
THE

House of Assembly Debates

(UNOFFICIAL REPORT)

PARLIAMENT 2003 – 2008

HOUSE OF ASSEMBLY

Tuesday, October 21, 2003

Pursuant to the adjournment, the House of Assembly met at 10.15 a.m. on Tuesday, October 21, 2003.

PRESENT

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

His Honour J. M. EDGHILL, J. P., (Deputy Speaker)

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

Mr. L. R. TULL, Q.C., M.A. (Oxon).

Hon. Miss B. A. MILLER, B.C.H., Minister of Foreign Affairs and Foreign Trade)

Mr. G. W. PAYNE, LL.B.

Hon. G. A. CLARKE, B.Sc., Dip. Ed., J.P. (Minister of Public Works and Transport)

Hon. R. D. MARSHALL, (Chairman of Committees)

Hon. H. F. LASHLEY, (Minister of Social Transformation)

Mr. R. St.C. TOPPIN, LL.B.

Mr. D. St.E. KELLMAN

Miss H. E. THOMPSON, LL.B. (Minister of Housing, Lands and the Environment)

Mr. T. A. PRESCOD, B.A.

Rev. J. J. S. ATHERLEY, B.A., B.Sc., J.P. (Parliamentary Secretary to the Attorney-General and Minister of

Home Affairs)

Hon. N. A. LYNCH, B.Sc., M.B.A. (Minister of Tourism and

International Transport)

Hon. A. P. WOOD, B.Sc., M. Sc., M.Phil, J.P., (Minister of Energy and Public Utilities)

Hon. R. R. FARLEY, B.Sc., J.P., (Minister of Education, Youth Affairs and Sports)

Hon. Miss C. Y. FORDE, J.P., (Minister of State, Ministry of Education, Youth Affairs and Sports)

Hon. J. X. WALCOTT, M.B., B.S. (Edin.), F.R.C.S., J.P. (Minister of Health)

Dr. D. C. ESTWICK, B.Sc., M.B., B.S.

Mr. C. A. MASCOLL, B.Sc. (Econ.) (Hons.), M.A. (Public Finance), (Leader of the Opposition)

Mr. M. A. LASHLEY, LL.B., (Hons.)

Hon. K. D. SYMMONDS, B.A., LL.B., (Minister of State, Ministry of Foreign Affairs and Foreign Trade)

Dr. W. F. DUGUID, B.D.S. (Comm.), F.D.S., FDRCS., J.P.

Mr. R. L. SEALY, B.Sc., M.B.A.

Prayers were taken by Canon Father Ivan Harewood.

Mr. SPEAKER: The House is now in session.

MINUTES

Mr. SPEAKER: The Minutes of Tuesday, October 14, 2003.

Hon. Miss B. A. MILLER: Mr. Speaker, the Minutes of the proceedings of the House of Assembly for its meeting of Tuesday, October 14, 2003 have been circulated, therefore, I beg to move that these Minutes be taken as read.

Hon. R. R. FARLEY: I beg to second that, Sir.

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

ANNOUNCEMENTS BY HIS HONOUR THE SPEAKER

Mr. SPEAKER: I am to report to this House of Assembly that I am in receipt of the Accounts and Statements for the month of June 2003 from the Accountant-General.

PAPERS

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

1. Value Added Tax (Refund) (Barbados Military Cemetery Association) Order, 2003; and
2. Half-yearly Report of the Revenue Collecting Departments of the Ministry of Finance for the period October 01, 2002 to March 31, 2003.

FIRST READING OF BILLS

On the motion of Hon. N. A. LYNCH, seconded by Hon. R. R. FARLEY, the following Bill was read a first time:

1. Barbados Port Incorporated (Transfer of Management and Vesting of Assets) Bill, 2003.

ORDERS OF THE DAY

SUSPENSION OF STANDING ORDERS

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

Hon. R. R. FARLEY: I beg to second that.

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

House 8 Sequence 1

10.20 a.m.

Tuesday, October 21, 2003

GOVERNMENT BUSINESS

ORDER NO. 1 (RESUMED)

RESUMPTION OF THE OCCUPATIONAL PENSION BENEFITS BILL, 2003

Mr. T. A. PRESCOD: Mr. Speaker, I would just like to make my contribution to the Occupational Pension Benefits Bill, 2003. Sir, we are all aging and I certainly cannot be in a state of denial that this Bill is very relevant to those persons who do recognise that every minute of the day we grow older and older, though there are some people who would engage in artificial methods to preserve their youth, but we have to face the reality and prepare ourselves for the future. If we do not, we are likely to die or to live in poverty.

Sir, this Bill is not only an attempt to introduce new provisions and mechanisms to address those challenges that are likely to be faced in the future but it also has a very strong social component, not only in relation to pensions but to the social services.

Sir, however, I do understand the limitations of the Bill because there is no Bill that could be all things to all men and women. A number of Honourable Members have spoken before and, in my view, have attempted to address the concerns of this Bill by giving the impression that it must be elastic, infinite, and must cover everything that relates to the survival of man but it is most unlikely and unrealistic that would ever happen.

The Bill started off with clear objectives and made an attempt to address a number of concerns that are likely to emerge as a consequence of an aging population, a population that, as a consequence of modernisation and developments in technologies and sciences, the society now has an estimated life span that has moved way beyond the age of 65, to one where we are now having an estimated life expectancy of 74 years for males and more than 75 years for females. We can understand the wear and tear of men and, therefore, could recognise why it is that men die earlier than women.

Sir, this Bill, with a clear understanding of the demographics and changes that are likely...It is said that approximately five able-bodied men and women in the working community are likely to be responsible, as a consequence of their contribution to the Fund, for the pension of one individual in the society.

Sir, chances are, with that ratio, as we move 15 to 20 years ahead, it is going to call for greater radical changes in the system in order to accommodate and to assist persons who are going through those difficulties.

Therefore, the intention of the Bill is very clear and certainly some of the arguments that were advanced for reaching down to the masses and being equitable. Sir, equity in this relation is relative but people use the word very loosely and tend to believe that everyone in the society could benefit from a pension scheme as a consequence of contributing equitably to the scheme itself. This is really living in fantasy island and going way beyond the realities of life.

Sir, we are conscious that there is likely to be inadequate incomes for pensioners as they reach the period of retirement and certainly if the index changes and the cost of living continues to increase, and the pension cannot afford to meet the demands of that senior citizen, it would, therefore, be wise to have an alternative or complementary channel in the terms of a pension that one could contribute, not only to the National Insurance Pension Scheme but also

the voluntary pension, to ensure that there is an additional income at the latter stages of life. The chances are, if that income is not available to pensioners, the burden falls heavily on the assistance-in-kind programmes within the Ministry of Social Transformation.

Mr. Speaker, although the Bill addresses pension, we are conscious that the Ministry of Social Transformation has to pick up the burden for those persons whose incomes at a later date in life are not enough to meet the demands of survival and to help them to escape the difficulties that there would encounter in their latter stages of life, especially if poverty becomes a major confrontation to them.

Sir, I believe that if we take into consideration that as people grow older, and these are realities that we have to face, they need greater care and attention. They suffer from withdrawal symptoms, Alzheimer's disease, Parkinson disease, high blood pressure, et cetera. This means that one has to be in a position, if one does not want to depend solely upon the State, to be in possession of one's personal income, in order to finance the demand for proper health care.

Sir, I believe this new mechanism being put in place is not to be seen as an element of the beginning of time, that is why I said it has not occurred in a vacuum. Sir, there is already a history to pensions and the insurance policy in Barbados. There is a very collective humane effort of the society, in which money is pooled to ensure that those persons who become of age would be able to depend on the humanitarian efforts of able-bodied men and women, to rescue them in their times of need.

Mr. Speaker, I think we have to respect a progressive and socialistic approach to wrestling with the difficulties of life, especially at a time when the world is moving in a different channel altogether. Sir, when a small State like Barbados could introduce provisions and mechanisms that are still socialistic in their underpinning, those provisions and mechanisms have to be respected, rather than putting the emphasis on an individual to look after his needs until death.

Aside.

Mr. T. A. PRESCOD: The Honourable Member is likely to believe that the philosophy and ideology surrounding socialism has gone through the window. That is because the Honourable Member is a pragmatist and would only look at the collapse of the Soviet Union and those principles, not understanding that if those socialist principles were not part of the capitalist environment, the society would be in disarray a long time ago.

Sir, these mechanisms must be in place and although some persons only see things when there is a massive profit margin involved and they cannot understand the social value of these things.

0.35 a.m.

Tuesday, October 21, 2003

Mr. T.A. PRESCOD: The reality is that all of us with a social conscience and a clear understanding of the dynamics of survival in a small post-colonial state should do all that we can to preserve it. If you look at the challenges that are likely to occur in the future, then any progressive mind that is fertile will try to put provisions in place now to make preparations for future generations.

Sir, I am very supportive of this particular Bill. I hear Honourable Member from the other side going through internal pleasure by talking about who was the first to introduce this concept but it is always a strange argument that puzzles me. The history of humanity clearly indicates that in Western Europe insurance was introduced long before 1960 but Honourable Members on the other side who are younger than I am and who can be classified as neophytes in this area, feel pleasure when they say that the Democratic Labour Party has introduced insurance to Barbados. They have adopted concepts and programmes that have been placed wholesale on the society, have held on to the concept that they were the first to introduce insurance to Barbados and that they are the genesis of conceptualising these things.

Sir, the reality is that the European view of social services has no respect for the contribution of the Afrocentric programmes of the early days of the friendly society. The same genuine thought that applied to the collective efforts of a body of persons in order to help individuals is the same thought responsible for the evolution and development of insurance. They do not refer to the friendly societies as the genesis for the introduction of insurance but they point to 1966 because they do not understand what happened in 1920.

Sir, these provisions, in my view, are progressive and their purpose is to have something that is complementary to what already exists through the National Insurance programme. We have other social provisions and other forms of assistance in kind that also work in harmony with this particular piece of legislation to ensure that those who are most vulnerable in the system can be rescued and cushioned from the shocks of poverty and aging at a later date in their lives. Sir, this is a real humanitarian effort especially in a time of history in which we presently live.

Sir, as a consequence of this Bill, those persons who would be able to contribute to that central pool would not

have to rely on the National Assistance Board (NAB). While easing the burden off the National Assistance Board, it means that more persons in need will be able to use those services as well.

Sir, the National Assistance Board has good, modern, creative programmes in addition to house-cleaning which the state provides. The state provides service for five days for the most vulnerable persons in the system where people go to homes, socialise at the domestic level, cook, wash, press, go to the supermarket, plait hair and clip nails. All of this is occurring at a time where small economies are finding it very difficult to sustain social services in the society.

There are also recreational therapy programmes at the National Assistance Board that lend themselves to the senior citizen, especially those from the lower income brackets who were probably the hardest workers of this society. Mr. Speaker, this is where the inequity comes because they were the hardest workers in the society but for the lowest wages. Unfortunately, we were not miraculous enough to develop a system where those who work hardest would be able to enjoy the benefits as other persons who might not have worked so hard in air-conditioned rooms but because of their large salaries were able to receive a better pension.

Sir, I would love to see the refined minds in this Party come up with a programme where those persons who sweated, became humpbacked in the cane fields and worked hard in the markets could benefit from a system which is equitable and reward those persons for their contribution to this society in a more meaningful way at the later stages of lives. At present, we have not been able to engineer such a creative programme. Sir, if all of us survive and are not victims of a premature death, we will all have to face those difficulties at a later date. I want the entire Parliament to understand that I am absolutely sure that in addition to this provision, that in the Ministry of Social Transformation every effort is made not to institutionalise persons because nobody wants to go to Beckles Hill.

10.45 a.m.

Tuesday, October 21, 2003

Continuation of: Mr. T.A. PRESCOD: Sir, I am sure that every effort would be made to ensure that we can bring those who are institutionalised back into their homes.

Mr. Speaker, I want to view this Bill as a humane programme which is complementary to the National Insurance programme and other social services which we offer. The Right Honourable Prime Minister outlined a number of positive components that will come out of this piece of legislation SUCH AS the concept of portability,

taking pension rights from one employer to another. It has been explained that provisions of this kind will become more and more meaningful as we look beyond the border of 166 square miles, into the opening up of markets for the free movement of labour as a consequence of the new agreements that would come out of the Caribbean Single Market and Economy.

Sir, the rights that persons have in one country would have love to be able to go to another country and enjoy similar social services, while at the same time bringing their skills and academic achievements. Sir, we might to look at the services of reproduction, especially if the population is aging and there is a smaller percentage of younger persons to continue to contribute to that aging population. There might be a need for the Government to go on a persuasive nation-building programme at a later date or we might sustain the level of the population as a consequence of immigration.

Barbados has a long history of nation building from the days of slavery. We have always replenished this population as a consequence of active men and women and that kind of culture is likely to still prevail.

Asides.

Mr. T.A. PRESCOD: Sir, we have to be very conscious of the demographic changes in the society. I want to add my voice in supporting this Bill before this Honourable Chamber. There are other social services that we can talk about. For example, senior citizens travel every day on the Transport Board buses free and that is an important element. They can go to town to shop or visit a friend because social interaction is important. We can also talk about the innovative concepts of the Ministry of Social Transformation. Sir, for the first time in history senior citizens participated in athletics and sports in Barbados. The Honourable Minister successfully challenged the view that senior citizens could not participate in athletics. Some thought that the ambulance service would have to be stationed around the National Stadium because many of the senior citizens would be rushed to the Queen Elizabeth Hospital for treatment.

Asides.

Mr. T.A. PRESCOD: Mr. Speaker, we have demonstrated to the society that their brains were locked and needed to be unlocked. They have to understand that senior citizens still have the capability of playing a meaningful role in the society and they ought to be given the opportunity to get involved in any activity of which they are capable rather than the society having the psychological view that senior citizens should be abandoned, they have outlived their usefulness and they are of no worth to the society. Mr. Speaker, we have designed

a progressive and innovative sports programme which involve women and men who are eighty years of age.

Sir, when the programme first commenced, approximately two years ago, I had the privilege, in the absence of the Minister, to open the Senior Citizens Sports at the National Stadium and I saw my friend, Glenroy Straughn, lining up before the tape. He invited me to participate in the games but I avoid doing so because I did not want to face the embarrassment of watching Mr. Pilgrim and Glenroy Straughn coming down the straight in a hundred-yard dash. I used the excuse that I was wearing a suit and needed some time to go home and change into track garb and return but I never returned.

Asides.

Mr. T.A. PRESCOD: Sir, I feared that I would have been embarrassed by a man of that age.

Sir, There are many social activities in which senior citizens are involved. They are involved in community theatre, drama and they depict a positive way of life, in drama, to the young people of this country in the fight against HIV/AIDS.

Sir, I believe that the Opposition should say that they fully agree to this Bill without attempting to stretch it beyond reality. The Bill has pinpointed some of the concerns that need to be addressed and it has put the provisions in place to address those concerns. I am sure that with the kind of profound thought that has been put into this Bill, it would reach its objective.

I want to join all Honourable Members who spoke before in supporting this Bill before this Honourable Chamber.

Thank you very much, Sir.

Dr. D.C. ESTWICK: Mr. Speaker, I rise to make my submission on the Occupational Pension Plans Bill and, like my other colleagues in the Democratic Labour Party, we support this Bill in principle but I would want to highlight a few areas where I believe that the Bill did not go far enough. I would also like to highlight certain areas that the Bill did not touch at all.

Sir, this would relate especially to areas of portfolio regulations, taxation adjustments that could help to promote the type of success that we would want to see in this particular type of development in Barbados. I also want to look at the type of penalties which I believe are not appropriately dealt with.

Sir, this regulated framework was a promise that was in the Barbados Labour Party's Budgetary Proposals and

Financial Statements for the year 2002. We welcome it but I want to ask the Honourable Members on the other side what about similar promises that were made in 1999 with respect to sexual harassment legislation, the Employees' Rights Bill and minimum wage legislation that were not brought to this Honourable House for a second or final reading.

Mr. Speaker, we in the Democratic Labour Party accept that the time has come, when it is necessary in Barbados to have pension plans which are funded voluntarily, to provide the retirees with additional income. Sir, this is important because of the present stresses that now exist with respect to the National Insurance compulsory pensions capacity to provide the retiree with the earnings to upkeep themselves at retirement.

8/4: 10.50 p.m.

Tuesday, October 21, 2003

Dr. D.C. ESTWICK: Most of us would agree that the majority of persons who would retire in Barbados on a national insurance pension, and the Old Age Pension, certainly enter the classification of the poor and those having the incapacity to provide for themselves in Barbados, given the high cost of living in Barbados and, in particular, the additional pressures of maintaining their livelihoods, especially repairing their houses, et cetera.

I would want to indicate that many of these persons who would survive on such a meager pension, may have to provide additional assistance to many family members who are unemployed. Sir, we are in principle supporting such development where any movement towards creating a regulating framework that allows for funded pensions to develop in Barbados, we would support such development.

However, I would want to say that if we are looking at providing for private pension funds, so as to allow a retiree to have an additional disposable income, then it is necessary that we create the conditions which allow for the retiree to have disposable income.

I do not believe that there is any evidence, whatsoever, that the type of tax overhauls that we have heard spoken about in this House of Assembly, have provided the type of capacity to give individuals the type of disposable income that they can effectively buy into a private pension plan, in addition to having their national insurance and PAYE deducted. When one adds in all of the other cost of living components in Barbados, it is going to present a problem.

I would want to remind this House that in 1995, Systems Caribbean Limited did a survey that looked at income distribution in Barbados. The survey showed that

31 per cent of Barbadians earned less than \$600 per month. It also showed that 18 per cent of Barbadians earned between \$600 and \$1 000 per month. Additionally, I would want to suggest that this survey also indicated that 4 per cent of Barbadians earned between \$2 000 and \$4 000 per month, 1 per cent earned between \$3 000 and \$4 000 and 1 per cent earned more than \$4 000 per month.

Sir, my question is, where is the liquidity to accomplish the growth of private pension funds that we are anticipating to occur? It is necessary, therefore, that we tie the development of private pension funds to that of significant tax overhauls. This would necessarily require that we look at the policies with respect to taxing a lump sum of pensions and we should also look very closely at the type of tax that we have applied to the normal incomes in Barbados.

There is pressure on the National Insurance contributory pension scheme in Barbados. There are some demographic changes that would have contributed to this pressure. I would specifically to the increasing dependency ratio in Barbados which by the year 2010, there would be 1.8 working Barbadians supporting each elderly person more than 65 years old. I also want to say that if by 2003, where we are at this time, we have a total of 7.8 working persons supporting an elderly person over 66, then, in a mere seven years that would be a drastic increase in the dependency ratio. Therefore, I would understand the Government's attempts to make the necessary adjustments to the National Insurance Pension Scheme to compensate for this.

However, I would not want Honourable Members to believe that this problem developed in Barbados overnight. I would want to indicate quite clearly, it was the Barbados Labour Party administration, that in 1981 made the first assault of the National Insurance Pension Scheme in Barbados. May I remind Honourable Members of this lower House that in 1981 when the amendment to the National Insurance Pension Act in Barbados occurred, the move to pay old age non-contributory pensions out of the National Insurance Contributory Pension Fund was indeed the first attack on this pension.

If we look at between 1981 and 2002 and check the national insurance reports, we could see that there is approximately \$40 million that is taken out of the National Insurance Funds to support old age pensioners who did not contribute to that particular disbursement.

If one were to do a cursory arithmetic evaluation, one would get approximately \$800 million 'in raw dollar bills'. If this money would have been invested in its cumulative manner as was proposed for investment, then we would have been dealing with billions of dollars and the National Insurance Fund would not have been in difficulty.

I would also want to suggest that if it is an accepted principle, that fund managers are supposed to act on the principle of the prudent person's rule, where managers are supposed to invest, as if they were investing for themselves then, I have to question investments from the National Insurance Pension Fund in projects like the GEMS of Barbados. I have to question the millions of dollars that went into that project. I also have to question the millions of dollars that went into the Warrens Project and there are also other questionable investments.

Aside.

Dr. D.C. ESTWICK: I do not have to tell Honourable Members about those investments, everybody in Barbados knows about them and it is important that we understand how we got to this point, so all of this talk about trying to develop separate and private funding in order to provide for income in retirements, I think is just simply that.

I would want to know turn my attention, Sir, to the area of the supervisor of pensions, not acting as an independent regulator with his/her own set of employees. If my memory is correct, it is stated in the Bill that the supervisor of pensions would work under the ambit of the supervisor of insurance. If in Barbados, we are looking at developing a strategy to promote the development of pensions in Barbados, we have to set the regulatory framework for the next 20 years, therefore, we must by extension, allow for future developments.

Sir, we must by extension allow for the growth in the number of pension funds registered, and out of necessity, the complexity of managing a pension fund which looks at complexities, with respect to tax laws and other legislative inputs, you must look at problems with respect to dispute settlements and problems with respect to incompetent management and so on.

I cannot see how this would be effectively managed within another entity. It needs to have its own structure and that structure needs to be independent. I want to say, also, Mr. Speaker, that one of the areas which is glaringly missing from this Bill, in terms of its regulatory framework, is that of regulating portfolios and what can be put in those portfolios.

The majority of the pension funds in the world, usually tend to have difficulties in trying to determine whether you are going to invest in foreign markets, whether you are going to invest in domestic markets, what combinations of investments you are going to have in domestic versus foreign markets, also, what is important is that we need to determine, and this Bill has not looked at that, whether you are going to put restrictions on investments with respect to self investments.

It is critical that the regulatory framework allows for Barbadians to know if a pension fund in Barbados has a ceiling of 5 per cent investment in a foreign market and if it has a ceiling of 60 per cent in a local market. House 8, sequence 5, 11:05:14

Tuesday, October 21, 2003

Dr. D. C. ESTWICK: These are critical components that should be in a regulatory framework because investments in a foreign market usually means that one is investing in a higher risk market which comes about because of the possible volatility in the markets where you may have significant flight of capital in and out which can affect the Fund's earning capacity and the long-term return on investments.

Sir, even though local investments tend to be less risky, it is an accepted truth that local investments in Government bonds or treasury bills usually carry a much lower return. So if you are going to restrict the Fund to an investment parameter that allows for low returns on investments, then one has to be very careful with respect to the future earning capacity of the Fund. These aspects were not dealt with at all as a regulatory framework, so it is critical that such a regulatory framework be put in place.

It is also important to determine whether there should be restrictions on self-investments because many of the problems that surface internationally with respect to solvency and insolvency of funded pension funds come from misappropriation of the pension funds revenue. If you have a situation where a fund manager lends money to an associated company or to another manager, then you are going to have problems because if that Fund happens to wind up before retirement, what is the recourse for the members of the Fund.

Even though the Democratic Labour Party supports this Bill, I am suggesting that those regulatory components must be put in writing, must be clearly defined and should not be left to the Supervisor of Pensions to delineate them, they should be delineated in this Lower House of Parliament.

I want to know if the pension funds which are registered in Barbados will define their domestic market as Barbados or as the Caribbean Single Market and Economy. The reason these components become significant is because we are about to enter a Caribbean Single Market and Economy and we have not looked at the framework or come to a determination as to what is the definition we are going to be working with. Therefore, I think that we are opening up ourselves for a number of problems down the road.

Mr. Speaker, I want to look at the area of taxation for a minute. I believe that Government should have taken this opportunity to look closely at the entire taxation system in Barbados. You cannot develop private pension funds through investments from individuals voluntarily unless the taxation system accommodates it. I do not believe that this has been done in relation to bringing this Bill to Parliament. I believe also that Government needs to revisit, as was said earlier, the taxing of pension lump sum payments. That is tantamount to double taxation in Barbados and it is unfair to those persons who would have paid for their pension funds through taxable income in Barbados.

I also believe that one needs to create more flexible taxation mechanisms with respect to how much money can be deducted on an annual basis.

Mr. R. D. MARSHALL: On a point of elucidation. Mr. Speaker, I just want to let the Honourable Member for St. Philip West know that when you put money in a pension plan in Barbados, the money goes in free of taxes and when it comes out, it also comes out free of taxes to a maximum of \$30 000 per year.

Dr. D. C. ESTWICK: The point I was trying to make, Mr. Speaker, is that is too small a sum to support the type of inputs and the development of private pension funds through critical mass investment over time. That is why it is necessary to have the type of taxation adjustment that would create the capacity of individuals to have disposable income to be able to invest in a private pension fund. I have just indicated to you, Sir, that over 50 per cent of Barbadians earn less than \$1 000 per month.

Mr. Speaker, Part VI Section 29 (5) of this Bill indicates that:

"A pension plan may provide that a person entitled to a pension is entitled, before or on the date of retirement, to elect to receive up to 25 per cent of the commuted value of his pension by way of a single lump sum payment."

I believe this is too restrictive if you are going to allow the individual flexibility to provide for other avenues of taking care of their families and themselves. I believe very strongly that this should be in the region of 40 per cent.

Mr. Speaker, I have some concerns with respect to "Part IX, Locking In". There needs to be some flexibility where a member has an overriding emergency or a set of emergencies, that would allow that member the right to have access to the funds contributed in that pension fund. I think that section is a protection of the Fund and not a protection of the individual member and the member's

money. Therefore, I am not going to support that section at all.

Mr. Speaker, I want to raise some caution here with respect to how I believe this Government is making a fundamental error in trying to solve the problem of the rapidly increasing dependancy ratio in Barbados and how it has been trying to bolster the 50-59 age group in this country. Anyone who understands demographic shifts would recognise that in 1950, life expectancy of the average Barbadian was 57 years old, in 1995, it was 74 years old and it is projected to be about 80 years old by the year 2010. The percentage of the elderly population has moved concomitantly and in parallel from nine per cent in 1950 to 12 per cent in 1995 and to a projected 30 per cent by the year 2010. If you have this coupled with a declining fertility rate, then you will have a declining 50-59 age group, a productive age group in Barbados.

The attempt to solve this via immigration is a dangerous trend. There are other options that can be taken.

House 8 Sequence 6

11.10 a.m.

Tuesday, October 21, 2003

Dr. D. C. ESTWICK: It is easy to have labourers come into Barbados from other countries, get a National Insurance card and pay National Insurance, then two or three years later they leave and no contributions have to be paid from the fund. These workers were making contributions and not taking out any benefits because the criteria require that persons make 150 contributions.

Therefore, this movement of integration is simply an attempt to solve a problem in Barbados but Government is going about it the wrong way. If we go about it that way in order to maintain that 50 to 59 age group via immigration and the movement of labour into Barbados who would be paying the National Insurance Scheme and not derive a benefit? It means that it must be continuous and sustainable because the population is ageing.

Sir, I do not know what solution exists in the minds of the Other Side but I would want to warn that such a development could have significant consequences in the years to come.

Sir, I do not believe there is anything wrong with persons coming into Barbados to work but I believe that if there is an exponential change to the social fabric of Barbados, it could have political and social implications for the future. This is not the way that it should be done, it should be gradual.

Mr. Speaker, I believe that we need to make better use of our elderly population. We need to discourage early retirement in Barbados. Early retirement in Barbados distorts labour forces in this country because we would be underutilising a resource that fundamentally would still be useful. Therefore, in the Occupational Pensions Benefits Bill, 2003, I do not support the discussion about retirement at 55 years old when by the year 2020, the average life expectancy of a man might be 80 years.

Sir, the point is that the solution or part of the solution to the problem is to provide the type of incentives for individuals to work longer and more productively and to remove the impediments to doing so. That is, to remove the discrimination with respect to insurance, loans, jobs, et cetera. If we do not start utilising the older population that is now being discarded in the productive capacity of Barbados, we are going to have significant difficulties in the future.

Mr. Speaker, as was said earlier, all Honourable Members of the Democratic Labour Party do support the Bill but as indicated, we do think there are a number of areas that need some revision and we would like to see those revisions looked at. Sir, I thank you.

Hon. K. D. SYMMONDS: I am grateful to you, Mr. Speaker. I rise to associate myself with the Occupational Pension Plans Bill, 2003. Though I do not propose to dwell on the implications from the Honourable Member who has preceded me, I think it is necessary to place a number of things into context.

Sir, at the outset, I would want to make the point that the Honourable Member has done himself a disservice by his own standard when he sought to make the argument that tax overhauls, as he inelegantly refers to them, do not facilitate the disposable income which would be required to give true effect to what we are trying to achieve with this piece of legislation. Sir, to support that, reference was made to research that was done in 1995.

Sir, the Honourable Member knows full well that in 1995, this country was reeling in the aftermath of an holocaust of the 8 per cent pay cuts, persons losing their jobs, et cetera. It is an irrelevant piece of research which cannot substantially advance an argument in 2003 and the context of which that money has been repaid to persons and in the context where two weeks ago, we came to Parliament and passed a legislation which, rather than taking away from the taxpayers, put into their hands another in a series of progressive changes in land taxes in this country.

Sir, therefore, the point has to be made that when we are dealing with this matter, it is perhaps ill-advised to begin by taking the weary and time-worn approach of

trying only to focus on one particular administration's position.

Sir, the fact of the matter is that if the Leader of the Opposition or the Honourable Member for St. Philip West were interested in usefully contributing to this matter, they would have sought to begin by contextualising this debate in the embarrassing reality that this Bill has taken 15 long years, a gestation period which spanned the course of two administrations in Barbados. Therefore, neither the Barbados Labour Party nor the Democratic Labour Party is in a position to come here and wax triumphant and warm. The fact of the matter is that we are here seeking to do justice to the people of this country who have elected us and who expect, and have long expected, that this piece of legislation would have seen the light of day in Parliament.

Mr. D. St. E. KELLMAN: On a point of order, Sir. The Honourable Member is misleading the House by giving the impression that the 15 years have been equally shared between the two political administrations.

Mr. SPEAKER: Please, nothing like that was said. No point of order. Please proceed.

Mr. D. St.E. KELLMAN: Sir, I have not finished my point.

Hon. K. D. SYMMONDS: Sir, unfortunately, there are some who are starved for attention and it is that under which the Honourable Member labours. Sir, the fact of the matter is that for that period, we have been laying the foundation of getting this Bill to this Chamber.

Sir, one of the points which I think needs to be made is that there is a very powerful school of thought, not only here in this country but it proliferates the Western world, that these types of matters relating to the question of private pension organisations is a private treaty between the employer and employees.

They are saying that there is a strong and influential view that Government's intrusive hands, as they would call it, ought not to find its way into this business. Sir, I have no doubt that this school of thought also exists in this country and that is part of the reason why this exercise has taken so long.

Sir, Government has demonstrated unequivocally that it is parting company with that kind of thinking. Instead, we came here and said that we are all aware that in this country there has been a number of instances where businesses came into Barbados, enjoyed the warmth of our welcome, have promised a lot to our workers but have gone and left many workers stranded.

We all know of one company which, as a result of corporate malpractice and misfeasance, has left workers stranded. Therefore, the issue that we must decide upon is whether or not across the House, we are in a position to try to find a way to rectify the difficulties and burdens with which the workers of Barbados have been forced to contend.

Sir, that is not any amorphous and vague entity that we are speaking about. These are the men and women who have gone to school with us.

11.25 a.m.

Tuesday, October 21, 2003

Hon. K.D. SYMMONDS: These are men and women who have sat side by side with us in a hospital or doctor office and constitute our neighbours, sisters, cousins et cetera. Therefore, we come here charge with a morale imperative to protect people's livelihood, it is as simple as that. We have put it into that philosophical context an understanding of the bitter pill of experience of how some companies have operated in Barbados and virtually fleeced workers. Therefore, we have to come here and cure a number of mischiefs.

The first mischief that we have to cure is the question of the need to legislate for a meticulous administration of pension plans. Sir, if we look at the Insurance Act, it is definitely silent on how to manage pension funds. If we look at the legislation dealing with Inland Revenue, we would will also recognise that the business of pensions fund management and protection is not explicitly spoken to and we have come today to make history.

We have come to create a legislative environment where for the first time fiduciary responsibilities are being carved out and put in place to protect people's livelihood. Sir, we do so in the context of an international setting which has seen companies on a multinational level like Enron swept up people's pension and their livelihood and used them for their own unethical purposes leaving those people perilously abandoned and endangered.

Mr. Speaker, when once, therefore, we speak to these issues, we have to break it down into a number of section. The first layer of protection, if you would, is the question for need of disclosure of information as fully as is possible. The public has a right to know and at no stage in the history of this business in Barbados has the member, who is entitled to the benefit of the pension plan, been able to exercise a right to know. Sir, the member must now know what his benefits are; he must have an idea of what, actuarially speaking, will accrue to him over a period of time and he must be in a position to make a claim against

the provider of the fund. The commercial best practices which are in existence around the world must now, for the first time, be legislated in Barbados.

If one looks at the legislation, for the first time we are giving members with a pension plan an opportunity to request statements and each and every financial year they will be in a position to receive their accounts we are also giving them an opportunity to service notice on behalf of themselves, their spouses, agents and other related persons so that if they are incapacitated or in a position where they cannot come forward, those persons duly authorised, such as their legal representatives et cetera, will be able to come forward for disclosure of such information.

Sir, the issue of disclosure of information may not mean a lot to the Honourable Member for St. Philip West but the reality of the fact is that in this day and age where we have seen companies in the so-called paradise of the world take people's pensions funds and misuse them, then the question of being able as an individual to call upon the administrator of the pension for information, to call up the people in whom you have placed upmost faith to provide you with the fullest and frankest disclosure, then this power being given to the member of the plan for the first time is a very important one.

Sir, membership and vesting is another tier offered to members of the pension plans. In Barbados we have a scale of pension plans already in existence that can be looked at which are fine examples and worthy of replication anywhere in the world. There are some vesting plans in Barbados where vesting takes place within a period of three months. On the other hand, there are pension plans where vesting interest will only begin after ten years. Government has not descended on corporate Barbados and said that it must comply with the lowest minimum in terms of vesting experience in this country. We have set a reasonable medium, consistent with trying to find the most realistic best practice that should be followed in Barbados.

Sir, you can now become a member of the pension plan within 1 000 hours of work. Again, this is a precedent being created in this country. I can appreciate the youthful exuberance of the Honourable Member who would want to see that the world was made in a day, that Barbados was different from anywhere else and that we would create Paradise through this legislative exercise. Sir, there is in the Honourable Member's suggestion some merit but we have to decide in this country where we are going with respect to individual officers who are exercising large amounts of power as a result of legislation. We should not get confused about only the Supervisor of Pension and his powers because we can begin by looking at the Chief Town Planner, the Director of Public Prosecution or the Supervisor of Insurances. There is a plethora of institutions

in Barbados conceptualised under the power of one man, wielding a lot of influence and authority. Sir, there is a school of thought out there and I confess to being a part of that school, which would say to this country that it might be a good thing if we could move towards creating broad-based commission such as what exist in England in this matter but the fact of the matter is that these things come at a cost.

Perhaps the Honourable Member is prepared to say that the country should bear the cost of creating these broad-based commission to look after pensions but if we start it we will have to go the full range.

H8/11:35

Sequence 8

Tuesday, October 21, 2003

Mr. K.D. SYMMONDS: Sir, for example, the Government of the United States of America's Government does not do business through the Director of Public Prosecution. They commission a grand jury every time that there is a need to have an inquiry to be conducted, which is basically an exercise of the office of the Director Public Prosecution. We have to decide whether or not our commitment to public expenditure is such that we are prepared to go that route with respect to the narrow issue of the penalties, per se.

Sir, we are looking at a situation where, perhaps, millions of dollars are involved. For a fine to be made, for example, in the magistrates court is perhaps not the most useful approach. I would be pleased if this was placed under the jurisdiction of a high court judge. I do not know that is the substance in which this speech is made.

I think that these are matter on which we can reflect. We must be mindful at every stage that today in the Parliament of Barbados we are making history. We have not walked this way before. There is a school of thought which says that prior to what the Americans experienced with the large companies and corporate mal- practice, there was really no need to expect that you would find the levels of corruption in the private sector that we now understand as a reality to exist today.

Mr. Speaker, even as I say that I am mindful of the fact that for fifteen years we have tried to find a balance among all of the relevant interest groups who have anything to do with this legislation. I do not believe that we could have come here without the penalty issues having been passed by persons, groups, private sector, union and employers that would have had an input. I cannot speak to what their views are but I know that today, on the basis of the experience of recent times, it is perhaps useful for us to

recognise the reality that there can be instances of corporate malfeasance. These issues usually very often involve a lot of money being placed in the hands of persons who must act in what we call utmost good faith. Therefore, pension plans inherently are subject to the possibility of abuse, whether it is by mismanagement, fraud or corporate malpractice.

Sir, therefore, we can look at the question of penalties. I think that the greater issue is the amount of power and the confidence that will be reposed in the body of the Supervisor of Pensions.

Mr. Speaker, my view on the matter is that it is now a question for this Parliament to determine and to seriously and meaningfully discuss whether or not we have reached the stage in Barbados, whether we feel that there should be a greater public input and a process which broadly involves all persons who are affected by any particular piece of legislation.

Sir, if that is the route that we are prepared to go, we cannot only begin with the Supervisor of Pensions but we have to look at the Chief Town Planner. Everyday people make applications to that department, there are other people who believe that their neighbourhood or area where their business is being conducted is being materially affected in some way and they would want to have an input in the deliberative process.

Asides.

Mr. K.D. SYMMONDS: Mr. Speaker, there are jurisdictions where that takes place. I believe that if we are speaking about entrenching democracy, we must include people's participation, with which I have no difficulty.

I also recognise that I am not going to be able to say it with conviction if I do not speak to the fact that these things come at a cost. It is not sufficient for the Honourable Members of the Opposition to speak to what could be, because we are no longer in a world of make-believe, but we have theory. We are not speaking to the reality and if the Honourable Members are prepared to say that they would support the cost, it takes us a long way. Sir, from the time we began to do this business in Barbados, we have, with piece after piece of legislation, imitated that which came out of England where an office was created and the lead officer was the person charged with the ultimate responsibility and the public's participation was limited in the deliberation process. Sir, that time has changed in England and I believe that it should be changed here in Barbados as well. As I said, it is a matter for further deliberation.

Mr. Speaker, there is another layer of protection being offered to the members of these plans which is the

question of locking in. I want to speak to the issue of locking in because all of this is to be seen in the context of ground-breaking legislation for Barbados and the Eastern Caribbean.

Mr. Speaker, when we talk about locking in, we are saying that monies payable under pension plans are now being exempted from seizure by any process. The first time that a beneficiary of a pension plan will be given this type of legislative protection, will be when this matter is passed. We all know of instances where there are a number of companies in Barbados which has been honouring the legislation, with respect to National Insurance, only insofar as the deduction is concerned. However, when it comes to paying in the deductions, that become part of the companies' or businesses' cash-flow. Therefore, we now have to speak with some seriousness to the reality that, for the first time, we are now making sure that insofar as occupational pensions are concerned, these pensions are adequately protected.

Mr. Speaker, there is a social implication in this legislation to which I have not heard Honourable Members speak. This social implication lies in the exception to the protection. That exception is for the sphere of ensuring that family law related orders are carried out. The Leader of the Opposition is a peculiar character when he is ready, Sir.

Mr. SPEAKER: Honourable Member, please.

Mr. K.D. SYMMONDS: Is that unparliamentary, Sir?

Mr. SPEAKER: It is. Please, the Chair regards that it can be an ambiguous statement. I am suggesting that you desist from that.

Mr. K.D. SYMMONDS: Sir, I unreservedly withdraw it. As recently as yesterday, the public of Barbados was regaled with the stories in the Press about the Opposition's recently found concern for the rights of women, particularly in spousal relations. This piece of legislation has a section to which none of them have condescended to refer, when it deliberately seeks to exempt from the Locking In provisions, the right of the courts to ensure that members who have spousal commitments in the context of a dependency on the part of the spouse or child, that member's benefits could be deducted so as to satisfy the requirements and provisions of the Family Law Act.

Mr. Speaker, they approbate with one hand, go to church and bow their heads, et cerera, and it looks good but it is an excellent and empty public relation exercise, if when they have the opportunity to come to the House of Assembly they are definitely silent and will not speak to the benefits to be found in the provision that is created in this legislation.

Sir, I am amazed that...

Asides.

Mr. SPEAKER: Please, please. Order, please.

Mr. K.D. SYMMONDS: Mr. Speaker, I am guided by your indication that time is of the essence for me at this stage.

Sir, we have to begin to recognise this in the context of what its philosophical indications are for the people of Barbados.

8/9: 11.45 a.m.

Tuesday, October 21, 2003

Hon. K.D. SYMMONDS: Sir, we have to recognise that for a long time, we in this country have conducted this business of pension funding, without legislative intervention and legislative guidance. We have sat on a situation for a very long time in which millions of dollars representing people's hard earned livelihood have been placed at the disposal of what, at the end of the day, can only be the good faith of those persons who administer the pension. Whatsoever will could have happened and did happen.

Sir, what has transpired and what transpires now, is that we come to recognise that there is a deficiency in the insurance Act. We come to recognise that there is no legislative provision to ensure that the well-being of the worker and the protection of his pension rights and pension interests are looked after.

We come to recognise, Sir, that the most vulnerable section of this society, the aged, are inadequately protected, insofar as these financial provisions are concerned and we have sought to refresh the financial infrastructure in this country. I believe that is a worthy thing.

I heard talk, Sir, about the 25 per cent lump sum. This is actuarially determined. I do not think it falls to any Honourable Member on That Side to say that he feels it should be 40 per cent. Based on what? That is the question that must be proffered. The actuarial survey is done and it is based, not on what a whim and fancy dictates, but rather on the basis of what can be realistic in the context of Barbados, and yes, Barbados, we are not seeking to define it in the context of the Single Market and Economy. Its purpose ultimately will be, by virtue of the portability clause and provisions, for the rights vested to be transported across the Caribbean. The fact of the matter is, Sir, that it has to be defined actuarially, in the context of what we know here.

As I said, Mr. Speaker, there are some pension plans in existence in Barbados which are absolute gems, then there are others, Sir, where you realise that people are suffering at the hands of a situation where, really and truly, it cries out for legislation intervention. We have tried to harmonise that situation. We have tried to come up with a happy middle ground, a best practice and I believe, Sir, it is worthy of whole hearted support.

Yes, there may be some outstanding issues at which we could look. The question of increasing the penalties, I do not think anybody would frown on that, but it does not call for the kind of bellicose argument that emanated from the Honourable Member for St. Philip West. I believe that it is because of nothing else, Mr. Speaker, than too much coffee this morning and perhaps, a bad night's rest.

I thank you, Sir.

Rev. J.J.S. ATHERLEY: Mr. Speaker, I could only be as generous to the Honourable Member for St. Philip West, as to suggest that perhaps his submission should have been the lead submission presented from the Other Side. Sir, I reflect not necessarily on accuracy, but perhaps more so on succinctness and pointedness. Even having said that, I think the Honourable Member spoiled what perhaps otherwise, was a good presentation by his loose reference to the immigration policies of Barbados, well-thought-out, tested and tried, the subject right now of review and reform, very much the subject of the integration process ongoing throughout the Caribbean.

What perhaps was even a bit more tragic and more spoiling of the otherwise good presentation was the almost contemptuous reference to the migration patterns for the purposes of work, pursued by Caribbean people for decades and decades and decades. There was apparently no accommodation of thought for our social institutions, for our social structures, for history and culture, all of which largely have been shaken by migratory patterns within the Caribbean, from island to island, on the part of people who have left home and kin, from time to time, in the pursuit of better economic opportunities, serving to give us a better mix in these Caribbean states of which we are privileged to be citizens and residents, but that is as far as I can go with my compliments.

Dr. D.C. ESTWICK: Mr. Speaker, on a point of order. The Honourable Member is misleading the House because there is clear historical evidence that political stability and economical stability derive themselves...

Mr. SPEAKER: Honourable Member, could you tell me how he is misleading the House? What did he say that is misleading the House?

Dr. D.C. ESTWICK: Sir, he is indicating that a proper ethnic mix in itself, inherently, is a positive, with respect to social and economic development. I am saying that history would suggest that it is expressed to the opposite, that economic and political stability come about where there is a majority of a particular race, that whenever, Sir, you have the converse, instability occurs.

Rev. J.J.S. ATHERLEY: Mr. Speaker, I believe the Honourable Member for St. Philip West would concede that a majority presence of any ethnic entity, in any population, does not preclude the existence of a mix.

However, Mr. Speaker, to the extent that I would not in anyway want to mislead the House, I want to reflect again on my compliments to the Honourable Member for St. Philip West, in suggesting that his was a good presentation, worthy as having been considered as a lead presentation from the Opposition to the subject at hand.

Mr. Speaker, I believe that significant value attaches itself to this policy initiative which is before this House today. We have to judge the value and worth of any piece of legislation or any piece of public policy, in light of certain factors or dynamics. It is always good to begin with the context that engenders that policy initiative and that is where I would want to start.

Many references have been made already to the issue of an aging population dynamic, existent in Barbados. The evidence is abundant and it is clear. The trends have already been set. It has to be of significant concern to us and as such, becomes part of the context out of which this initiative is rendered.

Part of the acid test of the moral tone of a nation is to be realised through the care of its elderly. One of the things which become abundantly clear in considering this Bill is that there is an attempt to ensure that the welfare and well-being of our elderly people, become a subject of serious and more viable policy initiatives.

An aging population is not a dynamic which is peculiar to Barbados. In fact, it is now very much part and parcel of a global phenomenon for various reasons. Many centers of population in this world are experiencing this dynamic, where persons are becoming older, living longer and, as a result, certain problems are created with reference to social security policies and things like that.

House 8, sequence 10, 11:55:14

Tuesday, October 21, 2003

Rev. J. J. S. ATHERLEY: Mr. Speaker, we also have a limited pensioned population in Barbados. We admitted the fact that the numbers who are engaged in

pension funds in Barbados today are limited. By far the majority of people who are working in Barbados are not players in any private pension fund. It is by far the minority of workers who are engaged or enrolled in such.

Mr. Speaker, we are a limited pensioned population in another respect as well. I am inviting the Honourable Members on the other side to reflect upon the fact that a certain lack of generosity on the part of the public purse in Barbados when controlled by a Democratic Labour Party administration, has contributed over the years to persons who rely upon a State non-contributory pension, having to receive the kind of social security benefit which has not serve to meet their needs adequately. It has often been left to a Barbados Labour Party led Government to substantially address the matter of old aged pensions in this country. Through this Government, persons who fall into that category have benefited from pension increases which have gone much further in term of responding to their economic needs.

Mr. Speaker, over the past few years in Barbados there has been a trend towards tax leniency in the whole scheme of tax reform in Barbados. Domestic monetary policy has carried us in that direction led by the Barbados Labour Party.

Additionally, one recognises it is a part of the context, a loss and projected further loss, in tax revenue because of issues coming out of the whole liberalisation process which will result in a reduced ability on the part of Government to put impost on products coming into this country. You are talking about a context in which there is tax leniency out of a domestic policy and tax revenue loss as a result of regional, hemispheric and international pressures associated with the process of liberalisation. The result is that the public purse of the future can project itself in that respect to become more limited and more constrained.

Mr. Speaker, we have to admit that there is a certain pattern of consumption in Barbados which from time to time must be the subject of efforts to introduce restrain. A culture of consumption and a consumption of foreign goods is very much part of the phenomenon of life and the disbursement of expenditure in Barbados today. From time to time, governments must do what they can to introduce a greater level of discipline to the matter of consumption. I see this policy initiative coming out of a context in which we also have to address the matter of the culture of consumption.

Mr. Speaker, that culture of consumption belies the notion strenuously advanced by the other side, particularly by the Honourable Member for St. Philip West and the Honourable Member for St. Lucy, that this matter of the unavailability of disposable income works significantly

against an initiative like this. The reality is that people are able to practise high levels of consumption because there is an availability of disposable income. Therefore, the culture of consumption belies the notion that disposable income is a problem on the part of the majority of people in Barbados today. I offer that for what it is worth.

Mr. Speaker, we must provide for a population in its less productive years. This is the same population group who provided a platform for current and future income and wage earners in this country. Therefore, we must provide for the better well-being of that population in its less productive years. That is a significant objective to be served.

There are other objectives as well to be served by this piece of legislation. An effort must be made to tackle the problem of a form of poverty in this country which is masked but only in a mild way. I have heard it being referred to as genteel poverty, that is working-class poverty especially in urban Barbados. This Government has made significant strides in an effort to tackle the problem of working-class poverty in Barbados. Poverty alleviation is a reality. Poverty eradication is a goal.

There are people who have acceded to a more elevated class in this life in some sense but yet their circumstances today are suggestive of a form of genteel poverty which is to be addressed. Part of the reason for that is that persons of this category in their retirement years are not able to address themselves sufficiently enough because of limited economic means to the cost of living conditions with which they are faced because they have not planned for it and have not perhaps been sufficiently encouraged in the past to get into this type of private pension fund.

Mr. Speaker, there must be a reduced dependency on the State pension in economies such as ours. Government has an obligation to ensure that there is no significant decline in the quality of life for its seniors. These are the people who have formed the platform upon which current wage earners lodge their lives. There is a moral obligation at the doorstep of Government to ensure that there is no significant decline in the quality of life for these people and where there is an incapacity on the part of the social security facilities and benefits of the State to serve those needs, then initiatives such as this become of paramount importance to give such people the opportunity to plan ahead and to provide for their senior years to ensure they can sustain themselves to a relatively comfortable quality of life.

Therefore, Mr. Speaker, this initiative is very much in sync with Government's effort to ensure that Barbados is a centre of sustained viable economy. Efforts to have sustainability and viability in your economy must, of necessity, incorporate efforts to ensure that elderly people

can not only enjoy a certain quality of life but have the capacity to spend and therefore help to sustain the economy. Senior citizens should not therefore be viewed as people who are simply relying upon a pension to meet their basic needs. They should also have the capacity to spend so as to generate sustainability and viability in the economy. Government has a moral obligation to ensure that the benefits to be received by one in one's older years are such that they are appropriate to the cost of living context in which they will then have to live out the rest of their years.

These are noble objectives which are being served by the introduction of this piece of legislation. I see this legislation as an instrument of wealth creation. In other jurisdictions, these pension plans are used significantly as means not only in helping to create wealth on the part of the individual but in the national economy as well.

House 8 Sequence 11

12:00 noon

Tuesday, October 21, 2003

Rev. J. J. S. ATHERLEY: It is important to a small developing economy like Barbados, without the traditional large indigenous capital, to ensure that every effort is expended to boost the indigenous capital base of the country and so these pension funds serve to contribute to these kinds of efforts.

Sir, I heard the Honourable Member for St. Lucy suggesting that this type of initiative is being introduced to suggest that there is a plan either to drastically reduce the State's pensions benefits or to eliminate it all together. I would want to suggest that wealth-building of this sort and direct income support such as would be provided through a State pension, are not things that are mutually exclusive. These things are used as parallels in other jurisdictions and, therefore, I simply would want the Honourable Member to reflect upon that.

Sir, public entitlement as well as private investments are run on parallel tracks and are not mutually exclusive. Therefore, there is no purpose on the part of this Government to drastically reduce social security benefits or to eliminate the provision of State pensions over time in Barbados.

Sir, also significant is a very noble objective to be served in a more viable and robust investment culture. If one would reflect upon the numbers of Budgetary Proposals by the Right Honourable Minister of Finance, one would see a certain drive in definite directions. This is one of those definite directions that one perceives the move to ensure that we create a more viable investment culture and climate. Therefore, this initiative to facilitate more the

practice of persons engaging in private pension funds in Barbados is part of that effort. There is need, therefore, to ensure that certain prerequisites are met. There must be the provision of the best possible regulatory framework within which these pension funds could not only operate but thrive. There is the need to expand investment market potentials. It makes no sense in creating a vehicle which provides for possible investment if the investment market potential is not expanded. Therefore, I see this as a critical prerequisite which the attempt to address, is very real in this legislation. Sir, putting more money into private pensions, I believe would help to stimulate the market and to drive this effort towards wider investment in Barbados.

Sir, after concerning the objectives and context, there are issues of real consequence with which one must be concerned. They usually refer to the matter of private pensions, the protection of pensions and the matter of diversion, and experience from abroad has been a tragedy in some centres. There are some centres where funds have been diverted away from the cause of pensioners. The effort is made here to ensure that does not occur. We have had our own experiences in Barbados with financial houses and financial centres where there have been tragic and severe loss to the despair of many who had invested in them.

Mr. Speaker, another area of concern is that of management control in single hands, single hands are usually forces which express a very immediate and subjective interest. Therefore, one would want to be careful to ensure that the management and administration of such pension funds are not provided for in such a way that these single hands could exercise control over people's funds, to the detriment of their future and well-being.

Another concern is that of unregulated self-investment, to which the Honourable Member for St. Phillip West has alluded. I think this is a serious concern and one I believe would need to ensure that companies are not in a position to so reinvest people's pension funds within their own company framework, so as to constitute serious diversion and detriment to those who would have invested and would have relied upon these funds.

The matter of 5 per cent ceiling was mentioned and this is a ceiling employed in other jurisdictions. We must seek to maintain such principles, namely that is to safeguard the tendency towards unregulated self-investment of pension funds or any other speculative investment.

Mr. Speaker, this modern regulatory framework for which this Bill is calling, is very necessary. The establishment of appropriate standards which would guide various aspects of private pensions are all very necessary, not only to create a more robust investment culture but to

create a practice of investment prudence, both on the side of the employer as well as the side of the employee.

We need to ensure that things such as incompetence and fraudulent tendencies are negated, therefore, I very much support the call for the separation of pension assets from the other normal accounting of any entity. I also support the provision of a Supervisor of Pensions with investigative powers and powers of sanction. There are risks that are naturally attendant to this type of private pension funding. There are some risks which are attendant and though attendant, not naturally attendant, and so we have to guard against those that are naturally attendant and those which are artificially or unnaturally attendant upon this type of undertaking.

Sir, Pension protection funds are used in other jurisdictions. I heard the Honourable Member for St. Philip North called for a pension protection fund. I have a problem, not with that call, but with reconciling that view with the position taken by the Honourable Member for St. Michael North West, when he said that the facilitation of the greater practice of private pensions regime in Barbados would mean an additional cost to doing business and this is a true but it is a very necessary cost. While that is true, at the other end of the spectrum, I am hearing the Honourable Member for St. Philip North suggests that we need to ensure there is a pension protection fund, to which Government should make employers the subject of a levy.

Therefore, they are saying that we facilitate the fund and then introduce a levy to be paid by employers to protect those pension funds when, at the same time, out of the mouth of the Honourable Member for St. Michael North West, we are hearing that this is an additional cost to doing business, and so there is need to reconcile those two positions that are being taken by the same Opposition Party.

Sir, portability of pensions is another matter of consequence and we support that wholeheartedly, of course. We have got to come to an understanding that the nature of tenure and contract in today's global world have changed. When I first started to work, I did that with the view that I was going to work with that same employer or entity, perhaps for the rest of my life. My two sons cannot think like that today.

Sir, the imminence of the Caribbean Single Market integration, the matter concerning the movement of labour, are dynamics which cannot be ignored.

12.10 p.m.

Tuesday, October 21, 2003

Rev. J.J.S. ATHERLEY: Mr. Speaker, against this backdrop I want to fully give my support to the Bill before the House.

Hon. A.P. WOOD: Mr. Speaker, I rise to make my contribution after a long line of speakers on both side of this Honourable Chamber. I have sat in this Chamber for more than five years and I am fortunate not to sit on the Opposition because when I listen to the tone, the lack of accuracy and analysis that come from the other side, I am constantly reminded of how fortunate I am that I do not have to sit on the Opposition side. Mr. Speaker, it pains me to listen to them because I am aware that they know better but it is because they are caught in the trap of having to sit in Opposition for many years.

Like the Honourable Member for St. Thomas and Honourable Member for St. James South, I would like to put in its proper context this Occupational Pension Plans Bill. We on this side recognise the importance of giving persons the opportunity to prepare properly for retirement.

Sir, this is not the first debate of this type in this Chamber. Last year we spoke on a similar issue and persons on both sides of the House agreed and there was no political divide on the importance of the need for persons to prepare better for themselves and their families in their retirement years.

Mr. Speaker, I will begin in earnest by making contact with some of what came from the other side and to clear up any misunderstanding occasioned by the way in which those Honourable Members spoke. The Honourable Member for St. Lucy and my friend from St. Michael West made contact with the point because there is this perception that the only way a scheme of this type can get off the ground is if there is this massive increase in the levels of disposal income for employees who might want to participate in it.

As far as I understand it, this country is still crying out for investment opportunities from those who avail themselves of financial resources. I also know that there is nothing to suggest that the introduction of an occupational pension scheme of the type discussed here would have a crowd out effect of the National Insurance Scheme or elsewhere because the contributions to that scheme are voluntarily made. If that were the case, Mr. Speaker, individuals, if given a wider choice would make the requisite investment decisions based on certain considerations.

If persons take the decision that in old age they want to be better looked after, they will prepare for themselves and their families. Mr. Speaker, it is important that some of us prepare properly for ourselves after the age of retirement become many of us, though advanced in age, are still

helping with the reproductive process. Sir, when certain members of this Parliament reach age 60 or 65, they may still have children in secondary school and at university and the financial requirement of such a family would be higher than a family whose head of the household had his children at a younger age.

Asides.

Hon. A.P. WOOD: This is an important point because when you seek to make investment you do not do so based on what is required for yourself but also for your family.

Sir, a properly administered pension fund for which persons made their contribution on a consistent basis would give the family some predictability in their stream of income, even after their working years to help to sustain the family in the later years of the head of the household.

Mr. Speaker, the Honourable Member for St. Philip West gave an exposition this morning. He made some good point but he sought to give the impression that enough things are wrong with the taxation system in this country that if we could effect a taxation overhaul, all good things would necessary flow. The Honourable Member for St. Philip West sought to give the impression that if the taxation system was overhauled it would be a major contributory factor in the promotion of this Occupational Pension scheme.

Asides.

Hon. A.P. WOOD: Sir, he went further and sought to give the impression that the Government's taxation policy in the last eight years has been stifling the potential for savings in this country, Sir, and this does not accord with the evidence.

H8/12:25

Sequence 13

Tuesday, October 21, 2003

Continuation of: Hon. A.P. WOOD: .. Mr. Speaker, I requested the statistical publication from the Central Bank because if what the Honourable Member said is taken to its logical conclusion, when I look at the deposits in the commercial banks, shares in the credit unions, by private individuals, I should not be seeing the trends that have developed in Barbados for the last eight years or so in Barbados. Sir, Let me give you the evidence.

Asides.

Mr. SPEAKER: Order, please. Order, please.

Hon. A.P. WOOD: Sir, we have had excess liquidity in the banking system and we have had it consistently since this Government was in charge. I do not understand why the Honourable Member is seeking to mislead this Honourable House and I would not let him get away with it.

Asides.

Mr. SPEAKER: Order, please.

Hon. A.P. WOOD: Mr. Speaker, I am quoting from the Economic and Financial Statistics of September 2003. I hope that when I am finished all of us would agree that there has been a consistent effort on the part of Barbadians to increase their savings. In the case of the commercial banks, I am looking at the domestic deposits. In 1995...

Asides.

Hon. A.P. WOOD: Sir, in 1995 domestic there were \$239 million; in 1996, \$2 539 million, 1997, \$3 153 million; 1998 \$3 515 million; 1999, \$3 912 million; 2000, \$4 087 million; 2001, \$4 398 million and 2002, \$5 142 million. Sir, I now refer to the deposits by private individuals in the commercial banking system because the Honourable Member is saying that the taxation policy is stifling savings. This is the group of people that the Honourable Member is referring to and this is the group that this pension scheme is seeking to encourage to use another instrument to save, but at the same time to secure an income which would give a predictable stream of income after they retire.

Sir, deposits in commercial banks were: 1995 \$1 438 million; 1996 \$1 576 million; 1997 \$1 743 million; 1998 \$1 935 million; 1999 \$2 107 million; 2000 \$2 265 million and 2001 \$2 317 million.

Asides.

Mr. SPEAKER: Please, orderly, please.

Hon. A.P. WOOD: Sir, Let us deal with the non-financial private class savings, this refers to private individuals. The deposits in the financial system by this group in 1995 was 2 049 million; 1996, \$2 405 million; 1997 \$2 538.2 million, 1998, \$2 709.6 million; 1999, \$3 099 million; 2000, \$3 439, million and 2001, \$3 622 million.

Mr. Speaker, I have given you the trends that developed and every year there has been an increase in the level of deposits. The evidence does not corroborate what the Honourable Member for St. Philip West is suggesting.

Mr. Speaker, the Honourable Member for St. Philip West also sought to suggest that there is less than a prudent approach being taken by the investment managers of the National Insurance Fund. He also sought to give the impression that this Government has invested money in the GEMS and Warrens projects. I do not know which one the Honourable Member is talking about. However, I know that the National Insurance Scheme is part of a syndicate that the Government drew on in order to access finance for the housing project at Warrens.

Sir, it is unfair for the Honourable Member to come into this Honourable House and give the impression that the National Insurance Scheme has invested money in GEMS. The Honourable Member for St. Michael North West, notwithstanding all of what he has said about GEMS, should be in a position to tell the Honourable Member that the National Insurance Scheme is not one of the entities that invested money in GEMS.

Mr. Speaker, furthermore, the Honourable Member did not tell the Honourable House, probably because he does not know, that the money invested by the National Insurance Scheme in any project in this country, whether it is the United Nations building located at Marine House or any other project, is invested against the background of a guaranteed rate of return.

Asides.

Mr. SPEAKER: Order, please.

Hon. A.P. WOOD: Sir, the Honourable Member should not come in here and give the impression that this is money going down the drain because it is not true.

Mr. SPEAKER: Order, please, order.

Hon. A.P. WOOD: Sir, I want the Honourable Member to understand that he is not going to get up in this Honourable House and say things that are not true and get away with it because we have a responsibility on this side to let the Barbadian public know what is the truth.

Mr. SPEAKER: Order, please, please.

Hon. A.P. WOOD: Mr. Speaker, the Honourable Member also sought to make a very strange point which came out of a very confused mind. I am not aware that there is any defined immigration policy which says that we would use the immigration policy to combat a fertility problem that exists among Barbadians. It is the first time that I have heard such an assertion and it is nothing short of ludicrous as far as I am concerned.

I am very glad that the Honourable Member for St. Michael West, who has the responsibility for immigration matters, was able to respond to it.

Dr. D.C. ESTWICK: On a point of order, Sir. The Honourable Member is misleading the House by falsely representing what was said. I made the statement that a possible strategy to act as a solution to an increasing dependency ratio which relates to the declining age group of 50 to 59, is a strategy that could be used by the immigration, by having workers come into Barbados who would make National Insurance payments even though they would not be able to benefit from the scheme because they would leave Barbados before they are entitled to claim benefits, that is the point that I made.

Asides.

Mr. SPEAKER: Please, please, please.

Hon. A.P. WOOD: Mr. Speaker, if you took what the Honourable Member for St. Philip West has just entered alongside what was said earlier, you would realise the insinuation that the immigration policy is used in a way to deal with this perceived 50-59 age group. I do not understand what he is trying to correct. Anyway, I should press on, Mr. Speaker.

8/14: 12.30 p.m.

Tuesday, October 21, 2003

Hon. A.P. Wood: Mr. Speaker, the Opposition sought to suggest also and it came from the Honourable Member for St. Michael North West, and once again from the Honourable Member for St. Philip North, that there is something inherently wrong with allowing a person who has reached retirement age to start accessing the fund, to get an amount restricted to 25 per cent. They queried the system could not be freed up more, and if at that time there is a need for a person to get in excess of 25 per cent, why the person could not get the amount that they will require at the point in time.

Mr. Speaker, this takes us back to what I said at the beginning because for the five years I have sat in here, I am fortunate and happy. I thank the people in St. Philip south for putting me on This Side and not the Other Side. I know that the Honourable Member for St. Michael North West, is well-schooled in certain matters pertaining to economics and finance - I am sorry I cannot say the same for the Honourable Member for St. Philip West - knows better than what he has said. He knows that these things are done on an actuarial basis and many factors are taken into consideration. He also knows that there are many alternative instruments and schemes that persons could

invest in, if they want to have a lump sum at the end of their working period.

There are retirement savings schemes and insurance policies of the endowment class that persons could invest their money in, where at age 60 or age 55 when they think it is time to retire, and need a larger amount, maybe in excess of the 25 per cent that they can access. Sir, with this particular Occupational Pension Plans Bill, they will have a choice to make the requisite investment.

Sir, all of us know that these things are done on an actuarial basis. The whole idea of promoting a pension fund of this kind, is not to give a lump sum at the time the benefit starts, not to give a lump sum that is beyond 25 per cent or so of what you had placed in the system, but to ensure that everyday thereafter you retire, but everyday thereafter that you live, there is some predictability in the income that you can derive to look after yourself and your family.

Mr. Speaker, there are alternatives that people could go to. Sir, were we to introduce such flexibility in this system where a fellow could take out any amount that he wants, by definition, you would have gone to a different type of scheme. These things are structured in a fairly precise way and they are done on an actuarial basis. The whole thing about protecting the integrity of the fund well into the future, is to ensure that there is not a run on the fund.

When I say a run on the fund, I mean large numbers of persons, percentage wise, wanting to take out close to the amount that they had in the Scheme, at the time of retirement.

Aside.

Hon. A.P. Wood: That is what I mean when there was a run on the fund.

Aside.

Hon. A.P. Wood: I am worried about the integrity of the fund and all of those who would have contributed to the Fund. If there is a run on the fund, there is no end of problems. We do not want that. We want to protect the integrity of the fund. Sir, this Government has made moves to reform the National Insurance Scheme in order to prevent two persons in 2050, from having to make contributions to look after a single individual who is accessing the fund. This Government has made a move to prevent that from happening, because it would mean that too few working persons would be looking after the average person who is accessing benefits from the National Insurance Fund.

We have decided that, instead of postponing the reform of the National Insurance Scheme into the future, to deal with it now to protect the integrity of the fund and to ensure that way down the road, when the Honourable Member for St. Philip West's kids come...

Mr. C.A. MASCOLL: Mr. Speaker, on a point of order. The Honourable Member for St. Philip South is misleading the House to the extent, he is agreeing that the integrity of any pension scheme is based on the question of actuarial studies, probability risks and everything else.

If that is so, how could a piece of legislation in any Parliament, determine what percentage of a lump sum should be given to the beneficiary? If it requires actuarial studies to be done, how could any Parliament determine whether or not it is 25 per cent or 30 per cent or 40 per cent? Therefore, I am saying that there could not be any point to what the Honourable Member for St. Philip is saying because Parliament cannot make that decision.

Mr. SPEAKER: Sir, you have made your point.

Hon. A.P. Wood: Mr. Speaker, the Honourable Member for St. Michael North West just engaged in an act of amusement that certainly did not amuse the folk on This Side. We all know that the 25 per cent which came into this piece of legislation did not come out of the sky. It is based on studies that have actuarially been done, throughout the years.

Sir, if the Honourable Member for St. Michael North West wants to make a point, that the circumstances which existed when the study was done to inform the percentage given here, that through time, the conditions may change, and we may have to re-engage the actuaries, based on the changing conditions, then he should say so but he should not give the impression that this 25 per cent dropped out of the sky because it did not.

Mr. SPEAKER: Honourable Member, your time has actually expired. Could you conclude, please?

Hon. A.P. Wood: Mr. Speaker, just let me conclude by once again reaffirming my support for this Occupational Pension Scheme. Let me also reaffirm the Government's intention in bringing such a scheme in legislation to this House. We recognise that Barbados is an aging society. I do not think that is disputable. We also recognise that less pressure should be placed on the National Insurance Fund. We also recognise that people need to take a little more responsibility for their own future, so they should plan more consistently and more structured for their retirement years. This scheme gives another option for them to look to the future with some assurance that when they retire, there will be some predictability and they can be assured of an

adequate enough stream of income to look after themselves and their families properly.

I thank you, Sir.

House 8, sequence 15, 12:40:14

Tuesday, October 21, 2003

SUSPENSION OF SITTING

Hon. Miss B. A. MILLER: Mr. Speaker, I beg to move that this Sitting be suspended until 1.45 p.m. today.

Hon. R. R. FARLEY: I beg to second that.

Mr. SPEAKER: Honourable Members before I move the suspension, let me welcome to our Parliament, a member of the Scottish Parliament, Mrs. Margot McDonald. Would you give her the customary welcome, please.

The question that the Sitting do now suspend until 1.45 p.m. today was put and resolved in the affirmative without division and Mr. SPEAKER suspended the Sitting accordingly.

House 8 Sequence 16

12.40 p.m.

RESUMPTION

Mr. SPEAKER: This sitting is resumed.

Hon. R. St.C. TOPPIN: Mr. Speaker, I believe this debate is somewhat winding up now. Honourable Members on both sides have tried to touch on every angle that you can come from in this debate. Some have not touched the subject matter at all. Some claimed be economists and actuarial scientists when they are not, but I will make no such claim, Mr. Speaker. My presentation will be quite to the point and I will begin by giving my full support to the Bill which is currently before this Honourable Chamber.

This Bill is one of the measures that Government has taken or would be taking in the area of pension reform. Rome was not built in a day and obviously this would not be the final chapter of Government's involvement in the area of pension reform. I think the Government has managed to show great maturity and a sense of responsibility in this area and was always able to do the right thing.

You would recall, Mr. Speaker, that last year this Government decided to intervene in the area of pension reform to ensure that the future of all of us present here

today and children yet unborn would be secured well into the future. Government intervened to do what was right even if in the minds of some people it was not the most popular decision at the time.

Sir, being able to know that you are going to have a pension on retirement is a very important thing in the minds of every single person who seeks a job. I heard it said somewhere, I am not sure if it was it said in here or on a television programme, that people when they apply for a job tend to be only interested in the salary and the various perks they are going to get but they never mention or is even concern with pensions. I beg to disagree with that, Mr. Speaker.

Based on my political experience I have to say that whenever people come to me about jobs, nine out of ten times they tell me they want a government job. I often ask them if they want a job or if they want a government job and they will repeat that they want a government job. When I asked them why they are insisting on getting a government job, they always tell me that in government your pension is secured, which is a fact. Most people are very concerned to know that their future will be secured with the receipt by them of a pension. They may not ask about the technicalities of the pension at the time, whether it is portable, when it will be vested or how much they will have to contribute. They are only concerned to know that they will have the benefit of a pension upon retirement.

This Bill represents a move along the continuum of the work this Government is doing in the area of pension reform. It confers many benefits, all of which in some form or fashion would have been mentioned by other Honourable Members who spoke during this debate, so I need not repeat them. What I would say is that this Government, consistent with its approach in other areas of laws that it has brought to this Chamber, has sought to ensure that it does not simply pass a piece of legislation on paper but that it gives teeth to the legislation. By that I mean, Mr. Speaker, it has sought to put certain institutional arrangements in place to ensure that the provisions of the legislation will be carried out.

In this legislation, we see the entrenchment of administrators of pension funds who are not just named for the sake of it but who are required to have certain qualifications to become administrators of pension funds, who are then laden with certain duties they must carry out in relation to the management of pension funds. They have a duty to ensure that the funds are properly invested. They have to exercise a duty of care. Most important, they have to inform members of the pension plan of their rights and obligations under the pension plan. That duty extends beyond the time of the life of the person being a member of the plan. Even after a person ceases to be a member of the plan, the administrator is still duty-bound to ensure that the

person knows exactly what his rights and responsibilities are of the plan, so institutional arrangements are put in place to ensure that the legislation is properly carried out.

There is also the Supervisor of Pensions. I do not share the concerns of the Honourable Member for St. Philip West that the supervisor of pensions would have any insurmountable task to perform. His office is more than adequately able to carry out those tasks. He will have to report on an annual basis to the Minister, who then has to lay a report in this Honourable Chamber so that all of Barbados can scrutinise exactly how things are going in the execution and implementation of this piece of legislation. So there is a 100 per cent accountability in every sense of the word enshrined and entrenched in this particular piece of legislation before Parliament.

This approach to putting institutional arrangements in place to carry out legislation and not merely passing legislation on paper and giving it no teeth is consistent with Government's performance in a number of other areas. For example, if one looks at the Bankruptcy and Insolvency Act, one would see that it creates a supervisor of insolvency to ensure that persons who find themselves insolvent, through no fault of their own, are given a chance to recoup and to get themselves back on their feet, rather than just simply to be folded up callously as was the case in law before.

We also have the Consumer Guarantees Act. There is the Office of Public Counsel to ensure that consumers rights are adequately protected. There is also an electronic-commerce officer in relation to the Electronic Transaction Act. Every single time we bring legislation here we have put institutional arrangements in place to ensure that the legislation is properly and effectively carried out.

Last week I heard the Honourable Member for St. Michael North West seeking to delve into an area in relation to small businesses. He said that this piece of legislation is too onerous for the small businessman to carry. He did not say if that is in fact the case, the small businessman can still remain having his pension arrangements sorted out under the current arrangements. He did not slip that one in. He gave the impression that this was compulsory and would cause the small business sector to fold. He did not tell us that it was an option. He did not say that.

I want to say very boldly that it is impossible for any government at any time to bring into being any policy or any piece of legislation that can be pleasing and satisfying to every single person from every single sector of the society in every single way, it can never ever happen. So it is very unfair to talk about the cost of this for the small business sector as if this piece of legislation can be extracted and separated from all of the other things the

Government has done for the small business sector over the last eight to nine years. These things range from equipping the Small Business Association Secretariat to providing an annual subvention to the small business sector which has been doubled in this current financial year from \$175 000 to \$350 000, to the enactment of a Small Business Development Act which confers a whole new fiscal and technical assistance regime for the small business sector.

These are things the Honourable Member for St. Michael North West did not mention last week when he sought to give the impression that this was going to spell doom and gloom for the small business sector. Mr. Speaker, it will not do that. At the same time, it is impossible for any government to pass any piece of legislation that will find favour, solve all of the problems and be as appealing to everybody in the same way at the same time.

The Right Honourable Prime Minister and the Honourable Member for St. Michael North West both touched in this debate on the issue of credit unions. Again one cannot ignore the fact that the Government, in trying to safeguard the rights of the small business sector, is hell-bent and determined that it is going to enact certain measures by way of reform to the current credit union legislation to ensure that the credit union sector is put on a more secure footing.

I make this point because recently there was quite a lot of talk on the issue of consultation with the credit unions. I want to say in no uncertain terms, and not in any way on the defensive, that the Government consulted with the credit union movement and sent out a letter to the Credit Union League for comments. One particular credit union, which the Honourable Member for St. Michael North West knows very well, rather than play by the rule of decency and operate according to the bounds of proper procedures and get back to Government with the comments, decided to go public and have a national discourse on a matter, when it was supposed to have consulted with its members and get back to Government. This demonstrated a monumental lack of good faith which is equal only to the likes of Cable and Wireless and the ZR men. However, I do not believe that the credit union movement would like to be mentioned in the same breath as either of them.

House 8 Sequence 16, 17 & 18

2.00 p.m.

Tuesday, October 21, 2003

Hon. R. St. C. TOPPIN: Mr. Speaker, I made that point to let it be known that apart from this legislation in any way seeking to go against the interest of the small

business sector as the Honourable Member has said last week, the Government is, in fact, shoring up all of the institutions in relation to the small business sector to ensure that it would not feel any pinch, and there is none coming from this piece of legislation. Therefore, I disagree with the Honourable Member for St. Michael North West on his approach to how the small business sector would be affected by this piece of legislation.

Mr. Speaker, as I said earlier, I do not expect that this would be the end of the continuum of Government in the area of pension reform. If there is one point I would wish to make is this, at present it is compulsory for an individual to insure with the State. What is before us today relates to voluntary pensions arrangements. If one enters into these arrangements, one still has to compulsorily insure with the State. Sir, I totally agree that there has to be a system of compulsory national insurance because if one does not insure now, not only would one be unable to protect himself during his retirement years but then the State would be required to carry the burden of looking after that person.

I have satisfactorily made my own private insurance arrangements and I am aware of several other persons who have also satisfactorily made their own insurance arrangements with private insurers to look after them in their retirement years. I, therefore, believe that it should not become compulsory that one now has to continue insuring with the State.

Mr. Speaker, what does a person get in return for insuring with the State? We know that there are benefits accrued in the future but the benefits that persons receive from the State are not bankable benefits. When persons insure privately, for example an ordinary life insurance policy can provide very well for one in his pension years.

Sir, one is compelled to insure with the State, which is not bankable and unless the intention is to boost that arrangement with the State, in my submission, it ought not to be made compulsory. I have always felt this from the beginning and am not saying anything different today. Sir, I have no difficulty if one is compelled to insure but I see no reason why one has to insure with the State.

Mr. Speaker, I wholeheartedly support the Bill which is before Parliament. It will represent a very serious far-reaching and important piece of legislation when it is passed. I believe that as time passes, Government would make further inroads into reforms.

Mr. Speaker, I am truly indebted to you for allowing me to say those few words.

Mr. R. L. SEALY: Mr. Speaker, I rise to make my contribution to the Occupational Pensions Plans Bill, 2003.

We have heard from all Honourable Members and it is important that the point be made, as indeed it was by the Honourable Prime Minister. Sir, the Bill has been fifteen years in gestation and if the Bill is ten years old, then one would understand that the epigenesis of the Bill should be located squarely within the Democratic Labour Party. That point was causing some difficulty for some Honourable Members to accept but I think it is worthy of reiteration. Sir, we are here supporting a piece of legislation which we had a large part in its conception.

I am, however, aware of the fact that we are talking about a legislative framework for private sector plans. Mr. Speaker, Government does not have to list every piece of legislation that it plans to support in any one manifesto, a manifesto is a document of aims, intentions and programmes.

Sir, we are on very familiar territory here. The Democratic Labour Party's record is unimpugned with regards to how it feels about people enjoying the quality of life in their post-retirement years.

Aside.

Mr. SPEAKER: Order, please.

Mr. R. L. SEALY: Sir, the most important piece of legislation that this Parliament has ever passed, arguably in the last half of the 20th Century, has been in relation to social security but one cannot ignore the importance of it. Sir, indeed, we are very much at home in supporting this legislation.

Sir, I want to say that the impediments that have been outlined by the Honourable Members on this side for the success of pension plans, that is, having the desired effect that we would like them to have, is relevant. As the Honourable Prime Minister has said, only 30 per cent, a very small portion, would be affected by this legislation.

Sir, when we hear utterances from the private sector about the administrative cost that could come on board from this, it might well serve as a deterrent for persons to establish pension plans. We need to take note of that.

I know that every business person's intention is to maximise profits but we cannot escape from that point.

Sir, while I enjoyed the treats of Honourable Member for St. Michael North, it is interesting to note when Members on that side are freed up from ministerial responsibilities, they seem to bring an intellectual purity to the debates.

The point is that one cannot get away from the fact that small businesses usually operate with very slim

overdrafts. Therefore, in a perpetual state of limited resources, they might need to have avenues and opportunities in order for them to be able to establish these pension plans. Mr. Speaker, accounting advice is not cheap, actuarial advice is also expensive and therefore, for small businesses to remain true to what is required under this legislation, is something that we need to be concerned about.

The Honourable Member for St. Michael East has taken his seat but has made a very lovely speech about the average person being impacted by this legislation but there is no doubt, and I will use some terminologies with which the Honourable Member is comfortable, the buyers of labour are the ones who have to drive forward this.

2.05 p.m.

Tuesday, October 21, 2003

Mr. R.L. SEALY: Sir, the employers are the ones who have to drive this forward and they must come on board and decided if they will establish these pension plans. I know that the trade union movement can push this and encourage it but we still need employers to be keen and willing to put these plans in place because it is not compulsory and we may as well accept that fact.

A lot of employers have not put pension plans in place all be it in the absence of legislation and the reason is the cost factor. The huge majority of Barbadians, 70 per cent are either self-employed or unregulated and while most of them would turn to other instruments to secure their future in their post-retirement years, the fact remains that it will come right back to the National Insurance Scheme.

Mr. Speaker, we need to be frank in that regard. The National Insurance Scheme must be above and beyond reproach like Caesar's wife. I became concerned when I heard the Honourable Member St. Michael North said that he did not believe you should be required to compulsory participate in state-owned pension arrangements and when the Honourable Member St. James Central made the point that Government should take its intrusive hand, out of the business of pensions. Sir, the Honourable Member is only a junior minister and presently on probation but we have to get concern when we hear suggestions such as these.

Mr. Speaker, I do not believe the Government would do anything crazy like what the Government of Chile did five years ago when they privatised their pension fund. I am all for the National Insurance pension fund but I am aware that this Government, three years ago, bragged about the performance of the Barbados National Bank which was held up as a model. They bragged about how a Government-owned entity could compete effectively

against private sector companies in this globalised world. Lo and behold, a few years later, Barbados National Bank assets had to be disposed of all of a sudden, so you can understand my natural reluctance to accept lock, stock and barrel all that is being said with regards to the National Insurance Scheme.

Sir, private sector pension plans are used by most people for topping up their revenue because they already have some kind of pension coming through the benefit from the National Insurance Scheme and we have to be clear about this.

The Honourable Member for St. Michael West was most articulate on the spending power of the average Barbadian. Having been told they need to make a larger contribution to the National Insurance Fund in order to ensure its viability in the long term, they are now being told that they have to contribute to a pension fund. Sir, this is a fundamental debate and we need to hear the various views expressed on the Bill.

Mr. Speaker, according to the Schedule of Emoluments for Government, a maid employed in Government in 1995 had an annual income of \$13 370.68. In 2002, the same maid also had an income of \$16 628.40. The difference between the two amounts is \$3,257.00 over a seven-year period which is only 4 per cent per annum. If we consider inflation, which is 3 per cent, how could the Honourable Members on the other side suggest that there have been enormous increases in income and that the average Barbadian has money at his disposal to put into private sector pensions plan.

This is not true, Sir, and I have not gone into the impact of VAT. The Honourable Member spoke about the assault that took place prior to 1995 but I want to talk about the assault that took place after January 1, 1997 with the introduction of VAT when \$400 million was taken from the taxpayers of this country and the impact that it had on the cost of living.

Asides.

Mr. R.L. SEALY: Mr. Speaker, I am making the point about the capacity for a maid to contribute to a private sector pension plan because the point was made that we were using faulty statistics. My submission is that the statistics were doing the Government a favour and had we use the correct statistics, the ability for a maid to contribute to a pension plan would be reduced.

Mr. Speaker, I want to return to the National Insurance Scheme because we need to be clear that is the background against which any private sector plan is implemented. We need to be very much on top of the state of the National Insurance Scheme. The requirement for an

actuarial review every three years to ensure the longevity of the scheme is accepted practice and that review provides an opportunity for the Government to make any adjustment it may need to make to the Fund.

We must also consider that the state of the National Insurance Fund is directly related to how the economy is performing. The reality is that in an economy like ours where the National Insurance Scheme is worth \$1 billion, the state of the economy will determine the level of contributions by virtue of the level of employment that exists in the country, the level of benefits paid out and investment opportunities for the fund.

There was a suggestion that the investment policy of the National Insurance Fund is something we need not consider too closely but we must realise that to ensure the long-term viability of the fund, we must not only consider the contributions but the investments that are made of the reserves. The return on those investments have a lot to do with ensuring that the fund is viable and is capable of paying out benefits. I can say openly that the investment policy of the National Insurance Fund needs to be looked at in glaring light, made public and it should be operationalised.

Asides.

Mr. R.L. SEALY: I heard Honourable Member suggesting that the investment policy is public but if that is so the Honourable Member for St. Philip South, who is part of the Cabinet, does not know what is going on with the National Insurance investment policy.

14.20 p.m.

Sequence 20

Tuesday, October 21, 2003

Continuation of: Mr. R.L. SEALY: The Honourable Member said on two occasions in this debate that the National Insurance Fund has not put one cent in the GEMS of Barbados. Sir, that is what he said.

Sir, I have before me a report of Hotel Resorts Limited Annual Report and Financial Statements for January 31, 1998.

Mr. SPEAKER: There is absolutely no need whatsoever for you to use that document that bears no relevance to prove or disprove what a member said. There is no need for that, please.

Mr. R.L. SEALY: Mr. Speaker, we all accept that the Occupation Pension Plans Bill is not being implemented in a vacuum. It is created against a backdrop

where we have a public sector pension fund. The Honourable Member for St. James North outlined, in some detail, exactly what was happening in Barbados to ensure the social security of future years. I am only saying, in support of what the Honourable Member for St. James North said, that the investment decisions of that fund are relevant. That is all I am saying. I am saying that putting \$10 million in GEMS of Barbados does not constitute a sound investment policy and that is a statement of fact.

Sir, I would be very curious to hear how the decision was made deciding to put \$10 million of the National Insurance Fund. Mr. Speaker, what is really worrying is not that the National Insurance put \$10 million in Hotel Resorts Limited but in that same report the Chairman said that Government had committed \$10 million to the programme and the funds were expended under the programme.

Mr. Speaker, no Government, not this Government or any future Government should regard the National Insurance Fund as some honey-pot that they can dip into and subvert ill-fated projects. I do not think that we would want that and that is all I am saying Mr. Speaker.

Asides.

Mr. SPEAKER: Order, please. I just want to make sure that there is some direction. Could you relate what you are saying now to the debate, please?

Asides.

Mr. R.L. SEALY: Mr. Speaker, social security cannot be divorced from what we are doing here. There is a compulsory pension fund through the National Insurance Scheme and we are now providing a voluntary pension fund and the two are related. Mr. Speaker, you may be entitled to a National Insurance pension but there is nothing to stop you from engaging in a private pension plan to top-up your retirement pension because you may not be satisfied with the level of income that the public sector pension plan provides. I think that we had a very worthwhile contribution from the Honourable Member for St. Michael West Central, who, of course, brings a level of professional expertise to that. I just thought that we should continue with that.

Mr. Speaker, there is an issue concerning the Supervisor of Pensions in the legislation. I think that the concern which we express on this side on the ability of the Supervisor of Pensions to adequately monitor these pension plans is also important. In the first instance this job would be doubled for The Supervisor of Insurance.

The Supervisor of Insurance is already complaining about the amount of work he has to do. In fact, there are

some insurance companies that are no longer required to make annual submissions to the Supervisor of Insurance but because of concerns about the viability of these funds and the ability to meet claims, they have to make quarterly submissions to the Supervisor of Insurance. If the resources are already limited, I would want to ensure that the provision of Section 77, Supervisor of Pensions, would take that into account and that office would have to be adequately resourced.

Sir, we have heard stories about the Maxwell affair and so on. Internationally, we have seen Enron and Worldcom and right here in Barbados we had Trade Confirmers. I can call the name of the company because it is a matter of public record and there was a Commission of Inquiry into that whole debacle.

We would like to have the office of the Supervisor of Pensions allocated adequate resources as it would be a dual role performed by the Supervisor of Insurance, and we would not want to have any sad stories of funds being frittered away.

Mr. Speaker, there is an area which I want to address with regard to the legislation. There was a suggestion made by the Right Honourable Prime Minister, when he moved the Bill, that there may be some possibilities for the international business sector. Sir, none of the other members spoke on it and, of course, the Minister of International Business is not here and we have not heard anything from him yet in this Parliament. I do not like speaking about people behind their backs but at the same time, if it is that there is some hope that Barbados can become a centre for pension industry, those were the terms that the Prime Minister used, I think that he needs to share that with us some more. I can tell you that the staff of the Barbados Investment and Development Corporation do not know anything about that and Barbados' international business sector can do with a shot in the arm.

Sir, if you look at the statistic that have been

presented in Barbados' Economic and Social Report, the Honourable Member for Christ Church East was once involved in this, you would note that the number of licences issued have significantly declined. In the overview they were quick to mention the action of OECD and September 11th and so on.

I also note that the Industrial Development Corporation (IDC) in their report also showed a decline. What is interesting, even though the statistics are from the same source, there are some differences here. Perhaps, that is just a typographical error. I would not want to accuse the Government of tampering with statistics but there is a slight difference between the two sets of statistics, even

though the source is the Ministry of Economic Development.

Sir, if there is any gain to be had from this legislation, in such a way in which we can add a new product to make our jurisdiction more attractive, I think that we should move ahead with that apace because if this particular sector is supposed to have potential for Barbados in the future, it needs a shot in the arm and, perhaps, if the Prime Minister is correct and it is with some hope and anticipation that this can happen, we would welcome it on this side.

Mr. Speaker, I would say that we do support the legislation but there is need for some changes. All the Honourable Members have spoken to that. We heard the Honourable Member for St. Michael North made the point that it is a first effort and it might have to be amended at a later date. This is very true but I would sincerely hope that Section 82 of this Act be modeled in that regard and that is the question of the submission of reports.

Sir, the Supervisor of Pensions is required to submit a report to the Minister and Cabinet to Parliament. I would hope that would be done in a timely fashion so that when we have to go back to the legislation we would not be going at it loosely. Sir, the Opposition and the Honourable Members of the Backbench would be able to look at it with all the up-to-date knowledge in place.

The only other thing that I would mention in this regard is that if we recognise that we will be going back to legislation and we may have to make adjustments in the not too distant future, we would want to do so from a position of credibility in the eyes of the public.

8/21: 14.30 p.m.

Tuesday, October 21, 2003

Mr. R.L. SEALY: This is just a personal point of view and observation. I am reflecting something I heard from my constituents.

Sir, we are in here debating a piece of legislation that determines people's destinies in terms of the quality of life that they may be able to afford after retirement. Indeed, as a class of Government worker, the feeling out there is that the very people who enjoy the most generous arrangements are legislators, ourselves. Sir, whether or not that is the case, is debatable.

I know about the vagaries of elective politics, you cannot determine exactly how long your career may be in here per se, theoretically, even though some of us may think differently. Sir, the point is, if the public perceives that legislators and the Prime Minister...There is a separate

legislative fiat that determines the retirement arrangements for both of those particular classes, within the context of Parliamentary reform which is on the cards, that is something that can be looked at.

Sir, I have not been in here that long I cannot speak on this, but Honourable Members that have been here longer than I, have suggested that maybe the remuneration is not what it should be, so perhaps there is room for some balancing where the pension arrangements are altered, along with your remuneration but, Mr. Speaker, that is something which has to be looked at closely. I would think that either within the context of the IADB study that is on the cards for public sector pensions, or certainly within the Parliamentary reform which is on the agenda, we could look at that.

Mr. Speaker, you and I and our 28 colleagues would certainly not want to be regarded as hypocritical in terms of determining when people should receive benefit and the level of the benefit, et cetera. The point should be reiterated. I said that the entire team from This Side who have been here, have spoken. We remain totally committed to the concept of not only public sector pension plans and the long term viability of the National Insurance Scheme, in a way that is not onerous on the average Barbadian, but we support the idea of Occupational Pension Plans...

Aside.

Mr. R.L. SEALY: The work that we had already left behind.

I want to encourage the Government. I realise that it has taken nine years for them to bring this particular piece of legislation but perhaps if they look through the files some more, they would find some other wonderful ideas that were left behind by our untimely departure in 1994.

Instead of trying to dig up dirt on people to throw at them, maybe they should spend some time bringing good ideas like this one. I am giving you credit. For a first effort, it is not bad. Pension legislation is not an easy matter, it is very complex. Sir, for my own part, I have the Honour and the privilege of being the final contribution for this team and I am saying that we want to make the point very clearly that in supporting this first effort in Occupation Pension Plans, all Barbadians must realise that subject to the various changes, we are very concerned about the quality of life that our seniors enjoy and all Barbadians can be assured that when they reach those golden years that they enjoy a high standard of living.

I am obliged to you, Sir.

Hon. G.A. CLARKE: Mr. Speaker, first of all I would like to say that the Opposition, even though they did

support this Bill, they all seem to be so confuse in what they are saying.

Some of them are of the view that the National Insurance Scheme is under threat. They are saying that the Government is interfering with the National Insurance Scheme. Mr. Speaker, that is far from the truth. This Government viewed the fact that the National Insurance Scheme is very independent and is sound.

Mr. Speaker, if one looks at our Prime Minister 's Financial Statement and Budgetary Proposals in October 2002, on page 82, the Minister of Finance made the point that the National Insurance Scheme is on the soundest footing it has achieved over the past 35 years of its existence. The NIS's assets exceed 1.5 billion and its reserve ratio is 5:1.

Mr. Speaker, I am saying to this House that the NIS is indeed a very sound fund and there is no need for the Opposition to spread panic around in this country. I would also want to say that the Opposition has been going around this country saying that they started this scheme, but the scheme was left on the desk of a Barbados Labour Party Member of Parliament.

The NIS started long before 1966. In fact, it started in 1961, so that Governments from 1955 were implementing social measures to uplift the masses of this country. The evidence will show that all Governments before 1966 had pension schemes in place for the elderly of this country.

I remember, Mr. Speaker, as a young boy going to collect my grandmother's pension, and the Democratic Labour Party was not in power then. I do not want it to be viewed that the Democratic Labour Party started pensions in this country, because this is what they seem to say. The other point is, the Opposition is also saying that the Barbados Labour Party interfered with the NIS in 1981, when a non-contributory pension was taken from the NIS to give to the poor people of this country. What would the then Opposition want us to do?

We are saying, Mr. Speaker, that even if at that time funds were taken from the NIS to help the non-contributory pensions in this country, it was a worthy cause at the time. I am saying furthermore, that had the Democratic Labour Party used the NIS in 1993 when the country faced economic turmoil, maybe we would not have been in a situation that we were in at that time.

Further, Mr. Speaker, the National Insurance Fund House is independent and are doing well. I do not know of any Government, since the introduction of the NIS that interfered with the NIS. It is managed by a committee. Sir,

on This Side, we believe that this was the best way of managing the Scheme.

House 8, sequence 22, 14:40:14

Tuesday, October 21, 2003

Hon. G. A. CLARKE: Sir, from time to time the National Insurance Board invests in large investments in this country, for example, the United Nations building, where the return on these investments is between six and ten per cent which is sound. The National Insurance Board not only invests in Barbados but in other Caribbean countries where investments are sound. That is the way to go.

The last Honourable Member who spoke on the Opposition side spoke about the Chilean model. This Chilean model envisages privatization of a scheme where individuals can take out and invest their own pension arrangements, but that has never worked. We believe that the present scheme which is being done is good.

Mr. Speaker, I heard Honourable Members saying that this occupational pension plan started 15 years ago, but it is the Prime Minister's budgetary presentation last year that introduced the modern arrangement for this occupational pension plan which is before us today. It took us less than a year, after all the reviews, to bring this legislation to fruition.

Mr. Speaker, this legislation is important because individuals today can now move their pension from one occupation to another. That is portability. It also informs the country that more employers today can start pension arrangements for their employees which is important.

Mr. Speaker, the security of pension funds is the most fundamental investment any person would want to have in their old age. I have seen a number of senior citizens who cannot pay for their medication, their homes, or transportation and the Government has to step in to assist. I have seen a number of individuals who work in their heyday when they were fit who by the time they become pensioners cannot provide adequately for themselves and can hardly buy food.

The pension that is provided by the State cannot sustain individuals in the present economic environment. We believe that when individuals are working and have funds they should invest in a pension arrangement that will help to sustain them when they become senior citizens. This Government is making it quite clear to all and sundry that we are encouraging individuals with excess liquidity to put it into a fund. We are making it in such a way that it will be secured.

The administration of this fund is important. Therefore, the Supervisor of Pension will supervise the pension, even though the Honourable Member for St. Michael South Central does not believe that the Supervisor of Pension would have any clout or enough work to do. That is what he said. This supervisor will be given enough power to ensure that the arrangements which are put in place by companies for their employees are secured, which is important. We know of many cases especially in North America where employers take funds from their employees, especially pension funds, and run away with them and in the process many seniors are left holding the bag. So the administration work is essential.

Mr. Speaker, the Opposition said that people need to be placed in a situation where they can get more funds in their hand. That is not the case in Barbados today. People have a lot of money in the banking system. The evidence as have been pointed out by the Opposition is not true at all. The Honourable Member for St. Philip South went through from 1995 to 2002 to point out to the Honourable Members of this House that people are now saving more than they did before.

Mr. Speaker, there must be a situation where immigrants working in Barbados should be able to move their pension from island to island. I understand this is part of the new arrangement of the Caribbean Single Market and Economy where migrant workers pension can be stored after ten years. The same thing exists in Toronto, Canada with the Barbadian workers who are on the farm labour programme. This Bill envisaged that migrant workers would be able to move their pensions from Barbados back to their homeland and vice versa once the arrangement, the CARICOM Reciprocal Social Security Agreement, is put in place. This would help the situation the Honourable Member for St. Philip West was speaking about.

Mr. Speaker, I believe that this pension arrangement would not only create an investment climate in Barbados for the years to come but would be helpful to all Barbadians as they go about their normal lives. I believe that pensioners will see the benefit of this Bill for years and years to come. In those years they would be able to say to themselves that they are happy that the Barbados Labour Party Government had put this arrangement into operation.

I thank you.

Rt. Hon. O. S. ARTHUR: Mr. Speaker, I rise to conclude this important debate. In this brief winding up I want to thank all Honourable Members on my side who spoke with great clarity to explain the purposes of this important piece of legislation and brought something important to Parliament in terms of perspective and an understanding of what is being sought.

The matter before the House is such an important piece of legislation that we as a Government refrained from rushing it through the last Parliament. I began by stating that this was a matter that was before the last Parliament, but given the long gestation period that has gone into having this Bill before us, because it was being planned from 1988, and given the richness of the contribution outside of the House in all sections of the society, the private sector, the labour movement and the institution of civil society, to help us to develop a model piece of legislation to break ground in a matter on which ground had urgently to be broken, I thought that this House proceedings would have been enriched by a debate from the other side that was worthy of the legislation and that was worthy of Parliament.

This legislation to make proper arrangements for the administration, the management and the security of occupational pensions is major new legislation. I believe that it compares in significance to the original provisions to create a national securities scheme through which the State put in place arrangements to guarantee pensions.

House 8 Sequence 23

2.50 p.m.

Tuesday, October 21, 2003

Rt. Hon. O. S. ARTHUR: Mr. Speaker, the Occupational Pension Bill, 2003, now stands as a complement to those major additions of those streams of legislations that a member of an ageing society like Barbados could expect in those retirement years. Sir, in my judgment in its historic dimension, this legislation is comparable to the original legislation to create a social security system. I think it would have that kind of similar beneficial impact on the Barbadian society.

In many respects, Mr. Speaker, the opportunity to have an historic debate, joining both teams to the task at hand was missed. If this Opposition has proven one thing in this debate, it is that it has refuted the logic of the law of large numbers. There was the view when the Opposition was small that sympathy was to be extended to them and that certain inadequacies in that Opposition was then explained by the composition of numbers, but as the statistician say, as a population expands, there ought to be gravitation of the outcome towards the average, and there should be fewer aberrations as these numbers increase. Mr. Speaker, what we saw from this Opposition has directly refuted the concept that as a political population is expanded, there would be any gravitation towards some measure of central tendency such as an average ability.

Aside.

Rt. Hon. O. S. ARTHUR: Sir, all those speeches were substandard apart from the spasmodic moments in the presentation of the Honourable Member for St. Michael North West, who I thought was generally sound. Sir, I gave him some credit for his soundness.

I think the Opposition was caught in a trap. I believe they wanted to support the legislation because of its benefits to society but wanted to mislead at the same time. I believe they were caught in that dangerous twilight zone. We heard a lot of absurd nonsense in this Debate from people who should have known better.

Mr. Speaker, there are a number of people in this society who are wondering why the Opposition is not speaking but given what has happened in this debate, the Opposition should have continued to allow people to wonder why they are not speaking, rather than why they continue to speak at all. It was really poor.

Aside.

Rt. Hon. O. S. ARTHUR: Sir, the Honourable Member for St. Philip West is getting restless, even in anticipation.

Aside.

Rt. Hon. O. S. ARTHUR: Sir, there were a number of issues raised, to which I must advert because they reflect a fundamental misunderstanding as to what is intended of a pension fund. A pension scheme is not like other financial arrangements nor is it like an endowment fund that is intended to confer lump sums. It is intended to be so structured as to be able to guarantee the person contributing to it, the certainty of a periodic monthly payment between the period of retirement - and there has to be a stated retirement age - and death. Therefore, the basis of receiving one's pension in a lump sum could only be issued from someone who does not understand what a pension is, although there might be some who, if the electorate so honours them, might become entitled to a pension at some time in the future, although I do not hold much promise to that, given the performance today but that is what a pension is, and given a lot of the arguments whether it should be locked in, or whether people should get a lump sum, it just reflects a basic ignorance. These things have to be determined by actuaries.

Sir, there have been assumption of life expectancy, both in income. One does not set up a pension scheme and include whimsical, non scientific methods of distributing benefits into it, as if the pension scheme is not, at the end of the day, intended to guarantee the persons in their twilight years a security of income that would give them a sustainable livelihood. Therefore, a pension scheme has to have all of those pieces built into it, if there is the guarantee

of those periodic monthly payments that are in the nature of pensions.

Mr. Speaker, people put money into savings accounts or other accounts and get a fixed amount at a fixed time but pension schemes must be so structured to guarantee those monthly payments over a period of time. As people grow older and as we retain a low retirement age of 55, I think we would be well-advised not to fool around with things such as providing for people's future.

Sir, the Honourable Member for St. Michael North West, has raised issues pertaining to inflation, et cetera, but one cannot build mandatory indexation into a pension scheme to provide against inflation. At the end of the day while Clause 5 of the Bill permits an employer to protect against inflation, in deciding whether or not to grant inflation protection, the only issue to be considered is whether or not the fund is able to provide that protection. Sir, one could put contributors in great peril if we make presumptions to mandatory inflation. These things have to be accurately determined.

Sir, questions were raised by the Leader of the Opposition concerning the capacity of the Supervisor of Insurance Office to supervise. I think that was unnecessary carping. The Supervisor of Insurance Office is being expanded to take on this particular function.

I also made the point earlier that we are thinking in terms of having one Financial Services Commission, and properly equipped to supervise non-bank financial institutions. It is a question of our willingness to provide the requisite institutional personnel and other resources to get the job done.

Sir, there are no deficiencies in the existing Supervisor of Insurance's Office and there should be no rumour nor scare tactics being spread that the Government is creating a new set of legal arrangements to cover the operation of pensions and that we do not have appropriate institutional arrangements in-house to be able to manage them properly.

Mr. Speaker, the Leader of the Opposition has also raised issues pertaining to the way in which this is going to increase the cost of doing business in Barbados and the fact that employers would now have to make contributions of employees funds, would, on the face of it, increase the cost of doing business.

Sir, I have always made the comment that too many of us want to go to heaven but nobody wants to die. They want to have benefits for the working population and expect those benefits could come without there being a cost to it. Yes, there must be a cost but we must measure the cost against the tremendous benefits of having pension

plans in place for employees, increasing morale and goodwill among employees and uplifting productivity but generally speaking, putting the society in a position where we could supplement what is available through the social security system and better provide for the citizens of this country.

Sir, the essential point that should have been taken by the Honourable Member for St. Michael North West is that the employees' contributions to a pension fund are tax deductible.

3.00 p.m.

Tuesday, October 21, 2003

Rt. Hon. O.S. ARTHUR: On sober reflection, the Honourable Member for St. Michael North West will regret that he made the statement. He also adverted to the fact that there was no specific provision in the Act for small businesses. There is provision in this Act for multi-employer pension plans. This is a plan that is established and maintained for employees of two or more employers who can contribute on behalf of the employees to a common pension plan.

The Honourable Member for St. Michael North West raised the issue of gas station workers. There can be an agreement between difference gas station to establish a plan for their employees but each employer does not have to have his own pension plan. This Act makes provision for multi-employer pension plans that we hope would be the vehicle by which the issue of small businesses each having their own is to be addressed. We agree that it would be difficult for every small business to have their own pension plan but if they are part of a group they could take advantage of the facility in this Act.

Mr. Speaker, I have already mentioned that everybody wants pension schemes just to hand out lump-sum payments but a pension scheme is not to be judged by how much lump-sum payments it hands out but by its ability over a sustained period to meet the expectation for that periodic steady index payment every month. It is not intended to be a Government fund but a pension scheme and not a bank account. The call for us to make more general provisions for lump-sum payments is to treat this by reference to a logic that is not intended. The Honourable Member for St. Michael North West also spoke in terms of how setting a threshold of one thousand hours of employment may disadvantage some employees.

Sir, we get into these niggling things in politics but under the Severance Payment Act there has to be a qualification period and if we chose a thousand hours then someone may ask why not seven hundred and fifty or five hundred hours but, at the end of the day, you have to chose

a threshold. This has been actuarially determined and I cannot get into the nitpicking as to why it is one thousand hours rather than something else particularly since the Opposition is not in a position to say what it should be. I think one thousand hours is realistic, that it allows more people to be drawn into the net of eligibility for pension and that it is sensible to stick with that threshold.

The issue of the separation of the management of pension plans was raised and it is an important point because there are many instances in the rest of the world where pension funds collapse and we also had an instance in Barbados. Sir, I am not being invidious when I refer to the Barbados Foundry. There was a case in point where there was not sufficient arrangement for segregation of pension funds from ordinary resources of the company and with the collapse of the company, the pension funds went. Let us not forget that recently, in a well-regulated society such as England, Robert Maxwell thought that the employees' pension funds were his and with the collapse of his empire, people's pension fund also evaporate.

There is every good reason for us to treat seriously to the fact that there should be a separation of pension funds from the ordinary resources of companies. This is something that we want to particularly set out in the regulations. Surely, Mr. Speaker, we would not be disinclined to amend Section 8(1a) to give full effect to it.

The Honourable Member for St. Lucy ordinarily tends to distinguish himself from other members of the Democratic Labour Party by the brilliance of distinction on financial matters. He brings a uniqueness to his dealing with financial matters and when he speaks I take him very seriously. He said he was not in agreement with lock-in benefits but he does not understand what lock-in benefits are. I blame myself for this because I had the opportunity in the last election to give him a graphic illustration as to what are lock-in pension benefits.

Sir, it is a benefit to which you are entitled but you are not paid the benefit until you reach a certain age. If he had lost the St. Lucy seat, he would have found that his pension was locked-in and he could not come to this House to test its patience by saying that he does not understand why pensions are locked-in.

Sir, the locking-in of pensions are standards. All of us in this House are entitled to a pension but if for some reason you have to leave the House before the age of retirement, you will not get that pension until you reach the age of retirement, that is what the precept of locking-in is about.

The Honourable Member for St. Lucy who could have benefitted from a lock-in pension were my concept of brotherly love not diluted by certain affinities, and now

comes to this House to profess that he does not know what it is about.

Sir, the Honourable Member for St. Lucy has a unique ability in the Democratic Labour Party to separate himself from the others by giving vent to certain opinions that are based upon commonsense. There was neither scientific analysis nor commonsense in his view and I thought he should have withdrawn the view. His lambasting of the administrator of funds by saying that they do not know what they are doing is not fair because pension funds in Barbados are presently administered by insurance companies and it is not fair to say that there is a record of incompetence on the part of administrators in this country as to warrant an Opposition feeling that we should not have pension funds because administrators of them are going to be delinquent.

Sir, I know what is the problem of the Honourable Member for St. Lucy. He is taking guidance from those who cannot lead him on financial issues. This period of being wayward on financial matters will persist until such time that he has satisfied the honeymoon period of allegiance with the new leader but he will break free from those constraints and speak in due course with great clarity.

Mr. Speaker, I thought it was unfair to the House to allow the Honourable Member for St. Michael South Central to speak after lunch when there is a natural tendency for slumber based on consumption. His speeches tend to induce slumber and could be packaged as a sedative. It was just monotonic nonsense.

Mr. Speaker, there is no intention on the part of this Government of Barbados to privatise the National Insurance Scheme. I say that categorically for the record. He made the snide remark that nothing was heard about Barbados National Bank and I am not sure that in the United States of America there is any intention to have the ordinary man be responsible for the investment of pension arrangements in Stock Exchanges. Sir, the experience of the United States Stock Exchange should be a sobering experience for all, that Stock Exchanges can create an illusion of paper wealth that can vanish with the same rapidity as the ease with which it was created. The notion of having people involved in a gamble and playing roulette with their pension is not something that we are contemplating at all.

15.10 p.m.

Sequence 25

Tuesday, October 21, 2003

Continuation of: Rt. Hon. O.S. ARTHUR: Sir, may I say that we want to widen the opportunities for investment

for our social security system. The Government started to do that by allowing the National Insurance to get involved in a number of bankable projects that would ordinarily be carried out by the state and give them a reasonable rate of return. The United Nations building is one such project that was built by the use of the social security funds but it has not been done as an indulgence. It has been guaranteed that there would be a 10 per cent rate of return on the capital employed, so that the people's pensions have been put to work to build capacity in Barbados but the returns on that investment are guaranteed.

We are not going to indulge in taking people's pensions and put them at the risk of the stock exchange because I do not think it is wise to do so on a wholesale basis. I want to lay that remark to rest in case some people have taken what the Honourable Member for St. Michael South Central said seriously. There is no intention on the part of this Government to privatise our National Insurance Scheme.

Sir, I thought that the Honourable Member for St. Philip West was in a class by himself. I genuinely enjoy my private conversations with the Honourable Member for St. Philip West when he is speaking within his discipline. He is sound and respected, he recognises that there is something called a scientific process and he relates current analysis to future projection. Sir, the Honourable Member reflects a man who has internalised the benefits of an education in his own discipline, paid for at the public's expense.

Sir, the great tragedy is when he ventures outside of his discipline, the entire scientific process to which he has been exposed, through his training as a medical practitioner, vanishes. He gives way to a loose indiscipline of thought that would cause one to suggest that when he is within his discipline he is sound but when he outside of this discipline he can be sued for malpractice.

Asides.

Rt. Hon. O.S. ARTHUR: Sir, I am sure that you would agree that if someone brought a patient to the Honourable Member for St. Philip West in the year 2003, he would take stock of the person's circumstances in the year 2003, do an analysis of it and prescribe medication based upon the situation that exists in 2003. Sir, as a doctor we would commend him for it but I think that we all would agree that he would be guilty of malpractice as a doctor, if we bring a case to him in 2003, he ignores the situation in 2003 and inquires into some situation that might have existed in the man's background in 1995, ignores the present situation and comes to a solution based not on what is before him but on a situation which is immaterial to the matter at hand. Sir, any doctor who does that, I think, would be justifiably charged with malpractice.

Asides.

Rt. Hon. O.S. ARTHUR: Sir, today we were treated to a number of bad practices from which all Honourable Members should desist. When Honourable Members are going to reference documents to the Honourable House they should make them documents of the House so that one could by visual inspection inquire into their validity and establish their truth. Reference was made to a document that suggested that the level of Barbadians incomes were so low in 1995 that they could not support the contemplation of savings in this country in pension funds. Where is the evidence of this?

Sir, the Honourable Member did not produce the evidence about the 1995 survey but at least we know that there is evidence about Barbados' capacity to save that refutes the nonsense that was issued from Honourable Member for St. Philip West, that Barbadians are so poor that we cannot save. This is an unreasonable attempt to try to dangle this country. What are the facts? Have Barbadians been saving since 1995 when the Honourable Member for St. Philip West said that we were so poor that we could not save?

Sir, I am only using one index of savings which says that savings held by Barbadians in saving accounts with commercial banks have increased from \$1.3 billion in 1995, to \$2.3 billion in 2002. This is a society that has saved an additional billion dollars in less than eight years but the argument being advanced on the basis of evidence, not advanced to this Honourable House by way of the presentation of a document of the House, is that incomes in this country are so 'poor-rakey', that we cannot ask Barbadians to save now because they are still too poor.

Sir, it is important to note the amount of money that has been placed in trust companies and so on. There has been a significant increase in savings in trust companies by Barbadians as well. Barbadians have started to hold savings in registered retirement saving plans and in employer/employee saving arrangements. There has been a tremendous growth in savings in this country in the credit union movement to the point where it has grown to a \$600 million part of the financial sector.

In fact, ten years ago the credit unions had less than half of what they hold today. The core of the argument that was based upon some survey which was done in 1995, that our incomes were too low to support investment, cannot stand the scrutiny. If the Honourable Member is going to come here, at least he should bring to this debate the same discipline that he would apply in his discipline. Sir, the Honourable Member should bring current analysis, rooted in facts and should find out what is the ailment and prescribe an appropriate argument.

Mr. Speaker, every week the Honourable Member for St. Philip West seems to want to come to this Honourable House to tear down this country. I would like to tell him that we have not done badly. We know of a time in this country under the Democratic Labour Party, as recently as 1991, when the Government had \$2.2 million in foreign exchange reserves and the country's net foreign exchange was \$43 million and now at July, 2003 the foreign exchange reserves are \$2 billion.

Asides.

Rt. Hon. O.S. ARTHUR: Sir, there was a former Honourable Member for one of the constituencies in St. Philip who we used to call 'Rambo' but I feel that we have to give this Honourable Member a new name. He is not a 'Rambo', he is not even a 'Terminator', he is more like 'Bobo', the clown.

Asides.

Rt. Hon. O.S. ARTHUR: Sir, there is that kind of jovial backwardness in his foolishness. I read more into it than it being proven that he is a clown. I feel that there is some seriousness in it. He wants to upstage in this Honourable House but this House is going to be distinguished by one feature, that the Opposition retutes the law of large numbers which says that as you expand a political population, there is no gravitation towards some measure of central tendency such as average ability.

8/26: 15.20 p.m.

Tuesday, October 21, 2003

Rt. Hon. O.S. ARTHUR: Sir, all are below par and there is a squabbling below par to reach the top. He hopes to submerge to the top in the Democratic Labour Party by showing up his leader. You will find that there is going to be a grab for the headlines by the Honourable Member for St. Philip West to try to show up his leader, as a basis for establishing his credential to rise to that position, that no one has securely held in the Democratic Labour Party since Errol Barrow, the hot seat called Democratic Labour Party leadership.

The public has to get accustomed to these extravagant statements which the Honourable Member for St. Philip West knows are unworthy of his trained mind. I would urge the House that whenever he speaks, to treat his speeches as that of an Honourable Member, but discount them by a political factor that takes into account, the motivation, proper too in my view, to sparkle with the rank and file of the Democratic Labour Party as:

"Oh the new Messiah has come.

The wise man from the east has emerged.”

Sir, what we did hear from him surely was not that of a wise man from the east. It was just a pack of folly. In my judgment, Mr. Speaker, and I am not forgetting the representations made by the other Honourable Members of the Democratic Labour Party, but it was easily the worst speech I have heard in this House, since I have been here now for almost 20 years.

I do feel that given the disconnection between the conclusion and the evidence that it could easily be the worst speech given on any financial institution in this House in the entire 300 and odd years of this Parliament.

Asides.

Rt. Hon. O.S. ARTHUR: Sir, it was marvelously ignorant, but we must forgive him. Mr. Speaker, now that he has given the House the full benefit of his inexperience in financial matters, I trust that he would do that which is known in his profession, that is, when you are a general practitioner and you have something that is too high for you, you refer it to a specialist.

It would help if in the future, Sir, if he acknowledges his inexpertise in financial matters and, I know it will be difficult, the Honourable Member for St. Philip West should consult with the Honourable Member for St. Michael North West, at least he can profess to have a modicum of training in these matters, and will be able to give him some good guidance as to how he can conduct yourself in this House.

Mr. Speaker, I think I have answered most of the issues that the Opposition has raised. There is an amendment we are going to make to the Act when that time comes.

Mr. Speaker, the schedule to the Act purports to remove the existing cap on the amount that both employers and employees can now deduct when they make contributions to pension funds. There is no policy on the part of the Government to remove those caps, so in due course, an amendment to the schedule, establishing the existing status quo that sets certain limits on the amount that persons and employers can claim for making contribution to pension funds, that status quo will be reinstated.

Mr. Speaker, I think I have covered all of the essential issues but let me be specific. Sir, at present, the Income Tax Act section 24(A) provides for a deduction for contributions to registered pension plans by employees of 15 per cent of emoluments or \$4 000 whichever is the lesser. The total amount contributed by employer and

employees cannot exceed 15 per cent of the pensionable emoluments.

The proposed amendment to section 24 in the schedule to this Bill, removes the cap for employers contributing and removes the dollar cap from employees' contribution but link them to 112 of emoluments. Sir, there is no policy intended to proceed in that direction at this stage. We will maintain the status quo, so the schedule will be amended to remove these provisions and to allow the status quo to remain.

Sir, I think I have covered all the issues. There is nothing that has been said in this debate that suggests that the House does not want us to have Occupational Pension Plans legislation.

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

Hon. R.D. MARSHALL: I beg to second that, Sir.

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

On the motion of Rt. Hon. O.S. ARTHUR, seconded by Hon. Miss B.A. MILLER, the House went into Committee on the Bill, Hon. R.D. MARSHALL in the Chair.

COMMITTEE

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

Clauses 1 and 2 were called and passed.

Part I clause 3 were called and passed.

Part II clauses 4 to 14 were called and passed.

Part III clauses 15 to 19 were called and passed.

Part IV clauses 20 to 24 were called and passed.

Part V clauses 25 to 27 were called and passed.

Part IV clauses 28 to 31 were called and passed.

Part VII clauses 32 to 46 were called and passed.

Part VIII clauses 47 to 54 were called and passed.

Part VIV clauses 55 to 58 were called and passed.

Part X clauses 59 to 68 were called and passed.

Part XI clauses 69 to 71 were called and passed.

House 8, sequence 27, 15:30:14

Tuesday, October 21, 2003

Part XII clauses 72 to 73, inclusive were called and passed.

Part XIII clauses 74 to 75, inclusive were called and passed.

Part XIV clause 76 was called and passed.

Part XV clauses 77 to 82 inclusive, were called and passed.

Part XVI clauses 83 to 87 inclusive, were called and passed.

Part XVII clauses 88 to 97 inclusive, were called and passed.

The Schedule was called.

Rt. Hon. O. S. ARTHUR: Mr. Speaker, I beg that the Schedule be amended to delete the words, "Section 24A" appearing in the column headed "Section" and all the words appearing opposite thereto in the column headed "Amendment".

Mr. CHAIRMAN: The question that the proposed words to be left out was put and resolved in the affirmative without division.

The Schedule as amended was passed.

On the motion of Rt. Hon. O. S. ARTHUR, seconded by Hon. Miss B. A. MILLER, Mr. CHAIRMAN reported to His Honour, the SPEAKER the passing of one Bill in Committee with amendment and Mr. SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Rt. Hon. O. S. ARTHUR, seconded by Hon. Miss B. A. MILLER, the Bill as amended was read a third time and passed and cited as the Occupational Pension Benefits Act, 2003.

ORDER NO. 4 – RESOLUTION TO APPROVE THE RESCISSION OF A RESOLUTION NO. 71998 WHICH APPROVED THE SALE OF LAND SITUATE IN VILLA NOVA IN THE PARISH OF SAINT JOHN IN THIS ISLAND TO HORIZON RESORTS LIMITED AND TO APPROVE THE SALE OF THE SAID PARCEL OF LAND SITUATE AT VILLA NOVA IN THE PARISH OF SAINT JOHN IN THIS ISLAND TO HORIZON RESORTS (BARBADOS) LIMITED

Hon. Miss H. E. THOMPSON: Mr. Deputy Speaker, the Resolution before the Honourable House seeks approval for the sale of approximately 1 400 square feet of land on which stands a disused public bath to Horizon Resorts (Barbados) Limited, the owners of the Villa Nova Hotel which recently received an award for the best boutique hotel in the Caribbean region.

In 1988, as a result of a policy decision taken in 1987, all of the disused public baths across the island were advertised for sale by way of public tender. A number of persons sought to purchase them and apply them to various uses. Some chose to dispose of them, others chose to use them in more culturally relevant activity but people sought somehow to apply them to good and profitable use. Each case where there has been a sale, the Commissioner of Land Tax, as is the requirement for the sale of Government property, is required to give a valuation of the property so that it can be tested against the value of the offer for sale.

In 1988, the Villa Nova Hotel was purchased from a Mr. and Mrs. Ernest Hunte by one Andrew Belle - not the one from the Pine - who sought to purchase the disused public bath for approximately \$3 600. He tendered, because it went out to tender, the highest which was \$3 600. Subsequently, Villa Nova Hotel before the transaction could be finalised went through several changes of ownership. The last valuation of the property was made by the Commissioner of Land Tax in 1996. The last offer by the then more recent owners of Villa Nova to purchase the property was for \$7 000. The Commissioner of Land Tax said that the property was worth \$4 000 and Villa Nova offered \$7 000, so this is a profitable sale for the Government.

Asides.

Hon. Miss H. E. THOMPSON: I should say for the taxpayers because it would inure to the benefit of the taxpayers more so than to the Government.

Essentially, what we are seeking to do is to have the House approve the sale to the current owners as opposed to the persons who had made the initial offer. As I as indicated, it is a disused public bath that sits on approximately 1 400 square feet of land which the Villa

Nova Hotel will seek to annex to their property, but I do not know how exactly they are proposing to use it.

This Chamber is aware that the Villa Nova Hotel has become one of Barbados' success story. It is our first serious attempt at an inland hotel and they have done extremely well. In recent weeks I was there and the new general manager who is a Barbadian made the point that they are now fully booked into the winter season, that they have many requests for engagements and social events and they are looking forward to a really good winter season.

Those who have been to Villa Nova Hotel will know that it is a top-quality hotel. While there are complaints about the quality of service in the hotel service industry, at Villa Nova the service is excellent, the food is good and the appeal and the ambience is good. The aesthetics of the property lends to relaxation and there is a pastoral setting that allows you to get away from it all.

House 8 Sequence 28

3.20 p.m.

Tuesday, October 21, 2003

Hon. Miss H. E. THOMPSON: The rooms, I would admit, are truly beautiful but expensive but persons who are willing to pay can afford to pay.

Mr. Speaker, the refurbishment at the Villa Nova Hotel has been sensitive, beautiful and very aesthetically appealing. For those persons who love antique furnishing, they have done an excellent job in the individual rooms. There are also scented candles and soothing music being played in the rooms at nights, lending itself to a really wonderful and romantic setting there. The dining area is a bit more modern but certainly in the overall restoration of the building and in the outfitting of the rooms, management has done very well in keeping the period furniture and appeal, even down to one of the original marble bathtubs.

Sir, one of the appeals of being away from the hustle and bustle of Bridgetown is that the country setting allows one to feel as though one is outside of Barbados and away from the hustle and bustle of everyday activity.

Sir, the reality is that when one travels to other destinations in the region and is able to compare Barbadian hotels, as well as the quality of restaurants, one would note that Barbados can compare favourably with the standards in both the region and elsewhere. Sir, I have visited hotels both inside and outside of the region that cannot compare to such standards as that of hotels here in Barbados.

Sir, there are many of us looking to go outside of Barbados for vacation but I would want to say that one

could have wonderful holidays in Barbados and could utilise the best of what we have here. Therefore, we have to congratulate the Villa Nova Hotel for taking the courage to establish an inland hotel, for maintaining and defining a product in a particular way, for developing it, and for reaching the niche market that they have sought to carve out. They must, however, feel duly proud of the award they have received in recognition of the development of that hotel.

Sir, this Resolution also speaks to what the Government is putting in place at the level of housing and environment, to help enhance our tourism product in Barbados. Sir, when I held the Town and Country Planning portfolio, there was the sale of a piece of land which is in close proximity to Villa Nova Hotel, which they wanted to use for the further development of their grounds, that is, for the establishment of tennis courts and other related facilities. They felt that having a hotel of this quality, they wanted to be able to have as many as possible of the related facilities on the property or as close as possible, without having to go to Bridgetown or some other place to acquire or to enjoy these recreational and sport facilities.

Therefore, I was happy to have given the approval for the change over of lands from agriculture to facilitate the further development of the Villa Nova Hotel. In fact, I think Government, in helping the Villa Nova Hotel to develop, has also been rewarded by virtue of the award they have won and the international recognition they have received.

Sir, Villa Nova Hotel is now the ground-breaker in what would become a number of inland tourism-related facilities all over Barbados. At Apes Hill, St. James, we are going to see a similar development, with a golf resort, residential properties and other related products.

Sir, there was, and in some instances continue to be, the perception that in the Caribbean it is only sun and sand which sell and if a hotel is not located on the beach, it cannot do well. In fact, there is that individual who is looking for a more environmentally-friendly experience. There are tourists who are looking for the rural experience, there are those tourists who want to get as close as possible to nature and so there is that tremendous hope for diversifying our tourism product beyond the beach-oriented hotel facilities.

Equally at Lancaster, St. Thomas, a major polo resort would go in there. Sir, polo is one of the sports that is now attracting a large number of people and has the capacity to employ a large number of persons. When people come to Barbados to play polo, I understand that every player uses between four and six horses during a particular match, all of which have to be stabled and looked after. Therefore, there is hope for the expansion of our tourism product

inland, whether it is going to be anchored on sports, recreational facilities or like the Villa Nova Hotel, produce a high quality product for the discerning tourist.

Mr. Speaker, apart from assisting the Town and Country Planning Department in the acquisition of land, and for giving support at the level of housing, equally in the Ministry of Housing, Lands and the Environment, we have worked to ensure that there is further diversification of the tourism product. For instant, we hope that cognizant with our thrust to develop a brand of tourism product that is green, that seeks to target the environmentally-aware tourist and the person who is looking for a green experience during his holiday, we would be developing the island's gullies in a sustainable way.

Sir, the Ministry of Housing, Lands and the Environment has a project which is seeking to examine all of the island's gullies, their locations, their flora, their fauna, the kinds of ecological systems that exist, so that we could best determine the kinds of usage to which these gullies would be put as part of our tourism product, and for the development of recreational activities for the locals.

Sir, far too many of our gullies are now used for illegal dumping, from dead animals to old metals. We believe these gullies could become a stream of revenue generation for people who would be tour guides, for persons who have traditional knowledge of a particular district by they being long-livers in those areas, that people could use products from the gullies, and also could use these gullies in a way which not only diversifies the tourism experience but would allow for us to relax.

3.50 p.m.

Tuesday, October 21, 2003

Hon. H.E. THOMPSON: We live in Barbados where we are in traffic and rushing all the time. We hear about stress-related and stress-induced illnesses and we have to find ways of getting back to nature, getting away from the stress and difficulties of every day life. We must learn to appreciate the beauty of Barbados and the simple things in life that we now ignore.

How many of us know there is a non-poisonous snake indigenous to Barbados? When was the last time that any of us spend Sunday mornings walking through a gully observing birds not seen in urban Barbados or looking for varieties of plants that do not grow in the garden? Sir, this is something we need to explore.

For years the Barbados National Trust has organised a number of hikes which have become popular over time as people realise the benefit and the new knowledge of the gullies that can be derived from taking these hikes.

Mr. Speaker, we want to expand that niche of our tourism which speaks to the green experience because people worldwide have become more aware because there has been a thrust and call for countries to provide tourists with green experiences and more natural tourism products. People are coming with a level of consciousness that is higher than before.

Equally, the ministry is working through the National Conservation Commission with the Barbados Hotel Tourism Association for the development of the Blue Flag Project. The Blue Flag certification is recognised internationally. It awards and recognises high quality marine environment and good quality beaches. Tourists from Europe are particularly sensible to the Blue Flag standard because when they see a blue flag on the beach, they know that it is safe, that the water is not polluted and that there are basic amenities available to those who use the beach.

Therefore, NCC is working closely with the BHTA to ensure that as many of our beaches as possible are able to get the internationally recognised Blue Flag certification. It is gratifying to know that of the hotels registered and recognised as Green Globe certified, another international designation which speaks to quality for environmental standards, 50 per cent of those hotels are in the Caribbean and a quarter of them are in Barbados.

Sir, it is to our credit that our hoteliers are recognising the benefits of these environmental international designations because so many of the standards being applied internationally whether trade related or WTO, they relate to tourism standards and are environmentally based. Sir, it is imperative that persons working in various sectors, tourism, commercial, business, production, manufacturing and agriculture understand the international requirements for meeting certain basis environmental standards if we are to do business and remain competitive internationally. Sir, the Barbados Tourism Authority is to be commended for recognising the direction in which we are going internationally and for responding in quick time to the most recent international trends.

Sir, last week I spoke about the coastal infrastructural programme and the extent to which a number of beaches from the Drill Hall to the Crane will benefit from a coastal infrastructural programme worth \$70 million Barbados. Our intention is to execute a number of works at our beaches all across the island over time. It is not possible to do them all at the same time. For a developing country, a \$70 million project is not to be scoffed at because it is not a small amount of money. We are currently working on the beaches at the Drill Hall, Rockley, Welches, the Holetown Lagoon, Silver Sands, the Crane and a number of other areas and when we are

finished with these we will move to another set of beaches across Barbados.

We have also sought to look at the number of areas where there can be open windows to the seas along the coast. We are attempting to go through the necessary process for acquisition to make sure that the number of windows to the sea are increased and upgraded. We will also expand the number of beach accesses available to the public and generally put legislation in place to ensure that beaches remain open and accessible to the public.

Sir, Harrisons Cave is the number one attraction for tourists in Barbados. It is the most sought after site to which tourist go and Sunbury Plantation House is the number two attraction for tourists. Cognisant of this, we have sought over time to upgrade the electrical system at Harrisons Cave and to incorporate photovoltaics in the development of our programme because we believe very strongly that for a country that has access to both sun power and wind power that we must incorporate them into our development and seek to reduce our dependency on fossil fuels.

There is no better agency to start the experimentation process than the Ministry of Environment and in various departments across the Ministry, we have sought to have initiatives which are friendly to the environment put in place and one such was the use of photovoltaic energy at the Harrisons Cave.

Moreover, Sir, we will shortly be embarking on a physical upgrading of the cave which will include reconstruction and upgrading the bathrooms, improvement of the dining area and the reception hall. Sir, if Harrisons Cave is to remain our number one attraction, tour agencies and people who generally come to the facility, whether tourists or Barbadians, deserve to have facilities of a high quality. Conscious of that, money was put in the budget this year for this redevelopment which is part of a broader redevelopment programme. We have had consultants come in and the intention is to expand Harrisons Cave and further to develop Coves Cave which also has tremendous potential.

Sir, the redevelopment of our number one tourism asset is critical to the process. Equally, money has been put into the budget for the purchase of additional trams at Harrisons Cave.

16.00 p.m.

Sequence 30

Tuesday, October 21, 2003

Continuation of: Hon. Miss H. E. THOMPSON:

The trams are aging and we have had trouble from time to time with the trams breaking down and they had to be serviced perpetually. Sir, each time a tram is ordered, because you cannot go find them in a workshop, they have to be purpose-built on each occasion and it takes about a year to go through Government's budgeting process to order a tram, have it built, tested and shipped.

Sir, money would be allocated in the Budget this financial year for approximately two new trams in order to increase the number of the available trams and to reduce waiting times at the cave also in the event that the tram breaks down, there would be access to a new one.

Sir, we have sought to put a number of new beach facilities at many of our beaches. The Worthing beach facilities which were recently completed is wheelchair accessible, include vendor kiosks, footpaths, toilet facilities, locker facilities for persons using the beach, office and storage facilities for the equipment used by National Conservation Commission workers. Sir, vehicles are blocked from driving on the beach.

Sir, we will be seeking to replicate those kinds of facilities at other beaches across the island, Mr. Deputy Speaker, Brownes, Brandons, Miami and Brighton Beaches the four most popular beaches used by Barbadians.

Asides.

Hon. Miss H. E. THOMPSON: Sir, retirees meet at the beach on mornings, greet each other, swim and talk about everything, including us in here, and then they retire to someone's car for refreshments.

Mr. Speaker, I frequently walk the beach from Batts Rock beach, up to the Barbados Flour Mill and back. This walk gives me the opportunity to see the communities socialise at Brandon and Brighton. There are some people who have been going to these beaches for many years with their friends, spouses, grandchildren and dogs.

Asides.

Hon. Miss H. E. THOMPSON: Sir, on many occasions these people would stop me and offer me lemonade, cake and fish cakes. However, I tell them that I am not walking for enjoyment but for exercise. Mr. Speaker, when I refuse the fish cakes or cake they become disappointed but I would frequently take a glass of water from them.

Sir, the point that I am making is, while it is true that a number of Barbadians cannot swim, the reality is, many of us use our beaches in various ways. There is a group of people who go to Brandons every evening to play beach volley ball, run, jog and weight-train. The community that

you see in the morning is not the same group you will see in the evening after work or in the night.

Aside

Hon. Miss H. E. THOMPSON: I believe that as a Member of Parliament, I must pass through the area at all hours so I tend to know the communities that frequent these places at various times.

Mr. Speaker, the former Member for St. Michael West is one of the regular people who go to Brandon, at 'The Pot'. Sir, he walks the beach and then ends up at 'The Pot'.

Aside

Hon. Miss H. E. THOMPSON: Sir, the point that I want to make is, that cognizant of the way in which our beaches are used, the National Conservation Commission is installing a number of beach facilities across the island. This financial year we should be completing and constructing beach facilities at Brownes Beach because that is one of the widely used beaches by the senior citizens. However, I notice that a number of people use that beach for exercise and that area is also used by divers, particularly the area off Government Headquarters which is now the resting place, if I may use this term, of approximately seven ships that were sunk deliberately for an underwater park. Sir, beach facilities are also going to be installed at Foul Bay and I know that the Honourable Member for St. Philip South is concerned about the area and the lack of beach facilities.

The final initiative through the Ministry of Housing, Lands and Environment in support of the diversification of the Ministry of Tourism's programme, is the National Botanical Garden which will be about 240 acres in the Waterford area stretching, from obliquely opposite the National Stadium and Combermere School up to the Clyde Walcott roundabout at Hothersal Turning and go north of that roundabout. We are incorporating a large block of lands into a national Botanical garden. We hope that this national Botanical garden would be widely used by Barbadians.

Sir, this national Botanical garden will have a jogging and walking track. The reality is, we have developed a culture where many of our roads do not have sidewalks. Every morning you can see people running and jogging for exercise and others to chat with neighbours because the pace at which some of them walk can have no beneficial affect on their bodies.

Asides.

Hon. Miss H. E. THOMPSON: Mr. Speaker, we are hoping that many persons would want to use the jogging and walking track in the new Botanical garden. Sir, we can appreciate that if we have 240 acres a very extensive track can be developed so that people can walk or jog comfortably on.

In addition to the jogging track, the Kiwanis South has promised a "Safety Village" for children. A facility would be developed within the garden where they would teach children about road safety and a number of child-related activities.

A part of the garden will be waterscaped. There will also be plants and shrubbery indigenous to Barbados and a Caribbean garden would be created by sowing plants indigenous to other Caribbean countries. A recommendation has been made for a Chinese garden. We are going to try to design the garden in such a way that we would use plants that can survive in drought conditions because given our water shortage challenges, although this area, I think, does have some natural irrigation in it, we do not want to develop 240 acres of gardens that are solely dependent on a heavy supply of irrigation and water in order for the gardens to develop.

Sir, during the rooting process there will be some high consumption of water but we are hoping to develop a mechanism for recycled water, perhaps, coming from the National Conservation Commission compound for use at the gardens. The National Conservation Commission compound will be adjoining the gardens.

8/31: 16.10 p.m.

Tuesday, October 21, 2003

Hon. Miss H.E. THOMPSON: In fact, the NCC is now developing an area of its compound, because I think they had nine acres, that is going to be suited for the hosting of weddings and related functions for persons who are interested in having something in a garden setting which is still relatively close to Bridgetown.

The work that the Ministry of Housing, Lands and the Environment is doing is critical for the development of our tourism product. We see ourselves not having interests that run counter to those of the Minister of Tourism, but having interests and roles complementary to those of the Ministry of Tourism. I would wish, Sir, to urge Honourable Member to look at how this cooperative effort will inure to the benefit of the country and to the country's development.

Tourism remains our number one revenue earner. To the extent that the Ministry of Housing, Lands and the

Environment has a role to play, we are keen to do so in order to protect our revenue base.

I am much obliged to you, Sir.

Mr. D. St.E. KELLMAN: Mr. Deputy Speaker, I too rise to speak on this Resolution and to say from the outset, Sir, that even though I have no particular problems with this one, the policy of this House should be a policy of fairness.

As you are aware, Sir, for many years, I have been asking this Government to take into consideration the various proposed owners of public baths in Barbados. In the period, 1994 to 1999, the Ministry of House and Lands came to this Parliament, seeking permission to divest parcels of lands throughout Barbados to citizens whom we regarded as part of the masses of Barbados. Sir, to this date, these citizens have not been able to get title to the various parcels of land.

For example, Sir, in Crab Hill, Pie Corner and Mount View, St. Lucy, we have three public baths where the Government offered to sell the parcels of land. The offer was accepted. The names were brought before this Parliament and up to this date, the proposed owners have not been able to get good title.

I am happy for the owners of Villa Nova, Sir, or Horizon Resorts Limited, to be able to get title once, and now to get a change of title again, with such speed. I feel that this is the way it should be done. When the offer is made, the Government department should bring this type of speed in concluding these arrangements.

Sir, a gentleman who wanted to set up a project out of the public bath in Crab Hill, watched...

Hon. Miss H.E. THOMPSON: Mr. Deputy Speaker, on a point of order. I think the Honourable Member is misleading the House. The nucleus of that lies in the implication that there is a number of people who have been trying to get title without success, but here are these large property owners who have been able to get title and now change title.

The error in that, Sir, is that had they got title, they would not need to come back to Parliament because it would have been owned by a private sector individual who would then have transferred it onto the new owners. The former owners would have transferred it as part of the property to the new owners. It was not titled, that is why it is back here.

Mr. D. St.E. KELLMAN: Mr. Deputy Speaker, if that is so, we now also have another legal problem which we need to have some clarity on, Sir. We need to have

some documentation proving that Horizon Resorts Limited and not Horizon Resorts (Barbados) Limited, have given up their interest in this piece of land. We would not have a situation where this Parliament gives a title or permission to sell Horizon Resorts (Barbados) Limited the parcel of land that they were supposed to sell Horizon Resorts Limited in the initial case, and we go ahead and enter into an arrangement with Horizon Resorts (Barbados) Limited, then to have Horizon Resorts Limited, challenge us, saying they are the ones who have the contract with the Government, and they are the ones who should be making the sale to Horizon Resorts (Barbados) Limited.

Sir, that is the only thing we need to have some clarity on, because it is the second time since I have been in this Parliament that I have seen a case like this. It came about when Barbados Farms sold some land at Bennetts, and then where the Government sought to compulsory acquire the land, we were not sure if the Government was buying the land from Barbados Farms or if they were buying it from Sandy Lane.

We do not want to have another situation like this, and I want to congratulate the investors for being able to take the land beside this property, and being able to transform it to the extent that they have, and now being able to add this, to further beautify the piece of property in the particular area. It all speaks well for community tourism in Barbados.

Mr. Deputy Speaker, I was hoping that the Minister of Tourism would have been taking some notes, recognising that community tourism is very much alive in Barbados. This process has been followed in St. John and is now well-practised in Bloomfield in St. Lucy, not that it is not being practised in Moon Town. These owners and movers of community tourism should be given the same privileges as the other players in tourism. I believe, Sir, that community tourism is going to be the bedrock of tourism in Barbados. Sir, it interferes with the psyche. How is it you can have a situation that every time you pick up a tourist magazine in Barbados and you ask of the tourist what they like best of Barbados, they tell you the people but yet still, we cannot include the people of Barbados in our tourism plan.

Aside.

Mr. D. St.E. KELLMAN: Of course, they are included in Moon Town. You know that well, because you are also included in Moon Town. You are a good fan of Moon Town and you need to share among your colleagues the enjoyment you get when you come to Moon Town. Everybody knows that you are one of the best fans of Moon Town and do not speak about the Honourable Member for St. Philip South, he is now a shareholder in Moon Town.

Asides.

Mr. D. St.E. KELLMAN: No, that is not true, every Honourable Member to my left has visited Moon Town.

Asides.

Mr. D. St.E. KELLMAN: They are invited to Moon Town also, and they have enjoyed themselves, but Moon Town is not the subject of debate here this afternoon. We are discussing this initial offer, Sir, from the previous owner, et cetera.

Mr. Deputy Speaker, if the Government would only do what is right with the public baths of Barbados, a lot of people in Barbados would not recognise the particular landmark that used to be the public baths. One can only imagine, Sir, if the speed that was entered into this particular arrangement, has been entered into all other arrangements, what could happen to these eyesores. That is exactly what they are now, eyesores. The public baths have been left there to be eyesores.

House 8, sequence 32, 16:20:14

Tuesday, October 21, 2003

Mr. D. St.E. KELLMAN: I am arguing, as I did previously in another session, that the proposed owners should be entitled to a rebate of the previous offer because the state of the building they are seeking to acquire is not good enough to pay the fee they originally paid or offered to pay because they are not now receiving what they thought they were buying previously which is not their fault, but the fault of the Government because the Government failed to act when it should have acted. That is why I congratulate Government for making the move to correct that problem. However, I want the gentleman in Crab Hill, the one in Mount View, the one in Pie Corner and all others throughout Barbados, who want to convert a public bath to something of meaning, to feel the joy of ownership because this is a good policy.

Mr. Speaker, we have a couple of things to clarify though. The Government of Barbados must be careful that it does not find itself in a legal battle with Horizon Resort Limited. I hope that Horizon Resort (Barbados) Limited had the right from Horizon Resort Limited to come before this Parliament to seek title for this particular property.

I thank you very much, Mr. Deputy Speaker.

Hon. N. A. LYNCH: Mr. Deputy Speaker, every time I hear the Honourable Member for St. Lucy speaks, I become fascinated by the inaccuracies that he continues to expound in this Chamber with such great articulation. He is constantly off the mark but continues to believe that he is

expounding from a large pulpit, things about tourism development and community tourism.

Mr. Deputy Speaker, the issue before us is one that speaks wider to the development of our tourism industry. The fact that a property of the calibre of the Villa Nova Hotel can utilise this public bath and annex it to its property to expand Villa Nova's appeal as a boutique hotel is, in my opinion, a step in the right direction. Sir, that does not mean, according to Honourable Member for St. Lucy, that other public baths, which in his own words have become eyesores across the country, could not be utilised in some way as well. He seems to forget that there are a lot of them in St. Michael as well and in other parts of Barbados. Many of them may not be utilised specifically in relation to tourism development but can be utilised in other commercial ventures to be able to bring a measure of development to the country.

Sir, I must also add that the people in my constituency have already started to utilise the public baths by converting them to productive use by linking them to community centres and the like. So I do not know what is this thing about the people of St. Lucy being left out. All across Barbados people are converting public baths for proper use in terms of community development programmes.

Sir, let me continue with this particular public bath and this particular debate. The fact that we are able to get this piece of land and this property linked to Villa Nova Hotel to create a better basis for this hotel is, in my opinion, a step in the right direction because it speaks to some aspects of our tourism development which are non-traditional but which are emerging as the wave of tourism for the future.

Sir, at the World Travel Awards in New York City a week ago, Villa Nova Hotel was awarded the prize as the Caribbean's leading boutique hotel. It is a very prestigious award. A boutique hotel speaks mostly to hotels that are under 120 rooms with small intimate service, a special market niche. Hotels that are over 120 rooms seek to appeal mostly to a mass market in which the appeal is more to multiple market segments rather than just an intimate close service quality type hotel. If you really want to put it in words, it is like a designer hospitality type property. Villa Nova Hotel fits that mode much more so than any other hotel in Barbados.

The World Travel Award Council meets to identify and nominate hotels and resorts from across the world and subject them to a vote which is done by travel agents from all across the world. Some 200 000 travel agents send these forms via the internet and other electronic means, and then the World Travel Award Council determines which resorts, airlines and destinations are the most appealing. They have

determined that Villa Nova Hotel is the best small intimate boutique hotel there is in the Caribbean. This give some validity and vindication to Barbados and this Government for dealing with issues relating to fostering and better developing inland tourism in Barbados of which Villa Nova Hotel has now become the prime proponent in the Caribbean.

Sir, as we continue to develop the tourism sector, particularly in an environment in which we as a mature destination have to compete and where there is now mass competition from what used to be our source markets, the concept of uniqueness and how well we are able to distinguish our tourism products from the rest of the products in the region and maybe some across the world is going to set the stage for where Barbados goes as a tourism destination in the future. Therefore, uniqueness as a principle of positioning tourism is what is going to be the answer.

If Barbados is to be able to pioneer a brand of inland tourism which goes way beyond the traditional sun, sea, sand and the other essences that creep into these three essences, then Barbados would be able to continue to distinguish itself from the other product offerings in the marketplace. That is what I believe would really make for a Barbados tourism product in the future.

Sir, product development in itself cannot be divorced from marketing. Sir, recognising that we are a mature destination, recognising that the competition has become much more intense than it was initially and recognising that we must display issues of this uniqueness of which I spoke, we have determined that Barbados' future in tourism development must be built along the lines of product development in the future by discerning and distinguishing product development that allows us to set Barbados apart from the rest of the tropical region. That speaks to the creation of the Barbados Tourism Investment Incorporated and all of the projects that are under it whether there be urban rehabilitation projects or any other projects in which they have invested.

I have spoken previously as well as other Honourable Members in here about St. Lawrence Gap, what is happening in Bridgetown, what is happening at the old Spirit Bond and the old Town Hall and how all of those entities that used to operate within another economic sphere have now been converted into newer tourism projects of the future. That is what has been happening under the Barbados Tourism Investment Incorporated.

In addition to that, the issue of special development areas that speak to tourism not just being a sun, sea and sand, things along the coastline, but tourism investments more inland in Barbados is again another step in the right direction, where we seek to reposition Barbados in this new

dispensation. In addition to that, there is a core concept of new community tourism base that links those inland products to communities in and around where these projects are set up, which is fundamental.

The Honourable Member for St. Lucy, speaking again out of sheer ignorance, does not understand any of the concepts that relate to community tourism or what the Government is doing in relation to community tourism and he should ask.

House 8 Sequence 33

4.30 p.m.

Tuesday, October 21, 2003

Hon. N. A. LYNCH: Sir, we are seeking, not only to involve local communities that are in and around both large and small tourism projects to be able to earn a living from such projects but also to play an integral role in both the marketing and the actual product base, and how they are operated on a daily basis.

Sir, this talk about trying to exclude ordinary Barbadians from being a part of the tourism product is nonsense. I do not know how the Honourable Member continues to create the concept that we are trying to exclude persons, when all of the things we are doing say otherwise.

Sir, for example, the Ministry of Tourism and International Transport has a community tourism programme which entails part of the following. There is a Community Tourism Awareness Workshop set up to target the numerous communities across the island, with the aim to equip them with the necessary skills to develop community-based projects. These workshops are held all year round with communities across Barbados, seeking to link them to our tourism products.

Sir, one example is called 'De Heart of Barbados', which operates in St. Thomas. That project is alongside the Harrison's Cave and the Flower Forest. It seeks to get those communities near the Welchman Hall Gully, to be able to work alongside these major attractions where we know that both land-based and cruise-based tourists would come.

In addition, there is a 'Heart of Barbados' celebration which is undertaken in collaboration with the Environmental Specials Project of the Ministry of Housing, Land and Environment. This is aimed at sensitising all communities. There is one set aside for a large celebration in which tourists and locals alike could come together. Sir, our objective is to link as many persons as we could to tourism development.

Sir, it is important that tourists coming to an island get to spend time with the ordinary locals and not just those who are working within the sector. That is what is going to create the uniqueness for Barbados in the future in terms of our tourism destination.

Sir, there is a bed-and-breakfast accommodation pilot project. This is being undertaken in collaboration with the Environmental Special Unit of which I have just spoken. This is done within 'De Heart of Barbados' project. The objective of that is to create that additional accommodation project outside of the large luxury hotels that are on both the west and south coast of Barbados. What we want to do is to create a bed and breakfast, within certain standards, that would allow that person to market his product.

Sir, there is the Barbados Blackbelly Sheep Initiative. This is being undertaken in collaboration with a number of Government agencies, aimed to create signature mark, souvenirs and novelty items, while using the Barbados blackbelly sheep as the theme.

There is a local Arts and Craft Exposition. The initiative is aimed at exposing local arts and craft to the tourism sector. It is undertaken in collaboration with the Barbados Arts Council and the Barbados Crafts Council. Exhibitions are held in which persons are encouraged to come to large luxury hotels and show off their wares.

Sir, there is the Barbados Agro-system Tourism Initiative. This is being undertaken by a number of agencies aimed at developing the agro-tourism potential of the Scotland District and being able to bring those communities closer to tourism.

Sir, the point being made is that at every turn, within the wide make-up of what we do in the tourism sector, we are seeking to involve many communities, to be able to make them become part and parcel of what is going on in tourism and, for them to derive benefits from the development of the industry.

Sir, what is amazing is that this Barbados Labour Party Government has targeted programmes in every sector of the tourism development, which is very well encapsulated in our Tourism Development Act. Sir, this special piece of legislation now speaks to a full range of tourism activities outside of what used to be an old Hotel Aids Act, where investors are now allowed to get concessions and benefits upon their initial investments.

Sir, we also understand that the lifetime of one's investment in tourism is important and, therefore, what we have done under the legislation is to speak to these investors so that they are able to get benefits across the lifetime of their projects or businesses.

Sir, the Villa Nova Hotel is about to utilise that in terms of its inland nature by being able to create a new spa facility that would take advantage of the same. We are clear that over time this concept will catch on. It does not mean that everybody understands that inland tourism is important to tourism development because there are persons who still believe that tourists still want to be close to the sea and sun but new concepts must now be created for tourism and, therefore, niche marketing becomes even more important.

In this environment, we need to give tourists a reason to travel and, therefore, if we are able to distinguish our products against some of the others, then there would be a reason to travel to our specific destination to patronise our product.

Sir, tourism is an environment in which there is much hassle when traveling. People now do not want to travel because there is much tension and hassle when traveling, therefore, we are giving people a reason to travel, that is why I believe that Villa Nova Hotel fits into this new theme in the way in which tourism development is going.

Sir, these are exciting times for the development of the industry, for contrary to the mouthings we are hearing from persons in the Opposition's rank, this is a year of awards for Barbados.

Sir, our potential customers and the people to whom we relate every day, are saying to the rest of the world that Barbados is the leading tourism destination in this region and that we have the leading Tourist Board. This became evident at the World Travel Awards last week.

Sir, in an environment that is cruel and hostile to tourism and to travel, for the past sixteen months, Barbados has been able to show fourteen months of positive tourism growth, with two months of minus figures. Up to August, 2003, the overall benefits to Barbados have increased to 10.3 per cent over last year.

Sir, interestingly enough, there is no other matured destination in this region that can boast of the type of tourism performance of which Barbados can boast. As a matter of fact, this has been said by the Caribbean Tourism Organisation who chronicles statistics of tourism performances across the region, over a period of time from January to August, 2003.

Sir, we have to compare apples with apples. It does not make sense comparing Barbados with Cuba that is getting 1.3 million passengers in January to August. We are looking at the mature destinations such as Aruba, the Bahamas, Bermuda, the Cayman Islands, Curacao, Jamaica, Puerto Rico, St. Lucia, St. Maarten and the US

Virgin Islands, none of them has shown the type of performance that Barbados has shown in this period.

Sir, to quote: Aruba has minus 2.4 per cent; the Bahamas, 1.7 per cent; Bermuda, minus 4.2 per cent; Cancun, 2.9 per cent; the Cayman Islands, minus 5.7 per cent; Curacao, minus 1.3 per cent; Jamaica, minus 6.8 per cent; Puerto Rico, 3.5 per cent; St. Lucia, 8.6 per cent; St. Maarten, 8.3 per cent; Turks and Caicos, minus 5.3 per cent; US Virgin Islands, 0.2 per cent and Barbados 10.3 per cent.

4.40 p.m.

Tuesday, October 21, 2003

Hon. N A. LYNCH: Barbados has shown 10.3 per cent up during the same period. Sir, these statistics are not my mine, they are from the Caribbean Tourism Organisation. This is proving that in the most difficult of times Barbados has been able to show a positive tourism performance and even when other territories show positive results there are not near to Barbados' performance and the results speak for themselves.

The Shadow Minister of Tourism, the Honourable Member for St. John, is not saying anything. In fact, I have not seen him here for a long time and I understand he is constantly out of the island so he is never here to comment. Sir, two men are up and down this country spouting the most insane rhetoric about the development of the tourism industry and I cannot understand from whence they came. They are saying that we do not have a marketing strategy but, Sir, they cannot even define what a strategy is nor do they know the difference between a strategy and a tactic. Sir, they need a lesson in what they are talking about because a strategy is an overall plan for successful action based on the rationalisation and interdependence of a series of moves and a tactic is a ploy or action within a specific strategy.

Sir, the marketing strategy of the Barbados Tourism Authority is to reposition Barbados as a premier upmarket destination in the minds of potential visitors to Barbados thus increasing our level of visitors in keeping with the stated carrier capacity for the island and fueling greater economic yield for the sector. Then within that repositioning, we speak to a series of tactics. We have identified that we need to create more airlift within our existing markets and then expand them to create more gateways within the existing markets we have already.

Mr. Speaker, in addition, we have a niche marketing strategy and a greater partnership with the private sector. We have sought to create better inventory control because a number of horizontal and vertical integrations across the sector have not allowed us to have control of our inventory.

There are programmes like the Best of Barbados and we have proven that with innovative and well-conceived programmes you can change the pace of a destination.

We have advertising strategies and a better public relation stance that has brought Barbados 'top-of-the-mind'. Last year when Americans were asked where they would travel in the globe if money was not an object, Barbados came in the first top ten for the first time ever in its history and there were no other Caribbean destinations in the top ten.

Sir, we have been able to create a crisis response either to an individual incidence in Barbados or if we see that the numbers are not going our way and that is why we created the Best of Barbados programme. In addition, we have a more active and reliable marketing agency that is more reliable and accountable to the people, these are the tactics that we speak about and it means that Barbados is a changed destination.

Sir, they also spoke about the Best of Barbados but they could not say whether it was a good or bad thing but they have both agreed that Villa Nova has reaped benefits from the Best of Barbados programme. They spoke also about the giving people rebates to come to Barbados but, Sir, if the environment around you is one of discounting, who are you to play hardball to believe that you cannot discount. The real issue is that they do not know anything about marketing because price does not exist in isolation, but in relation to value. I am going to give a clinic to Mr. Morgan and the likes of him on these matters.

Mr. Deputy Speaker, we are discounting now because everyone else is doing it but Barbados must reposition itself in order to offer good value for the prices being charged. Sir, if price was the only important issue in the marketing of cars, everyone would buy a Suzuki, no one would buy a Mercedes or a BMW but price does exist in relation to value and Barbados has been able to reposition itself in the minds of the consumer in a way that it has now become top-of-the-mind as a destination which offers value for money.

Sir, these are exciting times for Barbados' tourism industry. Villa Nova is a prime example of what you can do with a hotel in the middle of Barbados away from the beach. It speaks to the repositioning of the tourism industry in Barbados and to the minds of those who make the decisions to send people to Barbados.

Sir, this is a new wave and many of us are going to ride on that wave. The winter season promises to be good and I am waiting for other opportunities in this Chamber to give the Opposition a taste of what tourism is about because they do not understand marketing or tourism. As a matter fact, this Opposition was bankrupt of currency, ideas

and the will to govern this country. They cannot tell us on this side how you run a sector and least of all how to run a tourism sector.

Sir, I am obliged to you.

Dr.D.C. ESTWICK: Mr. Deputy Speaker, it is interesting that at times you hear a lot of talk regarding performance but I deduce performance based upon statistical evidence. The Annual Statistical Digest of 2002 and the Economic Statistics of the Central Bank of Barbados 2003 are the two principal documents that I will use to verily refute many of the statements made by the Honourable Member for St. Michael South. I want the Minister of Tourism to stop confusing Honourable Members of this House with respect to what tourism development is actually about and to stop confusing percentages and figures with absolute values and dollars being spent in Barbados because in my final analysis it is about what income is generated in terms of foreign exchange that moves into the economic infrastructure in Barbados.

I am not concerned with awards here or there because they mean nothing to me. I am concerned with whether there is evidence to show that there has been increase in tourism earnings in Barbados that affects the Growth Domestic Production in this country.

16.50 p.m.

Sequence 35

Tuesday, October 21,2003

Continuation of: Dr. D.C. ESTWICK: Sir, let me start by saying that tourism is considered as part of the trading sector in Barbados. It is also part of the export sector in Barbados so by definition, part of its economic thrust would be to generate foreign exchange and help to ensure that we can purchase goods and services in the international arena.

Sir, in order for this to be effective, it is necessary that Government understands the essential components of this and provide the necessary infrastructural mechanisms to allow such to occur. I am saying without reservation that this has not happened in Barbados because it was this same Government that under the Value Added Tax system, increased the cost of hotel rooms to the average visitor to Barbados from 5 per cent to 7.5 per cent. Sir, I would also say that they did not understand the impact of a 7.5 per cent tax on the total infrastructure of the tourism industry because the 7.5 per cent tax is an accumulative tax. It affects not only the room, it affects transport, food, electricity, water and services to the hotel. Therefore, to speak of it in terms of rooms does not make sense. It is the

total impact it has had not the tourism sector in Barbados. Without doubt, the evidence that I will provide to you would demonstrate it in a few minutes.

Mr. Deputy Speaker, the Tourism Economic and Financial Statistics September 2003, indicates that in 1997 there was an average hotel occupancy rate of 57 per cent; 1998, 57 per cent; 1999, 55.6 per cent; 2000, 57 per cent; 2001, 45 per cent and 2002, 41 per cent. Sir, the hotel occupancy declined every year even though I have been hearing a lot of talk about increased performance and more and more money is being spent in tourism. Sir, I want the Honourable Minister of Tourism to brief us of the facts.

Sir, I would also like the Honourable Minister to check the column on hotel bed occupancy rate and he would also see a similar trend as well. Again, I cannot understand all the talk about performance.

Mr. Deputy Speaker, I would even go further and ask him to look at the area of cruise ship performance. In 1997 there were 517 000 visitors and in 2002, 520 000 there were visitors. There is no statistical increase and I am hearing a lot of rhetoric about improved performance.

Asides.

Dr. D.C. ESTWICK: Sir, I also want to refer the Honourable Member to the Central Bank's Annual Statistical Digest, 2002. I want to refer him to the section called Employed Labour Force by Industry Group. If the tourism sector was performing to generate employment in Barbados ...

Asides.

Mr. K.D. SYMMONDS: On a point of order. I am mindful of Rule 28 (2) of this Honourable House which limits the debate to matters which are in some way germane and relevant to the Resolution. Even though the Honourable Minister for Tourism had broadly spoken on the issue of tourism in Barbados, an analysis of the labour relations is stretching this debate far and wide.

Aside

Dr. D.C. ESTWICK: Mr. Deputy Speaker, I do not understand the concept of analysing any action that impacts upon tourism in a vacuum. By extension it is necessary to evaluate the impact economically, therefore, you must evaluate that impact in terms of its foreign exchange and labour elements. I would separate myself from those statements of the Honourable Member for St. James Central.

Sir, I would continue by saying that the employed labour force by industry group in Barbados again supports

the position that I have taken. For example, in 1995 the number of persons employed in tourism was 12,000; in 1996, was approximately 12.6 thousand; 1997, 12.5 thousand; the best year that we had was 1998. Sir, in 1999 the figure fell to 12.2 thousand and in 2002 we were barely at 13 000.

Aside

Dr. D.C. ESTWICK: Sir, there is something called a statistical difference, unless you do not understand what statistical difference means.

Mr. DEPUTY SPEAKER: Please, address the Chair.

Dr. D.C. ESTWICK: Mr. Deputy Speaker, the point here is, there is no statistical evidence to suggest to me that the tourism sector in Barbados has grown or improved in its contribution to the economic development in Barbados and this is clearly demonstrated by the evidence presented so far.

I am not here this evening to find any fault per se with the Resolution.

Asides.

Dr. D.C. ESTWICK: Sir, this aspect of my submission is to simply make sure that anytime that this Honourable House is debating a Resolution like this, it is necessary that we bring the Resolution into the context of tourism, tourism development and its impact in Barbados. I will, therefore, continue to make sure that these debates are not just reduced to debates on the superficial components of tourism. Sir, when there is any tourism matter to be dealt with, it would be dealt with at the nuts and bolts. The nuts and bolts are, whether the action will improve our foreign exchange earnings or whether it will improve the number of persons employed in our tourism industry.

Sir, enhancing and expanding Villa Nova will do very little to alter the entire impact of the tourism industry or on the Growth Domestic Production in Barbados because I believe that the fundamental problem with it is the Value Added Tax which increases the cost inputs in the tourism industry and that is the reason I made my submission.

I thank you.

Hon. A.P. WOOD: Mr. Deputy Speaker, I rise to make a very short contribution to this debate. I am going to be very direct in what I am going to say on this occasion. I thought that the Honourable Member for St. Philip West would have learnt something from the interventions made by the Honourable Member for St. Peter when he tried to caution him in respect of how he makes the use of statistics

when he wants to do what the people of St. Philip West expect him to do, that is, when he comes into this Honourable Chamber to get up and say something.

Sir, it is most unfortunate that a person could continue to make the same mistake over and over. He should stay clear of matters that he has little or no competence in comprehending and certainly in delivering.

8/36 : 17.00 p.m.

Tuesday, October 21, 2003

Hon. A.P. Wood: The Prime Minister reiterated that position for his own good and, Mr. Deputy Speaker, it is a good thing that Barbadians far and wide are hearing what comes out from this Honourable Chamber. I sat here in amazement but I should not be amazed because we on This Side, by now, should expect the Honourable Member for St. Philip West to just take up the statistical publications and make a mockery of those statistics and in the process, a mockery of himself.

I sat here and heard him making contact with statistics that are contained in official publications so as to discredit the tourism planners and to give Barbadians the impression that the tourism sector is not truly an engine of growth for this economy.

First, the Honourable Member for St. Michael South, who is also the Minister of Tourism, only quoted from the CTO Publication, those statistics that give the experiences from January to August of this year. All of us heard that, and he used the comparative analysis of about eight or more countries, which are similar to ours, and he said that he wants to compare apples with apples. He also said that awards were given to this country, because of its performance in the tourism sphere, relative to the others based on the recent performance.

Sir, if the Honourable Member for St. Philip West wanted to dispute what the Honourable Member for St. Michael South said, you would think that he would get figures pertaining to the performance of the industries across countries for the same period to make a point. Beyond that, Mr. Deputy Speaker, the problem with the Honourable Member for St. Philip West, as the Prime Minister said, is that he continues to live in the past. He picks up the statistical publications and quotes things of yesteryear.

Sir, you know that this Barbados Labour Party is forward-looking, so we are on the move, putting systems and policies in place. We are trying to get a machinery in place for effective execution of our plans for the tourism sector, so that whereas we are looking beyond August 2003, and we are planning for the way forward, the

Honourable Member for St. Philip West is back in 1997 and 1998 and earlier today, he was back in 1995. We are looking ahead but he is living in the past.

Sir, let me make a more fundamental point. I was listening to him carefully when he picked up the Statistical Digest and looked at the employment figures, and you know up to now he has not told us anything about tourism output. The only thing he gave us is the occupancy rates and the employment statistics.

Mr. Deputy Speaker, there is a point that he cannot make because he is not aware that there is something called, labour productivity. The period 1997 and 2002, he stated 12 000. He then rambled his way to 12 500, then 12 200 and he finished at 13 000. Sir, little does he know that you do not need to move from 12 000, 15 000 or 25 000, in order to generate significant increases in output, in an industry. Sir, through labour productivity, you can get increasing levels of output for the same amount of labour, and you can get increasing levels of output for a reduced amount of labour. The Honourable Member for St. Philip West does not know that because he is unaware of the concept of labour productivity.

Aside.

Hon. A.P. Wood: I am going to close on this point. It seems to me that it is impossible to educate him on anything pertaining to finance, economics or common sense. This is why when he comes in here and he does not have anything to say, he should sit and listen and try to learn something.

Hon. Miss H.E. THOMPSON: Mr. Deputy Speaker, on a point of order. The Standing Orders require that English is used in the Chamber. The Honourable Member is causing a distraction by insisting...so we agree that he can be educated about nothing, but really, Sir, we know he cannot be educated about anything.

Hon. A.P. Wood: Sir, I think by now that the good people in St. Philip West, some of whom I would have represented previously, are getting more and more embarrassed of him coming in here every Tuesday and making a mockery of this Honourable House. He needs to go away from here knowing that there is such a thing called, labour productivity, and we do not need to increase it. We welcome it, but there is not any rule which says that you need to move employment levels from 12 000 to 15 000 or 20 000 or 25 000, in order to generate an increase in output in the tourism sector.

As I said, we could have an increased output in the tourism sector, with the same amount of labour or even with reduced labour. We welcome the employment opportunities, but he needs to understand these things.

There are basic concepts and before people come in this House and get up and talk stupidly, I think they need to gain a greater understanding of basic concepts. A word to the wise is supposed to be enough. I am still living in St. Philip and I want to assure him that the constituents in St. Philip, would have been accustomed to the Honourable Members over here, during the last term, giving quality representation in and out of this House, and these sorts of rambling speeches, making little or no contribution to this House is something that is foreign to the politics of St. Philip, especially in the last eight or so years.

Mr. Deputy Speaker, as I said earlier, a word to the wise is enough.

I am obliged to you, Sir.

Hon. Miss H.E. THOMPSON: Mr. Deputy Speaker, we had a very interesting tourism debate. We had an interesting attempt at tourism debate on the Other Side. I think that it bears repetition that occupancy levels alone are not the only barometer of what is happening in the tourism sector. While we agree that with Sandy Lane, the Hilton and Paradise out of service, we will see a reflection of occupancy levels down, occupancy levels do not reflect the spending power of the individual. Therefore, you can have five people who come in, three of whom spend no money but two people spend what seven or eight people may have spent before, so that your occupancy levels and your earnings levels do not necessarily correlate.

In addition, occupancy level does not represent cruise arrivals or cruise passengers, and they also spend. So when one speaks of occupancy level, one is really creating a false impression of what expectancy levels in the tourism sector are, because you cannot know what expenditure levels in the tourism sector are, unless you come to grips with what is happening in your cruise sector, or what are the scales of those occupancies that you do have, and what is the spending per capita of your long-stay as well as your cruise tourists.

House 8, sequence 37, 17:10:14

Tuesday, October 21, 2003

Hon. Miss H. E. THOMPSON: To misuse and abuse statistics reflect two things. It either reflect the inadequacy of the understanding of he who uses them or the intention of he who uses them to mislead this Chamber and by extension the public.

Sir, we do not wish to impute malice to the Honourable Member, we would rather impute what is evidently more clear, an innocence, I would not use another adjective. That is to set the record clear for the benefit of the public who may have been attracted to this argument

about occupancy level which is something people understand, but you have to look at the broader picture.

Sir, I am going to end where I started by making the point that the Ministry of Housing, Lands and the Environment sees one of its role as complementing that of the Ministry of Tourism and International Transport. We are glad to play our part in helping to diversify the tourism product through our agencies in the environment and wherever possible through the use of policies and acquisition in the Ministry of Housing and Lands to give support to the tourism policy framers in their quest to ensure that Barbados is the best tourism product in the Caribbean and to keep our revenue earnings from tourism at very high levels.

With these words I beg that this Resolution do now pass.

Hon. N. A. LYNCH: I beg to second that.

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

ORDER NO. 9 – RESOLUTION TO APPROVE IN
ACCORDANCE WITH SECTION 5 OF THE CROWN LANDS
(VESTING AND DISPOSAL) ACT, CAP 225 THE
VESTING IN THE NATIONAL HOUSING
CORPORATION OF THE PARCELS OF LAND THE
PROPERTY OF THE CROWN SITUATE AT
WORKHALL, HOPELAND AND MARCHFIELD IN
THE PARISH OF ST. PHILIP IN THIS
ISLAND FOR THE PURPOSE OF HOUSING
DEVELOPMENT

Hon. Miss H. E. THOMPSON: Mr. Deputy Speaker, the matter before the House is the vesting in the National Housing Corporation of 19 402 square metres of land, 0.583 hectares, 1.273 hectares and 4.963 hectares respectively, at Workhall, Hopeland, Marchfield and Rices, St. Philip for housing development. This is part of the joint venture programme and forms part of the overall housing plan for the parish of St. Philip.

Sir, there was a time when St. Philip was considered as part of rural Barbados. When one went to St. Philip, one went to the country. St. Philip has now become one of Barbados' urban centres. It is rapidly being commercialised. It is a heavy residential development at every income level and it is being described as a suburb, by the Honourable Member for St. James Central. There has been recreational facility, the development of new roads, the repair of existing roads and the placement of street lights in areas that were in total darkness and where people had to walk long distances through cart roads to and from the bus.

There has been a transformation of the landscape of St. Philip. It is not only large commercial enterprises that room has been made for in St. Philip. There have been the development of community enterprise at various locations in St. Philip so much so that Six Roads and areas going outwards from Six Roads have been developed in various ways for social and economic improvement.

Mr. Deputy Speaker, cognisant with our plan for the development and the further urbanisation of St. Philip, recognising that there are still large tracks of land in St. Philip that are not currently in agriculture and have not been for years and cognisant of the need for housing in Barbados, because that is the greatest demand that people have, the Government is putting a number of parcels of land into its joint venture programme with the private sector.

These lands are not well-suited to agricultural activities. It is not the best farming land, it is not arable because of the rocky terrains or otherwise and because of their unsuitability for agriculture, it has made them suitable for housing development. As a result of this joint venture project, 121 lots will be developed at Rices and Hopeland. One hundred of these lots will be divided among two developers for the construction of houses while the other 21 lots will be made available for sale to the public.

One developer has been selected by the tendering process for some of the lands at Rices and a second developer for the remaining lots at Rices, 50 lots I believe they are, are now to be chosen. This too was tendered publicly approximately four weeks ago. The tender close I think within the last week or so and would soon be screened by the technical staff of the Ministry of Housing, Lands and the Environment. We will therefore be shortly in a position to announce which individual has been awarded the tender. I want to make it clear that this has not been a handpicking process for the developers, it has been a process by which persons have had to tender and have been selected by way of tender.

The provision of infrastructural services for the 121 lots at Rices and Hopeland will be undertaken by the two developers who won the tender. That is part of the contractual arrangement known to the developers at the time and made clear in the tendering document and in the advertisement placed in the newspapers. One developer will be responsible for 61 lots and the other will be responsible for 60 lots. As has been indicated, of those 121 lots, 100 houses will be built by the two respective developers and 21 lots will be left available for members of the public to purchase and build their own houses over time as they wish.

We recognise that not everybody wants to live in a house built by a developer or to be part of that process, so

we have sought in many of the developments falling into the joint venture programme to leave a number of lots available for individuals to buy the land and pay for it first and then build the house subsequently if they want or certainly to build the house of a style they want and not necessarily that being used by the developers.

House 8 Sequence 38

5.00 p.m.

Tuesday, October 21, 2003

Hon. Miss H. E. THOMPSON: Mr. Deputy Speaker, in relation to the land at Marchfield and Workhall, St. Philip, work plans are currently being prepared for these sites so that they could be brought into the wider housing development.

Sir, you would have noticed that I have not spoken at length to housing policy because I do plan for us to have a debate on housing policy, which I believe should be very interesting when the time comes but I imagine that the Honourable Member for St. Philip West, the Honourable Member for St. Philip South, and the Honourable Member for St. Lucy, who speaks to everything, would want to speak to this matter.

I thank you, Sir.

Mr. D. St.E. KELLMAN: Mr. Deputy Speaker, I too rise to speak on the vesting in the National Housing Corporation. Mr. Deputy Speaker, on many occasions I have said that, especially in rural Barbados, of which St. Philip is very much a part thereof, I do not agree with the new housing policy. When I say new, I mean the continuation from one Housing Minister to the other because it is quite clear that this policy being followed by this Minister could not be the policy of the said Minister but is one that is being followed.

Sir, I cannot understand how one could go into rural Barbados and could speak about allocating 121 lots and could only allocate 21 of those lots for the citizens of that particular area to have a right...

Hon. Miss H. E. THOMPSON: On a point of order. I am trying to save the Honourable Member from himself and his usual attempts at misleading, not only himself but this Honourable Chamber and others beyond.

The lots are being made available for persons in St. Philip to build their own houses, at their own pace. The houses which would be built are also for persons living in the area of St. Philip. Therefore, the Honourable Member must not assume that they are outside the scope or means of the people of St. Philip.

These days, as it relates to building, many persons prefer a 'turn key' arrangement, that is having the house built for them, rather than having to deal with a contractor personally.

Mr. D. St.E. KELLMAN: Mr. Deputy Speaker, I want to congratulate the Honourable Member for St. James South in predicting what I was going to say. The Honourable Member understands my feelings towards those persons and the hardship that would be created.

I also want to congratulate the Honourable Member for understanding that when land and house are sold, there are two profit factors that are built into the equation, that is, National Housing Corporation must get a slice of the cake on the land and also indirectly gets a slice of the cake on the house, through the subcontractor having to build the house on land already owned by the National Housing Corporation.

Hon. Miss H. E. THOMPSON: On a point of order, Sir. In the joint venture programme, to the best of my knowledge, the National Housing Corporation is not seeking to make a profit on the house. It is seeking to make a profit on the land but even the profit on the land is minimal because particularly in the low income developments under the joint venture programme, the land costs are being subsidised by Government.

It is only in the upper middle income development that one would find something closer to a market value but the prices at which the lands are sold in the joint venture programme in the low-income areas are below the market prices in surrounding developments. Therefore, Government has taken a conscious decision to subsidise the land cost and to adsorb part of the infrastructural and developmental cost, rather than making flat out profits, which it could do, given today's land prices.

Mr. D. St.E. KELLMAN: Sir, I want to congratulate the Honourable Member for making that statement. What the Honourable Member is saying is that she is following the policy that was left at the National Housing Corporation since 1991, where spots for the masses were created and also land for the commercial side of the National Housing Corporation. I hope that is what the Minister is saying.

Mr. Deputy Speaker, it is a good policy to follow but anyone who understands rural Barbados would say that most persons in rural Barbados would like to have the opportunity to buy land and decide how to construct a house on that land.

Mr. Deputy Speaker, Government cannot dictate a policy for the masses of people in Barbados by putting a house on the land and saying that is what the masses of the

people of Barbados want. I would, therefore, advise the Honourable Minister, because I know her heart is in the right place, not to follow the policy that has been left at the National Housing Corporation where National Housing Corporation is now the largest speculator in Barbados as it relates to land and that it has been deliberately withholding lands from the public of Barbados through a land bank, which has created very high prices for land. If that is allowed to continue, it creates a demand for land and also inflates the price of land.

Sir, the National Housing Corporation has also entered into a joint venture arrangement...

Hon. Miss H. E. THOMPSON: On a point of order, Sir. The Honourable Member for St. Lucy is on a wild frolic. I fear that he cannot be reined in, even with the greatest attempt.

Sir, from time to time, I have watched movies from the Wild West and have seen horses bucking and bolting and cannot be controlled. When the Honourable Member for St. Lucy gets into one of his moods, I am reminded of nothing else, there is no controlling him.

Sir, I do not know if the Honourable Member would be able to absorb truth or logic but I will attempt. I would not wish the Honourable Member to mislead the House or the public by putting it out that the Ministry of Housing and Lands is engaging in wild land speculation. That is false. It is equally false that we have created a land bank, the consequence of which is pushing up prices.

Sir, I would seek to explain why the two statements are erroneous. We are not speculating on land.

Mr. DEPUTY SPEAKER: You have already made your point. Please proceed, Honourable Member.

Mr. D. St.E. KELLMAN: Mr. Deputy Speaker, if the Honourable Member is correct, then I advise the Honourable Member to go to the National Housing Corporation's Board tomorrow and outline her new policy on housing and advise the Board on what the new policy should achieve, what the Honourable Member intends. If the perspective land owners who want to buy land in St. Philip, go to the National Housing Corporation, buy the land, and then enter into an arrangement with the contractors to build the houses, the National Housing Corporation must also quote the price of the land and the contractor quote the price of the houses, and the National Housing Corporation would not be entitled to any profits from the building of the houses.

Sir, I think that would be in the interest of the new owners and they would know where to go from there but what is happening is that the National Housing Corporation

is using the masses of people to sell house and land to amass large sums in order to reduce their debts.

Sir, anybody who understands house building and land purchasing will tell you that there is a price for land, especially in a joint venture programme, then there is a built-in price that the National Housing Corporation must get from the contractor for building houses on its land, which means that the homeowners have to pay a profit on both the land and the house.

5.30 p.m.

Tuesday, October 21, 2003

Hon. H.E. THOMPSON: Mr. Deputy Speaker, on a point of order. The Honourable Member is misleading the House and he is totally misrepresenting the policy. I know I will have an opportunity to respond when I wind up but these things are said in here and the media report them mindlessly in their innocence because of the sexiness in the stories. As I said before, I know I will have an opportunity to wind up this debate but I have to say it at this point so that nobody is in doubt that the policy as stated by the Honourable Member for St. Lucy is his policy alone and that it is not the policy being pursued by the National Housing Corporation.

Mr. D. St.E. KELLMAN: Sir, tomorrow the Honourable Member St. James North should go to National Housing Corporation, make a policy statement and tell them not to enter any joint venture agreement with any building contractors, sell the land only and not land and house. Sir, I would like to know why the National Housing Corporation is selling house and land when the land could be sold by itself and they would get rid of their problems and go on to another project. Sir, there has to be a built-in interest for the National Housing Corporation or we are wasting the time of the corporation and the National Housing Corporation should get involved in lots and forget about selling house and land.

Hon. H.E. THOMPSON: Mr. Deputy Speaker, on a point of order. The Honourable Member is suggesting that the motive of the National Housing Corporation for selling house and land is to create profit and pay debt but that is to mislead the House. The National Housing Corporation's reason for selling house and land is to put control in relation to the prices of house and land. If we sold the land alone to developers, we would have no control over the prices at which they sell the house and land. By getting into a joint venture programme with them, we have control but, Sir, I will speak to the matter when I wind up but I must keep interrupting the Honourable Member to save the public from him.

Mr. D. St.E. KELLMAN: Mr. Deputy Speaker, we once had a good relationship between carpenters and masons living in various communities but National Housing Corporation is now removing that relationship and not creating brotherly love anymore in the community. They are selecting contractors to go to St. Philip to build homes for people who know carpenters, masons and electrician who can offer a better price to deliver the service to them. Sir, the National Housing Corporation cannot be the judge in this particular matter. The decision must be left to the masses of people who have the capabilities of understanding what they want in a home, who can expedite that understanding to get a better price and decide what they want. They do not have to listen to the dictates of the National Housing Corporation who will give them a house with inferior material but if they build houses themselves they can chose their lumber from the lumber yard. Sir, the record at the National Housing Corporation is such that before you get the house it is already rotten and Apes Hill development is a good example of this.

Miss. C. Y. FORDE: Mr. Deputy Speaker, on a point of order. The houses in Cane Garden are of a similar project, the people there are happy to have that privilege, the houses are of a high quality and this is the reason why I still live there and this disputes what the Democratic Labour Party has been saying.

Mr. D. St.E. KELLMAN: Mr. Deputy Speaker, the Honourable Member for St. Thomas just stated that when people receive houses from the National Housing Corporation there are no problems, that the Press has lied to Barbados, that her house is the judgement for all others and that nobody should complain about houses from NHC.

Miss. C. Y. FORDE: Mr. Deputy Speaker, I am sorry to interrupt the Honourable Member for St. Lucy. He is saying that I said there are no challenges and that is not true. I want to make the point that the public of Barbados are extremely happy for the opportunity to own houses in the joint project as is the case in Apes Hill and Orange Hill where there are wonderful houses going at a price that lower income persons in Barbados can purchase.

Mr. D. St.E. KELLMAN: Mr. Deputy Speaker, I support the houses if that means that when people get houses now they do not have to take off the roof to get a bed or fridge inside and that they do not have to continue to knock down partitions to bring in equipment because of what I call the matchbox houses because what we like for ourselves should be the same thing given to the masses.

Sir, NHC's role is not to decide what house a person should live in and if the NHC is not going to benefit from the joint arrangements with the contractor, then they should withdraw the contractor and let the people decide who

should build their houses. The National Housing Corporation is even now telling people who should build their homes and this is a serious charge, Sir.

Asides.

Mr. Deputy Speaker: Honourable Member, please address the Chair.

Mr. D. St.E. KELLMAN: Sir, it is not the Government's role to decide for the citizens of Barbados who should build their homes. There are many carpenters, electricians and masons throughout Barbados who want work but the NHC is now making that decision. The problem with this Government is that a select few can make the decision that there are contractors, get work from Government and the carpenters, electricians, masons and draftsmen in St. Philip cannot work on that particular project. Sir, if we are operating on a systems where everybody is liberated, why is it that artisans have to work for somebody else and cannot get a piece of the cake for themselves.

Mr. Speaker, we should not limit our own people while opening up Barbados for everybody else. I know the Honourable Member who presented this Bill agrees with me for the simple reason that the Honourable Member for St. James South believes that artisans in her constituency are entitled to have work across Barbados and that the work should not be limited to a few.

Asides.

Mr. D. St.E. KELLMAN: I now understand what is happening, the Honourable Member for St. James South is being controlled by policy. Sir, I am now hearing that the Honourable Member would like to implement what I am saying but because of Cabinet she cannot do that.

Sir, I thank you and I sit on that particular point.

Hon. A.P. WOOD: Mr. Deputy Speaker, I will wait for Honourable Members of the House to regain their composure after the delivery of the Honourable Member for St. Lucy as it is customary for us to laugh when the Honourable Member is in such a flow.

H8/17:40

Sequence 40

Tuesday, October 21, 2003

Continuation of: Hon. A.P. WOOD: .

Sir, I rise with the greatest amount of pleasure to make a contribution to this debate and I want to say that I

am in support of this Resolution, as you would expect, to vest these three parcels of land in St. Philip into the National Housing Commission for the purpose of housing development, two parcels lie in the constituency of St. Philip South and one is in the constituency of St. Philip West.

Mr. Deputy Speaker, a few weeks ago we had a very rich debate in this Honourable Chamber on the Land Tax Amendment Bill (No.2), 2003 and a number of speakers were carried away in that debate and some of us did not get an opportunity to make our contributions. There was a theme in that debate which said that the amendment which was being made to the Land Tax Act would help promote the property-owning democracy which we all will agree should be the major objective of whichever administration is in office.

I hope to use the theme of that debate as a starting point for me in this contribution. I know what I am going to say today is what a number of other Parliamentary Representatives in this Honourable House would want to say but they may not have the time to say.

Sir, the Honourable Member for St. James South is correct when she said that St. Philip has gone through a number of changes. It once had a very rural character and we have benefited, like St. James, probably, most from the inward immigration that is taking place in this country.

Sir, over the years we have seen a number of areas being developed in St. Philip. We have also seen a build up in the housing stock in areas like, Union, Ruby, Long Bay, Atlantic Park, Belair Terrace, Crane, Rices and Six Roads St. Philip. The National Conservation Commission has been responsible for a small development at Six Roads St. Philip and I am being very constituency specific at this time. The Honourable Member for St. Philip West can speak to that constituency if he knows that constituency well.

Asides.

Hon. A.P. WOOD: Sir, what we are experiencing in St. Philip South is an interest by persons who want to be part of the property-owning democracy in Barbados by becoming owners of properties in the parish of St. Philip. I am speaking from a position of authority because I know what I have gone through since I was a Member of Parliament.

Sir, every Thursday, once I am available to meet my constituents, one of the major requests is for housing. Mr. Deputy Speaker, the request for housing is not only by persons in the lower but in the middle income bracket and higher who tell me that they are looking for houses and jobs. I am proud to get up in this Honourable House and

support the intention of the National Housing Corporation, through this Resolution, to bring their projects into the parish of St. Philip.

Mr. Deputy Speaker, we are all aware that the Barbados Labour Party gave Six Roads the designation of a town centre. In recent time we have been aiming systematically in a very structured approach to put practical effect to the Barbados Labour Party's policy of developing Six Roads to the point that it could be a fully developed town centre.

We have seen a lot of businesses established in Six Roads but the job is not finished. Sir, in the same way that the Glebe, St. George has been a beneficiary of a number of government services, which are essential if you are developing a town centre, Six Roads is crying out for the same things.

Sir, this Government has a plan and I welcome the execution of that plan because the area needs it urgently. This Government has a plan to establish a civic centre in Six Roads. This civic centre will see the establishment of a police station, fire station, relocation of the post office and the library that would have served us well and we really look forward to this facility.

This Government has also taken the decision that as part of the establishment of this town centre, we would give the vendors and craft persons in St. Philip an opportunity to be part and parcel of a craft market that would be lying contiguous to the civic centre. It would augur well for the vendors who would ply their trade in that area because they would be in contact with more customers. This is a wise project and I look forward to seeing it become a reality.

Mr. Deputy Speaker, the development of the housing stock in the environment of the civic centre will give the commercial enterprises at that location an opportunity to be reasonably successful. What we are seeing here must be analysed in the context of what the Government is trying to do elsewhere. It must also be understood, in the context of what the private sector is also trying to do, by way of housing developing in the area of Six Roads.

Sir, the principals of Eastern Land Development are busy preparing the infrastructure for the Emerald Park Development, Six Roads. When that project is finished, there would be an additional 544 new homes in Six Roads; 191 homes in the first phase and the remainder in the second phase.

Asides.

Hon. A.P. WOOD: Sir, in this Resolution there is a small parcel of land at Marchfield, St. Philip, it is not in my

constituency, but I would hope that this small parcel of land would be reserved for the low income earners.

Asides.

Hon. A.P. WOOD: Sir, originally the acquisition spoke to another parcel of land that lies contiguously to Hopeland, that is where the major development will take place, Rices/Hopeland. Sir, the Honourable Member for St. James South said that 120 are going to be constructed under a joint venture programme, 100 houses and 20 lots will be provided

8/41 : 17.50 p.m.

Tuesday, October 21, 2003

Hon. A.P. Wood: The National Housing Corporation (NHC) would have deliberated long and hard on what type of development to put there. They have come up with a decision that it should be treated as a development for middle income homes. I could understand where they are coming from because this land is contiguous to the Crane Development, and they would want to maintain the character in this housing development as what exists in the Crane Development. I do not have a difficulty with that.

I welcome the news from the Honourable Member for St. James South that the 120 housing solutions which would be provided at Rices are for the people from St. Philip. Mr. Deputy Speaker, the Honourable Member for St. George North made mention of this development about three years ago. Ever since then, my constituency office has been flooded by aspiring home-owners from the Parish of St. Philip. I can assure you that in my office alone, in response to the breaking of the news by the Honourable Member for St. George North, at that time he was the Minister of Housing and Lands, that I had compiled a list of no fewer than 450 to 500 persons who want to become part of the property-owning democracy, which we all agree is a healthy thing for this country. I told my constituents that one of the most difficult decisions that I will have to make as a parliamentary representative is to decide which of the 450 persons should be recommended for inclusion in the project.

Mr. Deputy Speaker, we are very fortunate that while this project at Rices in Hopeland will be going on, we are busy planning for the project at Workhall and once again, I want to issue the call right now that this land at Workhall should be reserved for low income earners. The point I want to make is notwithstanding the fact that the NHC's development will not cater for all those who have expressed an interest in owning properties in the constituency. We have the benefit at this time that this project, when the ground is broken will be carried on

simultaneously with the other project which I have mentioned that is going on at Six Roads.

If the private project and the NHC project when combined are to bring real benefits to the people in St. Philip, and bring smiles to the faces of the Honourable Member for St. Philip West and myself, I am saying that large numbers of persons from the Parish of St. Philip would have their dream realised of becoming members of the property-owning democracy.

Mr. Deputy Speaker, I am happy that the process has got to this stage. My constituents welcome the effort on the part of the NHC, but I just want to encourage them not to let the process lose any momentum. We are getting closer to the point where the dream of a large number of my constituents and others living in St. Philip can be realised.

It would be remiss of me, Mr. Deputy Speaker, if I did not take this opportunity to encourage the Honourable Member for St. James South and her staff at the Ministry to be cognizant of the fact that there is a real deficiency in the constituency of St. Philip South, as it relates to the provision of community recreational facilities. It is one of those areas that I must confess, as the parliamentary representative for St. Philip South that we have not been able to make material progress on. The constituency has done extremely well in other areas. Sir, I have identified, just as I did during the last term, a number of areas that lend themselves to the provision of proper recreational facilities, the form of playing fields provided and maintained, be it in the form of resource centres, and in the form of pavilions or community centres.

As I said, in order to solve this problem indeed with the deficiency as it exists in the area of community recreational facilities, the Ministry of Housing will have to be pressed into action, in order to effect acquisitions. We have some self-contained communities in the constituency of St. Philip South and I am going to give a couple of examples.

Sir, Gemswick has benefited from the migration that I have spoken about earlier. We have Gemswick Gardens, Gemswick Park and traditional Gemswick. If there is an area that is longing for proper recreational facilities, it is Gemswick because we have large numbers of persons residing there.

The only way that will be dealt with, is if an acquisition is effected because the land that is available over there is another issue which the Ministry of Housing will have to deal with as well. The land that is available for the provision of a proper recreational area is properly owned.

Mr. Deputy Speaker, as you move through the constituency, in the St. Martins area, there are large numbers of young persons who like to engage in sporting activities. I facilitate them because I organise sporting competitions for them, such as dominoes for Independence, basketball, netball, and a tape ball cricket competition which begins in January and concludes in April.

Sir, as one engaged in sports, I know the importance of getting young people involved in organised sporting activities. I know and they know, because they are willing to participate in these tournaments. Collectively, we know the importance of having proper recreational facilities and as we move through the constituency, it is the same story.

The Ministry of Housing is aware of the severity of the problem. The Minister of Sports was kind enough to do a constituency tour with us. I have no doubt that with their knowledge of the importance I attach to sporting activities in the constituency, that the constituents will be the beneficiaries of proper recreational facilities, in the same way that they will be beneficiaries of the houses which will come through the vesting of these parcels, and other parcels to come, and in the same way they will be the beneficiaries of the private sector project that is being undertaken in Six Cross Roads.

Mr. Deputy Speaker, I will conclude by saying once again, how happy I am that the process has reached this stage. I just want to encourage the Honourable Member for St. James South and all her officials at the NHC, and those members from the private sector, who will be involved in the joint venture operation for the project at Rices, that at Workhall and the one at Marchfield to facilitate the process in such a way that the momentum is not lost.

House 8, sequence 42, 18:00:14

Tuesday, October 21, 2003

Hon. A. P. WOOD: My constituents have been waiting and they look forward to becoming members of the property-owning democracy.

I thank you.

Dr. D. C. ESTWICK: Mr. Deputy Speaker, I rise to support this Resolution with respect to the vesting in the National Housing Corporation of the parcels of lands particularly in the area of Marchfield in the constituency of St. Philip West for housing development. I also support the vesting in the National Housing Corporation of the parcels of land in the areas of Wakefield, Workhall and Hopeland in the constituency of St. Philip South.

Sir, I must express my concern that usually these sort of projects tend to offer housing at a cost that is usually

prohibitive with respect to the lower and middle income earners in Barbados. I speak specifically from my experience in the constituency itself with respect to the last project at Breezy Hill, in the constituency of St. Philip West, which was also a joint venture project. Many of those residents have complained to me that they had received very small plots and wooden houses made out of pine at an exorbitant price which has been deteriorating quite rapidly.

I want to suggest and hope that this would not be the case with this particular project being developed in St. Philip and that the houses would indeed be affordable to the low income earners in the constituency. I would prefer to see these houses being built out of wall.

Sir, when I look at the census data in Barbados that looks at the number of houses in Barbados that are built from wood, stone or a combination thereof, I start to get a little concerned. I had an opportunity to review the census information for 1980 and that for 1990 and there was always a trend toward increasing the number of houses built of stone in Barbados. It was a normal cultural feature that those persons who had wooden properties would gradually transform the property into a stone structure by building from the back, a kitchen, a toilet and a bath, and come forward.

I am concerned that part of the modern trend in Barbados in this 21st century is that of providing Barbadians with wooden houses built out of pine. I am concerned that such a project or such type of building should not occur in Barbados in the future. I hope that this is not the type of housing stock that is proposed to be built in St. Philip West and in St. Philip in general.

I also want to raise some concerns I have with respect to this notion of a land bank in Barbados. Mr. Deputy Speaker, I believe that the only reason a land bank should exist in Barbados is if Government recognises that there is a need to reserve land for those who cannot buy. I would therefore have to ask myself the question how did that developed in Barbados. I would also want to ask the question if this land bank does not in anyway remove the choice that an individual should have in determining where he wants to build his house. It seems to me that a low income earner in Barbados can only opt to live where Government has land in a land bank. I do not believe that is what we have educated our people for. I believe it is a strategy and it has removed the choice of Barbadians, and I am not comfortable with it, Sir.

With respect to the project in Marchfield specifically, I want to suggest to the National Housing Corporation, and I would like to hold them to this, that if this project is for the residents of the constituency of St. Philip West that in due time this promise should become a

reality. I am going to be sending as many people I can from the constituency of St. Philip West to the National Housing Corporation to get those houses. All around Barbados we have seen housing projects established in constituencies but 90 per cent of the occupants are not members of that constituency.

Asides.

Dr. D. C. ESTWICK: I am responding directly, Mr. Speaker, to the promise that was made to the residents of St. Philip West that these houses are to be built for them. So I hope that promise is going to be kept.

Hon. Miss H. E. THOMPSON: On a point of order. The Honourable Member is in my view misleading the House - I do not think it is deliberate - on this question of whether persons from one constituency can have all the choice in respect of new housing development in a particular constituency. Clearly, Mr. Deputy Speaker, that cannot be so. The people who are going into the houses are all Barbadians. The constituencies of St. James South, St. James Central and St. Michael are almost completely built out. Therefore, people wanting those houses cannot have access to projects on lands in their own constituency because there is none available, so you would have to give them houses or land in developments elsewhere. Therefore, the residents of St. Philip cannot expect that people from other constituencies must do without housing and that only the residents of St. Philip can get houses or land up there, it cannot happen. I am saying that to all the Honourable Members of St. Philip.

Mr. DEPUTY SPEAKER: Proceed, Honourable Member.

Dr. D. C. ESTWICK: Mr. Deputy Speaker, it is my responsibility to look out for the interest of the people of St. Philip West, which is exactly what I intend to do. If I could get all of the house spots for the people of St. Philip West, I am going to try, Sir. That is my responsibility and I am not going to shirk from it, Sir.

Mr. Deputy Speaker, this whole notion of the availability of housing in Barbados represents a very serious problem in this country. I see my constituents on Thursdays and their major concern is that of housing. They either want a house spot to rent or to buy and they want houses and land. I am concerned that the pace to which there is movement toward making land or land and housing available in Barbados is too slow.

House 8 Sequence 43

6.10 p.m.

Tuesday, October 21, 2003

Dr. D. C. ESTWICK: I would want to say to the Honourable Member for St. James South to do whatever is necessary in her power to ensure there is a speedier process in getting land and houses and making them available to the people of this country.

Mr. Speaker, I would want to say that the availability of land has been affected significantly by speculation in Barbados and speculation by many non Barbadians. Sir, I would specifically say that this has contributed significantly to the rising cost of land that has put the average plot of land beyond the average Barbadian. I do not believe this could be disputed, the evidence is there to support this but I will not accept the position that the only solution is for Government to buy available land and to attempt to make it available whenever they see fit.

Sir, I would have to ask the question, when Foursquare, Groves and Hannays Plantations became available on the market, in 1999 the Barbados Labour Party administration promised that they would have acquired the land and would have moved District "C" Police Station down to Six Road, they would have built a new fire station, they were supposed to have built a mini-hospital...

Asides.

Dr. D. C. ESTWICK: Mr. Speaker, it is in their Manifesto. When they proposed to establish a fire station in Six Roads, when they proposed to move District "C" Police Station down to Six Roads, they had the opportunity to acquire the land at that time, if they were interested in providing low income housing in St. Philip. Sir, that is not what has happened. What has happened is that it was allowed to be achieved by Eastern Land Development and then subdivided into house lots to sell to low income people, that can only result in an increase cost of the land.

Hon. R. R. FARLEY: On a point of order, Mr. Deputy Speaker. The Honourable Member is misleading this House by, first of all, imputing improper motives on the part of Government by reading into the records of this House that we had an offer to purchase land, and that we refused the offer so that it could have been taken up by others for a profit. Sir, there was never such an offer.

Sir, the matter in relation to the Civic Centre at Six Roads, St. Philip, which was related to that property which was the Plantation Mall, the subject of receivership. It did not involve any land for residential purposes. Therefore, to get into the business of who has subsequently built housing in the area, which was never considered by the Government for purchase, and for the Honourable Member to read into the records of this Parliament that we refused to purchase what was offered so that someone else could have it, must be struck from the records because it is not true.

Hon. Miss H. E. THOMPSON: Mr. Deputy Speaker, I note that the Chair has not ruled on the request as whether or not to strike it from the record but equally I want to make it clear.

Sir, one of the things that I have learnt when I came to this House - and I would have to say that it was a lesson learnt from the Honourable Members on the Other Side, when I said things that were inaccurate and spoke out of an abundance of ignorance, I was challenged by persons such as the Honourable Member Erskine Sandiford, now Sir Lloyd Erskine Sandiford, and Honourable Member Branford Taitt.

As he is a new Member, I do wish to caution him not to speak to things of which he does not have information. He has mislead the House and the country when he said that we have purchased land at Six Roads and have sold it to Eastern Land Development. It is erroneous, no land was purchased by the Government and sold to Eastern Land Development for them then to add a profit to it.

Mr. DEPUTY SPEAKER: Honourable Member, from which document did you get this information?

Dr. D. C. ESTWICK: Sir, that was not said by me, those are imputed statements.

Mr. DEPUTY SPEAKER: No, earlier you said that you got that information from a document.

Dr. D. C. ESTWICK: No, Sir, this is where there seems to be a problem with understanding the basic English language. I said that when the land was available to be purchased, if Government were interested in purchasing the land to make it available to low income housing, they would have done so.

Sir, that is what I said. I never said that Government purchased it. I never said they made an offer for it but there are many guilty consciences in here today.

Asides.

Mr. DEPUTY SPEAKER: Honourable Member, I accept what you have just said. You have actually rephrased your statement.

Dr. D. C. ESTWICK: Sir, my point is very simple, if Government wanted to provide low income housing, it has the Parliamentary mechanisms by which to acquire land to provide housing at the cheapest possible cost. It cannot be provided at the cheapest possible cost if it is being done in a joint venture programme where there are going to be profit elements involved. That is logic.

Asides.

Dr. D. C. ESTWICK: Mr. Deputy Speaker, as long as the constituents of St. Philip West are advantaged, where they are given the opportunity to have access to land and housing at the most affordable prices, I would feel quite happy. Sir, I would want to say that I do believe that the National Housing Corporation needs to decide what is its fundamental land use policy. It must determine whether it is going to be a landlord, a speculator or whether it is going to generate profits by joint venture arrangements, et cetera.

The National Housing Corporation must decide what is its mandate. If it does not, then rest assured that the Honourable Members from this side would bring these matters to this Honourable House.

I thank you, Sir.

Mr. C. A. MASCOLL: Mr. Deputy Speaker, I rise only to make a brief intervention.

The Honourable Member for St. Philip South started off by saying that in a recent land tax debate, we were hoping to create a land-owning democracy.

6.20 p.m.

Tuesday, October 21, 2003

Mr. C.A. MASCOLL: I am told that when additional information becomes available that I should react by asking more questions. Mr. Deputy Speaker, St. Philip on the whole attracts many returning nationals and today I received some information from a pensioner with respect to land tax and how it impacts on the capacity to own and uplift the housing stock.

I wish to ask in this debate, given the availability of land in St. Philip whether or not a pensioner is someone over the age of 60 or 65 or someone receiving pension from any source. I am asking this question because if an individual returns to Barbados and is able to get access to land from Government, builds a house on that land and is a pensioner, is he entitled to the \$125 000 relief?

Hon. R. R. FARLEY: Mr. Deputy Speaker, on a point of order. Land Tax (Amendment) Act, No. 1 for 2003 dealt with that issue because the question was raised and the amendment specifically defines a pensioner over the age of 60 because it was recognised that there were different classes of pension.

Mr. C.A. MASCOLL: Mr. Deputy Speaker, this means that whether the person is a returning national or not he is entitled to the benefit within the land tax provision. Therefore, a person who returns to Barbados and builds a house out of cash will be equally entitled to this benefit.

Mr. Deputy Speaker, I, therefore, wish to bring to the attention of the House that a pensioner recently received a land tax bill, notwithstanding what we heard in the debate, and had his land taxes increased from \$350.00 in the year 2002 to \$2 500 for this year.

MR. DEPUTY SPEAKER: Honourable Member, what are you leading up to?

Mr. Deputy Speaker, I am asking the question as to whether or not in allocating the land in St. Philip, an old age pensioner who gets access to those lands would be able to derive the benefit as described in the previous legislation even though the person would be building a home for the first time and to all intent and purposes would have the ability to pay and because of age qualification, not on the basis of income, the individual at age 60 is able to get the benefit as provided within the Land Tax Act?

MR. DEPUTY SPEAKER: Honourable Member for St. Michael North West, we dealt with that Bill last week, could you get on with the present Bill.

Mr. C.A. MASCOLL: Mr. Deputy Speaker, I would like to say that I rise to support the Resolution before the House.

Hon. H.E. THOMPSON: Mr. Deputy Speaker, I imagine that the Honourable Member for St. Michael North West is regretting that he will never become Prime Minister and have the opportunity to address that problem and even though it was irrelevant in today's debate, he sought to raise it but he must accept these things.

Sir, a number persons spoke during the debate particularly the Honourable Member for St. Lucy and the Honourable Member for St. Philip West and I wish to revisit some of the issues which they raise as I wind up.

The National Housing Corporation is not a speculator as is being alleged by Honourable Members on the other side. It has a social function and this is why even though there are people who live in housing units who do not pay rent, we try to collect those rents but those who have genuine problems are referred to the Ministry of Social Transformation.

Sir, it is our responsibility to provide lots and houses, to make them accessible to a wide number of Barbadians and to create a property-owning democracy. In this regard, what we have sought to do during the joint venture programme is to seek to control the price of land by subsidizing its cost to the purchaser so that a person buying a piece of land under the joint venture programme instead of having to pay \$10 or \$12 a square foot, which would be the value of land in the particular area the development is being created, would only pay \$6 per

square foot for that land. Sir, the National Housing Corporation is subsidizing and absorbing the cost.

Hence, the land bank does not push prices up but rather than having that land bank on the open market where private developers can sell the land for \$15 or \$20 per square foot, we take ownership of the land through the vehicle of the NHC and ensure that the land is sold at less than market value.

Therefore, while land is being sold at \$15 and \$20 per square foot in lower income and lower middle income developments, we are still selling land at \$6.00 and \$6.50 per square foot, even though the lands around our development are being sold at twice and three times the price, thus creating a protective method.

Sir, I noticed that the Press was busy writing when the rubbish on the other side was being spoken but I cannot see anyone from the Press taking notes now that I am speaking. Sir, the land bank was not used to inflate land and housing cost but to control it.

There is speculation by Honourable Members on the other side as to how the joint venture works. I will explain to the Honourable Members on the other side even though I do not think any explanation will be of assistance to them.

H8/18:30

Sequence 8

Tuesday, October 21, 2003

Continuation of:.. Hon. Miss H. E. THOMPSON: Sir, under the joint venture programme, the Government is not selling land to the joint venture partners. The joint venture partners have the responsibility of developing the infrastructure and building the houses. National Housing Corporation retains the ownership of all the land, it does not pass to any developer. National Housing Corporation retains ownership of all the lands until such time as a purchaser pays for his property.

Sir, we retain it by means of a lease. The developer gets access to the land by way of a lease which they then take to the bank and say to them that they are joint venture partners, by which they have access to these 24 or 100 acres of land for the development of housing for them. Therefore, they can seek funding to carry out the infrastructural and other development. Sir, by doing that, the developmental cost for the land does not fall to the National Housing Corporation, which is a cash-strapped institution.

Sir, in relation to each contractor and developer in the joint venture programme, we brought them in and asked

them to tell us what price they were proposing to sell the land at because the price of the land should not exceed X dollars per square foot in this location. We also asked them what their infrastructural cost would be. Where we realise that they were seeking to inflate the cost in order to make a large profits, we make it clear to them that the cost of the land is not going to exceed a certain price.

Secondly, we have determined what the specification for the houses should be. The Honourable Member for St. Lucy likes to talk about matchbox houses. Sir, in St. James South, in a development called Oxnard Crescent, we had what the Honourable Member for St. Lucy refers to as a matchbox house. We, at the National Housing Corporation call that kind of home a starter home. We give the homeowner a basic structure that allows you to own a property on enough land that, as his/her circumstances improved, the property could be improved.

Sir, if you go to Oxnard Crescent or any of the other developments where starter houses were sold, the houses that are currently on the properties now bear little or no relationship to the properties which were sold to the purchasers.

Sir, there is a distinction between what we are calling a starter home and a low income house. A low income house is not a basic square house. A low income house would have more design and detail and more flashy. It will be a larger house and in some instances one or two bathrooms or tow bathrooms. However, it will not have moldings or skirting but it would be fully tiled and have built-in cupboards. Sir, a middle-income home would have a different design, the finishes change et cetera and the cost of this kind of house would increase.

We have also put in place the facility of a 100 per cent mortgage to allow for the purchase of these properties at every level providing the purchaser is a homeowner for the first time and whether it is a starter, low come or middle-income home.

Sir, I wish to reiterate that we are not selling house or land or seeking to impose house or land on purchasers who do not want to buy. The Honourable Member for St. Philip West said that people come to him for house and land. Therefore, this contradicts what the Honourable Member for St. Lucy said that, the Government should only sell houses. People want a 'turn-key' arrangement.

Sir, in structuring the joint venture arrangement, we are able to keep down the infrastructural cost and the land cost. The National Housing Corporation is not making any profit on the houses.

Asides.

Hon. Miss H. E. THOMPSON: Sir, if you bring a carpenter or a mason with a foreman on a site, the carpenter and mason are looking to get the maximum dollar for their labour. If you bring a developer, he is looking to make a profit on his investment. Nobody builds houses for free. The notion that you can get a house built for free is false.

The National Housing Corporation, in its history of construction, has not been a good builder and has not been able to achieve economies of scale. Therefore it is better for us to have private sector people, who do a better job at construction, to do the construction on our behalf. We are not putting the houses on the open market for sale to obtain the best market prices. We are seeking to control the prices of the houses and land.

In fact, if developers do not want to be subject to terms of our contract, they do not have work with us. We want to ensure that people have access to housing. Mr. Deputy Speaker, the programme is structured to guarantee this.

Asides.

Hon. Miss H. E. THOMPSON: Sir, the land is used as security but it is not sold to them. It is a lease. They can go to the bank and say that they have a lease to build houses on 100 lots and before they start they would need \$1 million in mobilisation. The bank would give them the mobilisation based on the facts.

Asides.

Hon. Miss H. E. THOMPSON: We then send contractors the names of the persons on the National Housing Corporation's list.

For example, if Mary Brown comes into National Housing Corporation to buy a house, we would tell the developer to build a house on National Housing Corporation's land for Mary Brown. Mary Brown then pays National Housing Corporation for the house and land and National Housing Corporation pays the contractor. Sir, National Housing Corporation is not making any large profit on these houses. We are trying to contain the cost of housing.

Asides.

Hon. Miss H. E. THOMPSON: Sir, Next year we are seeking to embark on a new phase of low income houses. I believe that there is a core of people still being excluded by the current pricing structure. Therefore, we have to ensure that those people also fall into the net. Mr. Speaker, if low income houses under the current structure are being sold for approximately \$120 000, in my view, low-income houses should be sold for less than that if we want to

ensure that general workers, maids and a certain core of persons own houses. Therefore, next year you will see us get into an arrangement where we would start building exclusively for that market which is \$100 000 and under rather than \$100 000 and over.

However, middle income people, the area in which is the area that we have stressed in the current phase of the programme, have been the most marginalised people who have had the greatest difficulty in getting access to land, finance for land and houses. The National Housing Corporation took a deliberate decision that this is the market that we would try to assist.

8/48: 18.40 p.m.

Tuesday, October 21, 2003

Hon. Miss H.E. THOMPSON: Sir, there was one point raised by the Honourable Member for St. Philip South which I think is an excellent point, but I would not take that up today. Sir, for the benefit of the Chamber, because I do not think it ever was put on the record, I will take the Chamber through the location of the various developments and the number of lots or houses.

Sir, we will be constructing 42 low income houses at Hoytes Village in St. James, two bedrooms, one bathroom and three bedrooms, one bathroom. At Arch Hall St. Thomas there will be 22 lots and 29 houses. These are going to be exclusively for the people at Arch Hall who are going to be given first call on lots and land in the area.

At Mount Poyer, St. Lucy, we are developing 35 lots and people can build houses there at their own rate, as the Honourable Member for St. Lucy would wish to see them do. There will be 35 lots available, so that they can build. Those lots are going to be in the region of \$32 000 which is a price for low income housing. This is not high pricing.

Asides.

Hon. Miss H.E. THOMPSON: Sir, \$40 000 or over, you are going to move out of the low income range, but at \$32 000 you are talking about low income housing.

This is what we are doing with the land bank. We are subsidising the price of housing and lands for people. The Honourable Member for St. Lucy told me today that land in St. Lucy is going, in some instances, as high as \$15 per square foot. He cannot deny having said this. Sir, these are lots that are being sold at \$6 per square foot, below the selling rate of land in St. Lucy.

Sir, at Coverley there are 21 low income lots and 50 low income houses, 2 bedrooms, one bathroom and 3 bedrooms, one bathroom. At Fairy Valley, again 64 lots in

the range of \$30 000, Sir, for middle income people. There is a range of middle incomes. You have low-middle income, middle-middle income and upper-middle income and we are trying to cater to the range.

Aside.

Hon. Miss H.E. THOMPSON: Sir, for middle income houses there will be 50 houses at old Deanes Town. At Deanes Town Heights there will be 148 houses, two bedrooms, one bathroom; three bedrooms, one bathroom and three bedroom, two bathrooms.

At Lancaster, Phase 1, there will be 47 houses, again, three bedrooms, one bathroom; three bedrooms, two bathrooms and two bedrooms, two bathrooms.

At Lancaster, Phase 2, there will be 55 lots. Again, given the area in St. James, you can consider that a lot for \$50 000 in that area is really being sold at a very reasonable price, because this is another one of the areas where land is selling between \$10 and \$20 per square foot. Again, we are still selling at \$6.50 per square foot.

Asides.

Hon. Miss H.E. THOMPSON: You are talking about ridge lots with a sea view and we are catering to Barbadians and, particularly, to first time home-owners.

At Lancaster, Phase 3, there will be 173 houses, three bedrooms, two bathrooms. At Husbands Gardens, three will be 26 houses, two bedrooms, two bathroom and three bedrooms, two bathrooms. Sir, at Buckeley Meadows, Ellerton in St. George, 82 houses, three bedrooms, two bathrooms.

We went through Rices, St. Philip. At Kent in Christ Church, there will be 248 houses. Sir, you will remember that I mentioned Coverley before, and I gave the number of low income houses, and I am moving onto the middle income houses. There are 21 lots for middle income earners, and 85 houses, two bedrooms, one bathroom and three bedrooms, 2 bathrooms at Coverley in Christ Church. This speaks to the Joint Venture Programme.

I have sought to detail how we are approaching Rices, Woodland, Hopeland and the surrounding areas for housing development. I sought to locate them within the context of the Joint Venture Programme. I sought, Sir, though I know that I have failed both in relation to the Opposition and the media, to try to explain the details of how the Joint Venture Programme is organised, the relationship with our Joint Venture Partners, how we are keeping costs down, and the numbers of houses and lots that will be available for purchase.

Sir, I just wish to close by reminding the public, and I hope that the media would at least carry this, that all of the lots and houses which constitute the Joint Venture Programme, are on display at the NHC, in an exhibition. We are inviting members of the public to come and see the display, because they will then know exactly where the lots are located. They would be able to see the size of the lots. They will see the house prices and they will see the proposed design for all the areas, because various contractors are using various designs.

At Coverley, for instance, there are five different contractors providing five different types of housings and depending on your own personal taste and what your budget can afford, you would want to opt for different things.

At the exhibition we have available every day, somebody from the banking institutions to give financial information. We have members of the NHC's staff to take details of applications. All the contractors have representatives available that you can discuss with them your choice in a house and if you want something added. Suppose you wanted a two-car garage, rather than one, or a garage built onto a house that we are describing as a low income house, so there is not provision for a garage, you can enter into a relationship with the builder to have your house personalised or adapted to suit your personal taste.

Sir, I believe that this Joint Venture Programme will help to give further impetus to economic activity in Barbados and will also spur further building in the private sector. While there are elements of the programme that were not developed by me, because I am inheriting a lot of the policy, at the same time, I think that it has much to commend it, and I am very happy to take the process forward.

When I came to the Ministry, we have been talking about a land bank for a long time. I am happy to say that we have actually broken ground, I think, at three of the developments and early next year, I wish, with the first property owner, to turn the key to his or her new home.

Sir, with these words, I beg that this Resolution do now pass.

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

ADJOURNMENT

Hon. R.R. FARLEY: Mr. Deputy Speaker, this concludes Government's Business for today. I beg to move that this Sitting be adjourned until Tuesday, October 28, 2003 at 10.00 a.m.

Hon. G.A. CLARKE: I beg to second that, Sir.

The question that this house be now adjourned until Tuesday, October 28, 2003 at 10.00 a.m. was put to the House and resolved in the affirmative without division and Mr. DEPUTY SPEAKER adjourned the House accordingly.

House 8, sequence 47, 18:50:12

Tuesday, October 21, 2003

House 8 Sequence 48 & 50

6.50 p.m.

CONTENTS

MINUTES

Hon. Miss B. A. MILLER.....1

Hon. R. R. Farley, 1.

ANNOUNCEMENTS BY HIS HONOUR THE SPEAKER

PAPERS

Rt. Hon. O. S. ARTHUR.....2

1. Value Added Tax (Refund) (Barbados Military Cemetery Association) Order, 2003; and
2. Half-yearly Report of the Revenue Collecting Departments of the Ministry of Finance for the period October 01, 2002 to March 31, 2003.

FIRST READING OF BILLS

1. Barbados Port Incorporated (Transfer of Management and Vesting of Assets) Bill, 2003.

ORDERS OF THE DAY

SUSPENSION OF STANDING ORDERS

Hon. Miss B. A. MILLER.....2

Hon. R. R. Farley, 2.

GOVERNMENT BUSINESS

ORDER NO. 1 (resumed).....2

Rt. Hon. O. S. Arthur.

RESUMPTION OF THE OCCUPATIONAL PENSION BENEFITS BILL, 2003

Mr. T.A. PRESCOD.....2

Dr. D. C. Estwick, 5, 6, 7, 8, 12, 13, 18; Mr. R. D. Marshall, 7; Mr. K.D. Symmonds, 8, 9, 10, 11, 12; Mr. D. St.E. Kellman, 9; Rev. J.J.S. Atherley, 12, 13, 14, 16; Hon. A.P. Wood, 16, 17, 18, 19; Mr. C.A. Mascoll, 19.

RESUMPTION

ORDER NO. 1 (resumed)

Hon. R. St.C. Toppin, 19, 21; Mr. R.L. Sealy, 21, 22, 23, 24, 25; Hon. G.A. Clarke, 25, 26; Rt. Hon. O. S. Arthur, 27, 28, 29, 30, 31, 32, 33; Mr. R. D. Marshall, 32.

ORDER NO. 4 – RESOLUTION TO APPROVE THE RESCISSION OF A RESOLUTION NO. 71998 WHICH APPROVED THE SALE OF LAND SITUATE IN VILLA NOVA IN THE PARISH OF SAINT JOHN IN THIS ISLAND TO HORIZON RESORTS LIMITED AND TO APPROVE THE SALE OF THE SAID PARCEL OF LAND SITUATE AT VILLA NOVA IN THE PARISH OF SAINT JOHN IN THIS ISLAND TO HORIZON RESORTS (BARBADOS) LIMITED.....33

Hon. Miss H. E. Thompson, 33, 34, 35, 36, 37, 38, 45; Mr. D. St.E. Kellman, 38, 39; Hon. N. A. Lynch, 39, 40, 42, 46; Dr. D. C. Estwick, 43, 44; Mr. K.D. Symmonds, 43; Hon. A.P. Wood, 44, 45.

ORDER NO. 9 – RESOLUTION TO APPROVE IN ACCORDANCE WITH SECTION 5 OF THE CROWN LANDS (VESTING AND DISPOSAL) ACT, CAP 225 THE VESTING IN THE NATIONAL HOUSING CORPORATION OF THE PARCELS OF LAND THE PROPERTY OF THE CROWN SITUATE AT WORKHALL, HOPELAND AND MARCHFIELD IN THE PARISH OF ST. PHILIP IN THIS ISLAND FOR THE PURPOSE OF HOUSING DEVELOPMENT.....46

Hon. Miss H. E. Thompson, 46, 47, 48, 53, 54, 55, 56, 57; Mr. D. St.E. Kellman, 47, 48, 49; Miss. C. Y. Forde, 49; Hon. A.P. Wood, 49, 50, 51, 52; Dr. D. C. Estwick, 52, 53, 54; Hon. R. R. Farley, 53, 54; Mr. C.A. Mascoll, 54, 55.

SUSPENSION.....19

ADJOURNMENT.....58

Hon. R. R. Farley, 58; Hon. G.A. Clarke, 58.

SPEAKERS IN THIS ISSUE

ARTHUR, Rt. Hon. O. S.

ATHERLEY, Rev. J.J.S.

CLARKE, Hon. G.A.

ESTWICK, Dr. D. C.

FARLEY, Hon. R. R.

FORDE, Miss. C. Y.

KELLMAN, Mr. D. St.E.

LYNCH, Hon. N. A.

MARSHALL, Mr. R. D.

MASCOLL, Mr. C.A.

MILLER, Hon. Miss B. A.

PRESCOD, Mr. T.A.

SEALY, Mr. R.L.

SYMMONDS, Mr. K.D.

THOMPSON, Hon. Miss H. E.

TOPPIN, Hon. R. St.C.

WOOD, Hon. A.P.

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EDITORIAL NOTES — NOT PART OF THE REPORT

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

EDITORIAL QUERIES

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

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

Q2. Adjournment. The source records the motion to adjourn twice, once before and once after the take-slip 'House 8, sequence 47, 18:50:12', in slightly different words. The first, fuller version is printed and the second (about 60 words, from the second 'ADJOURNMENT' heading to Mr. Deputy Speaker's adjournment of the House) has been left out. Please confirm.

Q3. Order No. 1, heading and debate. The Bill is headed and cited as the 'Occupational Pension Benefits Bill, 2003', but several Members, including Dr. D. C. Estwick, Hon. K. D. Symmonds and Mr. R. L. Sealy, call it the 'Occupational Pension Plans Bill'. Printed as in the source.

Q4. Order No. 1, Dr. D. C. Estwick. A line reading '8/4: 10.50 p.m.' stands in the text of Dr. Estwick's speech as an ordinary paragraph; the time cannot be right for a morning speech. Printed as in the source.

Q5. Committee, Occupational Pension Benefits Bill. The list of Parts reads 'Part IV clauses 28 to 31' (after Part V) and 'Part VIV clauses 55 to 58'; presumably Parts VI and IX are meant. Printed as in the source.

Q6. Order No. 4, heading. The heading refers to 'RESOLUTION NO. 71998', presumably Resolution No. 7/1998. Printed as in the source.

Q7. Order No. 1, Prime Minister's reply. The Prime Minister says the proposed amendment would link employees' contributions 'to 112 of emoluments'; the figure appears garbled (perhaps a fraction such as 1/12). Printed as in the source.

DEBATE SUMMARY

(Editorial summary — not part of the record.)

The House of Assembly met on Tuesday, 21st October, 2003 at 10.15 a.m., with His Honour I. A. Roett, the Speaker, presiding; prayers were taken by Canon Father Ivan Harewood. The Minutes of 14th October were confirmed and the Speaker reported receipt of the Accounts and Statements for June 2003 from the Accountant-

General. The Prime Minister, Rt. Hon. O. S. Arthur, laid the Value Added Tax (Refund) (Barbados Military Cemetery Association) Order, 2003 and the Half-yearly Report of the Revenue Collecting Departments of the Ministry of Finance, and the Barbados Port Incorporated (Transfer of Management and Vesting of Assets) Bill, 2003 was read a first time on the motion of Hon. N. A. Lynch.

The House resumed the second reading debate on the Occupational Pension Benefits Bill, 2003. Mr. T. A. Prescod supported the Bill as a measure with a strong social component while accepting that no Bill could cover everything. Dr. D. C. Estwick said the Democratic Labour Party supported it in principle but argued that it did not go far enough on portfolio regulation, taxation and penalties, and asked what had become of the 1999 promises of sexual harassment, employees' rights and minimum wage legislation. Hon. K. D. Symmonds, Rev. J. J. S. Atherley and Hon. A. P. Wood answered him, Mr. Wood quoting the Economic and Financial Statistics of September 2003 on deposits and liquidity in the banking system; there were points of order from Mr. D. St. E. Kellman, Dr. Estwick, Mr. R. D. Marshall and Mr. C. A. Mascoll, and Mr. Symmonds withdrew a remark the Speaker ruled unparliamentary.

After a suspension until 1.45 p.m., during which the Speaker welcomed Mrs. Margot McDonald of the Scottish Parliament, Hon. R. St. C. Toppin described the Bill as one of several measures of pension reform, and Mr. R. L. Sealy argued that the Bill had been fifteen years in gestation and had its origins with the Democratic Labour Party. Hon. G. A. Clarke also spoke. In reply the Prime Minister explained that a pension scheme is meant to guarantee a periodic payment between retirement and death, criticised the Opposition's speeches, and announced that the Schedule would be amended so that the existing limits in section 24A of the Income Tax Act (15 per cent of emoluments or \$4 000, whichever is less) would remain. The Bill was read a second time; in Committee, with Hon. R. D. Marshall in the Chair, the clauses were passed and the Schedule amended, and the Bill was read a third time and passed as the Occupational Pension Benefits Act, 2003.

With Mr. Deputy Speaker in the Chair, Hon. Miss H. E. Thompson moved the Resolution to rescind the 1998 Resolution and approve the sale of land at Villa Nova, St. John to Horizon Resorts (Barbados) Limited: about 1 400 square feet on which stood a disused public bath, valued by the Commissioner of Land Tax at \$4 000, for which the hotel owners had offered \$7 000. Mr. Kellman argued that the purchasers should receive a rebate because of the state of the building. Hon. N. A. Lynch defended the Government's tourism record, citing Caribbean Tourism

Organisation figures showing Barbados up 10.3 per cent; Dr. Estwick disputed his use of statistics, drawing a point of order from Mr. K. D. Symmonds on relevance, and Hon. A. P. Wood replied. The Resolution was agreed to.

Miss Thompson then moved the Resolution under section 5 of the Crown Lands (Vesting and Disposal) Act to vest parcels at Workhall, Hopeland and Marchfield, St. Philip in the National Housing Corporation for housing under the joint venture programme. Mr. Kellman objected to the housing policy for rural areas, saying the Corporation's choice of contractors displaced local carpenters and masons, and was met by repeated points of order from Miss Thompson and Hon. Miss C. Y. Forde.

Mr. Wood said the Hopeland land was to be developed for middle-income homes; Dr. Estwick supported the vesting for his constituents in St. Philip West; and Mr. Mascoll made a brief intervention, being asked by the Deputy Speaker to keep to the Resolution rather than the Land Tax Bill dealt with the week before. Miss Thompson replied that houses at \$32 000 were low-income housing and invited the public to the National Housing Corporation's exhibition. The Resolution was agreed to.

On the motion of Hon. R. R. Farley, seconded by Hon. G. A. Clarke, the House was adjourned until Tuesday, 28th October, 2003 at 10.00 a.m.