THE

House of Assembly Debates

(OFFICIAL REPORT)

FIRST SESSION 1994 – 99

HOUSE OF ASSEMBLY

Tuesday, May 7,1996

Pursuant to the adjournment, the House of Assembly met at 11.15 a.m. o'clock on Tuesday, May 7, 1996.

PRESENT

His Honour I. A. ROETT, B.A., Dip. Ed., (Speaker)
His Honour R. D. MARSHALL, (Deputy Speaker)
Rt. Hon. L. E. SANDIFORD, B.A., M.A., (Econ.), J.P.
Mr. H. deB. FORDE, Q.C., M.A., LL.B.
Mr. B. M. TAITT, B.A. (Hons.), M.P.A., LL.B. (Hons.)
Mr. L. A. WEEKES, G.C.M., J.P.
Rt. 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)
Mr. J. O. TUDOR, J.P.
Hon. G. W. P A W (Minister of Public Works, Transport and Housing)
Hon. R. C. EASTMOND, J.P., B.A. (Hons.), Dip. Ed., LL.B. (Hons.), L.E.C. (Minister of Agriculture and Rural Development)
Dr. R. C. H A W S , M.B., Ch.B., F.R.C.P. (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, Ministry 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)
Mr. H. F. LASHLEY
Mr. 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 led by Rev. Father Ivan Harewood.

Mr. SPEAKER: The House is now in session.

MINUTES

Hon. Miss B. A. MILLER: Mr. Speaker, Sir, I beg to move that the Minutes of the proceedings of the Honourable the House of Assembly for its meeting of Friday, May 3, 1996 which have been circulated be taken as read.

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

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

PAPERS

Rt. Hon. O. S. ARTHUR: Mr. Speaker, Sir, I am commanded to lay:

National Insurance and Social Security (Employment Injury) (Claims and Payments) (Amendment) Regulations, 1996; and

National Insurance and Social Security (Non-Contributory Old Age Pensions) (Amendment) Regulations, 1996.

GOVERNMENT NOTICES

Hon. Miss B. A. MILLER: Mr. Speaker, Sir, I beg to give notice of the following:

1. A Resolution to approve the sale to Kasim Patel of a parcel of land at Hamlets Tenantry, Hindsbury Road, St. Michael;

2. A Resolution to approve the acquisition of land for the Bridgetown By-Pass Road Improvement Project.

OBITUARY SPEECHES

Hon. Miss B. A. MILLER: Mr. Speaker, Sir, since the House last met members from all sides gathered in their numbers last Saturday morning at the service for and the burial of the late Sir John Eustace Theodore Brancker. Sir Theodore, as he was called, had a long and distinguished record in this House of Assembly. His period of service, which exceeded 40 years, spanned more than one generation in this House. Indeed I would make bold to say, Sir, that there are some Honourable Members on both sides of the House who would never have known Sir Theodore.

His period of service started in the years which are called nowadays by historians the "years of struggle" in the 1930s. As a young man in Barbados he chose the profession of law and came back to practise in Barbados in the 1930s. He practised as a sole practitioner for almost all of his working life as an attorney doing much work at the magisterial bar and then at the High Court he was made a Queen's Counsel and was, I think, one of the more colourful figures practising at the Bar in Barbados. There were many distinctive things about Sir Theodore. For instance, Sir, he always wrote in brilliant, green ink. His manuscript was highly distinctive, big rounded letters. You couldn't mistake Sir Theodore's script.

I remember as a young barrister coming to the Bar for the first time, the first Monday morning in 1969 and my first encounter with Sir Theodore was I think much the same as the first encounter for most of us who came to the Bar during those years. He always walked with his newspaper and he would annotate in the margins and underline and circle all sorts of things in the newspaper in his brilliant, green ink and would always be known to say, "Have you heard?" and then he would retail one story or another. He was a fount of information. In a way he was a walking history book of the profession and generally speaking of the political history of this country.

Sir Theodore served in this Chamber as a Speaker of many long years standing. He served in the Other Place as well as the President of the Senate. So I think that Sir Theodore, perhaps holds another distinction. He was really a very distinctive man as I said. He holds the other distinction in that he had served as the superior presiding officer in both of our Chambers here. When the history of the bi-cameral legislature of Barbados is written, as I hope that it will be one day soon, I think that he would have pride of place having served both as a Speaker of the House of Assembly and President of the Senate.

He was a Speaker who knew the Standing Orders. He was a Speaker in my dim memory because it was only as a child I think and one would have heard apocryphal stories from one's father about the late Sir Theodore who allowed a certain latitude. The tradition of exchanges behind the Speaker's Chair I think in his time as Speaker have come to a high point. Behind his Chair, I believe many even ate behind there. Behind that Chair, men offered fisticuffs to each other. Fights across the Floor were settled. Other important business of Government of the day was settled. He wore the full bottom wig, as you do, Sir, and the full regalia of Speaker. He was quite a figure. As a child somehow, for some reason the look of Sir Theodore in the Chair in his wig and thick glasses conjured up to me that was possibly how Judge Jeffreys might have looked because he presided over the Chamber. He had a very deliberate manner of speaking. I do not know why that particular thing was conjured up in my mind, but I can only say that was how it was.

11.25 a.m.

I think Sir Theodore might have been described as quite a gentle person. Because he was in the Chair, I am not remembering. Maybe members who are older than I am in here may remember Sir Theodore as part of the rough and tumble of the House. I have no such memory. That would have been, properly speaking, before my time.

Another important distinction in regard to Sir Theodore is that his son, George Brancker, is the Clerk of this House. I think that is another special distinction and another special area for the historians to examine when they write the political history and particularly the history of this Chamber. I do not think there is any other father and son combination where father was a member and Speaker of this Chamber and the son was Clerk, not at one and the same time, of course. We do have some fairly famous father and son, and if I may say so, father and daughter combinations for this Chamber.

The Honourable Member for St. Michael North East sits here now where her grandfather and her father

sat before her. I sit in here now where my father sat before me. The late Tom Adams was a father and son combination which sat in this Chamber. The late L. B. Brathwaite followed his father in this House. But where one was Clerk and the other was a member I think is unprecedented in the 357 years of the life of this Parliament.

A Parliament of that antiquity, such as ours is, will have these important aspects to its history. It is something that we must not overlook. Our Parliament is not only an ancient and much respected Parliament, but it is a Parliament which, as most Parliaments should do, recite the political, social and economic history of our country; and that a black man would have come here as a young barrister in the 1930s and he would have been a member, and his son, a Barbados island scholar, would have followed him, not necessarily as a member – there are some who would have thought that the place for their son was to follow them as a member but it shows the high standing and the large respect we attach to the post of Clerk of the Parliament of Barbados.

Indeed, I am sorry that he is not in his seat at this time but our Clerk, Mr. George Brancker, is regarded now as the doyen of Commonwealth Clerks of Parliament and is in much demand around the Commonwealth. I would venture to suggest, Sir, that Sir Theodore would have been well pleased in his son, our Clerk, in the latter years of his life.

Sir Theodore lived a long, interesting and varied life. He contributed to the social and civic life of Barbados. We were told, some of us hearing these things for the first time, because when one has outlived one's generation, sometimes at funeral services when memorials are read or spoken, some things come to us for the first time. I think some who may have known it may well have forgotten that Sir Theodore was a founder of Rotary in Barbados. Rotarians, and there are some of them sitting on this side of the House – I do not know if there is a Rotarian on the other side of the House, but Rotary has found its place on both sides of the House over the years in this Chamber, and in that way as a Parliamentarian too he gave civic and social service to Barbadians of several generations and was much respected and revered by Rotarians up until his death.

Indeed, Sir, in my view it would be very difficult for a member of our Parliament to be described as distinguished, revered and as respected if that person had not found some avenue by which to give back to our community voluntarily through what is described as a service club such as the Rotary. Members on both sides served on other service clubs, or in some other way have found it possible to give back to the community which nurtured them.

My own personal knowledge of Sir Theodore, therefore, Sir, was a relatively narrow one, Senior Counsel and Queen's Counsel at the Bar. His most important contribution on this Floor would have been before my time but I would like to say that Sir Theodore would have to go down as one of the outstanding Speakers of this Assembly. I believe that Your Honour follows well in his traditions, indeed, follows in a tradition that he helped to make in our time.

There was a time when before his time there was another kind of Speaker in here, but I think the Speakers who followed on after the 1950s and 1960s are very much in a tradition that Sir Theodore helped to mould. The Standing Orders of this House, I think, also reflect traditions that were established and practised in this House largely influenced by Sir Theodore. This House of Assembly will bear his stamp and his concept of parliamentary tradition for many, many years to come.

I would like on my own behalf and on behalf of the Government to offer to the widow of the late Sir Theodore, Lady Gwen Brancker, and to his son, our Clerk, Mr. George Brancker, our most sincere sympathies.

Thank you, sir.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, I rise to join with the comments made by the Leader of the House, the Honourable Member for the City, our Deputy Prime Minister, to endorse the sentiments which she has expressed and which reflect the thinking of this Honourable Chamber. I too would wish to join in extending deepest condolences to the family of Sir Theodore Brancker, particularly to his wife Lady Gwen Brancker, to his son George, and to the other members of the family.
11.35 a.m.

Sir, the passing of a distinguished person brings us, great or small, to that encounter with the fundamental questions about life. Why are we here? Whence did we come? Where do we go? For what purpose are we here? These are deep fundamental questions, Sir, to which no final answers have been given or indeed will be given because that final answer, Sir, can only come at a time when we are no longer conscious or able to give expression to the fundamental nature of that question.

We reach the point, Sir, where we have to say, I believe, help thou my unbelief and I certainly believe that we are given that precious gift of life so that we may use our talents for our own development and for the good and upliftment of our families, our communities and our country. It has been said, Sir, judge not that ye be not judged and there are lots of persons who, in spite of that injunction, are ready to judge and not only to judge but to condemn.

I think, Sir, that those of us who examine and who are aware of the course of the life of Sir Theodore can only come to the conclusion that he was a man who made fullest use of the talents available to him and who worked for the development of his community and of his country. His life was a long one, Sir. He had many years within which, not only to build up experience but to utilize that experience in helping to make the country of his birth a better place. One of the classical poets, I believe it was Horace who penned the words that he would wish a life more lasting than bronze. It is only the traditions of this House which prevent me from quoting in the Latin because you may tell me, Sir, that I must use the English language in this Chamber and please do not challenge me, Sir, to quote the Latin you may also stretch my memory beyond its capabilities. But, Sir, that yearning for eternity, that yearning for something beyond the temporal nature of this life is something that disturbs each one of us and we seek. different ways in which to attain it. He himself, Sir, fathered a son who is our Clerk of Parliament and who has built up an enviable reputation as one of the outstanding Clerks in the Commonwealth and that too, Sir, is not only a question of continuity, it is a question of establishing those links between past, present and future which is the key to life and which, under the guidance of the Great Divine will help to keep us within those eternal verities and those qualities which we should all seek to make part of the life and tradition of our times.

Sir Theodore Brancker, born in 1909, lived through many significant events in our history and in the history of the world. He would have lived through, as a very young boy, the World War of 1914-1918 which helped to refashion and reshape the map of Europe. He would have lived through, Sir, the times of the Great Depression and the times of the social upheavals and disturbances which helped to generate a new way of thinking in conservative Barbados. He would have lived through the time of appeasement and the conditions leading to World War II and its impact, not only on Europe but on the Americas and the then colonial and dependent territories.

In terms of our own stirring for political maturity he would have lived through the times of adult suffrage and also through that gradualistic approach towards the evolution of our constitutional arrangement. I refer, Sir, to the period of adult suffrage, the. times of Ministerial Government and Cabinet Government. Sir, these led on to the time of Independence and to our own efforts which are not yet ended, Sir, our own efforts to create the kind of society and the kind of institutions in our country which are befitting of a proud sustainable country searching for true independence. He was part of all of that, Sir. There are many styles of leadership. There are those who with a dazzling rhetoric can galvanize a people and galvanize situations and epitomize the heart-felt longings of a people for social, economic or cultural improvement. There are those, Sir, who may just be representative and symbolic of a particular set of circumstances and there are those, Sir, who are able to keep things together to hold the conflicting interests which continually war and threaten to mar the cohesion of the body politic. There are those, Sir, who are able with daring ingenuity to devise new strategies and to be inventive and creative and to do things with courage and fortitude, Sir, which have not been done before and which may be to the benefit of those over whom they exercise a leadership position.

11.45 a.m.

Sir, if I may characterize or categorize Sir Theodore, I would say that he was very deeply concerned with and in the mould of a systems maintenance person. His main concern, Sir, or his main thrust was to keep the institutions of state in a kind of a balance with himself playing a central or pivotal role from the leading institution in the country – I refer to Parliament, Sir – even at a time when that Parliament was changing in terms of its power, in terms of its influence and in relation to the other institutions of state. I refer to the Executive and to the Office of Prime Minister. So he was a systems maintenance man and it was from the institution of Parliament that he exercised his greatest influence in this country.

He was Speaker of the House of Assembly, Sir, this Honourable Chamber from 1961 to 1971 and then President of the Other Place from 1971 to 1976. He would have been in a preeminent position to observe the men and women who fought with each other and agreed with each other in terms of those things which would make for a better polity. He would have been able to bring some calm and influence when the waters were tempestuous and with his own inimitable – I do not say sarcastic, Sir – withering wit would have been able to defuse many a situation if not irk many a Member because of the acid tone of his comments.

Sir, he had a very good brain and a good memory. I recall, Sir, sometime in the 1950's at the time of the first and only Federal elections when he told me: "I heard a Member of Parliament say that Barbados was divided into 5 constituencies for those Federal elections". That concept would have been a very intriguing one for him to repeat it because he repeated it more than once – dividing Barbados. – No, no, dividing Barbados into one constituency. – "Barbados was divided into one constituency," he said. I will not go into those and other kinds of statements by Sir Theodore but I believe, Sir, that he brought his training to bear on a variety of areas of public life in Barbados. I recall in my own case, Sir, that he wanted me to be like all the ones on the front bench and my good friend from St. George South on the back bench currently in Parliament. He wanted me to follow the profession of law.

Aside.

Rt. Hon. L. E. SANDIFORD: That is true because you have left it. Sir, at that age and being very deeply involved in moral arguments, I could not understand how it is that people of integrity could come and defend cases in which they knew in their hearts of heart that the person was guilty. At that age I could not understand it, Sir. I had not yet been introduced to the language of double talk. That came with age, Sir. I forgot that we have 2½ over here, Sir. I had not been brought into the new thing of double speak or as it would be called this moral dualism. I believe there is another word for it in modem history of the church. But now I know there is civil law, there is criminal law. The attorneys say that they do not know if anybody is guilty because that is a matter for the Courts. They only use their best endeavours and their skills in order to ensure that accused persons get a fair trial. So, Sir, he was not successful in that, but he certainly was successful in introducing me almost imperceptibly into that relationship between constituent and representative.
11.55 a.m.

He was a very wise and clever man, Sir, and he was the first person I heard give expression to an approach, which I understand the Honourable Member for St. George South follows, "if ever your constituent is involved in a legal matter, don't do it yourself but get somebody else to do the case." I know that many a representative has followed that and has benefited from it because you do not know what convolutions you may find yourself in and what may be the impact of that at crucial times if you get too involved in those areas.

Sir, another area which I would wish to reflect upon very briefly is the area of school administration. He served for many years on the Board of Governors of the schools of the north in particular, and of Harrison College where he was a member of the Board of Governors by virtue of his office of Speaker. Those were the arrangements then, Sir. I do not believe you, Mr. Speaker, are burdened with that responsibility at this time by virtue of office, but he served on the Board of Governors of the Alexandra School and of the Parry and Coleridge-Parry Schools, and in that capacity he helped to mould those institutions into what they are today.

Sir, we could go on and on, but I do not wish to be repetitive and therefore I would say that I got my early training in St. Lucy, not generally known, Sir, and I was introduced at that very early age, at every available opportunity, to the inter-relationship that exists between representative and people in their homes, on the village playing field and also in the places where they refresh themselves – without ice, Sir, because that was the country – particularly on weekends.

I would wish to say that we are thankful for his long life, for his useful life and for what he tried to do to make this country a better place. If each one of us in our turn can not only serve for as long as the people permit us to serve but also do so with distinction, then we would have fulfilled that original promise.

As I said, Sir, I join in extending deepest condolences for his services, for his contribution, for his life to the surviving members of his family.

Hon. R. C. EASTMOND: Mr. Speaker, inasmuch as I was not able to attend the funeral, by being abroad, I would like to take this opportunity to reflect on the contribution of the late Sir Theodore Brancker.

I remember him many years ago living at a house called "Valencia" right next door to the Coconut Creek Hotel in St. James. I also remember him coming to the Holetown Magistrate's Court with alarming frequency. He would come there in a car marked S 96. I do not remember ever seeing him drive, he was always driven. He had a particular presence both outside the court and inside the court. He developed a reputation, Mr. Speaker, as being particularly versed in traffic matters. In fact, in the north of Barbados most people who had matters involving traffic cases would almost always think about Sir Theodore as their lawyer of first choice.

As a person he had a remarkable wit and was steeped in the classics and spoke with a particular flavour. He had a firm grasp of the Queen's English and on occasions even when not being able, through failing sight, to read, he always was able to retain what he had known and very often made use of it not only in the court but in the wider community. He was an avid cricket fan, for a long time President of the Empire Club, but also found time to visit other cricket fields on Saturdays, especially during his active days in St. Lucy politics. Speaking about the politics of St. Lucy, he succeeded for several elections in being returned as Senior Member for St. Lucy under the system of double member constituencies. His partner at the time was a person deemed to be a very clever political strategist, and even though his partner, the late Sir James Tudor, was noted to be something of a political strategist, Sir Theodore always came ahead of him in elections and Sir James would come second under the system of double member constituencies.

He, from all reports, had a way with people on the ground. It is rumoured that at the start of every cricket season he visited every cricket team in St. Lucy and donated bats, pads and balls. He was a person who had his own way and I will use this one example to demonstrate the point. He had a particular liking for green ink. Almost anything he wrote, he wrote in green ink. This was one of the distinguishing traits of character that Sir Theodore possessed. I vividly recall when he met Gwen Walcott,

as she then was, from Baywoods in the constituency of the distinguished Member for St. Andrew, and when he married Gwen Walcott I remember very well that wedding.

This country saw him emerge as an outstanding presiding officer in our Parliament and from my limited experience I cannot recall any one person who was both Speaker of this August Chamber and President of the Other Place. I cannot recall any one person achieving this. This will go to his credit. When talking about his contribution as a parliamentarian, I will also of course want to note that he would have made a tremendous contribution to the development of his son, Mr. George Brancker, the Clerk of this August House.
12.05 p.m.

Mr. Speaker, I, on this occasion, am also lending my voice to the tributes being paid not only because tribute is fit and necessary for him but because in his last days he was one of the more distinguished constituents in the constituency of St. James North. St. James North has such distinguished constituents like Lady Springer, Col. Cave, Mr. Alan Baxter and Mr. Theodore Blackett and Mrs. Grace Thompson and a well known scholar and educator, a Rt. Hon. L. E. Sandiford. These are but a few of the distinguished persons who are resident as constituents in the fair constituency of St. James North and Sir Theodore's name is to be added to this list.

Mr. Speaker, with these few remarks, I associate myself with the sentiments expressed by the other Members who preceded me. Thank you, Mr. Speaker.

Hon. Sir Harold St. JOHN: Mr. Speaker, Sir, I rise to join the other speakers in paying tribute to a man who has had a very distinguished career of service both in Parliament and in the law and the wider community.

I first met Sir Theodore when I was in my late teens and it was my habit in those days to watch First Eleven cricket at various venues in Barbados and I well recall the avid interest Sir Theodore had in the performances of the members of his beloved club, Empire Club. I particularly recall also once meeting him in the pavilion at Harrison College when Empire was playing Harrison College and he enquired of me what I intended to do when I left school and I told him that I wanted to pursue a career in law. From then on I can say that I was one of the beneficiaries of a number of pieces of advice from which I profited greatly.

When I returned to Barbados and started to practise as a young man I recognised that he was a specialist in a particular area of the law and I, myself, decided very early that while I admired his expertise in that area I was a little concerned that anyone should follow in his footsteps because of the very narrow area of specialty that he loved in the law.

He also, Sir, was very generous to me in that whenever he had a brief in the High Court he frequently instructed me to be his junior. I learnt a lot from that because I was expected to do nearly all of the work and particularly in relation to research in the law and that he would then deal with the facts. We had some very famous cases in the High Court. One of which a movie star came to Barbados and I well remember, Thunberg and Teller and rented a house in St. James from the late Jack Teller and did not pay all of the rent and we went through this case about nearly 2 weeks and when they were finished Mr. Thunberg said that Sir Theodore was a remarkable silk in that he spent all of his time listening to his junior dealing with the legal points involved and he dealt purely with addressing the facts.

I also had the opportunity while practising in the other islands to meet some lawyers who were with him in their student days. It is not generally known but one of the remarkable memories of some of these practitioners about Sir Theodore as a student was his great skill and ability as a pianist. Indeed there was a friend of his who is in his nineties and is still alive from St. Vincent who went right through the Inns of Court with him and he used to speak constantly about Sir Theodore as a great pianist.

When I came back here, Sir, and I mentioned it to him I said, "You have a hidden talent that is much respected and nobody knew about it." He said that he used to play the piano as a very young man in that his family were agents for a particular type of piano and that from an early age he was tutored in music and he had a great love for it. I subsequently spoke to his son, our Clerk, about it and he also added to the story. He said that Sir Theodore and his son who is of course a very famous young musician had the distinction of passing all of the music grades from 1–9.

Sir, he was a cultivated person and he had many interests. His political career must be regarded as being most remarkable. He was a member of the House continuously for well over 30 years and it is in that respect that I recall many conversations that I had with him about his capacity to survive. As is well known, Sir, I have never been able to have that capacity. But I will say this, Sir, that whenever I had misfortune he used to remind me of the fact that my turn would come and that I would be back.

Sir, there were few observations that he used to make which I think are pertinent. One was that he was a careful analyser of various facts of his constituency. He was a careful analyser of programmes of whichever political party that he belonged and of course to

have survived so long it is not remarkable that he was a member of nearly all the political parties that we had in Barbados. He would always say that in every constituency there must be a base that you must constantly cultivate and so too political parties. He always said that political parties have a base and they must also cultivate it regularly. "Don't annoy them!" He used to say. "See what they want. Try and do for them what they want done. If you can't do it, let them believe that you have tried your best."

He had great survival instincts. Also in politics, Sir, it is true to say that he never regarded politics as being the be and end-all of his existence. He took disappointment in his stride. He was the Leader of the Opposition in 1%1 and he would reasonably have expected in accordance with the customary rules that he would have been the first to be called upon subsequent to his party being elected. As events turned out it was not to be, but that did not diminish his enthusiasm for political life nor was it clear from any public utterance that he made, that it diminished his enthusiasm for his political party.

12.15 p.m.

He became Speaker of the House of Assembly. When I first came to Parliament in 1%6 he was the Speaker and, as a Speaker, he conducted himself with great dignity. He was sometimes involved, as Speakers occasionally do become involved in, controversial rulings. In those days the Labour Party as an Opposition let it be known early that the Speaker's ruling would be challenged where they felt justified in accordance with the Rules. As a consequence, a number of no-confidence motions were brought in this House and I well recall the stormy sessions. But when it was all over nothing could prevent the same Speaker from informing those who brought the motion that the motion suffered its predictable fate. It was defeated and the best way of drowning their sorrows was to join him at the bar. He did not mean the bar in James Street. He meant that other place which is now situated in a different place. As far as one could see, he was not a bearer of malice and he got along very well with all sides in this House.

There are, Sir, a few other areas of his activity which I would like to mention because in my opinion his community service was also worthy of great praise. The Honourable Member for St. James spoke of him in connection with his membership of school Boards, but I know him as coming to the south of Barbados with his great friend the late Sir Cuthbert Talma who like him was a great survivor. In that connection they met frequently at the late Wynter Crawford's hotel in Maxwell, San Remo. There they would engage in conversation about the need for improvement in the social conditions and for community facilities in Barbados.

I also know of his contribution in the area of the Barbados Football Association. He lived and contributed to all aspects of life in Barbados. I think that Barbados has been enriched by his contribution.

On behalf of the Honourable Members who served with him here, particularly my friend from Christ Church West whom I know was a great friend of his, and who is not with us today, I would like to extend our condolences to his wife, son, and other members of his family.

Dr. R. C. HAYNES: Mr. Speaker, this is one of those occasions when one rises with an appropriate degree of sadness at the passing of a friend but, at the same time, wifh a substantial component of celebration for someone who has lived for so long and has lived so productive a life in the interest of family, friends, community, constituents and country as a whole. Born as he was in 1909 in post emancipation colonial Barbados, he has been part of, contributed to, and survived all those changes which have brought Barbados to the modem society it is.

I have been very fortunate in that I have known him for just short of 50 years largely through my friendship with his son in the very early days at school and through distant relatives of his in the parish of St. George. That means that I would have been somewhere in the region of just over 10 years when I first met him. What is of interest is his distinguished professional career as a student, lawyer and parliamentarian, as has already been described by previous speakers.

He loved the law. He loved people who excelled in the law and he loved to make sure that all young people whom he knew met any of his distinguished friends that came to Barbados. Many of them in those days stayed at the Windsor Hotel. I can recall on numerous occasions in the company of his son being invited to the Windsor Hotel to meet some of the outstanding Caribbean and British lawyers of the day. He always ensured that young people saw the best in the legal profession as he tried to encourage them to do law.

I was one of those whom he tried very hard to get to study law. Indeed, even on one occasion he took me to the law courts to see the proceedings of the law courts. I must say that visit helped me make up my mind that I did not wish to study law because I distinctly remember he was doing a case that day for a distinguished Professor of Classics who was a tutor of mine at the time. He was quite an eccentric person. During the case he decided that his lawyer was not handling the case in the manner he wanted so he took over the case and was duly fined appropriately, having lost the case.

There are other things I remember. There are many. As a matter of fact, when I went to St. Lucy last Saturday morning it brought back many fond memories of

those many Saturdays when we all started in the 1950s in Pie Corner going from house to house in a sense as he visited his constituents. We ate and drank. I said "we" and I will indicate very shortly who were some of the other persons there. Inevitably we ended up in the evening at a place called Joe's in Paynes Bay. Where the gas station is, there used to be a club there and we would end up there in the evening.

Quite frequently the Honourable Member for St. Michael South was part of that entourage that came down from the North for the entire Saturday. It showed the kind of commitment and kind of social relationship which he established with his constituents in St. Lucy.

I believe that one of the important contributions he made to Barbados was that in a very broad sense he gave a substantial degree of legitimacy to the workers' struggle after 1937 when he became a Member of this House. For someone with all the social graces, someone with that eminence in his profession, to have associated himself with the various movements and the various political entities of the day was a very unusual commitment and if you look back at the number of successful professional people who actually got involved in the political fray of the day they were very few indeed but those who entered it, whether it be Sir Grantley Adams or himself, they gave a social legitimacy to the movement and would have encouraged a whole lot of middle class people to lend their support to a movement which was not only in the interest of the workers but of course very much in their own interest.
12.25 p.m.

He paid an extraordinary amount of interest in the progress of young people sewing as he did on many Boards of secondary schools in Barbados. He sought out and made sure that children with talent tried their best to reach the very heights. He would regale us with stories of the excellent performances of people over the years at the level of the Barbados Scholarship and I remember his tremendous delight when in the year in which I won the Barbados Scholarship, the fact that the Honourable Member for St. Michael South and his son, the Clerk of the House won the scholarship in that year and he was central to the whole celebration process.

His political philosophy was very interesting and many people do not know this. He was a Member of the Liberals Party of Great Britain and he remained a Member of that Party for his entire life. A lot of his philosophical positions in life stemmed very much from that great liberal tradition. I recall one of the important moments of my student days was when he paid a visit to Edinburgh. I was an intern or undergraduate at the time and I remember an address that he made to the Liberal Society of the University of Edinburgh, organised by me and the then President was none other than Mr. David Steele who subsequently became the Leader of the Liberal Party in the United Kingdom so he was well known in Liberal circles. He was a Liberal and by liberal I mean "L" in his political philosophy and that is the kind of thing that kept him going over many, many years.

Also of tremendous interest is the way in which he related to fellow parliamentarians. I have never, ever heard him at any time being offensive or derogatory about fellow politicians, no matter what particular party he was in at the time and in that way I think he has set an excellent example in terms of how politicians should relate to each other.

He was also a friend of many of the prominent intellectuals of the day and many people do not realise the extent to which he was committed to intellectual elegance. He admired the use of the English language and I think that one of the last calls I got from him about 2 years ago, following a publication in the press, he did not call about content he just called about the turn of the language used.

In the area of the classics which he admired he concerned himself with style and presentation and in a sense had an influence on me because for a short period of time I earned the nickname "Pliny" largely because of the elegance with which I wrote Latin for a short period. I have since lost the name because I no longer speak Latin. But that influence, not only looking at grammar and so on, but looking at style and presentation of language this was something that was extremely dear to him and I am quite sure he would have called hundreds of people any time that he saw anything published anywhere which had a very happy turn of phrase.

I believe, Sir, that his life was one that made a major difference in Barbados despite the turbulence of this period in the Chair in this Honourable House, there was no question that he contributed to the reverence with which the Chair of the House of Assembly is held in this country and that is why I say and I believe that the major importance of his contribution to the political life of Barbados was the legitimacy which he gave to that struggle that saw the emergence of Barbados from post slavery to emancipation right up to today.

Remember, Sir, that someone who was born into relative privilege and we are talking about 1909 in Barbados, someone of his complexion, someone that moved socially in the circles that he could have been elected to move in, for someone to take that important step and get involved in politics in the way in which he did, not only representing people but also moving at a level socially with them on a mass basis was a very extraordinary thing to do and he must have had a perception of humanity which

was very much different from many of his social status and of his intellectual achievement of the day. And it is that stamp, I think, that made the difference down the years. That would be my judgement of the contribution and the influence which he has had.

Much has been said about his involvement in other areas, Empire Club. I did not even know that he was the person that brought Rotary to Barbados and he continued to be, until his death. There is a particular title attached to someone in that position.

Mr. Speaker, on these occasions we do spend a little time in paying these tributes. I think they are important, not only in terms of the solace to relatives and friends and constituents, but also they are important for the record of Parliament and for the upliftment of Parliament itself. I believe that the words which we have uttered so far today would have contributed substantially to the reinforcement of the premier place in the social and economic life of Parliament, of this particular Assembly and of the Chair of this Assembly as well. I take this opportunity on behalf of myself, on behalf of my family, on behalf of the wider family of the National Democratic Party and also while feeling the loss of someone who has been a friend for most of my life, nevertheless I feel a sense of joy in being able to speak to, recognise, feel and share the excellence which he brought to his life and to this society over the years. I thank you very much, Mr. Speaker.

12.35 p.m

Dr. R. L. CHELTENHAM: Mr. Speaker, the death of Sir Theodore closes the chapter on that band of middle-class, courageous Barbadians who entered politics in the 1930's who for the most part helped to fight the conservative forces very much alive and abroad then and really help to create the new Barbados which we now enjoy. I refer to persons such as H. A. Vaughan, Erskine Ward, Walter Reece, Grantley Adams himself and Mr. Holder who was the M. L. P. for St. Andrew, and who was later to become the Solicitor General and still later to become the Chief Justice of British Guyana as it was then known.

Sir Theodore was then referred to in the 1930's as Mr. E. T. Brancker, the newspapers of the day so referred to him. It was only later that the letter "J" appeared in public in his name. He first came to national political prominence in 1937 in January when he won as senior member of St. Lucy in a very closely fought election. In fact, he got 137 votes, Mr. Speaker. Mr. H. Alleyne who was the junior member got 136 and Mr. James Tudor got 80 votes; and Sir Theodore was to remain in this Parliament for an unbroken period until 1971. The story of the circumstances under which he decided to retire from electoral politics, I believe, has already been told and no useful purpose will be served by repeating it.

There is a point of some significance in that long career in terms of politics. It ended in 1976 and for 5 years previously he served as President of the Senate. But in that long period he never held office and that too is an interesting story in its own right, because in 1948 the 3 major parties in Barbados each got the same number of seats resulting from that election – 8 seats to the Congress, 8 to the Barbados Labour Party and 8 to the Conservative Party which was then called the Electors Association. The Barbados Labour Party entered into an arrangement with the Congress Party to populate the Executive Committee and there is an old story and an old trick which we have got to be very careful about in politics and it happens in every generation in a way. Mr. Wynter Crawford gave his name as the Leader of the Congress Party and Mr. Brancker's name too, to Mr. Grantley Adarns to take to the Governor as the 2 men from the Congress Party. And in the end, 2 other men from the Congress Party sat on the Executive Committee – a Mr. Blackman from St. John and I think then it was Mr. Talma. The story is that Mr. Adams, as he then was, was to tell Mr. Wynter Crawford and Mr. Brancker that their names were not acceptable to the Governor. Whatever is the truth of that, those were the stories published in the newspaper of the day. It is a fact that he was deceived and he was never to serve. Again, in 1961 he was in the run up to that election which took place I believe on December 4th as the Leader of the Opposition, and contrary to convention he was not to receive a call on the night of the 4th or in the days following from the Governor. The rest is history because it was Mr. Barrow who received that call and the story was that Mr. Cameron Tudor, when early in the evening he recognized that the Democratic Labour Party was sweeping the polls and was likely to form the government made his way from the counting centre to Government House. In speaking as the General Secretary of the Democratic Labour Party, he told the Governor of the day that they had met and had agreed that Mr. Barrow should be the leader. That story has never been told officially but I think that we have put together a sufficient number of pieces from sources who are now dead to know that that is as close to the truth as we may ever get.

In Parliament, Sir Theodore in those early days supported all the liberal measures and was very active and energetic on behalf of his constituents. He was in the period up to 1940 regularly speaking about the plight of the unemployed. He was concerned about peasant farmers, in particular, small cane farmers in St. Lucy. He regularly addressed the controversies about cane weighing of that day. He spoke to that issue. He was also concerned about bus men, the employees of the private concessionaires who worked for many long hours under very deplorable conditions, and much of his evidence before the Disturbances Commission, as it was called in 1937, was devoted to that particular issue. He was never a thundering speaker on the platform or a hugely impressive speaker

in Parliament. He had a quiet style with a modulating voice. He often spoke with his right hand almost covering his mouth and so on. But there was no doubt that he was there. He was enduring, he was effective and he was active.

But apart from politics, he was one of the enduring figures in the political life of the country between the 1930's and 1970's. He was also outstanding at the Bar and had a large reputation at the Criminal and Traffic Bar. His style was very detailed as a cross-examiner. He would exhaust the witness and, if a tight reign was not held by the Court, he would carry them even into irrelevant areas. If the case was particularly difficult, he would urge an adjournment of the Court and I can think of no other person whose cases have fallen by the way resulting in the acquittal of the accused because witnesses simply died through exhaustion, did not come back to Court or went beyond the seas. But he specialized in the adjournment in difficult situations. A classic and very effective defence to a breach of the traffic regulations in those days was that the Official Gazette was not produced evidencing the traffic regulations. He once had a junior who made an unsuccessful effort to get into this Chamber to whom he whispered at the Bar Table after hinting to him that he should get up and make the "no case submission" to the effect that the Official Gazette had not been produced. The junior did not quite grasp the point and got up and announced that the Official Gazette had not been produced much to the embarrassment of Sir Theodore. The point was upheld, Mr. Speaker, but he called it the Official Grazette.

Sir Theodore had a multiplicity of interests. He was a Charter President of the Rotary Club; he was President of the Empire Club for several generations and did outstanding work in that regard. But I think his story tells us a tale about how you could penetrate the Barbadian society. If you see the Barbadian society as a series of concentric circles, Sir Theodore was at the centre of each of them. The church - he was prominent there; and also in service organizations particularly Rotary. He was prominent in cricket. He was President of the Empire Club.
12.45 p.m.

He was prominent in politics and he was also prominent in the law. In addition to that, he was also prominent in the Lodges, so that sometimes when young professionals - and it happens with great frequency - come to me and say "I cannot understand how you get clients in Barbados, how you develop your profession," I say there are a lot of successful stories, and I mention Sir Theodore. Barbados is not the most difficult society to penetrate as a professional if you have the skill and a certain personality; but you have to understand what it is about. It has changed in some respect, but Sir Theodore understood that well and he was nevertheless able to remain at the centre of these several concentric and overlapping circles.

He was a member of each of the major parties of the day, except for the conservatives, but we are not surprised, looking back, that his stay with the Barbados Labour Party was short-lived. He ran in 1951 under the banner of the Barbados Labour Party. The election result had not been well announced when he was out of the Barbados Labour Party, and if you are familiar with the history of the period that is not surprising, because there was no relationship between himself and Sir Grantley, none whatsoever, and he would never have been happy in the Barbados Labour Party, but it was clear to him at the time that he had to be identified with the labour movement, as it was called, in order to win that first election under adult suffrage. And so he hitched himself to the vehicle of the Barbados Labour Party, but that was only for electoral and propaganda purposes, for the purpose of the election. As soon as the election was over he was to find himself back close to his old friend, Wynter Crawford, back into a Congress Party and then as the Congress Party became fused with the Democratic Labour Party, then into the Democratic Labour party.

Let me say, in conclusion, that I think his claim to fame, as it were, his place in the history of the period will rest really on two bases. His long period of services as the constituency MP in St. Lucy and the fact that he was the link, between the old Barbados and the new Barbados, because he came to politics before the riots and he left politics after Independence, so he was that link person. The second basis on which I think he will attract the historians of the period relates to the fact that he was part of the liberating progressive forces in politics over that period of the 1930s straight through to the 1980s, the forces that transformed Barbados into the modern society wherein we all live with the modem facilities which we all enjoy.

I have known him over the last 25 years and he was at close range a very anecdotal and amusing character. He often approached you: "Have you heard?" That is how he begun his stories. He delighted in a good piece of gossip and was often the father of that gossip, often the author of it, but he would always begin his stories with: "Have you heard?"

He was in court unfailingly courteous to the Bench and in so far as I have had the opportunity of working with him on two occasions, he would call me at a very early hour to discover how I was getting on with my research. In one particular case where a well known husband and wife were charged before the court, we both represented them and he told me that he would take the easier case and the harder one was left to me. In the midst of the case being heard before Sir William Douglas, Sir William was in

a very aggressive mood and did not allow him to conduct his cross-examination into irrelevant areas. So he was very brief on his feet. Following one shout from Sir William he just looked back and said: "Over to you, Richard" and that was the signal for me to get up and do my part.

I just want to say that he has been one of our great nation builders of that period and on this occasion I join with fellow Members in extending my sympathy to Lady Brancker, his son George and to all the close members of his family and to his friends. I support fully the Resolution which is before Parliament.

Mr. B. M. TAITT: Mr. Speaker, Sir, it would seem strange if I did not join in the tributes which are being paid to yet another illustrious Barbadian as we mark the passing of the late distinguished former Speaker of this House. I do not propose to add to the litany of very eloquent and well defined remembrances which have gone before, but it is important for my generation to record our appreciation of the standards which we found when we came to this aspect of our national life, loosely called the Parliament.

I, Sir, came back to Barbados in **1971** and was fortunate to be appointed to a Senate which had as its presiding officer the late Sir Theodore Brancker. Anyone who aspired to become involved in public life by that time would have been aware of the record of the distinguished gentleman as a Speaker of some **10** years standing. If there is one way in which I would wish younger people coming to emulate Sir Theodore Brancker, it would be in his veneration of the institution of Parliament. Observing him as a presiding officer was at once a study of determination whenever he thought it necessary to quell any impending riot and an unspoken eloquence whenever he felt that any particular speaker was testing his well known need from time to time to have a break from the proceedings. Many are the stories which could be told away from the tributes of incidents related to the Senate going into Committee and no doubt as long as parliamentarians gather such stories would be told.
12.55 p.m.

I was always very interested in and still have regard for the manner in which he maintained the high standard of debate by virtue of his intolerance of anything that smacked of personal vendettas in the Senate. I well recall and I believe the Honourable Member for Christ Church South was there at the time and the Honourable Member for St. George South as well, we would have some very heated and animated discussions. As Your Honour is aware the Table in the Other Place is very amenable to almost finger-tip touching between the Opposition and the Government and it is not difficult to heckle without being heard and somehow that presiding officer heard every single word of heckle that would emanate from those who were not fully observing the Rule that only the Honourable Member on his feet or her feet should be heard.

Mr. Speaker, Sir Theodore took delight in helping young parliamentarians to shape their understanding of what Parliament is, what it was then and what it should be. It was always his view which he expressed often that those who were fortunate enough to serve in the Parliament of Barbados had a special responsibility to the generations to come. From time to time we would have the benefit of listening to his stories of the struggle as a parliamentarian from the early days to where we were in **1971** to **1976.**

During that time, he eschewed party relationships with the Democratic Labour Party but soon after **1976** when he ceased to be the President of the Senate he reappeared in the comdors of the Democratic Labour Party with clock-like precision on the occasions when we would have general council meetings and he could listen for long sustained periods only intervening from time to time when either a person had become confused with his syntax or the time was moving too slowly for the mind of one like Sir Theodore.

Mr. Speaker, the Honourable Member for St. Michael South Central alluded to Sir Theodore's love of language and I think it is fair to say that a turn of phrase in any given situation that would normally be described as delightful would be embellished and developed by Sir Theudore in such a way as only in recent times I have heard his son who I believe it is fair to say has inherited some of that very exquisite quality.

Mr. Speaker, he also spared no effort to share with young Members of Parliament his own view of constituency representation and whereas it was not a scientific and as modem as many of us have been able to become with the advance of technology in the world and in Barbados he like others of his time nonetheless had his system which worked and which had as its main focus concentration on the needs of his constituency, the people of his constituency. I have said elsewhere and will continue to say that one of the main considerations which endears the Democratic Labour Party to me is that in our party we tend to see each individual as an end in himself and not a means to an end and this was one of the principles which I heard repeated over and over again by Sir Theodore in one form or another.

If I may touch on just one other aspect of his life that I found fascinating it was his religious curiosity. In recent times I know of two persons in Barbados whose religious curiosity provided me with interest. One is the Father of the late Errol Barrow and Dame Nita who as Your Honour knows was an Anglican priest who became

a Catholic and who as it were went the full circle. Sir Theodore also became a Catholic. I am not sure if he was born a Catholic but there was never any doubt that he put his religious considerations above and beyond all others. He spent many a time with the two other persons whose names I need not call and myself discussing aspects of our religious, as he would put it, education.

He was not adverse to taking a position completely opposite to the one in which he believed merely to tweak the capacity of those with whom he was having the discussion. Mr. Speaker, only people who are interested in theological discussions for the sake of discussion can fully appreciate the joy of a complete philosophical discussion on a given day among a certain kind of mind. I am grateful to Sir Theodore that he allowed that kind of discussion during my time and as a result I have been the richer.

I would merely end by making reference to the loving care with which his wife Gwen Lady Brancker lavished on him and which was obvious in terms of her care of him in his later years. Lady Brancker will for a number of young women around Barbados be a role model. I recall the number of times when I have heard persons who knew neither the one or the other speak with pure admiration at the quality of the relationship between those two persons who on first sight appeared so dissimilar in their makeup.

Mr. Speaker, I offer to her and to George and to the rest of the family my own and my family's and my constituents' and indeed the Democratic Labour Party's deep condolences.

SUSPENSION

Hon. Miss B. A. MILLER: Mr. Speaker, I beg to move that this House be suspended until 10 minutes after 2 o'clock this afternoon.

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

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

1.05 p.m.

RESUMPTION

Mr. SPEAKER: This sitting is resumed.

Hon. D. A. C. SIMMONS: Mr. Speaker, I just wish to place on record a short contribution to Sir Theodore. I say short because on Friday morning the Supreme Court is having a special sitting in honour of Sir Theodore and I will speak at greater length there. But I wish to say that he is a Barbadian who has contributed much in many fields to the national life of this country. It is fitting that we are paying tribute today and it is fitting, of course, that his life should have been so full.

I think all those who preceded me in this tribute have touched on all the various facets of his life that we could have dealt with. Perhaps, I would wish to speak of him as I knew him as a practitioner at the Bar. I was fortunate to have observed him for many years and then in the middle 70s to have had the privilege of having appeared with him in a case which is in the West Indian Reports called "Glumeau and the Queen".

The experience of the Honourable Member for St. Joseph and my own experience are identical. He invited me to Valencia in Demcks. Immediately, a man of unfailing courtesy, he ensured that before we started to work that I was offered some wine. He told me that so long as we won the case I could be assured of a case. In those days I was not aversed to drinking a fair quantity. He said to me at the outset, "Now, let me tell you. You leave the facts to me. I want you to deal with the law." In fact, we went to court and I argued the matter. The conviction was squashed on a point of law as to corroboration and whether corroboration should move from an independent source or not. The direction of the then Chief Justice Douglas was held to be wrong. True to his word, Sir, I received a case of white wine soon after the Court of Appeal gave the decision.

At the time I was in the Chambers of the Honourable Member for Christ Church West and I told him of what Sir Theodore had done and the generosity of his gift. He told me that I should ask Mr. Maurice King because he and Mr. Maurice King had appeared with Sir Theodore and I think he said every year he used to send them cases of wine in memory of cases which they had done together. Of course, speaking of wine, Sir, Sir Theodore had a large reputation for being able to partake of culinary delights in large quantities. It is very true that a large part of his political success and being in this House for over 35 years was entirely due to the kind of relationship he was able to develop and manage among his constituents in St. Lucy.

Part of his *modus operandi* was to ensure his presence at every funeral, wedding and more particularly christenings where he used to be well looked after by the host. I say that he had a capacity for delighting in food and that capacity was transferred in large measure to his son, George, who when I remember him in England in the early 1960s did have a reputation among Caribbean students for being the greatest consumer of food there was among all of us. He was a huge feeder. But it was not only the love of good food and drinks that he passed on to his son. His love of parliamentary institutions and his respect for them were also two qualities that he passed on lavishly to George.

It is little known, but some have spoken today of it, Sir, that Sir Theodore was a musician of repute and an excellent pianist. Howard Roberts who was also a legend in the musicology of Barbados told me some years ago that it was remarkable that Barbados produced three Branckers who were in their times the leading pianists in this country, Sir Theodore, my uncle Kid Brancker and Nicolas Brancker, Sir Theodore's grandson whom we all know. George, unfortunately, did not tinkle the ivories but I would say that to my certain knowledge George Brancker is the most rhythmical drummer with ten fingers that you can find in any part of the world. If George Brancker sits here at this desk and starts to use his fingers as a drum, you would feel to dance. He is very talented with his fingers.

In the legal field, Sir, Sir Theodore once answered a question of mine sitting at the Bar table in a way that I have never forgotten. I asked him what was the secret of his success as a cross examiner because modem lawyers tend not to cross-examine for days and days. Sir Theodore would cross-examine at length. As a young counsel, we were sitting in court and we would cover the same ground several times slightly rephrasing the question. He told me that my technique is very simple. I ask a lot of questions to such an extent that I confuse the witness. I confuse the court and I confuse myself. In that setting, he said, the court must be left in reasonable doubt. Everybody is confused.

Sir, he had a slightly mischievous way about him which others have spoken about but those of us who came in the early 1970s remember Sir Theodore and his idiosyncrasies, the glasses in hand twisting them around his fingers, the little lean of the head "Have you heard?" and when he was asking, have you heard something, he was then for the fust time about to start a rumour that would take root throughout Barbados.

We have spoken of his use of green ink. But I also remember his gown and his wig. They have betrayed years of hard work, the fabric pattern, worn and thread bare. I asked him why he would not change the wig and gown. He told me that if he changed the wig and gown no new lawyers would give him credit for his long service at the Bar. The tattered wig and gown were the outward indicia of his many years at the Bar. He wanted everybody to know he was the most senior member of the Bar. I believe he retired without changing the wig. I seem to think that latterly he changed the gown. But he was a man of good humour.

In his sphere as a lawyer practising in the Traffic Court, Sir, it is said he had no fear. He probably knew the Traffic Regulations and the Traffic Act better than anybody else, undoubtedly. He built a reputation on his knowledge, experience and expertise in that field of road traffic.

Sir, I am proud to have known Sir Theodore. I did not know him before I came back to Barbados closely. I met him once or twice before and obviously had seen him because in his young days he was known as "Jet Brancker." He was a very dashing and handsome man in his youth. I met him a couple of times. I think he approved my membership for Empire Club when I was still a school boy. He did much for the cricketers of Empire. Empire first toured outside of Barbados when Sir Theodore was President. I think the first tour was to Grenada. Now, what is little known is that it was Sir Theodore who sponsored Charlie Griffith from Pie Corner in St. Lucy to the West Indies level and supported Charlie throughout his years as a cricketer.

2.25 p.m.

I therefore, Sir, wish to express my sincerest condolences to the family of Sir Theodore and readily support the Resolution and as I have indicated I will speak differently and at greater length on Friday morning when the Supreme Court meets in tribute. I am obliged to you, Sir.

Mr. D. St. E. KELLMAN: Mr. Speaker, I rise to support this Resolution on behalf of Sir Theodore Brancker. J want to say, Sir, that Sir Theodore in the minds of the people of St. Lucy has always been a well liked and caring politician. The Member before me spoke about Charlie Griffith but it must be said that Charlie Griffith would not have gotten the opportunity to represent the West Indies if he was not spotted by Sir Theodore. It is Sir Theodore who spotted him in the rural constituency of St. Lucy and took him to Empire Club where he was able then to play cricket for the West Indies team. I believe he would also have spotted some others but he would have used his privileged position to fight the system at the time.

Going through St. Lucy you would hear about the Road Board and you do not hear too much about the Road Board today, you hear about MTW or Public Works but there are a lot of men in St. Lucy who would tell you that it is because of Sir Theodore that they were able to get a job in the Road Board and that is probably why, when I was going to school, I used to brag of coming from a constituency that had the best roads and it was a privilege at that time when you could brag that you had a choice of many roads to go and even some of the roads you travelled on, even though they were not the main roads to travel, the conditions were good.

The next thing you would hear about in St. Lucy, Sir, is the top and the bottom. In those days there was Brancker to the top and Tudor to the bottom and the voting system was that you cut off the cane tops and cut the canes at the root level. In other words you vote for Brancker to the top and vote for Tudor to the bottom . So in St. Lucy you never discussed politics in the way it is discussed in

this day and age. You discussed the top and the bottom. It is amazing, Sir, that on Saturday while we were attending the funeral we were reminded that the system of top and bottom is still operating and that is, Sir Theodore went back to the top and Sir James Tudor was buried to the bottom. That is, one went to Pie Corner and one went to St. Lucy's Church. And it is amazing how the system has worked. Somebody has reminded me that the system is not completed as yet because I am told that when my predecessor's turn comes he will go to the top and when my turn comes I will go to the bottom. So it seems to be a top and bottom system still going through St. Lucy.

He also had a knack for winning and he made sure that whatever he did he was on top even if it meant doing additional canvassing after the official canvass. He made sure, Sir, that he was always working hard so if the official canvass was during the day, Sir, he always returned at night to make sure he put in additional canvassing because he loved his people in St. Lucy. But that is not all, Sir. Listening to these speeches today I now realise why so many people love going to St. Lucy, Sir. St. Lucy is a place, Sir, where you can always be rewarded when you pay a visit to that nice place. It is not surprising to hear the Honourable Member for St. Michael South, the Honourable Member for St. Michael South Central and many others recalling the good days of travelling to St. Lucy with Sir Theodore.

Sir, I would have appreciated very much if they had taught me the trick of landing a small aircraft in Spring Garden and I would have appreciated very much, Sir, if Sir Theodore had the privilege of landing a small aircraft in Spring Garden a place he loved so much. So you see, Mr. Speaker, we have had the privilege of having Sir Theodore who has done his best for St. Lucy and he was one of the few privileged politicians. He was of an era where his supporters, because they loved him dearly, found it more convenient to use cars that he did not sponsor at election time.

So, on behalf of the people of St. Lucy I would like to express my deepest sympathy to his family and to say that he has always been loved by the people of St. Lucy and they have showed it, Sir, by keeping him on top. Thank you very much, Sir.

Mr. SPEAKER: I would like to associate this Honourable Chair with all the sentiments expressed. On behalf of my family and myself I would hereby like to extend my sincerest condolences to the grieving relatives. The outstanding qualities of the late Honourable Member, mentioned by all Members, I can assure you, as Speaker, I will try to emulate. This House with acclaim supports the Resolution of Sympathy and the appropriate messages of condolences will be sent to the family.

As a mark of respect for the late Honourable Member, I now invite all Honourable Members to join with me in observing one minute of silence.

Members stood in silence for one minute.

ORDERS OF THE DAY

SUSPENSION OF STANDING ORDERS

Hon. Miss B. A. MILLER: Mr. Speaker, Sir, I beg to move that Standing Orders 6, 16, 18, 20, 42(5), 43 and 44 be suspended for the rest of this day's sitting.

Rt. Hon. O. S. ARTHUR: I beg to second that, Sir.

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

2.35 p.m.

GOVERNMENT BUSINESS

Mr. SPEAKER: Government Business is the instant order of the day.

ORDER NO. 1 – TO MOVE THE SECOND READING OF A BILL TO AMEND THE INCOME TAX ACT, CAP. 73

Rt. Hon. O. S. ARTHUR: Mr. Speaker, Sir, I rise to move the motion that the Income Tax (Amendment) Bill, 1996 be approved and I need to put this matter in some context. First of all, Sir, I need to say that I do not subscribe to the mystique and mystification whereby important fiscal or public financial adjustments need to be only in the Budget. Budgeting is an ongoing process and there are other countries in the world where important adjustments are being made virtually every week in their Parliament. But we have come to believe that the only occasion on which major adjustments can be made or the only place that adjustments can be made is in Budgetary Statements, a myth that needs to be dispelled. The House will be aware, Sir, that on matters such as the removal of duties on manufacturing and agriculture we did not have to wait for a Budgetary presentation to make adjustments and equally so, Sir, the point I am making here is that there will be matters that are being dealt with today in the Income Tax Amendment which were not in fact measures spoken of in the Budget presentation although the general purpose of this Income Tax (Amendment) Bill is largely to give effect to measures that were announced in last year's Budget.

The second thing, Sir, is that these Income Tax Amendments being proposed today have to be looked at in the context of adjustments to the Income Tax in the last decade. The House will recall that in 1986 there was

a major adjustment to Income Tax involving the introduction of a threshold of $15,000 below which no one pay taxes and the extension of a range of allowances including unlimited allowances for mortgage interest and home improvements and the like. The numbers are interesting and the numbers of that experience are now left to economic historians. Income Tax in 1985 yielded $134 million. By 1987 it had fallen to $52 million but it recovered thereafter and the debate as to whether left to itself the measures might have eventually achieved the objective sought by the Member for St. Michael South Central is something upon which the economic historians, Sir, will have to abdicate. We do know that his party of the day abandoned them because of the short term fiscal reduction from $134 million to $52 million but I think there was an increase I think to $114 million in the subsequent year and thereafter. That is a matter, Sir, for economic historians but an interesting part of our history. There are those of us though, Mr. Speaker, who felt that the tax would have worked a way through the system and there would have been a stop adjustment by the first quarter of 1988 but, Sir, that is history. There is also a very important attempt at Income Tax Reform in 1992 which was intended to be Revenue neutral in the sense that it was intended that the Income Tax would have been adjusted in such a way that a large number of concessions including the unlimited building allowances and so on would have been abolished, the stabilization taxes and the levies except for the Training Levy would have been abolished, the Income Tax system would have been simplified by the reduction in the number of rates and the reduction in the number of bans with the intention, Sir, that within 3 years the revenue yielded from the new Income Tax would be equivalent to the revenue that was previously gained from the combination of Income Taxes, stabilization taxes and levies.

Again, Sir, the evidence is interesting. The House will be interested in being told, Sir, that in 1992 before the inception of the Income Tax Reform, Income Tax and levies together used to yield over $240 million but the Income Tax and the levies in 1994-95 yielded just over $200 million in levies. So that there has been a net reduction in Income Taxes in this country arising from the 1992 Income Tax Reform and I say that, Sir, because...

Aside.

Rt. Hon. O. S. ARTHUR: I am putting it in this context, Sir, because the 1992 Income Tax measures were intended to be revenue neutral and the evidence up to the end of 1994 is that the objectives had not yet been achieved if only because the revenue being derived from Income Tax and levies up to the end of 1994-95 did not make up in the combination. Obviously, Sir, it set a very important limitation within which additional adjustments to Income Tax could thereafter have been contemplated and that is the point at which I want to start the debate. That between 1992 and 1994 there has been a process of Income Tax adjustments intended to yield the revenue neutrality but that had not yet been fully accomplished by the end of the financial year 1994-95.

In addition to that, Mr. Speaker, the 1992 Income Tax Programme specified that there were some additional allowances that had to be taken into the Income Year 1995. So that we went into 1995, Sir, from a fiscal point of view facing a specific fiscal background that they had inherited an Income Tax process of reform that had effectively served to reduce the yield of the Income Tax and there was an additional allowance that had to be put on the books and therefore we faced very considerable constraints in such a context regarding the extent to which further and additional cuts in Income Taxes could have been carried out. I really want to make that point, Sir, if only because the Member for St. Michael South Central is a champion for calling for tax cuts although his recall is, Sir, that he did introduce a tax cut but then thereafter had to come substantially and increase the rate of indirect taxes. The experience over the last decade, Sir, would warn us as to how judicious we have to be in seeking to institute drastic changes in the structure of our Income Tax. I believe, Sir, that the evidence for 1995-96 would seem to suggest that the Income Tax and Levy when combined, although still not yet yielding revenue equivalent to Income Tax and the levies of old, are coming near to that point.

Sir, the amendments before the House are fairly broad and are intended to affect the household sector as well as the corporate sector in Barbados. All of the amendments are in some way designed to reduce taxes rather than to increase taxes, and I believe that to that extent and in so far as they coincide with the philosophy that we must all contribute to the reduction of the rate of taxes in this country, they will elicit the support of Parliament.

2.45 p.m.

Sir, as far as I am concerned, the most important adjustment here pertains to the resolution of the issue concerning the net foreign exchange credit for services in this country and the putting in place of a new system for the benefit of the importers of services in Barbados. In 1986 a previous Barbados Labour Party Government recognised that the Government itself would not have the funds to spend to promote the development of the offshore financial sector and the export of services in general. Therefore, in the budget of 1986 it was proposed that a tax credit would have been given to entities in Barbados exporting services that would have allowed them to claim a tax credit equivalent to 50% of the net foreign

exchange earnings as a way of stimulating the export of services. There was a problem with that, Sir – it was based on the New Zealand model – in some instances a tax credit equivalent to 50% of the net foreign exchange earning from services would have totally extinguished the tax payable by a large number of companies, it was recognised that the concession was extremely generous and it had to be reviewed. It was reviewed in 1990 where the credit was changed such that the 50% rate remained unchanged but the credit was to be applied in such a way that the amount of the credit could not exceed the tax liability on the net foreign exchange credit.

The point I am coming to, Sir, is that for ten years no entity in Barbados has been able to claim the credit, but the private sector of this country and those persons involved in the export of services and in the promotion of the offshore business sector in particular went ahead and invested their money in marketing and in promotion. We have seen the transformation of Culloden Road in the putting in of office facilities to support the sector. We have seen the private sector of this country spend its money to attend RIMS and so on in the expectation that one day the matter will be resolved. There have been attempts in good faith at it over a decade and I really want to use this opportunity today to compliment the private sector for continuing to invest in the development of the offshore sector, despite the fact that the principal fiscal instrument that was intended to facilitate the investment was one that in and of itself was subject to much doubt and was not resolved for ten years.

I should also point out, Sir, that the 1990 amendments to the Income Tax Act prescribe a limit for the application of the credit for a ten year period retroactive from 1986 to 1996, and therefore the issue that faced us was to settle the matter once and for all and to put in place a new mechanism that would allow persons exporting services from Barbados to continue to benefit from income tax relief through earning foreign exchange for the country.

This Income Tax (Amendment) Bill, therefore, prescribes a solution to the outstanding problem by allowing not a 50% rate but a credit equivalent to 30% of the net foreign exchange earned from the export of services. If I may put that simply, Sir, any enterprise in Barbados exporting services as specified in the Schedule to the Bill is allowed to reduce its income tax payable by an amount equivalent to 30% of the net foreign exchange earned. That covers the period for 1986 to 1996. The understanding is that if there have been any refunds, the businesses concerned will take back in the form of income tax refund certificates. For the future the legislation before Parliament proposes to put in place the same system of export credit rebates for services that now obtains in relation to manufacturing, namely, that you have a graduated scale whereby the amount of the rebate that can be claimed for the exports against the profits from the export of services rises as an entity's proportion of exports in total sale rises.

If I may be explicit, Sir, we have a situation whereby if 81% or more of a company's profits come from the export of goods, that entity is allowed a rebate of 93% on its income tax, which means that its effective rate of tax will be in the vicinity of 2%. The intention, therefore, is to put companies in a position such that as the proportion of their profits from exports rises, they will be allowed to put increasing proportions of that export profit in their pockets and the effective rate of tax on those entities that have a high percentage of exports in their total sales will amount to no more than that paid by international business companies. We are also taking the opportunity of expanding in the legislation the range of services that qualify for this foreign exchange credit.

This legislation therefore purports, and has resolved a problem that has been outstanding for ten years, through no ill of anybody – I am not pointing any fingers – the initial thing was too generous, the amendment proposed in the 1990 budget was subject to three different interpretations by the accountants, the lawyers and the Commissioner of Inland Revenue and there was a mass of confusion. We are trying to settle that and put a new instrument in place that would allow enterprises exporting services from Barbados to benefit from that activity by way of a rebate system that links their credits to the portion of their total sales derived from export.

Mr. Speaker, this legislation also addresses the question of group taxation. Barbados is one of those countries that has historically not had group taxation and as a result companies in a group were not in a position legitimately to offset the profits realised by one company by the losses incurred by another. As a result there have been many instances in this country, like so many others, where group taxation did not exist whereby a lot of devices and stratagems were entered into involving the moving over of management fees, the payment of excessive rentals and the like, to transfer income from profitable companies to non-profitable companies so as to even out the situation. Or worse, we have had situations where companies have been put to the necessity of becoming involved in what one could call artificial forms of amalgamation with great disastrous effects on management in order to address the fact that there were some entities in the company that were profitable and that there were others which were not.

The legislation before the Parliament, Sir, introduces the concept of group relief to Barbados within very clearly specified conditions. We are very specific in relation to the ownership relationship that must exist and the provision is intended to allow for the expansion of corporate activity

in the country without corporate entities having to be put through the treadmill of artificial amalgamations or the fraudulent transfer of income from source to source. Where the household sector is concerned the legislation introduces the concept of a home allowance for Barbadians. Now as I said this legislation has to be seen against the background of the income tax structure of the past. Before 1986 Barbadians were allowed a mortgage interest allowance of up to $12 000 a year but this was in circumstances where there was not an income threshold, a basic allowance applicable to everybody.

2.55 p.m.

The 1986 tax adjustment provided for unlimited mortgage interest allowances and unlimited home improvement allowances and quite frankly many people abused that system. There were some people who had a number of properties who consolidated all of their loans and took out one major mortgage against their home and claimed massive mortgage interest allowances and that was one of the major loopholes exploited by wealthy people arising out of the 1986 tax assessment.

I know of cases because they told me that this is how they made their money.

Dr. R. C. HAYNES: Unlimited mortgage interest existed in Barbados until some time in the 1980s.

Rt. Hon. O. S. ARTHUR: Mr. speaker, all I am saying is that in 1986 a person could only claim up to $12 000. There was always a gap. The point I am coming to is that the 1992 income tax reform process took mortgage interest allowances and also took home-improvement allowances as well as allowances for the purchase of solar water heaters off the books.

What we are seeking to do, Sir, is to reintroduce to Barbadian households the ability to be able to claim mortgage allowances, home improvement allowances, allowance for solar water heaters and in this instance allowances for the installation of water saving devices. The difference in this instance is that we now have in place in Barbados a system where the income threshold claimed as a basic allowance is now up to $18 000 and this home allowance is to be in addition to that.

It is also the case in the past that mortgage interest allowance has only been claimed by a fairly narrow section of the population. What we are seeking to do is not to reintroduce mortgage allowances per *se* but a broader concept called a home allowance which will give the home owner the flexibility in most years of being able to claim something arising out of expenses from his home whether in the form of a payment of a mortgage interest or of a water saving device or a solar device or home improvement as the case may be. As I said, Sir, the mortgage interest allowance in the past and this was the point that was made by the Member for St. John with great force benefitted only a few and in reintroducing the concept, Sir, we sought to broaden it with a view to allowing people greater flexibility in what they can claim.

Sir, I really want to stress the importance of the introduction of an allowance for water saving devices. I speak to this issue every time we speak on this matter that Barbados is a water-stressed society. We have one of the worst water profiles in the world. In fact, we are the third worst in the world. We fit into the scheme of things of countries like Jordan and it is a fact that in any given normal year Barbados is consuming 90% of its average water supply.

More to the point, Sir, we are also on a water intensive utilisation process of development where because of the expansion of our tourism industry and sports tourism the consumption of water in marginal terms increases as the economy is expanded. If I can put the point graphically, the same water supply that used to suffice this population when we were 200 000 people with no tourist industry is now having to meet the demands of 260 000 Barbadians plus half a million cruise ship passengers a year plus half a million long-stay tourists a year and we are embarking on a process of development that will see us expand those numbers and therefore the questioh of the management of our water resources becomes critical. It behoves us to take this matter seriously because the problem we are having is not just a problem of inefficiency at the Barbados Water Authority, it is that we are pushing the limits of our water resources and very serious and creative efforts have to be set in train to address the problem.

We have sought therefore to make it mandatory that people building commercial buildings must start installing water storage facilities and this legislation will allow them to write off expenses so incurred in order to start saving water.

We are also seeking to encourage the households to put in water storage facilities to store rain water to do other things that now have to be done from the public water system and we are allowing income tax allowances for that particular purpose.

I also want to make the point that in this year's estimates the Prime Minister's vote was not discussed unfortunately but I have instructed that an amount should be put into the Estimates for the Official Residence of the Prime Minister to install water storage facilities because that residence is a fairly extensive user of the public water supply. I feel that an example should be set both in relation to that residence as well as at Government House and funds are being provided to set that kind of example.

I want the word to go forward from this Chamber that the water problems of Barbados are real. They can be addressed by the detection and other measures but all of us must recognise that we are pushing the boundaries where water availability is concerned and that we have to find ways of storing and using rain water for purposes that now exercise a claim on the public water supply that should be used for domestic consumption purposes. I would wish the House to understand therefore that as time goes by we will be introducing more and more incentives under the home allowance. It is the intention of Government to incrementally increase the home allowance as we go along and the other side will understand the point I am making. The income tax reform process of 1992 described what was to happen between 1992 and the income year ending 1995. It said thereafter that there has to be a process of indexation. We carried out the last adjustment of that process in 1995 as per the programme and we feel that a flexibly designed home allowance that will allow people to be able to address their water problems, their energy problems their home repair and home building problems is the way by which we can really add to the existing allowances.

We have sought to do so, Mr. Chairman, within the context of what was fiscally prudent and that is why I started to make the point that when we reviewed the situation in the income year 1995 we had not yet reached the stage where the income tax and the levies had accomplished their revenue yield as intended and we thought that we would therefore stagger the rate at which we introduced a home allowance.

Our manifesto speaks in terms of $15 000. I look forward every year as our revenue position allows to increase this but the intention is to let Barbadians enjoy a broad-based and flexibly structured home allowance. They can use it however. It addresses the point that the Member for St. John made when he dealt with the income tax reform that the mortgage interest allowance was too narrowly drawn and it only catered to that class of person who was in a position to claim mortgage interest but we have to have a home allowance Sir and this legislation introduces that concept to Barbados.

The legislation also allows for the treatment of interest payable. Under the present law, interest on borrowed funds must be paid before it is allowed as a deduction from a company's or individual's assessable income. In some cases, Sir, this has caused some hardship in relation to the cash flow of business. Our proposed amendment introduces the accrual concept which is similar to that obtaining in Canada whereby interest which is payable but which has not yet been paid in an income year may be allowed as a deduction in that income year subject however to the parties bringing the intcrcst to book within a 2-year period. That, I think, will go some way in easing the cash flow situation for businesses.

3.05 p.m.

Mr. Speaker, these amendments also carry out a Manifesto pledge of exempting pensioners sixty years and over from the payment of taxes on interest. As you are aware, Sir, the Income Tax reform of 1992 subjected all interest payments to withholding tax of 12½ per cent. It was felt, and we feel that that bore heavily upon the interest earned by pensioners and, in particular, if a pensioner's income was below $20 000 it meant that it was a part of his income that was being subjected to tax. As a result, we are carrying through the policy of exempting the interest earned by pensioners over the age of 60 from the payment of withholding tax.

We are also, Mr. Speaker, taking the opportunity to make uniform the policy in relation to withholding tax on Government securities in a way that will make them more attractive. At present, Government's debentures are subject only to a withholding tax of 12½ per cent whereas the interest earned on all other Government's securities like Treasury Bills, Treasury Notes and so on have to be added into a person's income and would therefore be subject to a higher marginal rate of tax, either 25 per cent or 40 percent depending on where the person's income band is. We are now seeking in this legislation to make it uniform and to make all of Government's securities subject to the same 12½ per cent rate of withholding tax.

Sir, the proposed amendment also addresses a matter that I do feel can lead to some private capital inflows into Barbados. The Langley Report of 1987 had suggested that Barbados should look to become a place where wealthy retirees and individuals may want to reside subject to our putting in provisions in the Income Tax Act that allow greater flexibility in the definition of residency. Under the existing Income Tax Act a person would have to reside in Barbados for a period of 182 days in order to qualify as a resident for the purposes of income tax. There are a number of persons, including wealthy individuals, who by virtue of double taxation treaties might want to take themselves outside their national tax jurisdiction and reside in Barbados, purchase homes, and the like. We are, in this legislation, amending the definition for residency to be able to allow greater flexibility in which persons who build houses in Barbados can qualify to be regarded as residents, particularly people coming from countries that have double taxation treaties who build houses and spend perhaps less than 182 days here, but can be regarded as normal residents of the country.

Mr. Speaker, the House will be aware that in my Budget I had made a determination to change the existing treatment of dividends. I have already warned the

Member for St. John, and I am also warning the Members on the Other Side, that I am old enough and experienced enough in matters of economic policy to know that you do not ever set things in concrete. We have broad philosophical positions but a lot of economic policy comes down to details. We also have a situation where the Minister of Finance has to bring things to the House, and it is a system we have to open up because I do not believe in the mystification of our budgetary process. We bring budgets to the House without discussing them with the people whom they are going to affect. The consultation takes place after the fact, and that is a fact. I understand the propriety that is involved with people having inside knowledge of what might come and taking advantage of it.

Sir, a sensible balance at some stage will have to be found with our treatment of fiscal matters. I understand the need for propriety. I understand that some people who were in full possession of what was intended might take advantage of the little lag between the proposals being conceived and being implemented to make a lot of money, but the fact of the matter is that fiscal matters should be subject to consultation and are subject to consultation, but because of the nature of our presentation they are subject to consultation after the fact.

Now, Sir, on this one I must tell you that I have had some agony. We can do one of two things. We can either add dividends to people's income and allow it to be taxed at either a 40 per cent rate, or a 25 per cent rate, depending on where their taxable income lies, which was the case before 1992, or we could continue the procedure introduced since 1992 of allowing dividends to be preferential income and subjecting it only to withholding tax of 12½ per cent.

Considerations of equity are important in fiscal matters as well as consideration of efficiency. Equity in this instance has to do with distribution of income. Efficiency has to do with specific macro economic objectives being sought. We have a situation in the country where things are already skewed against equity investment. The adjustment in 1992 was intended to help change that imbalance and therefore that consideration of efficiency to have a country where more and more you try to mitigate the disincentives to equity investment was a consideration that could not be ignored. Equally, however, Mr. Speaker, the question of equity is a serious consideration because we live in a country where only a narrow percentage of the population benefits from dividend income and those are the persons who generally tend to be the upper income brackets of Barbados, so that Members of the House can talk about it with mirth, but it is a serious matter that raises a number of difficult options.

My first inclination, quite frankly, Mr. Speaker, was to go strictly for equity, but we are in a process where, as we saw last year and saw the year before, that we do have to find ways of enhancing greater equity investment in this country. I have therefore decided to allow the situation regarding the withholding tax on dividends to remain as it presently is in support of allowing greater equity investment in the country.

But, Sir, I want to make the point that I am watching the situation carefully, and the Honourable Member for St. John will understand what I am saying, that we have to monitor the results of tax reform with reference to the results. When that measure was introduced in 1992 it was also seen then as one of the mechanisms that would cause people to want to issue more share capital and so on, and we are not yet seeing that evolving so that while I am showing forbearance on this occasion it is a matter that we may have to revisit. There are people who call for important concessions in this country in the expectation that certain economic results will ensue and then we give them a reasonable chance to let the results either ensue or not ensue. We are saying at the same time, Sir, that, at the same time as the dividend interest was subject to withholding tax rather than the marginal rate of tax that the then Government of the day withdrew the concessions that would allow new shares to be issued to the beneficiary. But, Sir, that is the policy menu and I am saying that on this occasion I am showing forbearance and I am not going to allow any change in the existing treatment of dividends. Dividends will continue to be subject to a 12½% withholding tax rather than grossed up as part of a person's assessable income and thereafter subject to a tax of 25% or 40% depending upon that person's taxable income, but it is a matter, Sir, that ought to be subject to an interim review because it was intended to be part of a process that should see the broadening of share ownership in the country. I would just want to call upon those persons who are the beneficiaries of that policy to give effect to the obligations associated with the carrying out of the policy.

3.15 p.m.

Mr. Speaker, when this matter first came to the House there were certain clauses contained in the then Bill, one for example that dealt with self-insurance. It is the Government's wish to make it possible for persons and businesses in particular to seek solutions to their insurance problems. We have a captive insurance industry in Barbados because there are entities in the United States and Canada that have found the cost of insurance so prohibitive that they have established their own self-insurance schemes and in the same way we have to try to find innovative ways of allowing people to react to the fact that insurance premiums in Barbados are a punishment to some businesses; a matter which has to be addressed.

The reason why it is not in this legislation, Sir, is that the clause will make reference to the new Insurance

Act but until that is passed by Parliament it obviously cannot be referenced but I just want to say, Sir, that it is the Government's intention, at the earliest opportunity and as soon as that new Insurance Bill passes Parliament, to have that important clause included in our Income Tax Act. I am very serious, Sir, and we all have to be serious about reducing the cost of doing business in Barbados. There is no doubt in my mind, Sir, none whatsoever that the cost of insurance has been and perhaps will continue to be horrendous and prohibitive unless the matter is addressed.

We also, Mr. Speaker, thought that the time has come when we should treat foreign service dividends earned by Barbadian companies in the same way as we treat domestically originating dividends. As more of our Barbadian companies, like most companies in the rest of the region that are progressive, find that part of the process operating in a globalising economy is that you will earn as much from investment income originating outside as you do from within. There are some Barbadian companies that have already started the process of expanding into other markets, not by the sale of goods but by the export of capital. It is a phenomenon that is taking place worldwide and it is a natural process of expansion for a lot of companies. In fact, Sir, the benefits to the Barbadian economy accrue also in the fact that it is a major source of employment for many skilled Barbadians who, as we all know, are employed by some of these Barbadian companies in the rest of the world. Therefore at some stage we have to find a way of recognising that the whole world is now involved in a process of allowing a seamless flow of capital and that our Income Tax Act must reflect provisions that do not unreasonably limit the capacity of Barbadian enterprises to expand by setting up enterprises abroad. That is in part, Sir, one of the intentions that is being sought by this approach. We are thinking it through in all of its full implications in so far as it may lead us to collide with certain provisions of the double taxation treaty; but again that was in the original legislation but is something that we will come back to again because it is a process that is natural. It is happening and our taxation system has to be sufficiently dynamic to deal with it.

Now, Sir, these I think, capture most of the issues addressed in this Income Tax (Amendment) Act. As I said, Sir, and I want to repeat, there was a process of income tax reform that was supposed to yield certain revenue results that have not yet been realised; the past administration abolished stabilisation tax, abolished most of the levies, changed the income tax rate, changed the income tax bands on the understanding that the income tax receipts from the new system would give rise to revenues equal to that which had accrued from the combination of stabilisation tax levies and the old income tax.

Aside.

Rt. Hon. O. S. **ARTHUR:** It is easy for you to say that, and your advisers rather than indulge in a lot of useless analysis should be seeking to do policy impact analysis, set a policy in place, analyse the policy implications. That is how real economists function rather than indulge in a lot of political hysteria and propaganda that is not helping the other side. We certainly have to take that, Sir, as a starting point and that constrains how much we could have done in the short-term because there was in fact a reduction in the income in the personal income tax arising from that process.

I just want to say, Sir, to those who wave the Manifesto that the Manifesto pledges will be carried out. I am going to do it gradually and judiciously but I just want to say that I think we are now reaching the stage where I think, in all seriousness, we will put great strain on the indirect tax system in the face of the non neutral revenue impact of the tax reform to make drastic changes. I think we can all agree, Sir, and even the Member for St. Michael South Central will agree, that these dramatic overnight changes in the structure of taxes in a country that has institutionalised high levels of public expenditure is something that we have to think through carefully.

Mr. Speaker, I just want to say that we will soon be getting involved in another process of tax reform...

Certain remarks made by Rt. Hon. O. S. ARTHUR were, on the 17th May, 1996, ordered by Mr. Speaker to be expunged from the record.

Aside.

Rt. Hon. O. S. ARTHUR: But it is a fact. There has been no draw down. For somebody to be saying, Mr. Speaker, that we have a programme, a macro-economic framework that requires the Government to have surpluses and that those surpluses have to be achieved and they are being monitored by the IMF...

Last year I made it clear to this House that the IMF sent a mission to Barbados in October of 1994 recommending that we run a surplus. We have told them, no, that we are running a deficit. We brought a deficit budget to the House last year, we are bringing another deficit budget to the House again this year and we hear nonsense about some secret macro framework. It is infuriating, Mr. Speaker, to have to deal with that kind of public discussion that is not intended to inform the public on the basis of fact. I am saying all of that, Sir, because I subscribe to tax reform and I have supported judicious adjustments in Income Tax rates. I have subscribed to the view that we have to use adjustments in the Income Tax as well to accomplish worthwhile objectives. These Income Tax amendments are intended, Sir, to bring about and

to support activity in export of services and in support of the Government's philosophy that Barbados must become a full fledged export economy and therefore at the center of the proposals is the intention to give fiscal effect to that objective of solving the problem in relation to credit for export of services and putting a new system in place for the future. I also believe, Sir, that Income Tax Reform should be designed to bring about socially and economically desirable behaviour and activity and these adjustments are intended to do precisely that in the area of home allowances that will address crucial problems such as the water problem of the country. I believe that our Income Tax system has to be realistic in relation to changes taking place in the rest of the world and that our Income Tax structure in Barbados will have increasingly to recognize that we are part of a globalizing economy and that they have the mechanism in the tax system that accommodates the fact of globalization as a way of life and incrementally, Mr. Speaker, that process that is started here will be effected in the Income Tax, Sir.
3.25 p.m.

The Income Tax adjustment also has to be used, Sir, to facilitate effective forms of corporate organization and expansion. Relief in this year's package as here represented before the House is intended to do that and the Income Tax has to have a social conscience by dealing with the problems of the weakest and the poorest. We have started to address the problems of pensioners in these amendments and we will address the pension problem of other pensioners in other Budgets to come and a similar consideration, Sir, of claims in relation to the reform of the indirect tax system. We need to have an indirect tax system that features a low uniform rate, a broad base of taxes and a system where there are few exemptions so that everybody pay a small but fair share rather than the chaotic situation which we have today, Sir, where you have an indirect tax system that has a very narrow base, very high and crippling rates and a mass of exemptions extended at the discretion of the Minister of Finance. For that reason, Sir, the attempt to try to pollute public thinking about the purposes of a VAT, Sir, is an unworthy attempt. I supported the VAT, Sir, in Opposition. The Member for Christ Church South has spoken perhaps more strongly about a VAT in opposition than even the Government of 'the day and we are going to have a VAT in this country intending to carry through a process of reform that will allow this economy to go forward with a system that has a low rate of tax, a broader base than you have at present and with exemptions that are known and that are not subject to whimsical discretion by the Minister of Finance. That is why I feel so upset about the attempt to vulgarize the VAT because the VAT has been planned since 1992 and we have just carried forward something that we are all committed to.

But I just want, Sir, to commend these amendments to the House. They reflect, Sir, a way of adjusting fiscal matters and I commend them to the House as amendments that will succeed in helping to bring down the level of personal and corporate income taxes in this country and will facilitate sustained growth and export led growth, will allow us to have a more caring and just society and it is in that context that I commend these amendments to Parliament.

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

Mr. D. J. H. THOMPSON: I was intrigued by the presentation of the Honourable Member for St. Peter. The Honourable Members on my side have been a bit concerned that his colleagues have not rushed to applaud that presentation and they would be reluctant to applaud it, because there are some Members on that side just short of violently opposed the tax reforms which we undertook in 1992. So to have heard today that these tax reforms did not increase the revenue yield...

Aside.

Mr. D. J. H. THOMPSON: There is no evidence of that. It was always intended to be revenue neutral and, in fact, I will go a step further. The Honourable Member for St. Peter can watch the timely interventions of a Senator in the Other Place who was the economic adviser in restraining some of the recommendations which were made because his assessment was that the revenue yield would have been higher and the impact would have been sharper than we had intended together with the hard work of the officials of the Inland Revenue Department through the Commissioner and Deputy Commissioner who is now the Commissioner, all of whom work beybnd the call of duty in seeking to explain the reforms to the public. We had a very difficult time in explaining those reforms. The Government sought to say that the reforms were written by some man in an IMF office. Now that the Honourable Member for St. Peter has a chance to see the files, he will see the voluminous contributions which I made and which the then Minister of Finance made to the final decisions, particularly on issues such as the final withholding tax and others. So I feel entirely vindicated and I make this position for the benefit of the Honourable Member for Christ Church South who is not in his seat now but who is the most divisive critic of the 1992 tax reform and who without the benefit of any knowledge whatsoever stood up in this Chamber on several occasions and on hindsight he is the one who should be joining this debate to apologize for the reckless stances which were taken by him in opposing reforms which the Prime Minister has now indicated were in fact desirable and which in fact did not create the hardship. I am glad the Honourable Member has returned because I do not like to talk behind people's back. You know me. I know he was listening so I know he knows exactly what I am going to say now. There was no recklessness. There was a genuine attempt at tax

reform and to have removed all of those allowances which the Honourable Member for Christ Church South said had brought such fairness and equity and this land of opportunity...

Rt. Hon. O. S. ARTHUR: Mr. Speaker, Sir, on a point of order. The Member for St. John is at the risk of misrepresenting what I have said. I am very careful, Sir, to say that the 1992 Tax Reform Programme was intended to be revenue neutral, namely that the new system of taxes was intended to yield the same amount of revenue as the one it replaced. It has not done so, Sir, but I did not go on to say about its desirability. I just stated the facts and for him to put words in my mouth that I did not myself issue, Sir, is misleading the House.

Mr. D. J. H. THOMPSON: Well, Mr. Speaker, Sir, I suppose you can wiggle out of any position. The Honourable Member has made it clear that the reforms were not revenue neutral but they in fact yielded less revenue which means that the tax burden on Barbadians was substantially reduced as a result of those measures. Now that is something that even the Honourable Member for Christ Church South would have to now agree with because it has come from the Prime Minister and not from me but we tried, Mr. Speaker. That is all I can say. In the interest of Barbadians we tried, and notwithstanding the criticisms on the streets, the criticisms in here and the wild distortions, the Democratic Labour Party grabbed the bull by the horns and made the substantial reforms which were necessary. Therefore, I appreciate the comments which the Honourable Member has made, because it does create an opportunity for him to review again, in view of that shortfall, what he is going to do. But he is now recording surpluses and therefore the Honourable Member for St. Peter is not facing any major financial crisis such as to warrant any increase in the burden of taxation. We read his message loud and clear, that Barbadians can expect not more taxation but more relief as he continues to implement the policies of his party, but that what he is essentially saying, and it is a wise point, is that the way was paved for him by the enlightened tax reforms of 1992 which reduced the tax burden on Barbadians and which have therefore made it appear in the out turn that it is his policies when in fact he admits quite freely it is the policies of the Democratic Labour Party. I am glad the Honourable Member made that point, because I think – in terms of this kind of thing – the figures are there. Although there have been times when there has been great debate, in hindsight the facts are there and you can assess the impact of the adjustments as they have occurred.
3.35 p.m.

What, however, needs to be considered in relation to this debate also, is that the Government has taken on board the very wise suggestions of the Opposition, particularly in the last budget, relative to how the tax on dividends should be exigible. I support the abandonment of the policy which the Minister announced on the last occasion, and 1 said so in the last budget, because I feel that in the fledgling stages of the blanket tax on dividends we should see how it functions before we make those changes. But the Honourable Member will find the Democratic Labour Party very supportive of a concept of *quid* pro *quo*. If you get tax concessions, if you get benefits targetted at you, then we want to see the commensurate attempts by those persons who benefit to work within the social partnership.

I never supported the allowances which existed before for new shares and so on, because those allowances were not having the impact. Every now and again I hear the Honourable Member for Christ Church South, every time somebody talks about employing stock option programmes, acting as if it was having some impact. Those allowances were achieving nothing, because they were not inspiring people to undertake new employee stock option programmes in Barbados. If not, let me hear when they were undertaken and with which companies. The allowances in relation to shares of public companies and so on were not inspiring or creating incentives for people to convert privately owned companies which are not listed on the stock market or issuing a prospectus for the public to participate in the raising of capital. They were not having that effect, and it is no point people fooling us and living in a time capsule and believing that those initiatives were having that effect when they were not. The Democratic Labour Party, therefore, cleaned the slate and it was for whoever succeeded us as a Government to determine what concessions, targetted at what groups, would be undertaken in Barbados, and the Right Honourable Member for St. Peter has given us an indication of what his disposition is. I do not agree, necessarily, and I am going to say why when we get to the home allowance and so on, but what I am saying is that the debris was cleared away, the Minister of Finance who succeeded was able to see the wood from the trees and the opportunity is there for creative tax reform. He cannot deny that, nor can the Honourable Member for Christ Church South, on that point. I had to clear the record as well on those points.

Even with those allowances abolished, I think it has created many opportunities which may not have been readily apparent at the time. Let me however say that I am very, very disturbed and I have to lay the blame at the feet of the Prime Minister, even though he is not an attorney-at-law – it should probably be laid at the other persons in his Cabinet, and I do not seek to speak about their competence in any area, because I do not shadow their Minismes – but if I were to shadow the Ministry of the Attorney General I would want to know how it is that matters relating to the Ministry of Finance can be relegated to the back

burner. We had a budget since last April in this country and the legislation relative to that budget is now, on May 7, 1996, being finally introduced, not because of those major policy adjustments which the Minister has suggested, because the Income Tax (Amendment) Bill has been on the Order Paper since January and by and large reflected most of those policy adjustments. The Betting and Gaming Duties Bill, the Minister told the House that he had referred it back for more thorough-going amendments. These are not substantial pieces of legislation. We have had former Attorneys General in this House who have been pilloried and criticised heavily by the Honourable Member for St. Thomas for being dilatory and shoddy in the legislation which they bring before this House. I am going to show how this particular piece is an exceedingly shoddy piece of legal drafting which should have derived the benefits of sober, professional analysis by the several attorneys in the Cabinet.

Aside.

Mr. D. J. H. THOMPSON: Sober, not as distinct from drunk, I mean sober in the context of reflective and restrained analysis, instead of having to rush to bring all of this legislation which I am certain the Minister of Finance has not even had time to study with the leisure with which he should be entitled to study them. I am criticising the Honourable Member for St. Thomas and his colleagues, all of these attorneys, a Cabinet full of attorneys. If the Honourable Member for St. George South were in that Cabinet, the legislation would have been here months after the budget.

But it is a very serious matter, because we get in here and talk about efficiency in the public sector and I believe that matters relative to the budget and the Ministry of Finance, if we are to have prudent planning by accountants and other professionals in the private sector and individuals, this kind of legislation should be given priority. Even if the Prime Minister cannot say so himself, I am saying it on behalf of the Members of this House and on his behalf so that the attention will be given to the Ministry of Finance that it deserves in this matter.

We had tax reform, Mr. Speaker, in 1992. I came into the Ministry in March. By June we had draft legislation out and in no time at all, all of the amendments were before the House, some time in July – July 7, I think it was – so between March, 1992 when I entered the Ministry of Finance and June, the reforms were agreed on, the consultations undertaken and the legislation passed in this Chamber, and now you have a few little minor amendments, which could not require any great level of legal drafting, taking in excess of a year to be brought before this Chamber. The Honourable Member for St. Thomas owes an explanation to this Chamber. He may have a good one but I want to hear it. I want the explanation. Somebody has to be dealt with for this kind of indifference.

3.45 p.m.

Mr. Speaker, let me get to the specifics of the legislation because there are some very important aspects of it which need to be considered. I will get to the point and this time I will refer to the Act unlike you who just referred to the general principles which were extinct since the 1930s. I will deal with modem day tax law, tax planning, tax analysis. My brain has not ossified. It is working on behalf of the people. I want to compare clause 5 of this Bill Mr. Speaker with the clause which relates to the house allowance.

Mr. Speaker, Sir, in relation to Clause 5, the owner of the commercial property can claim as a deduction an allowance of an amount up to a maximum of $3 500 for each commercial building. I assume that means that the owner has to produce receipts or some other documentation to show that they might have undertaken that expenditure. Now when we come to the home allowance, this is where my principal concern comes. The Minister in his Budget made it clear that this is a home allowance. If I were to interpret what he said in the Budget and to interpret this section correctly as long as you have a mortgage in Barbados even if you are only paying a dollar a year in mortgage interest you are going to be entitled to claim the full benefit of the $3 500 the way this is worded. Because it says:

> "In calculating the taxable income for an income year of an individual who owns and wholly occupies residential property there shall be deducted from the assessable income of that individual the amount of $3 500."

It didn't say up to or a maximum of. That person once they pay mortgage interests – there needs to be a change in this. It says "repairs". I think it means house repairs. Clause 9

> "...renovations, energy saving or water saving devices."

The problem with that would be if this is the way it is drafted that if I undertake a dollar in house repairs I can then claim the full $3 500. That needs to be looked at and persons I assume have to show evidence that they have undertaken some of these things. If not, it would defeat the whole purpose and the Honourable Member for St. George South made a great plea in the last Budget for all of the artisans in St. George South. They should be getting jobs. If it is not necessary for a person who has mortgage interest even to undertake repairs we will not create a single job the way that this section is presently drafted because a person only has to have a mortgage and they get the $3 500. All of those artisans...

Aside.

Mr. D. J. H. THOMPSON: I am reading from the Bill which you made available, May 3. Don't read the commercial one. Go to Clause 9. I only read the commercial one to show the difference.

The other point that I want to make is that it would have made sense had the Minister of Finance broken down the home allowance. He calls it a home allowance but a person who has a mortgage and who pays $3 500 in interest is not going to undertake repairs even if you put in up to a maximum of $3 500. When I have done paying my mortgage interest there is no point undertaking repairs because I cannot claim any further allowance. Whereas if you broke it down and gave an initial $1 000 for mortgage interest, $1 000 for house repairs and $1 000 for energy saving devices...

Aside.

Mr. D. J. H. THOMPSON: I am just suggesting to you as I said that a person like me who has a mortgage in which my mortgage interest is more than $3 500 I would not bother. It would not be an incentive for me to undertake house repairs or put in the water saving device. I am only pointing out this to you because you would have to increase it pretty substantially to get the benefits of the house repairs particularly in that category of Barbadians like you, Mr. Speaker, Sir. I know you are paying more than $3 000. You would probably pay more than $7 000 in mortgage interests. So even if you added a $7 000 you would have to get it beyond that.

The way this is worded any person who has a mortgage in Barbados goes into a $15 500 tax special category automatically. I am only going based on what the Government says is its intention from the reintroduction of these not whether I agree with them or not because if I were to target the people who should most benefit from tax reform in Barbados now I would be looking to target other groups in the society. I do not believe that this is necessarily the way that we should be going coming out of 1992 but that is a policy decision of the Government but I am only pointing the pitfalls from the way in which this legislation is worded.

I don't entirely blame the draftsmen because the way it was expressed in the Budget too, squares with this *so* I think you need to be sure what the intention is. 1 still believe that there should be an incentive to the person to undertake some of these activities and the only way you can do that is if they have to produce receipts for those things.

The second concern which I have Mr. Speaker, relates to the question of the tax credit in respect of foreign currency income for the year 1996 and onwards. I cannot comment on what the policy was for **the period** leading up to 1996 but I understood from what the Honourable Member for St. Peter said and I am **certain** the Honourable Member for St. Michael South Central can augment it, that this policy was to assist persons who had launched into the offshore sector in recovering some of their promotion. So I accept that. Now, let us look at '96 and onwards. The Honourable Member for St. Peter has extended the range of activities for which this benefit will apply.

Mr. Speaker, as I understand there was no limit to the kind of professional activity to which the concession up to 1996 applied. So it has been expanded. The only question that I want to ask in relation to this is how do you answer the valid comment that a beach vendor in the tourism sector or a water sports operator or some person providing a service in the tourism sector makes to you about the earning of foreign exchange because every time you talk and you hear it on **the** radio constantly *on* the call-in programme the people who function in the tourism sector they are very conscious that they make a contribution too to the earning of foreign exchange in Barbados. They make comparisons between their contribution and the people who are earning the big salaries at the BTA etc. But that is not the comparison we are making today.

The comparison we **are** making is that some of them earn foreign exchange for Barbados. What is the difference between them and it is something that the social engineers and the Rt. Honourable Member for St. Peter has to explain to me and persons involved in architecture, construction engineering management consultancy, technical administrative services, construction projects, consultancy public accountancy administrative services, legal trusts and corporate secretarial services, entertainment, medical and dental services, cultural services and sports? Are they included in this? This a question. Many of these people may not meet the income threshold. Many may not have an accountant to advise them on how to go through the very difficult and onerous calculation of this but what is it about this legislation if anything that inspires them or provides an incentive for them as well, the average man, the poor man, the man who is contributing to the earning of foreign exchange in Barbados? I only want to ask the Honourable Member for St. Peter that because he says that issues of equity and *so* on are substantial in his consideration.
3.55 p.m.

Now, I do not think there was anything else significant in relation to this legislation that we needed to comment on. There was the question of self insurance. Mr. Speaker, 1 am glad that the Government in that regard also took the Opposition's point that one could not have

brought legislation to this House refemng to an Act that was not yet passed because that was a concern we had. It would have, in essence, prejudged what the position of the joint committee would have been in relation to the Insurance Bill so that those amendments are desirable.

I do not want to deal in any substance with tax reform as a whole on this occasion. A Budget is coming up shortly and the Democratic Labour Party will put its position on that issue when I believe the Honourable Member for St. Peter carries out a more thorough going analysis. It is clear that there will need to be more tax reform in Barbados to buttress the financial reforms, or the reform of the capital markets in Barbados as a result of the coming Budget. Therefore, one expects to see a creative effort made by the Ministry of Finance and the Minister of Finance in coming up with the kinds of concessions which will encourage people to do precisely what the Prime Minister says he wants them to do, and that is, save and invest. I hope that the further reforms which we see coming forward will reflect that focus.

Let me go on to the last point. I did not get the opportunity on the last occasion to discuss it. The Democratic Labour Party is not going to be confused by persons who struggle on the periphery of illiteracy. I am going to come as close to the Honourable Member's quotation as I can relative to the people who write in letters to the newspaper every day.

Asides.

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

Mr. D. J. H. THOMPSON: Let us put it the other way – the periphery of literacy, writing letters every day to the newspaper trying to join the Democratic Labour Party in some debate on the VAT. Let me disabuse their minds of this clearly, and I will do it again shortly.

The Honourable Member for St. Peter, the Right Honourable Prime Minister and Minister of Finance, is not introducing a VAT in Barbados because I left it there for him to introduce it. The Honourable Member is introducing it because he fundamentally believes and supports the concept of a VAT. He does not need my help. He does not need the help of Senator Mascoll. He does not need the help of anybody on this side in introducing a VAT, so what my view is in relation to a VAT is entirely irrelevant.

Mr. Speaker, in 1976 the Barbados Labour Party came to office and found a sales tax in place. It was not about to be introduced. The Honourable Member for Christ Church South was one of the Members of that Government when they came and found a sales tax implemented and they abolished it. There is absolutely no reason why if the Barbados Labour Party does not agree with a VAT it cannot abandon the arrangements for it. It does not need to tie along the Democratic Labour Party. It does not need to tie along the National Democratic Party. All this letter writing in the newspaper trying to suggest that the Democratic Labour Party has opposed a VAT, the Democratic Labour Party was in favour of the introduction of a VAT. There were some very preliminary issues that we settled. The legislation was not complete. There were a whole range of things that were incomplete.

If the Honourable Member for St. Peter completes them and we do not agree with what he does, we are entitled to express our views and we are going to express our views regardless of the intellectual impotence or the editorial writer at the "Advocate," regardless of the puerile commentary, as I say by the letter writers in the newspaper, and now we have "Lick Mout Lou" hovering and believing what she reads and believing the letter writers.

Aside.

Mr. D. J. H. THOMPSON: If you write letters to the paper every day you may believe that letter writing is the greatest form of intellectual stimulation you can engage in so when you read other letters your intellect is judged as against other letter writers so if other letter writers say things you start to believe them.

Now, Mr. Speaker, as I have said, we are not going to stand in the way of the introduction of a VAT. It is part of the tax reform programme but those aspects of it with which we do not agree we will be saying so.

If it is the same as what we have and economic circumstances have also changed, such as to make that aspect of it irrelevant, redundant or unnecessary, then we will have to say so because just as the changes in the direct tax have shown a revenue yield which is less which have implications for the tax planning in that area, then if economic circumstances and the bottom line figures show a different yield, or a shift in consumption, or some other unforeseen or recent development, then it means that the Honourable Member has to make his adjustments. How he makes them is a matter for him and his advisors and is a matter which, at the end of the day, we feel entitled to comment on.

We launched a seminar series and the purpose was to discuss how a VAT would impact on citizens. That is what the exercise was about. We thought it would be a good idea to have some people who opposed the VAT to give comments. That does not mean the Democratic Labour Party opposes it. What it means is that we want to give vent to both sides so that the public can make a sound, sane and sober judgment on the issue.

Mr. Speaker, I do not think these amendments are anything substantial. Many of them reflect changes which the Democratic Labour Party had introduced. In relation to drafting I want to repeat that some of the clauses are not as tightly drafted as they should be. The Honourable Member for St. Thomas is going to have to deal with those persons who are responsible for that to ensure that what is brought to this Chamber is consistent with what is desirable and what relates to the policy, if the policy is clear enough enunciated. As I say, the way some of those clauses are drafted needs some attention. I think the Honourable Member for St. Thomas understands the point I am making. If we could have that redrafted the effect of them would need to be seen over time.

With those few words, Sir, we are not going to oppose this piece of legislation. We have already said we are very alarmed that the other pieces of legislation have been brought down at short notice and thrust upon members of the Opposition for debate, and very important and significant reforms which the Government is undertaking. We should have a longer lead-up time to see what the policy shifts are and discuss them with interest groups and so on. We need to have an earlier opportunity to discuss it.

Do not let the interest groups confuse you. They are not to lead. The purpose of interest groups is to discuss it with them. If you get bogged down with interest groups you will never get legislation in here because they think they are legislators and they are not. Those people in the interest groups are to discuss policy implications and what we do is send legislation to them and expect them to redraft it but that is not what they should be doing and I certainly never expected that from them. They should say, this is the policy perspective, we agree or disagree with it, but do not get beholden to those interest groups because they will be pushing and pulling the Government all over the place and if possible pulling and pushing the Opposition and everybody else in this Chamber, including you, Mr. Speaker, if you are not careful.
4.05 p.m.

So thank you for giving me this opportunity to say that these reforms will be .discussed more fully by us during the time of the presentation of the Financial Statement and Budgetary Proposals.

Dr. R. C. HAYNES: Mr. Speaker, the Honourable Member for St. Peter spoke for some time, much of it in an apologetic tone but the principal apology which he wished to make or which he should have made was the apology to this Honourable House for bringing legislation over one year, it is now one year past ...

Aside.

Dr. R. C. HAYNES: Yes, his last Budget was introduced in April. This is May, more than a year has passed and 5 months after the end of the last financial year, not the Government's financial year, the last tax year, and there should have been an apology to this Honourable House because I cannot remember any situation in the past where this has ever happened, where another fiscal year has come upon us in this House ....

Rt. Hon. O. S. ARTHUR: On a point of order, Mr. Speaker, the Member is misleading the House. Sir, we have had situations in this House, Sir, where measures have been announced and the legislation has never ever been brought or has been brought years after so what he is saying, Sir, is misleading. Mr. Speaker, Sir, the provisions in this legislation are to take effect from the Income Year 19% and for that reason therefore, Sir, a ridiculous criticism has been raised.

Dr. R. C. HAYNES: Mr. Speaker, I understand the difficulty. I have just said I cannot remember any time in this Honourable House when the majority, when all the substantive legislation introduced in a Budget was brought to Parliament in the following fiscal year. This is a record and I believe this House should have had the benefit of some kind of apology and I am asking the Honourable Member to correct that omission when he speaks again.

Now, Sir, I understand fully well why Honourable Members on that side do not concern themselves about these things. I recall this House was in the grips of a major constitutional debate over delays in financial legislation sometime in the 1960s when for 13 years the Barbados Labour Party had not brought Final Appropriation Bills to this Honourable House and they all had to be passed one time. For the entire duration of the Barbados Labour Party administration in those days they did not bring a Final Appropriation Bill as required by the Constitution, but I understand these lapses.

This House will also recall that I had to reduce the period from one year to 4 months because of abuses of the Provisional Collection of Taxes Act by the Barbados Labour Party in the past. So what we are seeing here follows a particular pattern but I think that in this modem and enlightened time an apology would have been in order and I am quite sure that we all look forward to such an apology when the Honourable Member has the opportunity to speak, Sir.

We have been told that the general trend of these measures here relate to a tax reduction, not any tax increases. We have also heard that it is the policy of the Government to reduce the rates of taxes on the community as a whole in the expectation that you will get increased revenue yield as a consequence of economic activity.

I am very glad to hear you articulate that because it is something that I fundamentally believe in. We have a situation in Barbados where over the past 30 years whenever any area of economic activity has been identified as worthy of expansion the very first thing that we do in this Honourable House is to reduce the burden of taxation on those particular entities. This has been the pattern over the years. The net result is that we have a tax system in Barbados where there are very high taxes on some sectors of the economy, on largely the domestic population and there are widespread significant tax concessions in other areas of the economy and other groups of people in Barbados.

I am a great believer. I have looked around the world for many years and I have never seen or heard any economic thesis that says that increased taxation leads to increased economic growth. There are many, many tax theories which indicate that over taxation inhibits economic expansion and there can be no doubt whatsoever. If you take the level of taxation in Barbados and you compare that with the Gross Domestic Product of this country there is no question that Barbados is one of the highest taxed places in the world. It is not only one of the highest taxed places but when you take into consideration the fact that we have within that structure extensive tax concessions it means that there are people and there are situations in this country that are very much over taxed. It is a fact that we have to face.

I have heard the Honourable Member when he sat on the Opposition Benches, when I sat over here in the past, he articulated that view that the country was over taxed and it is a fact and we cannot continue year after year granting more and more concessions, here, there and everywhere and in the long run some other sectors of the economy have to pick up the slack for those concessions if the Government is going to get its revenue.

I have no doubt that there is a case now, there has been a case for a long time, for a substantial reduction in the level of direct taxation in Barbados. I have no doubt that the Honourable Member for St. Peter will be aiming to achieve the kinds of levels that I have achieved. If he wants to achieve it slowly that is his problem. If I want to achieve it more dramatically in order to create a climate of more rapid economic growth then that is my problem. I think the fundamental thing is that there is a general agreement that Barbados has too high a level of taxation and because of the way we have granted these concessions over the years, we have a major problem with the base of taxes in Barbados as well.

These are the issues that need to be dealt with. These are the issues that need to be corrected and I have made it quite clear that our position on things like the VAT would depend on the rates, because we see it as another form of indirect tax and so on. I believe that the challenge before us here in Barbados is to get some form of indirect taxation that contributes to most of the revenue in Barbados but has some element of progressivity in it. By progressivity, that can be achieved in several ways. It might be achieved by selective exemptions, by selective lower rates for pensioners and target groups and so on. This is a principle that I am trying to enunciate. We want to get a broad based indirect tax system and the challenge to Barbados is to see whether or not we can introduce some element of progressivity in broad terms which are not in the direct tax system and that will be the principal base of mitigating mechanisms or whatever it is. But the mitigating mechanisms would result in some degree of progressivity and that is what I think that Barbados needs and a consequential reduction in indirect taxation and a broader base. I have no problem with that. The reason for that is that those indirect tax yields would relate more accurately to the levels of economic activity. They will go up with economic activity as economic activity expands far more readily than with income tax where all you have to do is to go and increase the tax rate one year and get more revenue and depress the economy. Anyhow, these are serious matters that I am trying to raise in this House. This is no different from the philosophy that I held for many years since 1986. It is the same philosophy. It is as simple as that. So that is the position but I know this. I know that unless there is a major down turn in the economy the Honourable Member for St. Peter will be making $15 000 tax free look like chicken feed. You watch it before the next election. You watch it. You mark my words. Already the way how this law is worded here, the $3500 has eased up to $16 500. He is creeping up there and he is going to go further. You mark my word. You mark my word that they are the pronouncements of people who do not understand the dynamics of taxation and who do not understand the Honourable Member for St. Peter. You see a lot of people do not understand how he talks. I heard him use a term here this morning that none of you would understand, not one of you. When he said, "Some would say that by 1987-88 there would have been a one time stock adjustment." Not a single one of you understands what he means by that. He said that. Do you know what he is saying? That if the 1986 measures were left in place, it would have been a one time stock adjustment and everything would have been all right after that. Do you hear what I tell you? That is what he is saying. Not one of you understands that and the Honourable Member for St. Michael North does not even understand what the Minister of Finance just said and you start with that propaganda foolishness. But when he is speaking economics, Mr. Speaker, he speaks in economic terms and you have to distinguish between when he is speaking as an economist and when he is talking politics to mislead the other side. Two different things! So in one speech...

4.15 p.m.

Rt. Hon. O. S. ARTHUR: On a point of order, Sir. The Honourable Member is imputing to me very

improper motives because it is contrary to the rules of the House that I would seek to mislead Members of the House.

Mr. SPEAKER: Will the Honourable Member withdraw that?

Rt. Hon. O. S. ARTHUR: Yes, that must be withdrawn, Sir.

Dr. R. C. HAYNES: I withdraw, Sir. He speaks in such a way that I would understand what he is saying but might lead others to be misled. I am quite clear. We are one on that and that is why I have kept saying that I am not going to get into this debate with the international financial institutions until 1997, because I think that by 1997 we want to know where his true colours lie in relation to tax policy in Barbados.

Aside.

Dr. R. C. HAYNES: All right. You hold on. We will deal with certain things later on. These things cannot fool me. The other problem that we have in Barbados is a major problem of tax collection as we all know. That is a major problem and that is why an indirect tax system is in some ways a fairer system provided it has some progressivity in it because it captures everybody once they spend money. That is why the issue is not whether one supports VAT or not. It depends on how the VAT is brought in that we determine how we stand on this matter.

Now the question, Sir, of the net foreign exchange credit ...

Mr. SPEAKER: Honourable Members, please. Somebody has to listen.

Dr. R. C. HAYNES: The Honourable Member informed the House that what happened in 1986 created all kinds of problems in terms of the amount of money...

Rt. Hon. O. S. ARTHUR: On a point of order, Sir. I never said anything of the kind. I never said it created any kinds of problems, Sir. At no stage did I choose any such remarks in my address and I want those remarks to be withdrawn from the record.

Dr. R. C. HAYNES: I withdraw those remarks, Sir. What he said was that the way in which the foreign exchange credit was organized in the legislation of 1986 created a situation where companies will end up paying no income tax at all and that because of the confusion it has taken 10 years to deal with the matter. Okay. That was one aspect of it plus there are other things that we are all aware of. There were other problems. Okay, good. But I would like to inform this Honourable House formally on this occasion, Sir, that it was the Honourable Member for St. Peter then a Parliamentary Secretary in the Ministry of Finance who devised those measures in 1985-86, that those measures were introduced by the Honourable Member for Christ Church South in his Budget in 1986, and that out of regard for the arguments put to this Honourable House by the Honourable Member for St. Peter and the Honourable Member for Christ Church South, I retained every single one of them in my Budget without changing them.

Rt. Hon. O. S. ARTHUR: On a point of elucidation, Sir. If the Member for St. Michael South Central wants to claim credit for having help to create a $150 million foreign exchange earning industry as a result of supporting enlightened policies, Sir, he is entitled to share part of the credit.

Dr. R. C. HAYNES: He said 1986, Sir. I just want to make sure that everybody understood very clearly that he had a hand in it, the Honourable Member for Christ Church South had a hand in it and I had a hand in it. All right, we all had a hand in it. So what is being corrected today, Sir, I sincerely hope that this new formula will be satisfactory and that we will be able to move on from there.
4.25 p.m.

Now the area of group taxation relief. I am not too sure about that. This is a matter that various companies in Barbados have been campaigning for over the past 20 years. There is no Minister of Finance who has not been presiding or had to face lobbies to get this particular measure in place. One recognises that all sorts of accounting devices, all kinds of amalgamations, all kinds of strategies have been used by companies to try to achieve the effect which this legislation will provide in some measure. This is the kind of legislation, the wordiness of which would only be seen as a result of its operations. The impact that this will have on Government revenue no one can foresee. Whether or not it is going to be abused, and how expensive will be the abuse, no one can foresee. All I can say that it is a risky business that has to be monitored very closely, because I see significant opportunities here for abuse.

The next item I want to deal with, Sir, is the issue of these home allowances.

Aside.

Dr. R. C. HAYNES: It is obvious. If you are going to allow a subsidiary to write off all its losses against a profitable part of the company, then you know what can happen. I don't think I need to spell that out. It will be entirely up to the Right Honourable Member for St. Peter and the Ministry of Finance to make sure that this is not abused.

The Honourable Member also made the statement that up to 1986 you could only deduct $12 000 in mortgage interest allowance. That is the kind of statement, Sir, that is true and not true at the same time, because before the early 1980s, going back to time immemorial in Barbados, it was possible to deduct all of your mortgage interest. The limitation on mortgage interest was brought in early in the 1980s, and it was brought in at the same time as the Gross Rental Value on the house was abolished, where there was some imputation of income in relation to living in a house. That is the truth of the matter. I have no difficulty. I will never limit mortgage interest deductibility for the simple reason that to qualify for a mortgage a man cannot get a mortgage that is larger than he can afford. Nobody is going to give him the mortgage, it is based on his income. There are not many people who could abuse that, to start off with, because he cannot get the mortgage. That is the first point. The second point is that the companies who are giving the mortgages make profits and pay taxes on their profits. What it does do is to stimulate building, construction, and out of that Government gets substantially more revenue, so there is no big thing in Barbados, as far as I am concerned, whether there is a limit to mortgage interest or not. I think the important thing is to get people qualifying for mortgages so they can build homes, create economic activity. The Government makes the money out of construction, they get the money out of the mortgage companies from the taxes they pay them, so in the long run Government has lost nothing. As a matter of fact, jobs are created and Government stands to gain in the long run, so it is kind of short-sighted to look at mortgage interest deductions in that way.

When a man (or woman) is building a house, he probably is paying more taxes in that year out of building that house than he would pay in an entire lifetime. When you get the stamp duties, consumption taxes, import duties and all kinds of things in those materials, you will find that he is paying more taxes in that year than in his entire lifetime as a result of building a home.

On the question of a home allowance, all they have done is to cull from the Manifesto of the NDP. We call it a homestead allowance, they call it a home allowance. A homestead allowance is something that is well known in international tax policies. They have taken off the "stead" and called it a home allowance and said it is their policy. That is exactly what is happening here. The Honourable Member for St. Michael West Central is the man who took that concept into the Barbados Labour Party from the NDP, I am reliably informed.

Now, Sir, the concept of a tax benefit for home improvements was never part of the tax system of Barbados. If you want to claim anything that you are introducing as new, it is the concept of a home improvement as being part of the tax system of Barbados. The Honourable Member for Christ Church South can tell you that the big problem you had with taxes in relation to the home in Barbados was what constituted repairs and what constituted improvements. That has always been an issue. Improvements were not allowed, repairs were allowed, and it is very difficult for the tax people to make the distinction. That is the one thing new you are introducing and you do not know you are introducing something new, so I am informing you now that this is the one new thing you are in fact introducing into the tax system. That is a fact. I have the history of these things, I can get up and I can analyse them, because I have been following these for donkey's years, so you cannot fool me. Repairs have been allowed in the past and repairs is a very important factor in job generation in communities.

I don't think I need to deal with these matters any further. All I am saying is that I want to see the tax burden on households substantially reduced, whether you want to do it by increasing back to $15 000 or beyond, or if you are too ashamed to do that do it through the back hand way and increase the household allowance. It is all going to add up to the same thing. At the moment, instead of $15 000 people are getting $16 500 tax free. Whatever way you want to do it, you can do it. It does not matter to me, because all I want to see in Barbados is that every Barbadian has enough income to meet his basic needs. Once we have a tax threshold that allows for that, I am perfectly happy thereafter.

The question of taxation on dividends. Once again we have seen the Right Honourable Member for St. Peter do a complete about turn. He says one thing in his budget, then of course his office is inundated with calls. "How can you do this?" "How can you reverse and take money out of the pockets of the rich?" How can you tax rich people . It is double taxation, they say. So he comes in here at budget time when he is speaking to the entire country and says he is taxing dividends as though it was any other income and then 13 months later a complete somersault applying only as a holding tax of 12.5%. I wish my good friends and supporters and the people who are elected to this Parliament, the minibus drivers and those fellows have the same deal, if they could have got some kind of somersault.
4.35 p.m.

Mr. SPEAKER: The Honourable Member has 2 minutes.

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

Dr. R. C. HAYNES: Sir that is impossible. Mr. Speaker, I am just beginning to bat. You know, Sir, if the Honourable Member is telling the truth I am charging

that the IDB is scandalously misleading the people of Barbados. I do not have time to go into the contents but I believe that the Press would have been mislead by a document which says Loan No. 900/OC/BA Resolution BE-56-95, Loan Contract between Government of Barbados and the Inter...

Mr. SPEAKER: From what are you reading?

Dr. R. C. HAYNES: I am not reading, Sir. Loan Contract between the Government of Barbados and the Inter-American Development Bank Investment Sector Reform Programme, January 1996 and they would have gone further and forged the signature of the Rt. Honourable Owen S. Arthur, Prime Minister and Minister of Finance and Economic Affairs.

The problem I have Sir, I don't want to charge the IDB with doing those wicked things but all I can say is that what I saw in the newspaper does not differ very substantially from what I am seeing.

Mr. SPEAKER: Would the Honourable Member like to make a point of elucidation?

Dr. R. C. HAYNES: ... the general thrust of what is in the newspaper...

Rt. Hon. O. S. ARTHUR: Mr. Speaker, I was very clear in the fabrications to which I drew reference in the newspapers of today because the newspapers of today made reference to certain things as a matter of fact that are not true. It is in the Nation and I will refer to it again when I wind up.

Dr. R. C. HAYNES: It would appear to me that the Press, from what he has said, may have interpreted some of the technical language involved in the matter but what I am saying is that the general substance and the general thrust of what is in the newspapers - I am not talking about the minutiae which requires experts to analyse - do not seem to me to be substantially different.

Thank you very much, Mr. Speaker.

Hon. Sir Harold St. JOHN: Mr. Speaker, Sir, I had no intention of speaking in this debate but...

Mr. B. M. TAITT: On a point of order, the Honourable Member has clearly indicated that if he speaks on this matter he will be under pressure and I feel that it is our duty that we should relieve him of any difficulty. The Honourable Member says that he had no intention to speak on the matter.

Hon. Sir HAROLD St. JOHN: ... Sir, fortunately there is no justification at all having regard to the nature of these amendments which were clearly set out in the Budget and which were the subject of a groat debate during budget time. I was unfortunately drawn into this debate by the Honourable Member for St. John. The Honourable Member said that he would like to hear me now that the Prime Minister has indicated that the tax reform measures introduced by the Democratic Labour Party have had the effect of reducing taxation. I want to say to the Honourable Member that what I said at the time in the Budget was that Barbados was seriously overtaxed and in particular that the tax reform measures had had a particularly debilitating effect upon the productive sector in Barbados and that if the Honourable Member wished to stimulate the economy and improve the productive sector his tax reform measures particularly in relation to the impact on the productive sector would have to be changed.

Mr. D. J. H. THOMPSON: The Honourable Member is misleading the House I was paying no attention to what the Honourable Member said about the productive sectors I was talking about the debate in July 1992 on the direct tax reform. I am nothing to do with what the Honourable Member says since 1994 because he got a new lease on Life and that is something different. I am talking about what he said before that.

Hon. Sir HAROLD St. JOHN: I am still on my point, Sir. My point has always been that the Honourable Member was a member of a political party that had the distinction of substantially increasing the tax take on people in Barbados over the course of the last Administration. I have always maintained that and I continue to maintain that the Honourable Member's party...

Mr. D. J. H. THOMPSON: On a point of order. I was referring to the period when 1 was the Minister of Finance of Barbados and/or the Minister of State in the Ministry of Finance. I was not refemng to any period previous to that and I am therefore dealing only with the tax reform of which I had a part. The Honourable Member for St. Peter should give some tutelage to the Honourable Member for Christ Church South on this point.

Hon. Sir HAROLD St. JOHN: Sir, I know that the Honourable Member would wish to disassociate himself from the former Minister of Finance during the time when he was Minister of Finance. But I repeat the tax reform measures introduced by the Democratic Labour Party both under the Honourable Member for St. Michael South and under the Honourable Member for St. John had a debilitating effect upon the productive sectors in Barbados and I wish to congratulate the Honourable Member for St. Peter in his wisdom in reversing so quickly in his administration the impact of the productive sectors and we know the large increase in employment that has arisen as a result of the removal of the taxes and duties on inputs which the Honourable Member introduced. That is not old talk. That is reality.

Aside.

Hon. Sir HAROLD St. JOHN: I am putting it on the record of this House that part of the tax reform measure of the Honourable Member for St. John was to introduce duties and taxes on inputs to the productive sector and it had a serious and debilitating impact. So let the Honourable Member understand that whenever he brings me into the debate I am going to remind him of that.

The second point I would like to remind the Honourable Member on is the question of the tax reform insofar as it interfered with savings in this country. I want to say again that the removal of incentives to savings which were introduced has also had a harmful effect and the proof of that is that the very same Honourable Member is now making a plea in this Budget to the Honourable Member to reintroduce incentives for savings.
4.45 p.m.

Mr. D. J. H. THOMPSON: Mr. Speaker, on a point of order. That is precisely because the previous incentives were misdirected because at the time when they were introduced they were not accompanying a programme to free up the capital markets in Barbados, so if the Honourable Member for St. Peter is doing that as a result of a desirable policy initiative, I can call for it now because it will be based on other reforms in the capital markets.

Hon. Sir HAROLD St. JOHN: Anyway, Sir, we will debate that in the future. I appreciate the constraints we are under in this debate.

I just want to say, Sir, that I am still, in relation to certain aspects of this Bill, not yet convinced that we have hit the right mechanism for incentives in the case of foreign currency earnings. It is a very difficult area. I think everybody should understand, and I want to make the point, that the Government has been very generous since 1985 in granting these concessions. They have worked. They have benefitted Barbados. But in the creation of a substitution regime, it is our duty to continuously monitor it to assure ourselves that they are not abused. A word to the wise should be enough, Sir.

Rt. Hon. O. S. ARTHUR: Mr. Speaker, I rise to wind up the debate on the second reading and to thank members who have spoken. I just want to start by making one point. This is a debate this evening that introduced a number of adjustments to taxation in Barbados but nobody who has spoken in this House was in a position to say that these had anything to do with any financial institution or any multilateral financial institution. There is no hand of the IADB in group relief, home allowance or whatever, and I want to start at that point, Sir, because there is a feeling abroad being pressed by certain members of the Press that we are so supine as a people that everything we have to do we have to do only under the dictates of an international lending institution.

Sir, this debate is instructive because we have just carried out a fairly comprehensive amendment of the Income Tax Act of Barbados but not one of these measures has been a measure recommended or imposed by IADB, the World Bank or the IMF. That point has to be stated very clearly because our intention to introduce VAT is an intention we expressed when in Opposition. The notion therefore that we are under some dictation by an IADB to introduce a policy we supported even in Opposition is the essence of journalistic vulgarity. That is the first point I am making, Sir, that notion of what we are here dealing with this afternoon has been suggested to the Government of Barbados by any institution from abroad, and we are not under any obligation in relation to any adjustments from them.

Sir, the point I want particularly to draw reference to is the fabrication that obviously has been suggested to the journalists by the Member for St. Michael South Central that we have drawn down money from the IADB.

Dr. R. C. HAYNES: On a point of order, Sir. I never said that the Honourable Member drew down a single cent from anybody. That is not part of my speech.

Rt. Hon. O. S. ARTHUR: Sir, I am not going to go into it anymore. I just want to say for the benefit of the House that this Government has nothing to hide about the loan agreement with the Inter-American Development Bank. I laid it on the Table of Parliament. I also laid on the Table of this House the letter I wrote to the President of the Inter-American Development Bank.

What is so disgusting about this exercise is that on the occasion we had the signing of the agreement the President of the Inter-American Development Bank and I arranged a Press Conference to give the Press of Barbados the opportunity to ask any question whatsoever about the agreement and one, and only one question was asked. The opportunity to have this matter gone into in every aspect was provided and now you would have the impression being cast by the same members of the Press who will not tell the public that these documents have been laid on the Table of this Parliament that there is some secret arrangement for us to run surpluses when, in fact, we are introducing into this House policies that say the Government is going to run a deficit. I say, Sir, that people have to be half illiterate to put that kind of nonsense abroad.

Mr. B. M. TAITT: Mr. Speaker, on a point of order. It is impossible for anybody to be half illiterate. You

are either literate or illiterate, Sir. The Honourable Member is misleading the House trying to give the impression that there are journalists who are half literate. I resent that, Sir.

Mr. SPEAKER: Continue, please.

Rt. Hon. O. S. ARTHUR: I am just stressing the point, Sir, that we are able on our own accord, as it is shown through this piece of legislation before the House, to bring changes to taxation without their having the dictation of any multilateral institution. That point has to go forward because the Press will cause people to feel that the only thing we can do in this country are things that are forced upon us by some IMF or Inter-American Development Bank, and I stress that point. I want to stress that point because the structure of that is something that Barbadian technicians have worked on and continue to work on, and it will be our tax.

Mr. Speaker, the point that was raised by the Honourable Member for St. John the problem is that the gentleman from Guyana took the advice and direction from the Honourable Member for St. Michael South Central, and it is not the first time that he has been misled by the Honourable Member for St. Michael South Central.

Dr. R. C. HAYNES: On a point of order, Sir. Is the Honourable Member trying to indicate to this Honourable House that there is not an IMF expert here in Barbados assisting in the VAT?

Rt. Hon. O. S. ARTHUR: Mr. Speaker, I have said nothing other than what I have said in the past. I have said that on the Floor of this House that the Government of Barbados has asked the Fiscal Affairs Division of the IMF. I have also said that the IMF Fiscal Affairs Division has people who are experts in these fields.

Dr. R. C. HAYNES: Sir, I am a bit confused. Is the Honourable Member trying to suggest to this House that the report in the "Nation" on the front page is not substantially correct apart from one or two slips in relation to draw-down which they would not know about?

Rt. Hon. O. S. ARTHUR: I want to say, Sir, that the Honourable Member for St. Michael South Central was not aware that this loan document was a document laid on the Table of Parliament. He thought he had come up with a major coup and that by giving it to the Press and putting it in the hands of a member of the Press that he was going to put out a major coup.

Dr. R. C. HAYNES: On a point of order, Sir. It was already a public statement out there today on the radio that this document was supposed to have been laid in the House, so there is no coup. I was just giving information to the House and the information is that what appears in the Press today is not substantially different from what is in this loan agreement, nor in the Letter of Intent which you signed and sent to the IDB, and the two are together. So what are we getting all upset about?

Mr. SPEAKER: You have made your point already.

Dr. R. C. HAYNES: One final point. I gave them a grace period of two years to deal with the International Monetary Fund and he is living in a world of denial all the time.

Rt. Hon. O. S, ARTHUR: Mr. Speaker, the Honourable Member for St. Michael South Central would do well to stop accusing members of living in a world of denial. I just want to say, Sir, that I now understand what was the source of the document. The Member for St. Michael South Central thought he had found a major key by citing a loans document that he was not aware it was a document of the House and he thought he was bringing about something remarkable.

4.55 p.m.

Mr. B. M. TAITT: On a point of order, Sir. I am confused now, Sir. Was it the Honourable Member for St. Michael South Central who gave to the half illiterate journalist, whoever he may be the document? Is the Honourable Member saying that?

Rt. Hon. O. S. ARTHUR: It is my belief, Sir, that the fabrications contained in the Report are also fabrications that represent the misguided advice of the Member for St. Michael South Central.

Dr. R. C. HAYNES: Mr. Speaker, on a point of order. I would just like to clarify one point. We cannot complain about the Honourable Member's beliefs. People are entitled to any kind of beliefs but I would like to give this House the assurance that nothing that appeared in today's newspaper was the result of any activity on my part.

Rt. Hon. O. S. ARTHUR: Mr. Chairman, Sir, let there be no doubt and I want to make a very clear statement, that the Government of Barbados has assembled a team to do the calculations to determine the base of the VAT and its impact on various sectors. That work was not done in any substantial detail before 1994. The members of that team involve a Mr. Dalrymple of the Central Bank of Barbados, Carlos Holder, Lindsay Holder....

Mr. SPEAKER: One minute please. Honourable Members, please!

Rt. Hon. O. S. ARTHUR: Mr. Speaker, Sir, I just want to say that we have put together a team and that

I have already informed this Parliament that there is something called the Fiscal Affairs Department of the International Monetary Fund where there are technical people with expertise in individual areas of taxation and that there is no mystery to this particular matter.

I just want to thank the Member for St. John.

Asides.

Rt. Hon. O. S. ARTHUR: Mr. Speaker, Sir, the House is a happy House and I do not want to detract from its happiness. I just want to say we accept the position that was rendered by the Leader of the Opposition in relation to the need to amend that section dealing with ...

Mr. B. M. TAITT: Sir, on a point of order, I think the Prime Minister and Minister of Finance may be misleading the House. The Prime Minister and Minister of Finance ought to be aware that the people believe the press story so there is no point wasting time on that. Tell us about new material and let us move on. Wind up.

Rt. Hon. O. S. ARTHUR: Mr. Speaker, what I must talk about is payments from the Medical Aid Scheme between 1991 and 1994. That is what I should talk to the House about. Sir, the point I want to make in all of this is that I accept the point that was made by the Member for St. George in relation to the need for us to adjust the provision in the Act pertaining to Home Allowance and that the adjustment will be made during the course of the Committee.

I must also say, Sir, and this is the final point, that on the question of late submission of legislation it is very ironic that the Opposition should be complaining about late submission of legislation at precisely the time when we have on the Order Paper a Bill to validate the collection of taxes imposed and raised and customs duties that were imposed during a previous administration. I am obliged to you, Sir.

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

Rt. Hon. O. S. ARTHUR: Mr. Speaker, I bring to your attention that the Chairman of Committees is not presently in his place and that it is necessary for the House to appoint a person to serve as Chairman of Committees and I beg to move that the Member for the Constituency of Christ Church East Central be appointed as the Chairman of Committees for today, Sir.

Mr. SPEAKER: Am I to understand that there is no need to put it to the vote?

On the motion of Rt. Hon. O. S. ARTHUR, seconded by Hon. D. A. C. SIMMONS, the House went into Committee on the Bill, Mr. D. CARTER in the Chair. 5.05 p.m.

COMMITEE OF SUPPLY

Mr. CHAIRMAN: This House is in Committee of Supply.

Clauses 1 to 5 inclusive were called and passed.

Clauses 6 to 8 were called and passed.

Clause 9 was called.

Hon. D. A. C. SIMMONS: Mr. Chairman, in passing Clause 9 the Government has accepted the need for amending 37(1) and the amendment proposed is as follows: That after the word "individual" in line 5 we delete all words thereafter and substitute the following in lieu of the words deleted. That is to say, Sir, we now include these words:

> "An amount paid up to $3 500 in respect of expenditure incurred jointly or severally for mortgage interest, house repairs, renovations, energy saving or water saving devices."

The words "jointly or severally" will allow you to claim either for an individual an item like mortgage interest or for the lot, jointly or severally.

I think that amendment captures the concerns of Members. The money has to be paid. We had to put in the word "paid" before you can be entitled to make the claim and we said up to an amount of $3 500 and it is clear now. We looked back at the Budgetary Presentation for last year and it did speak of up to and it took into account the combination of any of these items or any of them individually.

Clause 9 as amended was passed.

Clauses 10 through 12 were called and passed.

Clause 13 was called.

Mr. B. M. TAITT: Mr. Chairman, in Clause 13, I do not have any problem with the policy of the Act. But I wonder if the Attorney General will indicate in Section B which says:

> "For the purpose of paragraph 2 of Paragraph (a) of Sub-section 5 a person shall be deemed to be ordinary resident in Barbados."

In the meantime, if that person (a) has a permanent home in Barbados and (b) has given notice to the Commissioner that he intends to reside in Barbados for a period of at least 2 consecutive income years including the income year in question. Now I understand that to mean that (a) you must have a permanent home in Barbados and (b) you intend to reside for 2 years. Does this mean therefore that only home owners would be eligible for the status in the context of this Act? Is it only to apply to home owners?

Aside.

Mr. B. M. TAITT: I understand. I just want to be certain if that is the intent. Does it mean therefore that unless you actually own the property or own a home you do not qualify?

Hon. Sir HAROLD St. JOHN: Mr. Chairman, I have a slightly different view on that because when I see the use of the words "deemed to be" that is only one method of proof and, if you have another method of proof that you reside here with the intention of residing here, it is possible that you can still be an ordinary resident.

The question that Clause 13 stand part was put and resolved in the affirmative without division.

Clauses 14 and 15 were called and passed.

The Schedule was called and passed.

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

On separate motions of Rt. Hon. O. S. ARTHUR, seconded by Hon. D. A. C. SIMMONS, the Bill was read a third time and passed.

5.15 p.m.

ADJOURNMENT

Hon. D. A. C. SIMMONS: Mr. Speaker, that concludes Government Business for today. I move, Sir, that this House do now adjourn until Tuesday, 14th May, 19% at 11 o'clock.

Rt. Hon. O. S. ARTHUR: I beg to second that, Sir.

Mr. J. O. TUDOR: Speaking on the Adjournment, Mr. Speaker, I think it is necessary for me to indicate that during the debate today comments were made in this Honourable House against a member of this Barbadian society who wrote an article and placed a by-line indicating.....

Hon. Sir HAROLD St. JOHN: Mr. Speaker, on a point of order.

Mr. SPEAKER: Let me deal with that, please. The Honourable Member, I think you are really out of order.

Mr. J. O. TUDOR: Mr. Speaker, I have not said.....

Mr. SPEAKER: You are out of order, please, according to the Rules. The question is that this Honourable House.....

Mr. J. O. TUDOR: Mr. Speaker, I am speaking on the Adjournment.

Mr. SPEAKER: You are speaking on the Adjournment?

Mr. J. O. TUDOR: Yes, and I am saying that...

Mr. SPEAKER: But according to the Rules of the House there are rules that must be observed.

Mr. J. O. TUDOR: Mr. Speaker, I have not called any name, I have not quoted from any newspaper, I am speaking about a matter that disturbed me as an Honourable Member of this House and I think it is necessary for me to place in the record my disappointment that...

Mr. SPEAKER: The Honourable Member, please, you are out of order. I refer you to 28(4) of our Rules.

Asides.

Mr. SPEAKER: Order, please. Based on my memory, I know it is not normal for the Chair to make comments in situations like these, but my comment is that I believe the Honourable Member who raised the matter relating to an article in the newspaper was quite within the laws and the rules of this House. I believe that newspapers have a responsibility just like how Members in this House have a responsibility. I am not passing any judgment, and the question is that this Honourable House. . . . .

Mr. B. M. TAITT: Mr. Speaker, on a point of privilege. I am now raising a question related to a matter concerning the privilege of an Honourable Member. An Honourable Member sought on the Adjournment – and I am not questioning Your Honour's ruling, I am raising a matter on a question of privilege – to raise a question concerning his own personal perception of a wrong that might have been committed...

Rt. Hon. O. S. ARTHUR: On a point of order, Sir.

Mr. SPEAKER: Please, let me deal with this. As far as the Chair is aware, no wrong was committed. When the Right Honourable Member for St. Peter was speaking I did not observe any infringement of the Rules of the House. Reference was made to an article in the newspaper, as far as I can recall no mention was made of any person's name.

Mr. B. M. TAITT: Mr. Speaker, I am raising a point of privilege concerning me. I was not questioning any matter, I am just seeking clarification from the Chair. I am not raising any matter that has been discussed in here up to now. I am raising a matter that arises out of Your Honour's ruling. Am I to understand that I am not in order to raise that question? I am not questioning the ruling, I am raising a matter concerning my privilege and I am asking....

Mr. SPEAKER: What is the matter you are raising?

Mr. B. M. TAITT: I am raising a matter that from my observation....

Aside.

Mr. B. M. TAITT: The Honourable Member cannot tell you what to do, Sir.

Mr. SPEAKER: Please continue.

Mr. B. M. TAITT: I am saying, Sir, from my observation as an Honourable Member of this House I have observed, in relation to what has occurred at the point when the Adjournment was moved, that Your Honour has ruled and arising out of that I am asking a question.

Asides.

Mr. SPEAKER: I am sure the Honourable Member is aware of that.

Mr. B. M. TAITT: The phrase "question the ruling" might sound exciting but I am not questioning anything, Sir.

Mr. SPEAKER: You are on a point of privilege, please.

Mr. B. M. TAITT: I am asking Your Honour to give me some direction.

Mr. SPEAKER: What is the direction you seek?

Mr. B. M. TAITT: I am getting to it, Sir. That is another thing. I am entitled to take my time because I am slow, Sir. I just wanted to know if it is.....

Rt. Hon. O. S. ARTHUR: Mr. Speaker, Sir.

Mr. B. M. TAITT: I am on a point of privilege, Sir. My question is whether it is proper and all right in this House to refer to any group or any person in terms of their ethnicity. That is the question I am raising. It seems to me that the Honourable Member was raising a matter that goes beyond what is Section 28(4) and he was asking a question of fundamental importance to this House. From my point of view I am merely raising the issue.

Rt. Hon. O. S. ARTHUR: Mr. Speaker, speaking on the Adjournment, I was very specific to draw reference to two fabrications. Members on the other side may want to broaden the issue, but two fabrications were stated as matters of fact that are not matters of fact. The Government of Barbados has not drawn down any money from the Inter-American Development Bank, from the ISL, but that has been stated as a matter of fact in a newspaper article and I want to correct that. It is also stated as a matter of fact that the Government has a secret macro economic programme with the IADB contained in which is the commitment that there have to be fiscal surpluses and that this is being monitored by the International Monetary Fund. I am saying that that is also a fabrication, that there is no such thing and that was the full extent of my reflection of what was today published in the newspaper.

I am saying that we have this very grave, unfortunate situation where newspaper articles are based on a mixture of fabrication and fact and confusing the public. There are certain journalists who are perpetuating that particular tendency, but the two matters to which I referred – and I was very careful, Sir – were stated as matters of fact but they could only have been fictions of the journalist's imagination. I stand on what I have said. We have been victims of a continuous pattern, Sir...

Mr. SPEAKER: Okay, please.

Dr. R. C. HAYNES: Mr. Speaker, I would like to speak on this motion for the Adjournment in order to throw a little oil on troubled waters.

Mr. SPEAKER: There are no troubled waters here. None whatsoever in the Chair.

Dr. R. C. HAYNES: Metaphorically speaking, Sir. I do honestly believe that the debate on the Adjournment

has advanced to the point now where..... Sometimes the debates on the Adjournment are useful things to clarify things that happened during the day.
5.25 p.m.

Sir, it is nice to see that he has now confessed that the publication was substantially true apart from two...

Mr. SPEAKER: Honourable Member, you are out of order now, please.

Dr. R. C. HAYNES: I am speaking on the Adjournment.

Mr. SPEAKER: Because you are speaking on the Adjournment it does not mean that you can therefore reflect on the decision that we have made in here.

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

Mr. J. O. TUDOR: Mr. Speaker, I am making a statement on the Adjournment but I was interrupted on a point of order. I just want to know if I may now continue speaking on the Adjournment. I quite understand the distress that the Honourable Prime Minister may be suffering at the fact that some elements of articles that appear in newspapers may from time to tima annoy or frustrate what he is doing as a Minister of Finance etc.

Mr. SPEAKER: The Chair was here and the Chair heard all that went on and the Honourable Member from his explanations was responding to an article that was in the newspaper and you are interpreting it that the Rt. Honourable Member was taking it out on somebody.

Mr. J. O. TUDOR: As Your Honour pleases. Very well, Sir.

The question that the House do now adjourn until Tuesday, May 14 was put and resolved in the ajjirmative without division and Mr. SPEAKER adjourned the House accordingly.
5.30 p.m.

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KELLMAN, Mr. D. St. E. (St. Lucy)
MILLER, Hon. Miss B. A. (City of Bridgetown)
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