes. It does not deal with abolition of taxes or reduction in rates and so on.

Asides.

Mr. CHAIRMAN: Order, please address the Chair.

Hon. D. A. C. SIMMONS: I just wanted to say that the fees and so on are generally dealt with by Ministerial Order and in the parent Act. Betting and Gaming, you

do not require a Bill for that The Minister has power under the Act to make Orders and from time to time these things are varied. In 1992 when the Honourable Member for St. Michael South was Prime Minister and Minister of Finance he put some whopping increases on the ZRs, but by Order.

Asides.

Hon. D. A. C. SIMMONS: Environmental levy is a new imposition. There is no date. Some of the tax measures dealing with group accounts and so on those will come from 1996 January. I have been following and the Prime Minister has been following because each week I have said to him, do we have any budget bills. All those audits have been done. The pensioners have got their increases. So that really is it, Mr. Chairman. 8.50 p.m.

I beg to move...

Aside.

Hon. D. A. C. SIMMONS: Mr. Chairman, for the record, he is banging the table to give him an opinion. When I was an opening batsman in this country, he never played cricket and I know that there is not every ball that you must play a shot at, Sir. I have the means to answer you when I feel like it.

I beg to move, Mr. Chairman, that Head 30 stand part.

Mr. CHAIRMAN: The question is...

Dr. R. C. HAYNES: Mr. Chairman, there is no winding up. This is a Resolution. It can go on for 3 hours. I can talk for 15 minutes at a time. I can talk all night and sit down every 15 minutes. He can wind up after 3 hours.

Aside.

Dr. R. C. HAYNES: I can talk for 15 minutes and sit down and get back up for 15 minutes and sit down and so on.

Aside.

Dr. R. C. HAYNES: If nobody else does not talk in the meantime, but I have 3 hours.

Mr. Chairman, I wish this to be on record. I just wish it to be on record that I asked the Attorney General of this

Hon. D. A. C. SIMMONS: On a point of order, Mr. Chairman. Repetition is not allowed by the Standing Orders.

Dr. R. C. HAYNES: On a point of order, Sir. There is no Standing Order against repeating yourself. There is a Standing Order against repeating what other people say. That is something completely different, Sir. If you take die Standing Orders and read them carefully, you will see that. I just wish for emphasis to say that I would be very grateful and would feel very upset and hurt and indeed seriously snubbed, Mr. Chairman, if the Attorney General whom I have asked for a simple legal guidance in this important matter declines to do so. It is a very simple matter. I actually congratulated him because he took so much pains to explain to us that he proposes to meet this increased expenditure by monies raised from convictions of guilty persons of fines, and by implication he has made it quite clear that ha has repudiated any approach to taxation that levies a fine on the guilty and the innocent He. was very, very careful. I read him carefully. I read his lips very carefully, Sir. I just want him to put in words what he has implied in such carefully crafted language. That is all I want him to do for my guidance, Sir, because I would hate either inside of here or outside to be criticising the Prime Minister and find myself on unsure legal ground when I have the opportunity tonight to have the benefit of the opinion of the Attorney General.

The question that Head 30 do now stand part was put and resolved in the affirmative without division.

On the motion of Hon. D. A. C. SIMMONS, seconded by Hon. G. W. PAYNE, Mr. CHAIRMAN reported the passing of one money Resolution in Committee of Supply and Mr. SPEAKER resumed the Chair and reported accordingly.

On separate motions of Hon. D. A. C. SIMMONS, seconded by Hon. G. W. PAYNE, the Resolution was read a first and second time, and agreed to.

ORDER NO. 6 - TO MOVE THE PASSING OF A RESOLUTION TO APPROVE THE SALE TO MANNING, WILKINSON AND CHALLENGOR OF LAND AT SIX MEN'S, ST. PETER

Hon. G. W. PAYNE: Mr. Speaker, Government proposes to dispose of two parcels of land at Six Men's, St. Peter by way of sale to Manning, Wilkinson and Challenor Limited. The Government undertook road works at Six Men's, St. Peter in 1985 designed to realign Highway 1 in an easterly direction. These works resulted in the construction of a new strip of highway and the abandonment of the original old public road in the vicinity

The old road is presently "used as an access to the beach at Six Men's and as a parking area for persons using the beach. It comprises 508.3 square metres of which a portion measuring 75.7 square metres was originally vested in Manning, Wilkinson and Challenor Limited and a portion of 432.6 square metres is owned by the Crown. Manning, Wilkinson and Challenor Limited from whom Government had earlier acquired a total of 1 410.9 square metres to facilitate the construction of different phases of the Speightstown By-Pass Road has submitted a proposal to Government with regard to the abandoned public road.

The company has asked that the 75.7 square metres previously vested in them be allowed to revert to their ownership with the remaining 432.6 square metres being offered for sale to them. This proposal was made in order to facilitate the setting up of a tourist water sports facility in the area. The Division of Public Works has no objection to the proposal of the abandoned roadway to Manning, Wilkinson and Challenor Limited. It has been decided to dispose of this parcel of land at the price of \$10.00 per square foot in order to satisfy the requirements of the Land Acquisition Act.

With regard to the 432.6 square metres, the Division of Housing is mindful of the national economic advantages to be gained from the proposed development but concern that public access to the beach should not be denied. The sale of the abandoned public roadway to Manning, Wilkinson and Challenor Limited was therefore subject to the imposition by the Chief Town Planner of adequate conditions to ensure continued public access to the beach. 9.00 p.m.

The Chief Town Planner has indicated that he supports the retention by the Crown of 87.1 square metres for the access. The remaining 345.5 square metres will therefore be sold to Manning, Wilkinson and Challenor Limited at the price of \$9 669.40 at a rate of \$2.60 per square foot

In accordance with Section 5 of the Crown Lands (Vesting and Disposal) Act, 225, parliamentary approval is hereby sought for the sale to Manning, Wilkinson and Challenor Limited of -

- (a) 75.7 square metres of land at Six Men's, St. Peter for \$10 000; and
- (b) 345.5 square metres at Six Men's St. Peter for the sum of \$9 669.40.

Hon. Sir HAROLD St. JOHN: Mr. Speaker, I would like, as is usual and customary, in order to prevent any

kind of misinformation going abroad, that the Minister lay on the Table for the information of Members of Parliament a copy of the plan which delineates this thing carefully. Only today in another place I heard a lot of uninformed discussion about the sale by Government of land which touches and bounds on the sea.

I am one of those who over the course of the last 20 odd years in Parliament have fought strenuously for the improvement of public access to the beach. I also recognise that Government in its capacity as a land owner sometimes has to facilitate other developments by allowing parcels of land owned by Government to form part of a larger area of land to make a development meaningful, but at the same time preserving and ensuring that public access to the sea in Barbados is maintained. If we do not have the plan, we are not able intelligently to see what is being done and there is nothing in Barbados that generates more discussion and enmity than the belief that Government is giving away good land and depriving the public of access. Let us see the plan. It has always been a good rule and Members of Parliament are entitled to see the description.

Hon. G. W. PAYNE: Mr. Speaker, the normal practice will be complied with. The files are always available for inspection by Members on both side. I would like to say that in accordance with what I did mention with respect to this particular acquisition, this is not a case whereby land bordering the sea is being sold to a big corporation, it is an old road. The road was originally acquired from Manning, Wilkinson and Challenor for road extension and when the extension was completed there was additional road, superfluous lands not needed by Government for any purpose. The area which is being left for public access to the beach is even bigger than the area which was originally utilised by members of the public as an access to the beach. It is not a question of land being sold to a big corporation and Government trying to hide anything.

Dr. R. C. HAYNES: Sir, I do not propose to detain this House for very long. I am joining hand in hand with the Honourable Member for Christ Church South.

Hon. G. W. PAYNE: On a point of order. I do not know what the Honourable Member is referring to. I have already said....

Dr. R. C. HAYNES: But I have not said anything yet. I am just joining hand in hand with him. Do you object to that? He does not object.

Aside.

Dr. R. C. HAYNES: If I may continue, Sir. I am joining hand in hand with the Honourable Member for Christ Church South. I wish to see the plan.

Mr. SPEAKER: The Honourable Member, please. I take it that the Honourable Minister had wound up his section of the debate.

Dr. R. C. HAYNES: He wound up prematurely. He rose prematurely, he cannot abort the debate. He cannot subvert...

Mr. SPEAKER: Let us proceed, please.

Dr. R. C. HAYNES: That was a point of information, Sir. The Honourable Minister rose on a point of elucidation.

Mr. SPEAKER: The Honourable Member, please. I believe what transpired there, the Honourable Member for Christ Church South had posed a question and I thought the Honourable Member was replying. With leave of the House, if it is the will of the House - obviously the procedure was not exactly followed there, because I do not think the Honourable Member for Christ Church South could have posed a question and our Standing Orders allow you to speak like that in reply - but with leave of the House, if the Members so allow, I will allow the Member to speak.

Please proceed.

Dr. R. C. HAYNES: I want to give the House an assurance that I will not be too long. All I want to let the House know is this, that I stand hand in hand with the Honourable Member for Christ Church South in supporting the view that these plans must come before the House on each occasion, because especially in matters relating to public access to the beaches of Barbados you need to see....

Asides.

Dr. R. C. HAYNES: You see, Mr. Speaker, ____

Mr. SPEAKER: Proceed, please.

Dr. R. C. HAYNES:....! have been very kind to that Honourable Member in recent times and you see how he rewarded me. I will have to deal with him differently.

Mr. SPEAKER: You remain kind, you just proceed.

Dr. R. C. HAYNES: I think from what I can see here that these plans accord by and large with what the Minister has said and I am quite happy.

Thank you very much, Mr. Speaker.

The question that the Resolution do now pass was put and resolved in the affirmative without division. 9.10 p.m.

ORDER NO. 10 - RESOLUTION TO APPROVE SALE TO NICOLE BROWNING OF LAND AND BUILDING AT 328 5TH AVENUE PELHAM WESTCHESTER, NEW YORK, U.S.A.

Hon. G. W. PAYNE: Mr. Speaker, it is proposed by the Ministry of Foreign Affairs, Tourism and International Transport to sell some of the government owned properties situated abroad. The first property earmarked for sale is the residence of the Permanent Representative to the United Nations located at Pelham.

An offer of US\$870 000 has been made for this property. The sale of this property is part of a rationalisation and management programme which entails the review of all chanceries and residences for the purpose of recommending which properties should be sold and which should be kept. It also entails the establishment of a maintenance programme for existing properties.

The Minister of Foreign Affairs, Tourism and International Transport has recommended that the property assigned to the Permanent Representative to the United Nations be sold immediately and replaced with a smaller one located closer to the United Nations as the present residence is situated some distance from the Mission and the United Nations itself.

The Minister authorised Mr. Rick Craig, Consul General at New York, to initiate proceedings towards disposal of the property. On his advice, C. S. McLellan Real Estate which was established in 1878 and which does business in Pelham and in New Rochelle was selected as a broker to market the property. The sale price of US\$870 000 would attract a broker's commission of US\$52 200 calculated at 6% of the sale price and marketing expenses of US\$1 800.

The net proceeds of the sale will be US\$816 000. The residence at Pelham was acquired in July 1968 for US\$92 000 and consists of 4 bedrooms 3 bathrooms, sitting room, study, breakfast room, kitchen and maid quarters.

Over the years, the maintenance cost on this house has been substantial and insufficient funds has resulted in the deterioration of the property. The prospective buyer, Mrs. Nicole Browning, an executive Vice President, has offered to buy the property in its present state without the benefit of a formal inspection. And as an all-cash transaction she offered to close the deal within 30 days of receipt of a fully executed contract She had made a 10% deposit on the property and signed a contract.

Parliamentary approval is hereby sought to sell the residence situated at 328 Cliff Avenue, Pelham, New York to Mrs. Nicole Browning.

Hon. Miss B. A. MILLER: I beg to second that, Mr. Speaker. I would wish to say that this is the sale of the property at Pelham that the Barbados Government owns. It is part of what I hope is going to be an ongoing programme of review. It is property management. This property has run down over the years. If we were disposed to spend a few thousand more on it we might have been able to ask \$1.1 million for it and it would most probably have got it; but it would require us to spend another quarter million dollars on it.

The major problem with Pelham is that in 1995 it just is not sensible or economical for the Permanent Representative of Barbados at the United Nations to spend a hour or a hour and a half on the road, especially nights when the U.N. is working until 2 and 3 o'clock in the morning. The U.N. works harder and harder every year. It is not like years before where you had your cocktails and went home at 8 o'clock. You have committees working into 2 and 3 o'clock and people have to be able to go home and have a bath and have something to eat and get back to the conference table.

There are a number of developed and developing countries which have moved away from these large palatial properties. We simply cannot maintain properties like Pelham anymore. Large acres, large grounds. That lifestyle for diplomats has changed. Diplomats are now business people who carry briefcases and who move from meeting to meeting very swiftly.

We are hoping and still searching for a property which will be closer in and which will allow the P.R.U.N. to better use his time doing the Government's business in New York.

I would like to say very specifically on this that the Consul General at New York is a man who has extensive experience as a real estate manager. He worked with City Bank formerly and left the Chemical Bank of New York as a manager of property to assume the post of Consul General. I want it to be very clear that there would not even be the hint of a suspicion of any dealings which would reflect in any beneficial way in respect to the Consul General, and so we were careful to choose a broker who has been in existence since 1876, as the Honourable Minister has said, who does business only in Pelham and in New Rochelle, nowhere else.

I would wish to point out to the House too that during the past 18 months only 4 properties in Pelham have been sold for more than \$1 million and 3 of those 4 properties were sold by the broker, in our case, McLellan Real Estate.

The fact is too, Sir, that the recurrent maintenance of houses like Pelham is more than a developing country's

government like ours can afford. The heating in winter, the cooling in summer. This house has now been in the possession of the Barbados Government since 1968. There are major repairs which have to be done. I have inspected it myself, and even with a layman's eye, you can see structural damage in the master suite and it just does not make sense at all.

I would wish to say that this is only the beginning. The Government of Barbados owns 4 properties in New York and 5 in London and it is ridiculous that over all the years we have never had a manager of property and what happens is that they run down. The staff at the Missions spend half their day arguing about when to get the toilet repaired and they want a new lamp shade and this chair is broken and all of that rubbish when they should be doing the work of the Government.

They have now working as a country team - a new and a fresh impetus - and they have serious work to do. We don't have time with that. So we need to have somebody whose job it is to make sure that the properties owned by the Government of Barbados are kept in good condition because we always have to bear resale value in mind.

Over the past 8 years, particularly during those years of the so-called recession, the properties ran down considerably, so we are in the process now of trying to rehabilitate properties where we can and where common sense dictates and good economics we will sell and perhaps buy younger properties and properties better suited to the lifestyle of diplomats today.

I have had a proper study done of the cost effectiveness of the Barbados Government owning properties as opposed to giving a housing allowance to diplomats abroad, as compared to leasing properties and it is not only the houses, Mr. Speaker, Sir, it is the cars as well. We have now, in the United States of America, gone to leasing rather than buying because it is more economical for us to do that. It means we get a new car every two/three years and the maintenance cost is not with us but is with the lessor and that makes better economic sense. It is the same with the houses, the cars and everything that the Government owns. That goes too with the Chancery as well. I would urge Honourable Members, especially in light of the figures quoted... 9.20 p.m.

This property was bought in 1968 for US\$92 000 and today we are selling it for US\$860 000, having spent little or nothing on it.

Mr. Speaker, Sir, we would hope that we would find something suitable and close around which would be

bought for close upon what we are realising out of the sale of the house at Pelham.

Dr. R. C. HAYNES: Normally, Sir, one would say that if you bought a property for \$92 000 in 1968 and sold it for net of \$816 000, having had the use of it for the past 27 years that by and large is a pretty good deal which one would take and run. Well I know that the Honourable Member who just sat down is the leading expert on real estate and capital gains matters. The leading expert and quietly escapes public notice.

The point I am making, Sir, is that the other side of the investment I would like to hear more about because basically we are going to continue to have a presence in New York and whereas you have made a good capital gain, I think from what I have been told, where there is minimum expenditure over the years, by selling it for \$816 000 net, it is a question of what you can get for that \$816 000. That really will be determined ultimately whether it is a good deal or not. I remember when that property was bought, I believe that the late Freddy Penniston was the attorney who acted for the Barbados Government at that time.

Asides.

Dr. R. C. HAYNES: The late Freddy Penniston who was a very honourable and distinguished attorney-at-law. I think he advised the Government well in purchasing that property that met the needs of the time. So the question now really is what is going to happen in terms of when we get that money, whether we are going to get something of equal value in the present terms. The question that needs to be seriously considered in this day and age is, whether it is worth buying properties at all?

Hon. Miss B. A. MILLER: On a point of order, Sir, maybe I can help the Honourable Member. This matter has been looked into. The fact is that property taxes in Manhattan are lower than property taxes outside of Manhattan.

Dr. R. C. HAYNES: But I would not have thought that the Barbados Government would be paying property taxes anyhow. You would be covered by the general immunities against taxation. I think we have to look at this question as to whether it is cheaper to own or to rent

Asides.

Mr. SPEAKER: Proceed, please.

Dr. R. C. HAYNES: Seriously, I think it is critical, considering the way this thing has operated over the years.

I suspect there are two persons who have been Foreign Ministers. When you look at the bill for heating, the bill for cooling, the bill for repairs and the constant humbug that you get from people occupying these buildings, always quarrelling, you begin to wonder Whether it is worth it. Whether Government is not better off when you think of all the confusion and all the management problems and you cost those out, whether you are not better off renting a property so that you can adjust as you go along. That is a matter that has to be decided. I do not know. All I am suggesting to you is that you balance all those things in each country and I suspect that it might well be cheaper to rent in some areas. In Geneva it might be cheaper to rent and in a place like Miami it may be cheaper to buy. It all depends on the situation, so I think you need to evaluate this and try and get the best deal for Barbados. To tell the truth I agree with you. I really do not know why these people want these big houses, why they cannot survive in a reasonable flat in representing a small country. If they have to entertain occasionally why they cannot entertain the way other people entertain, go and get caterers or take people out. Do you know that in a place like Fort Lauderdale you can take out a dozen people to dinner and spend less than \$250.00?

Hon. Miss B. A. MILLER: On a point of order. Let me first start off by saying that the Government does not intend to sell all of its properties. We are looking very selectively at the properties but exactly what the Honourable Member has been saying in the last 2 minutes is exactly what we have been doing over the past few months, looking at the various options, whether it is more feasible to lease or to rent or to buy and I have been advised in many instances it is in our interest to buy. It is cheaper to entertain at home and what we are looking for are properties which will allow for caterers as you have said to come in, with large enough kitchen and a nice serving pantry that you can entertain people at home. People are more impressed with entertainment at home than they are with entertainment in restaurants. People use their discretion. A lot of entertaining that will go on in restaurants and so on but it will be done in other places.

Dr. R. C. HAYNES: If I may wind up, Sir. I am quite sure that if I lived in Manhattan that I would not have a car, I would live in a flat, a nice apartment. I would have all those services provided for me in the sense that I would not be faced with being snowed in because I would have adequate facilities and other people looking after things.

Asides.

Dr. R. C. HAYNES: It all depends on the situation. I may lease a car from time to time. What I am saying is that we have to get out of this kind of mentality and let people understand when they are asked to serve as Ambassadors that they have to do a bit on the cheap too,

like everybody else. I am telling you to remind them that as Leader of the House, you are speaking as Leader of the House. Tell them that the official leader of the Minority Opposition gets no facilities whatsoever in Parliament apart from two sheets of foolscap paper every Tuesday. You just tell them that and that will set an example which I hope will change pretty soon.

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

ADJOURNMENT

Hon. Miss B. A. MILLER: Mr. Speaker, Sir, I beg to move that this House do now adjourn until Tuesday, 15th August, 1995 at 11:00 o'clock in the morning.

Hon. O. S. ARTHUR: I beg to second that.

The question was put and resolved in the affirmative without division and Mr. SPEAKER adjourned the House accordingly. 9.30 p.m.

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