
THE

House of Assembly Debates

(UNOFFICIAL REPORT)

PARLIAMENT 2003 – 2008

HOUSE OF ASSEMBLY

Tuesday, October 30, 2007

met at 10.15 a.m. on Tuesday, October 30 2007.

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)

Mr.. D. J. H. THOMPSON, LLB. (Hons.) Leader of
the Opposition.

Sir Louis TULL, K. A., Q.C., M.A. (Oxon.)

Hon. Dame B. A. MILLER, D.A. B.C.H., (Senior
Minister, and Minister of Foreign Affairs and Foreign
Trade)

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

(Hons.) (Lon.), LL.M. (Leic.), J.P. (Minister of
Labour and the Civil Service)

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

Mr. R. D. MARSHALL (Chairman of Committees)

Mr. H. L. LASHLEY

Mr. D. St. E. KELLMAN

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

Hon. Miss M. A. MOTTLEY, Q.C., LL.B. (Minister
of Economic Affairs and Development)(leader of
Government Business)

Hon. T. A. PRESCOD, B.A. (Minister of Social
Transformation)

Hon. J. J. S. ATHERLEY, B.A., B.Sc., J.P. (Minister
of State, Prime Minister's Office)

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

Hon. R. R. FARLEY, B.Sc., J.P.,(Minister of
Housing and Lands)

Hon. A. P. WOOD, B.Sc., M.Sc., M.Phil. 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)

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

Hon. C. A. MASCOLL, B.Sc. (Econ.) (Hons.), M.A.
(Public Finance)(Minister of State, Ministry of Finance)

Hon. D. D. MARSHALL, Q.C., LL.B. (Hons.),
L.E.C. (Attorney General and Minister of Home Affairs)

Mr. R. St. C. TOPPIN, LL.B. (Hons.)

Mr. R. D. JONES. B.A. (Hons.), M.A. Ed. J.P.

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 Reverend Canon Ivan
Harewood.*

Mr. SPEAKER: The House is now in session.

MINUTES

Mr. SPEAKER: The Minutes of Tuesday, October
23, 2007.

Hon. R. R. FARLEY: Mr. Speaker, it is my
understanding that the Minutes were circulated, and subject
to any observations or corrections, I beg to move that these
Minutes be confirmed.

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

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

10.20 a.m.

(EDITED)

Tuesday, October 30, 2007

ANNOUNCEMENTS BY HIS HONOUR THE SPEAKER

MR. SPEAKER: I am in receipt of the following:

1. The Ombudsman Report for the year 2006.

PAPERS

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

1. International Financial Services (Exemption) (Great Pacific Bank Limited) Order, 2007.

Hon. R. R. FARLEY: I am commanded to lay the following on behalf of Honourable Member Christ Church South and Minister of Health:

1. Financial Statement of the Barbados Water Authority for years ending March 31, 2004 and March 31, 2005.

BILLS READ A FIRST TIME

Hon. R. R. FARLEY: Mr. Speaker, I beg to move the first reading of the following:

1. National Union of Public Worker Guarantee of Loan Bill, 2007.
2. Prisons (Amendment) Bill, 2007.

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

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

SUSPENSION OF STANDING ORDERS

Hon. R. R. FARLEY: Mr. Speaker, I beg to move that the following Standing Orders No. 6, 16, 18, 20, 42(5), 43 and 44 be suspended for the remainder of today's Sitting.

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

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

GOVERNMENT BUSINESS

ORDER NO. 6 – CIVIL AVIATION (AMENDMENT) BILL, 2007

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

Hon. N A. LYNCH: Mr. Speaker, this is an opportunity for the Ministry of International Transport to deal with an issue that is before us relative to the Civil Aviation (Amendment) Bill, 2007. Sir, the Civil Aviation Act, was passed in this Honourable Chamber in 2004 and proclaimed in the year 2005 and this gives us an opportunity to amend the Act which is of vital importance to the livelihood of all Barbadians and clearly relates to the economy of our country.

Mr. Speaker, the importance of international transport and civil aviation to our socio-economic development cannot be a statement or an area for a lot of discussion. Sir, it is a fact, that there is an inextricable link between international transport, particularly civil aviation, and our tourism sector and it is a matter that people would also see as important. The critical importance of tourism to the national economy and to our livelihood makes this debate even more serious for us today. Sir, with the increasing interest in ensuring the safety of international transport, particularly so after the events of September 11, 2001, particularly the safety aspect of our civil aviation policy and our international transport policy, makes this area even more important than we sometimes give it credit for.

Mr. Speaker, in addition to that is the very dynamic and very volatile nature of what we are dealing with, in terms of civil aviation and because, ultimately, we live in an island that is a tourism destination and we do not have airlift. Sir, some people have said that if you do not have adequate airlift on an island, you are literally a prisoner on that island. Therefore, this particular Bill is of particular importance to the development of our society. Mr. Speaker, I have spoken of the very dynamic and volatile nature of the sector particularly as it relates to the vital cost inputs and particularly the rising cost. Sir, how we deal with issues and inputs in the tourism sector and more particularly in international transport have really come to the fore in recent times. Sir, Barbados, like most other jurisdictions in the region, has been made to pay a heavy price to shore up the safety of our ports and particularly the safety concerns and standards at our international airport. In addition to that, there is the very dynamic nature of rising cost, particularly fuel cost. I was informed this morning that a barrel of oil now cost \$93.31 and clearly tending towards \$100.00 a barrel. Sir, apart from all the other inflationary issues that it would impact on, this would have a serious effect on the issues of international transport

and how we continue to receive adequate airlift and, on the marine side, how we continue to see cruise ships coming into Barbados and even ships carrying commodities.

Mr. Speaker, in addition, the regional and international context in which this particular area is set, is of supreme importance to Barbados, in other words, in many instances, there are checks that are done at our airport in Barbados and our seaport but the checks done at our airport are done by international organisations. In two instances, the International Civil Aviation Organisation and the Federal Aviation Administration of the United States of America, actually do oversights and standard checks and inspections of our airport. Sir, they are concerned, not necessary for our citizens but for their own citizens. Therefore, for persons travelling into our jurisdiction, clearly, we must have an airport that meets their standards.

Mr. Speaker, in terms of safety oversight and the standards, safety oversight is the mechanism by which States ensure that aircraft personnel in their States meet the minimum ICAO safety standards. These standards were established in 1944, under the Convention of the International Civil Aviation Organisation. The Convention consists of the following framework that speaks specifically to some areas, which each individual port of entry must have to meet these overall international standards. It speaks specifically to the legal framework; to the technical, operational, air-worthiness and the administrative sides of your airport. These areas are monitored on a continuous basis and they monitor the practices, the procedures and the standards of each airport to ensure that they are meeting these heavy international standards. These relate as well to aircraft to ensure that they comply with standards.

Mr. Speaker, in 1992, the Federal Aviation Administration of the United States of America, instituted an international aviation safety programme and started a categorisation of States oversight capability. Sir, the concept of oversight assessment is not an examination to determine if an airport is capable of conducting a safety operation but rather, if the regulatory authority has procedures and mechanisms in place to ensure that its locally registered operated aircraft and air operators are being closely monitored.

H149/10:30

Sequence 3

Tuesday, October 30, 2007

Hon. N.A. LYNCH: Therefore, Barbados falls under the concept of categorisation of States. Sir, I will speak later to where Barbados is, in terms of its category. Sir, each airport in the world where United States aircraft flies,

wants to get into category 1. Sir, Barbados is not yet in category 1, but I will speak to matters related to category 1, since by the end of 2007, we expect to be categorised in that primary category.

Sir, the programme involves and includes the state of the operator on site audits, to determine, whether States are in compliance with all of the International Civil Aviation requirements, with respect to safety oversight. Sir, the audits focus on aviation law, the existence of adequate aviation regulations, the adequacy of the Civil Aviation Organisation, the presence of qualified personnel at your airports and within your makeup, the adequacy of guidance materials for inspectors, record keeping, and continuing surveillance to ensure that we are meeting all the oversight standards.

Mr. Speaker, in our case, the Civil Aviation Act was passed in this Honourable House in 2004, because we wanted to ensure that there were modern and contemporary civil aviation legislation, that established a viable framework to meet all of our civil aviation needs.

Sir, the old Act that we repealed at that time, was carried over from the British colonial regulations, that Act was difficult to administer and almost impossible to enforce. The Act was deficient in meeting Barbados' international safety oversight standards. It set a basic framework for regulating the industry, but it did not specify the duties of the Minister, nor did it set out powers to inspect, investigate, to seize evidence or to detain aircraft for safety, neither did it contemplate enforcement of the regulations, other than for criminal proceedings. Therefore, we repealed that Act in 2004, and enacted the Civil Aviation Act.

Sir, the Civil Aviation Act which we enacted that year, consists of 11 Parts, with 91 Clauses, and addresses some very specific issues for civil aviation in Barbados.

Sir, that Act, provides the specific duties of the Minister. The duties of the Minister were not stated in the previous Act. It did not refer to a minister. It sets out the powers of a minister to exempt by regulation, some, or all classes of persons or types of operations. It sets out the powers of the Minister to exempt where it is in the public's interest, and there is no effect on aviation safety. Sir, conditional exemptions are now set out in the regulations, and these should be in the Act. It sets out the right of the Minister, and persons authorised by the Minister of International Transport to inspect aircraft, to seize anything as evidence, to investigate for safety, to detain aircraft for safety, to make a demand for production of any document, record or any copy of the same, and to have access to an aerodrome or airport.

Sir, it also gives the Minister of International Transport, the authority to suspend or cancel a document on punitive grounds, and it sets out due process for the same. Mr. Speaker, it also sets out the authority for the Minister to delegate to the Director of Civil Aviation, which was not considered in the previous Act. It gives the Minister or the Director of Civil Aviation, the right to refuse or issue a document, where it is not in the public's interest, because of the record of the individual, or in the case of a company, the record of one of the principals of that company; principals being owners or shareholders.

Mr. Speaker, it also gives the Minister or Director of Civil Aviation the authority to suspend or cancel documents for safety, airworthiness, incompetence, or where the document holder no longer meets the conditions, subject to which the document was issued. It also gives the Minister or the Director of Civil Aviation, the authority to refuse to renew a document for safety reasons.

Sir, it authorises the Director of Civil Aviation to make issues of directives, where there is an immediate safety or airworthiness need. It sets out the authority of the Director of Civil Aviation, to delegate certain duties to Aviation Safety Inspectors, and it also sets out a penalty clause. There are penalties dealing with the unlawful interference or operation of an aircraft, regulations where people knowingly make false representations, using other person's aviation documents, et cetera.

Sir, it also sets out the process for administrative and monetary penalties, and the process for designating certain regulations. It identifies the process for expunging or records for administration penalties, and it identifies various liability rules and defences and due diligence,. It also deals with issues where a corporation or person is found guilty, setting penalties. It defines an aviation document. It sets out the rules with respect to enable documents, and it sets out the authority to issue notice to airmen.

Sir, it requires that persons found operating aircraft or carrying out any maintenance on aircraft, must either produce licences, or otherwise identify themselves to the Minister, or any other person who has been authorised by the Minister. It also identifies rules with respect to multiple issues, series of flights, serviceunle aircraft, et cetera. Sir, it also sets out the process for making regulations and issuing directives set in law, that regulations should have a sixty-day notice period before coming into effect.

Mr. Speaker, this Civil Aviation Action was passed in this Honourable House in 2004, and was published in the Official Gazette in January 2005. Sir, it sets out clearly all that must be done.

Mr. Speaker, after the passing of the Act in 2004, and given the increase in issues and standards relative to civil aviation that have occurred since 2001, at the time, 2001, we had an opened global environment as it related to civil aviation...The terrorists acts of 2001 have increased the issues of surveillance relative to safety and safety oversight globally. Sir, for us in the region, and places which are tourism jurisdictions,clearly, where we have a large influx of visitors, surely, we have to meet some standards, that have nly occasioned the task of putting people in place, but the cost of effecting most of these changes that are put upon us by these international organisations, has been exorbitant.

Sir, we upgraded our airport, for certain reasons. Sir, an increase of approximately 18 per cent of passengers passed through our airport between 2001 and 2007. We are talking about 2.3 million people transiting our airport, either arriving, departing or transiting in 2006, that is a far cry from the 1.8 million people in 2001.

Sir, after passing of the Act in 2004, and on further review by the legal experts, relative to making regulations, it was determined that certain provisions should more appropriately and properly be in the central Act, thus the Act is being amended for this purpose. The two central purposes for the amendment of the Act, speak to the Registration of Mortgages of Aircrft and the establishment of a National Civil Aviation Security Committee and related matters. Sir, the Bill seeks to amend a number of sections of the Act, and includes a new part, the Registration of Mortgages of Aircraft, and a new Second Schedule, which is the Constitution of the Procedures of this National Civil Aviation Security Committee.

Sir, Clause 2 of the Civil Aviation Act is being amended by providing new definitions, given the change in the Management structure of the Grantley Adams International Airport. Sir, when the initial Act was passed, the Grantley Adams International Airport was not incorporated. Therefore, most of the regulations and oversight capacity fell within the Ministry of Tourism and International Transport.

H 149

Sequence 4 10.40 a.m.

Tuesday, October 30, 2007

House 149, Sequence 05, 10.40 a.m.

Hon. N.A. LYNCH: Sir, Clause 5 refers to the Minister's responsibilities. It is being amended by conferring some of these responsibilities to the Director of Civil Aviation. This Clause has been replaced with a new Clause to reflect the Minister's responsibilities for the following:

- to encourage the development of aeronautics by such means that are considered appropriate;

- to construct and operate airports;

- to investigate matters concerning aviation safety;

- to cooperate or enter into arrangements with foreign Governments, with respect to any matter relating to aeronautics;

- to ensure the provision of aviation weather services that will facilitate the safe, efficient and regular operation of aircraft.

Sir, Clause 7 of the Act outlines the duties of the Director of Civil Aviation, and these duties have been amended to deal with the administration and enforcement of regulation standards, generally, and in particular, those that relate to the registration and certification of personnel of aircraft and airports. A new paragraph has also been inserted to authorise the director to enter any aircraft or place, for the purpose of conducting an investigation to seize anything on reasonable grounds that would afford evidence of an offence.

We are amending as well, Sir, Clause 9 of the Act. This Clause outlines the function of inspectors and has been amended so that the inspectors are now required to provide, rather than oversee, the management of civil aviation at our airport.

There has been a new Clause added, which outlines the facilitation for conducting inspections, after the ability to enter an airport, aircraft or facility, relating to aeronautics, or any premises used for the design, manufacture, distribution, maintenance or installation of aeronautical products.

There is a Clause 10. This Clause, Sir, outlines the making of regulations by the Minister, regarding all aspects of aeronautics. Sir, this Clause is amended as well. This new paragraph, subClause 1 of Clause 10, relates to the approval of aircraft instruments and equipment, the preservation and removal of aircraft involved in an accident, and the taking of statements by investigators into an accident involving an aircraft, respectively. Sir, it allows the Minister to make regulations for the licencing of air services.

Sir, Clause 19 denotes the powers of the Minister, in relation to airports and has been amended as well.

Clause 24 relates to the laws governing trespassing at airports and it is amended to ensure that such does not take place.

Clause 27 which refers to the security of aircrafts, airports and air navigation installations is amended by inserting the appropriate definitions for airport security officer and issues of explosives.

Sir, reference is made as well in Clause 28 which refers to the establishment of an aviation security agency for the implementation of the National Civil Aviation and Security Committee, which has now been inserted at Clause 28.

Sir, this also refers to issues at Clause 43, the substitution of the Commissioner of Police for the Chief Executive Office of the Grantley Adams International Airport to perform such duties, given the recent restructuring of that particular organisation.

Sir, Clause 46 is amended by the deletion of aircraft incident and the substitution of aviation incident, which is defined as an occurrence, other than an accident, associated with the operation of an aircraft that could affect the safety of airport operations.

Sir, the principal Act is also amended to reflect deleting issues of civil aviation, mortgaging of aircraft order from the Second schedule and redesignating that Second Schedule, as the Third Schedule to the Act. Then, in that Second Schedule, which creates provisions for the Constitution and procedures of the National Civil Aviation Security Committee, forms a Schedule to the Act as well.

Sir, in terms of the update on our safety oversight, for Barbados to achieve Category 1, some matters are still to be resolved. I believe that when we deal with issues of categorisation under the FAA, the reason that Barbados needs to become a Category I, is because the only way, if we ever have, in the future, an international airline flying out of this jurisdiction, and it wants to fly into the United States of America, we can only originate a flight here under our own civil aviation rules, and fly into the United States of America if we are a Category 1.

In our case, it can be done in Trinidad and Tobago and Jamaica since they have the Category 1 status. Sir, Barbados does not yet have Category 1, and for Barbados to achieve that, some matters are still left to be resolved. Since 2004, the FAA has been doing ongoing inspections at our airport, dealing with our civil aviation capacity.

Sir, the enactment of the appropriate civil aviation legislation, which we did in 2004 with the enactment of the Civil Aviation Act, but these particular amendments that we are making today, will now make our legislation complete.

Sir, there are issues for the establishment of appropriate personnel and licensing capability, and the provision of adequate and appropriate guidance materials, and the appropriate safety oversight structures, which some are still outstanding.

Sir, since these issues have begun, Barbados has come close to fulfilling all its obligations. The IKO has been visiting periodically but we still have one issue outstanding, which is the legislation. Sir, with the passing of this amendment today, we should be more than complete.

Sir, regarding the establishment of personnel, the requirements for operational capacity had been satisfied. We have recently appointed a flight operations inspector. Further action, Sir, has also been taken to appoint an aviation security inspector for the aerodrome, and air traffic services inspectors. All of these positions have been filled.

Sir, the required technical guidance materials are approximately 80 per cent completed, and we expect to have them completed by the end of November.

In terms of the technical regulations, they have all been completed and since 2004, the FAA has made three visits. I think that we are generally satisfied. The Director of Civil Aviation has been working with the FAA and with the Regional Oversight Committee. We expect that Barbados should be completed by the end of the year, so that we could have our Category 1 status by December 31, 2007. Sir, relative to where does it place Barbados, I think that with the number of aircraft now flying into our space, it was clear that we needed to expand and to have a larger airport.

As a matter of fact, Sir, eight years ago, there was only one U.S. airline that actually flew into Barbados from the United States of America. It was an American Airlines plane that flew every day from New York, or four times a week, from New York. Sir, there was also one daily flight from Miami coming into Barbados at 11.00 p.m.

Sir, we now have US Air that flies from Charlotte and Philadelphia non-stop to Barbados. We had Continental that flew from Newark, which has seized operations once Delta came but we have Delta that flies four days a week from Atlanta to Barbados.

Therefore, we have a double-daily out of Miami, every day on American. We have a 5-day-a-week

American flying out of JFK. We have Air Jamaica flying non-stop from Fort Lauderdale, three times a week. Sir, during the Winter, we have 11 British Airline flights from Gatwick.

House 149, Sequence 05, 10:50:14

Tuesday, October 30, 2007

Hon. N. A. LYNCH: Sir, we just did what a jurisdiction like ours should do. We just worked out an arrangement with Virgin Atlantic, where they would take up the slots that Air Jamaica gave up at Heathrow, to fly from Heathrow non-stop to Barbados eight times a week during the winter season starting in December of this year. Sir, what that has done is to place Barbados in a spectacular position in our major market because many of our premium passengers do not want to go to Gatwick, they prefer to go to Heathrow. Sir, Virgin Atlantic would be flying a 747 aeroplane every day, with new configurations, out of Heathrow into Barbados.

Additionally, Sir, twice on Saturdays, a 747 will be coming from Heathrow into Barbados. Sir, that also improves our connections over Europe because most of the European flights come in from Heathrow. Sir, that puts us in a much better position to be able to get connections coming out of that major gateway.

Sir, for those who would talk about the pound, I wish to inform them that the pound is now very strong against the US dollar and, therefore very strong against ours. Sir, if the United Kingdom is our Number 1 market, we expect to see a greater influx of visitors than we saw last winter. Sir, I therefore say that we are now in maybe one of the better positions that we have been in in recent time to attract more visitors from the UK and the European markets.

Sir, we spent a lot of time dealing with the US market, but the issues that we need to deal with in terms of civil aviation now puts us in a much better position, particularly for what we expect to be an influx of visitors during the winter period of 2007/2008. Sir, we are now, I believe, in a much better position, particularly when you are talking about 747s coming out of Heathrow, to really move us to the next level in terms of our European business.

Sir, I believe that these amendments to the Civil Aviation Act would therefore place us in a powerful position to deal with what should be an influx of visitors and a continued increase in airlift capacity coming into Barbados.

Therefore, Sir, I want to commend these amendments to the House and ask that this Bill be read a second time.

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

Mr. R. L. SEALY: Mr. Speaker, I rise to speak to the amendments to the Civil Aviation Act that is before us. Sir, I would begin where the Honourable Member for St. Michael South began by stating that we all agree that civil aviation is important to our nation and to our lives, as we know it here, and therefore we have to take serious, the issues that impact civil aviation.

Mr. Speaker, as an island dependent on tourism, civil aviation is especially important for us because it is the main source of transportation for our long-stay visitors. Mr. Speaker, we know the importance of the tourism sector to our country.

Mr. Speaker, while we on this side have no difficulty with the whole concept of taking security and safety matters as they impact of civil aviation seriously, the Honourable Member for St. Michael South, indeed the Government of Barbados, would naturally have to answer to the people as to what has taken place between 2004 and 2007.

Mr. Speaker, everything, with respect to safety issues and civil aviation, existed in 2004 when the original Act was brought here. Therefore, at first blush, a natural question would be: How is it that we now have 22 amendments to a Bill that has 90 clauses when nothing earth-shattering has happened since 2004?

The Minister said that the issues of safety and security oversight have become more acute since the events of September 11, 2001. Mr. Speaker, I am just trying or understand, how is it that these legal experts, since the preparation of the Civil Aviation Bill, 2004, which was to replace the existing one that was determined to be anachronistic, are now recommending a slew of amendments. Where were these legal experts back in 2004 and to what extent is the Ministry of International Transport taking civil aviation seriously?

I say that, Mr. Speaker, because the Ministry of International Transport is really overshadowed by the other half of that Ministry. Sir, tourism, for obvious reasons will dominate, but at the same time international transport is too important to be treated like a Cinderella or an afterthought. Sir, we need to ask these questions because we heard a lot about the importance of safety and security considerations during that debate in 2004. I remember it well.

Mr. Speaker, here it is now that in order to get a category one rating, we have to come in here two years after, because the Bill was actually put into effect in 2005, with a whole set of amendments that speak to security and safety issues in a pretty fundamental way. Just prior to that Act, in 2004, we passed the Civil Aviation (Montreal)

Convention Act, which was to give effect to the protocols for suppressing unlawful acts of violence at airports serving the International Civil Aviation Authority and which supplements conventions for the suppression of unlawful acts against the safety of civil aviation.

Mr. Speaker, I would have thought that safety considerations would have been at the forefront of the legal minds that would have been advising the Minister of International Transport then. Sir, again, we just need to ask these questions as an Opposition and as a country because we want to be certain that the temptation for this portfolio to be put on the backburner does not occur. Mr. Speaker, it may not happen deliberately through malice.

Mr. Speaker, let us face it, the Ministry of Tourism is a significant ministry and is focussed on promotional efforts, but the Ministry of International Transport is more focussed on regulatory efforts.

Asides.

Mr. SPEAKER: Please, come on.

Mr. R. L. SEALY: Sir, there would be a natural conflict in terms of the culture of the two portfolios. One is more concerned with regulatory issues and the other is more concerned with promotions, marketing, numbers and so on. Therefore, this Bill needs to be very clear on that.

Sir, 23 clauses are being amended, therefore, what the Minister with responsibility for civil aviation needs to do is to assure the nation that this is not happening... Sir, these amendments are giving him some very broad powers. I see that a responsibility here is to encourage the development of aeronautics by such means as the Minister considers appropriate.

Asides.

Mr. R. L. SEALY: I would like to know what he is going to do. The Minister is supposed to establish aerial works. Mr. Speaker, I do not think they are talking about pop-kites, so I just thought that given this opportunity of this Bill and these amendments, that the Minister should maybe speak to his vision for civil aviation and where we are going. Barbados has an aviation museum and does not have any serious aviation industry. It is probably one of the few countries in the world that could make that claim, although that is maybe not a bad thing.

Asides.

Mr. R. L. SEALY: OPEC is based in Austria and they do not produce any oil. I am saying it might be... Surely if we are going in this direction and we have this new power being given to the Minister, we could hear something on his vision.

House 149 Sequence 6

11.00 a.m.

Tuesday, October 30, 2007

Mr. R. L. SEALY: I do not want to hear about the 747s coming out of Gatwick and Heathrow, we have been hearing about that all along. I mean, every time the Honourable Member gets up to bring anything in this Honourable House, we have to hear about that, over and over again?

Asides.

MR. SPEAKER: Order, please.

Mr. R. L. SEALY: I want to hear about his vision with respect to this sector.

Mr. Speaker I think another issue which the Honourable Member should address is the recognition, which has been given within the context of these amendments, to security officers. It was, for some reason, omitted in the original Act, which only gave that power to the police. There were some labour issues involving security officers, insofar as the transfer from Central Government to the company is concerned. As I understood it, many officers were transferred to other departments and new officers were recruited.

Sir, as you would appreciate, I assume the officers, who were there before, would have been specifically trained because security at an airport is not like security at any other Government facilities. Therefore, if you have these specialists, who have been removed from the airport, I just want to be certain that the new security officers, who are now given some extra powers under this amendment, are appropriately trained because they are being given powers that are equivalent to those powers of police officers, and I think there is need to be concerned.

There were suggestions that even the recruitment practices of security officers under the GAIA Inc., was with some suspicion, to say the least, but I would like to know that could be dealt with. Sir, there no doubt that the Federal Aviation Association would have raised these issues and that would impact on the airport's capacity to get a Category One rating.

Sir, I think that is what is propelling a lot of this exercise in here today. I think after the original Act was passed, for whatever reason, it was then appropriately vetted, and these very persons from the Federal Aviation Association said that a number of things would have to be done, if the airport were to receive a Category One rating. I do not think it had to do with regulations, neither was it determined by the legal experts, who apparently appeared after the Act was passed. They were not there before the passing of the Act, but they decided that they could not deal with it if the regulations...They had to make 23 amendments. Sir, this Act has 90 clauses and 23 of these clauses are being amended. Sir, nearly one-quarter of these clauses are being amended.

Asides.

MR. SPEAKER: Please.

Mr. R. L. SEALY: Mr. Speaker, I would have also expected that the Minister of International Transport would have spent some time on the new area this amendment is dealing with, and that is to provide for the registration of aircraft mortgages.

Sir, if it is that the Government of Barbados has determined there is potential for us becoming a register for aircraft mortgages and that this could add to the product range, in terms of what the International Business Sector has to offer, I think it is a good thing, but the Minister did not even think to mention that. I do not know why the Honourable Member did not feel that he needed to mention it, I thought he would have wanted to say what he has done and maybe even say that probably would have made the amendments worthwhile.

Sir, having said that, in my view, I do not think that should have been in this Act. I believe a separate Act should have been passed, an Aircraft Mortgages Act. I believe that having passed that separate Act, it could have been added to the raft of offerings through the International Business Sector, but hiding it here amongst security and these other concerns, it seems to me...

Asides.

Mr. Speaker, not necessarily hiding it but someone who wants to register aircraft mortgage is going to be handed this big, thick document and somewhere inside this thick document is going to be a section dealing with aircraft mortgage.

Mr. Speaker, I believe that section could be pulled out and put into another Act dealing with the register of civil aircraft, in the same way that we have a Ships' Registry under the Ministry of the Honourable Member. Sir, I do not know how well that Ships' Registry is doing,

but I know it is something that has been identified as having potential. Therefore, we could have an aircraft registry for corporate or private aircraft that come here, especially during the winter months. That could have been dealt with separately and not necessarily in the Civil Aviation Act. It would have been tidier, to say the least, and I thought that would have been a good direction in which we should go.

Mr. Speaker, I also believe when we talk about our civil aviation - and one might be tempted to say, as I said during my speech - that it is more a regulatory issue, that one might not necessarily look at the opportunities as well. Sir, one might not necessarily look at the whole question of air services agreements or to the route rights that have been created from that, which have been alluded to in the parent Act, as well as in the amendments here today. Sir, to what extent have we tried to benefit from these very real assets the Government owns? I am only suggesting that as the Minister of Tourism and International Transport now decides to look at the sector, that they may take civil aviation on board and that this is another aspect of potential earnings. Sir, only recently the Jamaican Government gave up its right to the Jamaica/London route to Virgin Atlantic, and they earned significantly from it, not to mention the savings to Air Jamaica, but obviously it is a real asset.

We all remember the story with Caribbean Airways and British Airways. Obviously the main routes would not be the ones I am talking about but there are others. There are other European route rights, I understand the Barbados Government owns, that could be potentially exploited, when we are even talking about some non-traditional markets. There is this talk about airlift into Africa and India as examples. Sir, obviously, we have to look at the viability of other destinations coming to this region. We could look at how we could best manage the question of our route rights.

Mr. Speaker, I again sincerely hope that the oversight, which has led to us having to go through this fairly clumsy process here, would still redound to the benefit of the nation State, because we recognise that civil aviation is important. We, on this side, agree but there is evidence to show that this Government might not have been giving it the necessary attention, hence the need to come here to do these various and many amendments.

Mr. Speaker, we have no difficulty at all, with making our airport and the aviation experience from Barbados, throughout the region and abroad as being a safe experience. Therefore, I have no difficulty in dealing with those safety considerations because safety is of paramount importance.

Mr. Speaker, I am grateful to you.

MR. SPEAKER: If there are no more contributions, the Honourable Member will now wind up.

Hon. N. A. LYNCH: Mr. Speaker, I have taken careful note of some of the issues the Honourable Member for St. Michael South Central has raised. Sir, for someone who is not, in any way, competent in the area of aviation, the Honourable Member has still made a number of worthy recommendations.

Asides.

Hon. N. A. LYNCH: Mr. Speaker, we are both in the same boat, but the one thing the Honourable Member who has just spoken could do, could be to designate those persons who have the technical expertise to deal with the issues which he is addressing. Sir, let me say that this issue of this seeming neglect of the civil aviation area, because some issues that have arisen which demand amendment at this time, has nothing to do with anybody looking at the legislation, particularly on the issue of a category one rating and saying that it is incomplete.

Mr. Speaker, I stated earlier in my presentation that this is a very dynamic area of operation. It is also a very technical area, on which many persons do not have that expertise to speak, which we have just witnessed from the speech of the Honourable Member for St. Michael South Central. Sir, that observation is clear because the Honourable Member did not disagree with any of the amendments that are being made to the Act, but he made a long speech about neglect of the area.

11.10 a.m.

Tuesday, October 30, 2007

(EDITED)

Hon. N. A. LYNCH: Sir, if we did something in 2004 and three years later, in a very dynamic area, which is essential to our livelihood, we have now seen the need to make amendments, what is wrong with that? Sir, I think it is to the credit of the Government that we have not slept on these issues but where issues have been brought to the fore that we have dealt with them in an expeditious manner. Therefore, I do not understand why one would want to deal with issues of amendments to an Act, in an area so dynamic and so close to us.

Mr. Speaker, a lot of new measures contained in the amendment to this legislation also include this \$250 000 fine or three years imprisonment for failure to license an aircraft, and if it is a continuing offence, \$5 000 a day fine for each day or part thereof, which I think is a fundamental issue that I did not mention originally.

Mr. Speaker, in terms of one of the key provisions of the amendment - I thought the Honourable Member would have spoken of them - is this creation of this 30-member National Civil Aviation Security Committee, which is going to be chaired by the Director of Civil Aviation. Sir, ministers will come and ministers will go, so the issue of a Minister having serious technical expertise and speaking fulsomely about his vision for this or that, all of that is unnecessary.

Mr. Speaker, the issues are that we should continue to understand the vital importance of civil aviation and international transport to the overall development of our tourism industry and by extension, the importance to the overall livelihood and patterns of development of our people.

Sir, the Minister is being given the power to designate to the appropriate people, who have that expertise to deal with issues of the development of civil aviation. Therefore, one of the key provisions is the creation of this National Civil Aviation Committee, to be chaired by the Director of Civil Aviation, whose function would include advising the Minister and regulating the industry on security measures required to meet threats because, Sir, every day some new threat arises relative to the proper functioning of our civil aviation environment.

Mr. Speaker, the Committee will also be required to devise a national civil aviation security programme setting out Government's policy in respect of civil aviation within the island and in respect of civil aircraft oversight. Sir, the Committee will also establish the standards, guideline and regulations for dealing with it. Sir, I believe the programme would also be executed by this newly created Aviation Security Agency.

Mr. Speaker, relative to the issue of security officers and the transfer from central Government to the company, these issues were dealt with under the Commissioner of Police. We have been able to put a lot of these issues under the Chief Executive Officer at Grantley Adams International Airport. Sir, with regard to the personnel, who have now been employed at Grantley Adams International Airport, I want to inform the House and also the Honourable Member from St. Michael South Central, that Grantley Adams International Airport is a much bigger facility and most of the security personnel at the airport, who have already been trained, up to 90 per cent of them are still employed by Grantley Adams International Airport. Clearly, there were issues of some people not wanting to move from central Government to a company and they took their packages, their pension rights were stored, none of them were disadvantaged and they went their way.

Mr. Speaker, in the issue of new recruits, the majority of them also came out of established disciplinary corps and forces in Barbados and we only had to upgrade them and train them in matters relating to civil aviation and international transport. Therefore, a lot of them were competent, able Barbadians, who have now taken up these positions and are more than ready to do it.

Mr. Speaker, relative to the issue of the mortgages, the issue of creating a totally separate Act to deal with aircraft mortgages and the registration of aircraft mortgages in a fledgling environment, at best, to begin with, I think is overly ambitious. Sir, I take the point of the Honourable Member. I believe that we have to outline a serious vision for how we see the growth of the international transport environment and aiding our people in their overall socio-economic development but the issue of creating a separate Act to deal with mortgages is a little bit overly ambitious. Sir, if we ever reach that point, I know the Honourable Member would not have a chance to enact of any of it at anytime, but if we ever get there, whoever the Minister of International Transport is at that time, I think he can make that appropriate move but Sir, right now, I think the issue of aircraft mortgages residing within this central Act is more than the appropriate place to be.

Mr. Speaker, relative to issues of vision; how can any member of the Democratic Labour Party administration, which was bereft of all ideas relative to the economic development of our country and specifically as it related to international transport and the vital link between international transport and the development of tourism and, by extension, to the development of Barbados, talk about issues of outling a vision. Sir, the Barbados Labour Party administration, since 1994, has improved the environment of civil aviation ten hundred times fold what the Democratic Labour Party administration had done in the past. There was a broken down airport; they had two planes flying into Barbados; they had no concept of how to deal with international transport as it related to the...

Mr. D. St.E. KELLMAN: Mr. Speaker, on a point of order. The Honourable Member is misleading the House. He is giving the impression that the Grantley Adams International Airport had only two planes flying into it. Sir, what type of madness is that?

Hon. N A. LYNCH: Mr. Speaker, no administration in the history of Barbados neglected the development of civil aviation more so than the Democratic Labour Party administration that was rightly voted out of office in 1994.

Mr. D. St.E. KELLMAN: Mr. Speaker, on a point of order. The Honourable Member is misleading the House. The Honourable Member seems not to have been in Barbados living prior to 1976. Had he been, the Honourable Member would have known that money spent

on the Grantley Adams International Airport after 1977, was a loan from the Canadian Government to expand the Grantley Adams International Airport.

Hon. N A. LYNCH: Mr. Speaker, I want to make this point. I do not think that anyone would disagree that even with issues related to people beating up on the airport saying that it leaks with it rains and the issues that they like to raise, that the Grantley Adams International Airport is 100 times better than what existed there before at a proper cost of \$239 million.

Asides.

Mr. SPEAKER: Order, order, please. Please let us be orderly.

Hon. N A. LYNCH: Mr. Speaker, the Democratic Labour Party administration that was voted out in 1994, had a study done by British Aerospace but they never acted on the study. When we came to Government, there was a study languishing...

Mr. D. St.E. KELLMAN: Mr. Speaker, on a point of order. The Honourable Member is misleading the House. It is improper to say that the Democratic Labour Party did a study in 1994 and was voted out in 1994 and then accuse it of not acting on it, as if the Opposition could be the Government.

Hon. N A. LYNCH: Mr. Speaker, the British Aerospace study was done since 1991. Sir, the Democratic Labour Party had a study that was done in 1991, and by time we got into Government in 1994, not one action was taken in any of the recommendations that were made because they were bereft of ideas, they were bankrupt of money and they were bankrupt of the will to govern, those were the reason.

H149/11:20

Sequence 8

Tuesday, October 30, 2007

Hon. N.A. LYNCH: Sir, I say now, bankrupt of money, bankrupt of ideas and bankrupt of the will to govern Barbados, that is why they were kicked out in 1994.

Sir, I say that no administration in the history of Barbados has done more to improve the civil aviation environment than we have, the expansion of the airport, more airlift from major cities and major gateways, than ever before...

Mr. SPEAKER: On what do you rise?

Mr. D. St.E. KELLMAN: On a point of order. The Honourable Member is misleading the House, by giving the Honourable House the impression that if you spend all this money on an airport, there will be automatic returns. The truth is, the Honourable Member is correct that he has spent a lot of money, but in the debate this morning in this Honourable House he has not acknowledged that he has put in place a marketing strategy for the increased in the Euro, Canadian Dollar or the Pound. He has not demonstrated to this Honourable House that there is any plan to take advantage of that, just one glancing comment, and he is 'pompasetting' in this House about the amount of money.

Mr. SPEAKER: Honourable Member, please.

Mr. D. St.E. KELLMAN: Sir, I am sorry. I withdraw the word 'pompasetting'.

Sir, the Honourable Member is in this Honourable House behaving as though words can create growth in the economy. Sir, I am saying that the Honourable Member is accountable to the Minister of Finance for not putting a marketing strategy in place.

Hon. N.A. LYNCH: Sir, again, I make the point that no administration in the history of this country has done more to advance issues relating to civil aviation, whether it is the expansion of the Grantley Adams International Airport, which has to be an ongoing exercise. Sir, as we continue to grow and swell our numbers, it is obvious that you will be constantly in the expansion mode. Anyone who passes through any living, breathing, naturally expanding airport in the world, will know that. Every time you pass through Miami International Airport they are adding on something, or doing something. The reason, the more you increase your hub status, the more planes flying into your environment, clearly, there are daily needs.

Sir, when we refurbished Grantley Adams International Airport a few years ago, a study showed 800 people hour at peak, passing through Grantley Adams International Airport. Sir, British Aerospace said in the study that we only needed to build an airport that by 2010 would have reached the capacity of as much as 1 200 people passing through the airport. Sir, do you know that in 2007, we have almost 2 000 people per hour, at peak period, passing through Grantley Adams International Airport? Therefore, even though we have expanded...

Asides.

Hon. N.A. LYNCH: In 1991, when the study was done, you were talking about 800 people. They told us that we would not have reached 2 000 people per hour by 2010, and we have reached it by 2007. Sir, even the space that we have now renovated...

Mr. D. St.E. KELLMAN: On a point of order. The Honourable Member is misleading the House. The Honourable Member, as Minister responsible for a civil aviation, has just brought some amendments to this Honourable House with the knowledge that the capacity at the airport is much greater in 2007, even though not completed, and he has not set any policy to deal with the increase of tourists. Mr. SPEAKER: Honourable Member, you cannot say that. That is no point of order, please.

Mr. D. St.E. KELLMAN: Sir, I have not completed my statement. However, if you ruled that way, I would accept it.

Hon. N.A. LYNCH: Mr. Speaker, the Honourable Member makes me lose my train of thought.

Asides.

Mr. SPEAKER: Honourable Member, please. Please, you have to control yourself. You will have to withdraw those words and they must be struck from the record.

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

Hon. N.A. LYNCH: Sir, I withdraw those words. Sir, give me some protection from all of these interruptions.

Sir, even though we have done the expansion we have found that during the peak periods, this is one of the major issues. Barbados has instituted maybe one of the most powerful home-porting programme for cruise ships in the world. Last year we had 23 ships home porting in Barbados, 116 home-porting calls and 62 ad hoc calls to Barbados. That has put immense pressure on Barbados, in terms of bringing planes into Barbados, and to take these people to the Bridgetown Port. They arrive, disembark and go straight to the seaport but when they return, because of security reasons, they have to go through our departure area.

Mr. SPEAKER: Honourable Member, on what do you rise?

Mr. D. St.E. KELLMAN: On a point of order. The Honourable Member has misled this House, based on information given to this Honourable House before. The Honourable Member said that by 2007, that the number of long-stay tourists, coming to the country was over 2 000, and we have overused our capacity at the airport. Sir, the Honourable Member is telling us now that because of home-porting - as you are aware, home porting means planes coming into the island and then being transferred

from the airport to the seaport - all of those passengers coming on home-porting are blocking the airport and preventing us from getting long-stay visitors to the country.

Hon. N.A. LYNCH: Mr. Speaker, I think that, for the edification of the Honourable Member for St. Lucy, I will explain. When cruise passengers come to Barbados, for the home-porting side of our business, they are taken directly from the aircraft to the seaport, but when they return to Grantley Adams International Airport, for security reasons, before boarding the plane, they have to go into our departure area. That adds to the influx of people we are now seeing coming into Barbados. What we have is an overly congested departure area, because they have to clear safety and security check points.

Mr. D. St.E. KELLMAN: On a point of order. I do not want the international world to believe, based on what the Minister is saying, that when these persons get off the plane, they do not go into the terminal, that we take them off the plane, something comes for them, and they are taken straight to the seaport. This is a very serious security breach.

Mr. SPEAKER: Honourable Member, you have made your point.

Hon. N.A. LYNCH: Sir, the home porting-operations in any of these jurisdictions are all the same. People are taken from the tarmac to the port, their luggage is bonded, and they are transported in secure vehicles to the port. Sir, it is when they return from the ship to Barbados, in order to board a plane, under IK and FAA rules, they have to go through the security procedures at the check points. It is done everywhere. I do not know what it is, that the Honourable Member for St. Lucy is so irate about. That is the procedure. That is what has always existed. I do not know what the issues are. That is what happens in all the jurisdictions in the region where there is home-porting.

Sir, I make the point that even now the departure area, at peak periods, is under severe pressure. Even now we have already embarked on a plan for expanding that area, to reduce the pressure. Mr. Speaker, what has compounded the problem is the air/sea transfer passengers, under the cruise programme, who are returning to the airport.

Mr. Speaker, I believe that we have done more, and our vision has been better than the vision of any administration relative to improving the issues of the civil aviation environment as it relates to our own development. We can also go further. Sir, not only are we diversifying in our major markets, with people coming from Heathrow, Gatwick and Manchester. For example, in one market we are now diversifying for additional gateways. In addition,

Mr. Speaker, Asia and South America are our next major target.

H149

Sequence 9 11.30 p.m.

Tuesday, October 30, 2007

House 149, Sequence 10, 11.30 a.m.

Hon. N.A. LYNCH: Sir, because of Cricket World Cup, one of the legacy elements is that because of the Air India plane that flew in here non-stop from Bombay, we have now been able to sign with Kuoni India Tours, a leading tour operator in India, to supply as many as 1 500 Indians into Barbados, initially coming through London, and then looking at the probability of bringing them non-stop from India into Barbados.

Asides.

Hon. N.A. LYNCH: Mr. Speaker, the issue is that we have done more than our part to improve the civil aviation environment in Barbados. Sir, these amendments clearly put us in a much better position, given the influx of visitors that we are seeing, and the demands and pressure on our airport. We are meeting our international obligations. I think that the Government has been more than proactive in dealing expeditiously with these amendments, in a very dynamic situation.

Sir, with those words, I ask that this Bill be read a second time.

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

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

Hon. Miss M.A. MOTTLEY: Mr. Speaker, I beg to move that the Honourable Member for Christ Church West be designated as temporary Chairman of Committees for today's Sitting.

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

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

On the motion of Hon. N.A. LYNCH, seconded by Hon. Hon. Mis M.A. MOTTLEY, the House resolved itself into Committee on the Bill, Dr. W.F. DUGUID in the Chair.

COMMITTEE

Mr. CHAIRMAN: This House is now in Committee.

Clauses 1 to 5, inclusive were called and passed.

Clauses 6 to 10, inclusive were called and passed.

Clauses 11 to 15, inclusive were called and passed.

Clauses 16 to 20, inclusive were called and passed.

Clauses 21 to 24, inclusive were called and passed.

The Schedule became the Schedule to the Bill.

On the motion of Hon. N.A. LYNCH, seconded by the Hon. A.P. WOOD, Mr. CHAIRMAN reported to His Honour the SPEAKER, the passing of one Bill in Committee, and Mr. SPEAKER resumed the Chair and reported accordingly. On the separate motions of Hon. N.A. LYNCH, seconded by the Hon. A.P. WOOD, the Bill was read a third time and passed and cited as the Civil Aviation (Amendment) Act, 2007.

ORDER NO. 5 – RESOLUTION TO TAKE NOTE OF AND ENDORSE THE INTERNATIONAL BUSINESS SECTOR STRATEGIC – PLAN 2007 TO 2012

Mr. SPEAKER: The Honourable Member for St. Michael North East.

Hon. Miss M.A. MOTTLEY: Mr. Speaker, in October of last years, this Government laid before this House, the National Strategic Plan of Barbados to carry the vision, methods and policies by which we would attain that vision down to 2025. Sir, that plan was endorsed by both Houses of Parliament, having been the subject of comprehensive consultation across Barbados. Within that plan, there was a requirement that we look for 5-year sectoral plans for a number of different sectors, across the economy.

The Strategic Plan of the international business sector 2007 to 2012, therefore seeks to fulfill the requirement that there be sectoral plans for the respective sectors and ministries to be able to outline what will be the programmes and policies of the Government, as we seek to reposition this sector as one of the key pillars of Goal 5 of the National Strategic Plan, that of enhancing prosperity and competitiveness for this country.

Sir, this sector is one of the relatively more recent sectors, which was added to the productive structure of the Barbados economy. It is generally recognised that while there may have been some legislation prior to the late

1970s, it was really only in that period of time, that the Government of Barbados systematically went after the building out of a modern international business sector.

In a very real sense, that sector has done extremely well, as it is now responsible for two-thirds of the corporate tax take in Barbados, and it is now responsible for just more than 6 000 jobs within the country. Sir, it has also been one of the key areas that has brought about a level of synergy, with other productive sectors, in particular the main one, that of our tourism, since many of the persons who have come to invest within the niche of the international financial services sector, have also been counted as part of the tourism visitors, especially those who have acquired properties in Barbados.

This sector though, Mr. Speaker, for a very long time was driven primarily by the marketing efforts of the private sector, and it was reliant mainly on relationships with one or two countries, and hence therefore was and is more vulnerable, to the extent that the reliance is driven by only one or two international relationships.

Sir, over the course of the last fifteen years, in particular, we have tried as a Government, to change many features of the sector. We have tried to introduce new products and we had to confront some severe challenges that threatened to undermine the very viability of the sector for this economy.

House 149, Sequence 10, 11:40:14

Tuesday, October 30, 2007

Hon. Miss M. A. MOTTLEY: Mr. Speaker, I think it is fair to say that we have weathered those challenges well. Sir, we are cognisant that they continue to present themselves before us, therefore our ability as a Government to be nimble and flexible as well as to be proactive is absolutely essential if we are going to continue to see the strong growth of this sector.

In 1995, this Government added to the product mix by introducing legislation for Societies with Restricted Liability because it was recognised that the market wanted more products beyond those of the international business company, the offshore bank and the international trust.

Equally, in the last few years, we had also to do substantial restructuring of the regime for exempt insurance companies primarily as a result of our relationship with Canada, which would have shown signs of stress from the 1992 Auditor-General's Report in Canada, which spoke to the need to revisit elements of the Barbados-Canada Double Taxation Agreement. To our credit, we have been able to withstand major changes in that treaty relationship and

Canada continues to count as one of the main jurisdictions from which international business activity comes.

Indeed, Mr. Speaker, last year, this Government, along with the Barbados International Business Association, commissioned a study in Canada, which allowed us to be able to use information in a more proactive way over the course of the last year. This study, which was done by Professor Hejazi from the University of Toronto, Rotman Business School, showed that Barbados is in fact one of the main conduits through which Canadian multinational companies invest into the rest of the world and that it has made a difference to the competitiveness of Canadian companies as they seek to overcome the other disadvantages which they have, such as relatively lower population bases as compared to their competitors in the United States of America.

Mr. Speaker, when we sought to expand our treaty network, the late Prime Minister, Mr. "Tom" Adams took a lot of 'flap' inside and outside of this House for his decision to designate this as one of the key growth sectors in the Barbadian economy. Mr. Speaker, you would have heard much talk about 'hot money', money laundering and all of the various things. Sir, "Tom" Adams stuck to his gun and the results are there to be seen by all. Mr. Speaker, from the very beginning, we insisted that Barbados was not to become a tax haven and that, unlike countries in the region, the Cayman Islands, the British Virgin Islands and Bermuda, we wanted to maintain a lower tax rate that was competitive and to anchor that competitive tax rate on top of a network of treaties for the avoidance of double taxation. Equally, we wanted to buttress that by bilateral investment treaties, recognising that the decision that people make to use certain domiciles is not only related to taxation but other broader issues such as investor protection, rule of law, political stability and all of the other things that are captured in bilateral investment treaties today.

Sir, it is really only in the last decade that we have seen an explosion of arbitrations across the global community that relate to people perusing their rights under bilateral investment treaties even though treaties have been signed by countries for a much longer period of time prior to this.

In these circumstances, Mr. Speaker, we feel that we have done well as a country with this sector. We recognised that the sector however would only continue to play an important role if we do better. We also recognised that in very real sense, the way in which the global financial community has changed with the removal of restrictions on the movement of capital and with the utilisation of technology to effect more real-time transactions, that countries that hitherto were not players in the international financial services sector globally could

easily so become. Sir, in those circumstances, it is possible for countries to leapfrog countries, such as ourselves, that have had a more orderly development in building out this sector.

In recognition of that fact, Sir, we therefore have to continue to be fine-tuning and remodelling aspects of our product offerings, our process of regulations, our level of education and training, to support the skills mix that is necessary for the sector, and indeed our ability to be able to promote Barbados effectively so that its voice and its reputation could be heard above the general din of the global crowd.

I believe strongly, Mr. Speaker, that the international financial services sector has no limiting capacity. There are no limitations on the possibility for growth in this sector. Sir, while we are cognisant and are grateful for the fact that tourism continues to be the foreign exchange earning sector in Barbados - certainly in terms of jobs, it is more job intensive - the truth is that at some point tourism would have issues in terms of the limitations upon the potential growth. Sir, it has an inherent carrying capacity which can compromise our sustainable development if we are not careful. I am speaking now, Mr. Speaker, in terms of the medium to long-term framework, 20, 30, 40 years.

Sir, the international services sector - and I am being very specific now - as opposed to the financial services sector, has no limitation in terms of its growth largely because of the structure of the services being provided.

I believe, Mr. Speaker, that it must be Barbados' goal by 2025, to have the ability to have a global reputation in relation to niche components of the international financial services sector. Mr. Speaker, more and more Barbadians must be able to export their services in the broader range of the international services sector. Mr. Speaker, that must be the objective to which we work as a country. I say to you, Mr. Speaker, that is not beyond our capacity.

Indeed, only last year, Hong Kong, which by geography is not dissimilar to Barbados in terms of size, but in population it is far greater, has already distinguished itself as being the second most popular centre for IPO public offerings of companies, surpassing that of New York and coming second only to London.

Mr. Speaker, Bermuda is recognised as among the top two or three locations for the registration of exempt insurance companies and reinsurance, so it is not beyond our capacity to speak, not only in terms of regional or hemispheric dominance but global recognition in aspects of this international financial services sector. Sir, that is the objective to which we are working.

Mr. Speaker, we see that it would take over a period of time for us to be able to reach there but we are satisfied that we have all of the essential ingredients that can bring us to this destination safely. Mr. Speaker, I say this, cognisant that there is greater competition globally.

Mr. Speaker, I am cognisant that we have had to move from challenge to challenge. Sir, like with a human being, if you are diverted to having to deal with a point of challenge or something that can in fact undermine your stability or your competitiveness, it is energy taken away from being able to advance your normal programme. Mr. Speaker, that happened to us in 1998, with the Organisation for Economic Cooperation and Development harmful taxation initiative. Sir, the entire resources of this Government were mobilised in order to be able to fight a battle against some of the most powerful countries in the world comprised in that Organisation for Economic Cooperation and Development.

House 149 Sequence 11

11.50 a.m.

Tuesday, October 30, 2007

Hon. Miss M. A. MOTTLEY: It is with great satisfaction that we were able to reach a point where by January 2002, the OECD and the Government of Barbados issued a joint statement reflecting that Barbados was no longer a country that reflected any concern for the OECD and that, therefore, all those who had sought to blacklist Barbados, pursuant to their initial blacklisting, ought not to do so because the very structure of the sector and the regulation in Barbados was, in fact, not offending any principle that the OECD could uphold.

Sir, it was a long battle and perhaps it is one of the more distinctive memories that we would have as a Government, as to the ability of small States to stand upon principle, against those who have might and money and to maintain the principle, even when it is disadvantageous so to do, knowing that ultimately it would make the definitive difference to the economic stability and prosperity of this country.

Mr. Speaker, it was a very simple principle, that had we agreed to what the OECD was asserting, it would have compromised the integrity and sovereignty of this very Parliament, which is paramount in our country. We felt that as far back as 1651, the Charter of Barbados established a precept - 125 years before the United States of America Declaration of Independence - that there shall be no taxation without representation and further, that the Parliament of a country has that sovereign right to determine taxation of that country and not an international entity, as they were trying to do.

Sir, why was there suddenly this concern globally? The truth is, with the liberalisation of the movement of capital across borders and with the utilisation of technology, small States and geography became irrelevant. Secondly, capital could now move quicker than the pace of sound and it, therefore, meant that small States, which were hitherto not being considered amongst the global financial players in the world, traditionally the Londons, the New Yorks, Zurichs, et cetera, were now beginning to eat in on the business of these traditional financial centres.

Sir, so powerful was the threat that these small States sought to take defensive measures which effectively would have constituted a non-tariff barrier to the growth of these sectors in our part of the world. Sir, what was insidious about it, was that we are where we are with these sectors, largely at the behest and urging of the developed world, particularly North Atlantic countries, who felt that there was an urgency on the part of small jurisdictions, to diversify the basis of their economy. Hence, much was done by the North Atlantic countries and the international financial institutions to urge countries, even long after Barbados took the steps in the mid-to-late 1970s, to go in this direction as a viable alternative for the economic development of their country. Sir, when they realised the impact, then the non-tariff barriers started to be placed.

Mr. Speaker, however, having successfully come out the battle with the OECD, we have as I said, continued to have challenges, on and off, with the Canadians. This is not so much the Government itself because I think the Canadian Government recognises that there is an orderly process to the revision of any treaty, which takes place through negotiations to settle a new protocol that amends an existing treaty.

Mr. Speaker, it has really been part of a political football, largely as a result of the involvement of some of the members of the previous Canadian administration, namely the former Prime Minister who, prior to being Prime Minister, was Minister of Finance for some time. Therefore, as a means by which to attack him in their domestic political environment, Barbados was used as a poster child, in respect to the loss of revenue to Canada, and we had, therefore, to deal with the emotion that goes in respect to that kind of campaign.

Sir, we have assiduously put a campaign together that has always identified the facts and what are the interests at stake. Sir, the fact those issues are anchored in international law and to the extent that there are changes to be made, the Government of Barbados remains committed to using the orderly process of negotiations, in order to be able to address concerns of other States.

Mr. Speaker, this was the case with the United States of America. A few years ago, they had a similar emotional

and political debate, in relation to companies in the United States of America that were seeking to use offshore entities - not necessarily tax havens - to do what they referred to as corporate inversions, to minimise the level or, in some cases, to remove any form of taxation that they would pay to the IRS in the United States of America. It was a case legitimately put by the United States of America Government. The Government of Barbados, as a responsible treaty partner, listened to the concerns, agreed to the negotiation process and in 2004, we were able to settle a second protocol with the United States of America, that being the Barbados Anti-Double Taxation Agreement.

Mr. Speaker, I believe that is the method which responsible countries would always take, in making sure that we maintain a jurisdiction that could be recognised for the very best principles of management, in terms of building out its reputation. Mr. Speaker, having said that, it is significant that we continue, up to this year, to face Bills being placed before Congress, invariably by Senators, that seek to undermine the reputation of countries such as Barbados, to refer to us as a tax haven, even though the evidence is such that we are not one and that even though they themselves have a treaty network with us that seeks to avoid double taxation.

Sir, why would there be an agreement with a country to avoid double taxation, if that country does not tax? It is so simple that it causes you to wonder, but the reality is that the political debate in Washington is such now that very often these are minute details for a number of persons and we, therefore, get caught up in the wash, as opposed to being central to the debates. Of course, whenever this happens, the Ministry works with the Ministry of Foreign Affairs and our international consultants, to engage the respective Senators, who are involved, so that we could explain to them the fact that their country cannot have a treaty relationship with a tax haven that does not tax. It does not add up.

Mr. Speaker, in speaking to them, you begin to hear all kinds of the most ludicrous stories as to how Barbados' name got there in the first place. In one instance, and this one stands out for me, they took a John Doe summons, a fictitious summons, that related to credit card fraud and simply took all of the countries on that list and designated those countries as tax havens, for the purposes of that Bill. Sir, those Bills are to be able to help do things that are not even related to our form of activity or International Business Sector but relate, for example, to issues pertaining to they trying to close the very high budget deficit in Congress. Those Bills also relate to all other kinds of activities that truly are the business of domestic political activity in the United States of America, but as I said, we get carried up in the wash, as they try to advance their other objectives.

Mr. Speaker, I make these points because as we try to build out our sector, we very often have to pause and to mount international campaigns, in order to defend the good name of Barbados, and to make sure there is no undermining of the competitiveness of this jurisdiction.

Mr. Speaker, having said that, I come specifically to the Strategic Plan which is before us. I would like to focus on the fact that this Strategic Plan really has six broad objectives. Sir, those six objectives relate to establishing Barbados as a fully developed financial centre. Sir, as I said, it should be one that could receive global recognition for aspects of the financial services, certainly by the end of the period of the National Strategic Plan. Secondly, it should be able to fashion Barbados into a more mature International Business and Services Centre and as a regional hub for pan-Caribbean commercial enterprise.

H:No.149 (12)12:00 noon

Tuesday, October 30, 2007

(EDITED)

Hon. Miss M.A. MOTTLEY: Mr. Speaker, at this point, you see us recognising that beyond the business of international financial services, we believe that the broader business of international business ought to be central and, to that extent, the Government has already expressed that it would be working towards the development of a core of services sectors that are capable of deriving and benefiting from export earnings in a more significant manner than has been the experience to date and that equally, would be more job intensive in terms of creating opportunities for Barbadians within the broader international business sector.

Mr. Speaker, I am speaking about medical tourism and medical exports. Sir, I am speaking about educational policy exports or bringing of students to teach English as a foreign language. I am speaking about the export of general professional services be they legal or accounting. I am speaking about the exports from our construction services industries, about information and communications technologies, whether in the form of the traditional informatics sector or whether it is the more higher value added component like medical transcription, which we are trying to build out. Mr. Speaker, Sir, I am speaking about the cultural and entertainment sector as a key component of our services exports.

Therefore, Mr. Speaker, we believe that with a special regime for these six sectors... and, as I indicated in the public already, we already have in hand a study from Caribbean Export, which allows us to move forward with a five-year programme to be able to build out many of these sectors, many of which are already experiencing growth in exports because a number of people do business in the

Eastern Caribbean including Honourable Members on both sides of this House but we believe there needs to be a more systematic framework for the Government to be able to promote these sectors as a key component of the international business sector.

Mr. Speaker, you would recall that in pursuit of this kind of vision, this Government removed the restrictions on international business companies that hitherto prevented Barbadians or CARICOM residents from being the majority owners of international business companies such that prior to us doing that, they could not benefit from the 2.5 per cent taxation rate nor could they benefit from the other many policy areas from which IBCs benefitted generally, within the economy of Barbados, for example, the exchange control issues are liberalised and a number of other things for IBCs that normal domestic companies do not benefit from.

Mr. Speaker, we felt when we removed those restrictions that Barbadians and CARICOM residents ought to be able to own international business companies and that the feature should not be a restriction on the ownership of the company but on simply what and where the company does its business. Sir, you cannot have an IBC selling goods and services in Barbados, because that would be a domestic company, but you can have it selling it outside of Barbados. Sir, to that extent, why should foreigners only be able to own IBCs and not Barbadians or CARICOM residents, who are doing the same thing as the foreigners, in terms of the sale of goods and services outside of this jurisdiction?

Mr. Speaker, this Government has been consistent on our seeing how we can expand the basis of the sector, which started purely as an international financial services sector, utilising the capital and skills of expatriates for the benefit of the Treasury in this country.

Mr. Speaker, thirdly, we feel that Barbados must maintain and enhance its reputation as a well-regulated country because we recognise that regulations are key to competitiveness and the building out of the growth in this sector.

Mr. Speaker, fourthly, we feel that we need to move from being a high cost destination to a high value destination as the first impression of persons - once they deal with us and that is linked up with improving generally all the range of services whether within Government or within the private sector - who are supporting the establishment and formulation of enterprises conducting international business or international financial services.

We feel that we must strengthen the institutional human resource capacity of this country that more and more Barbadians must have the ability to participate in the

mainstream activity, particularly in the international financial services sector, which has heavily relied on international human capital; international persons living in Barbados and providing these services.

Mr. Speaker, against the background of those objectives, we have set some targets because we believe that even if we are not successful in all the targets that it will allow us to be able to set the framework but which they can be focus and dedication in terms of the utilisation of resources and the planning out of policies and programmes that would further enhance the credibility of this sector.

Mr. Speaker, last year, this sector would have contributed just some \$260 million out of a maximum of \$415 million in the corporate tax take of Barbados. Already, for the first ten months of this year, January to October, the Inland Revenue has collected some \$242.5 million from a sector that earned \$260 million for the whole financial year. Sir, that represents some 67 per cent of the overall corporate tax take for the year, which in about \$364.5 million. We recognise that the last quarter of the calendar year, tends to be the quarter in which there is a significant increase in the payment of corporate taxation in Barbados and for a number of companies, regionally and internationally. Sir, on target, it is already appearing to perform better than it did last year.

I go further, Mr. Speaker, even in terms of the licencing, I know that the Leader of the Opposition has always said not to look at the licencing alone and that is why I started with the corporate tax receipt but even in terms of the licensing, we are ahead of last year. Sir, as at the end of September, this year, we had licensed some 334 IBCs - these are not the ones still functioning, these are new licences - as opposed to 294 at the end of September last year. Sir, at the end of September 126 societies with restricted liabilities as opposed to 112 last year. Mr. Speaker, by every index, the sector appears to be performing even stronger this year than it did last year which, I must indicated, Mr. Speaker, was a significant increase on 2005 as well. Sir, we have seen the results but we believe we can see even more.

Mr. Speaker, I come specifically to the kinds of performance targets that we would like to see by 2012 in relation to this sector. We feel that we should see a 100 per cent increase in foreign exchange earnings generated by this sector by 2012. We feel that we should see 100 per cent increase in both the corporate tax take from this sector as well as the incidences of personal income from persons who pay taxes in this sector.

Sequence 13

H149/12:10

Sequence 13

Tuesday, October 30, 2007

Hon. Miss M.A. MOTTLEY: The primary measurement used for the sector as a collective would be the corporate tax take.

Sir, we feel that over the next five years, we should be able to have a 50 per cent increase in jobs, by creating another 3 000 jobs, allied to the international business and financial services sector. We feel that there should be a 100 per cent improvement of brand awareness by the end of 2008. The reason for that is, this Government has already taken the steps to establish Invest Barbados, which is the entity that is dedicated to the promotion of Barbados as an opportune place to invest your funds. I say that, because you can either invest in Barbados physically, or your entity can be domiciled in Barbados, to invest in other countries with whom we have a treaty relationship and that one is going to grow more and more as it has done with the Canadians.

Sir, we believe that within the next five years, we should double the amount of tax treaties and investment treaties that we have, adding another fifteen. I am happy to report to this Honourable House that I have this year, on October 19th, 2007, signed a Double Taxation Agreement and a Bilateral Investment Treaty, on behalf of the Government, with the Government of Seychelles. We have initialled one in Ghana, negotiations having taken place in September and October 2007, in Bridgetown, and Accra.

Sir, on Friday, last week, after much negotiation and urging, we have received a model treaty, for negotiations with the Government of India to commence, and this is one of the key ones we wanted to be able to settle and land for sometime. We have also initialled an agreement with Mexico, and we are awaiting the translation process, as well as their Foreign Affairs process, within Mexico, to sign that agreement. Sir, an initial simply means that we have agreed on the text, but we now have to do the formal signing.

Sir, may I say that one with Mexico is key, because Mexico was one of the countries that maintained Barbados on a blacklist for many years, coming out of the OECD, harmful tax initiative, and we feel that the settlement of the treaty relationship with Mexico, would open up the rest of Latin American countries with whom we do not now have relationships, and who were diffident because of Mexico's Black Listing of Barbados. Sir, this is a significant one for us, just as India would be a significant one for us.

Mr. Speaker, equally, officials of the Government will travel to Luxemburg this month to negotiate with the Grand Duchy of Luxemburg. Last year we signed with

Austria and the Netherlands. It is fair to say, that when you look at the pace of agreements concluded between the mid 1980s and 2000, and you look at the pace of agreements signed between 2000 and 2007, there has been far more activity to conclude these agreements to expand Barbados' treaty network. We are simply saying, that we believe that by 2012, we should have signed with fifteen more countries. Sir, already this year alone, you would have seen that we have the potential, to sign another four, so fifteen is not an unreasonable number.

Sir, we have an interest in signing with countries, some of them may not even be the most politically stable, but that is where we derive an inherent competitive advantage, because you then use Barbados as an investor to be able to mitigate your risks from exposure in some of these countries that have not quite settled down. To that extent, there is a diffidence internationally, for example, and in some cases legislative restrictions about investment in Cuba, Venezuela, even investment in China. Barbados has at the core of its treaty network, treaties with Cuba, China and Venezuela. The ones with China, in particular, and Venezuela, to a lesser extent, are the ones that are reaping significant benefits. Sir, in the last two years, over 200 companies have been formed, utilising the treaty relationship with China.

Sir, we also believe that there must be a continued retraining of the staff across the various departments, who are required to deliver on behalf of the Government, to facilitate the international business activity in this sector. To that extent, the Prime Minister, in his Economic Statement of this year, announced that we would be significantly strengthening the Corporate Affairs Registry by the creation of 13 new posts, at a cost of just over half a million dollars, to allot it to deal more expeditiously with the increase volume of activity, that has come its way.

Sir, I am happy to report that nine of those posts have been created. I am also happy to report that, I believe all, with the exception of the last four, have started work, and the last four, I think, are starting next week, and they are simply waiting on the completion of the accommodation arrangements for them, that are adjacent to the existing Corporate Affairs Registry. We, therefore, anticipate that we will see a similar increase in performance of that department, in relation to its dealings with the International Business Sector.

Sir, we hope that we would significantly expand training in this sector, both to existing players and new players. To that extent, I believe that I have in this Honourable House, adverted to the fact that we are working on the establishment of an institute of international financial risks and regulation, for which we have already received a commitment of Euro 500 000, from the European Community and we are hoping to work with the

University of the West Indies, such that this institute would be operational by September 2008. We have already had discussion with the international accreditation bodies, those, for example, responsible for the designating of Chartered Financial Analysts and others.

Mr. Speaker, we have a proposal before us, from the University of Toronto, from the Rockland Business School, to be able to expand the level of business training that is provided to the sector, and generally within Barbados' corporate community to enhance its skills base. I feel very strongly, that one of the key things that strengthens your reputation, as a centre from which to do business, is not only your ability to regulate well, or your ability to promote well, but equally, your ability to have a strong educational and training component, because people feel that you will therefore try to be on the cutting edge at all times in the delivery of services, by the enhancement of skills.

Sir, those are only but some of the objectives, and they are here in the plan for Honourable Members of the Chamber, and members of the wider public to go through at their leisure. Some of them are time-bound within the next year, some of them are 2 to 3 years, and some of them are five-year programmes.

Sir, what is important, this plan has not been the subject of the Minister's formulation, or even the Ministry's formulation, but it has been the subject of consensual building, through the establishment of a joint policy working group, headed by the managing partner of Peat Marwick, Miss Carol Nicholls, and comprising persons from all parts of the sector. Sir, the last Minister, the Honourable Member for St. Joseph, would have played a key role in it. I would have continued the work here. Sir, we have, therefore, come to the conclusion that the work between this joint policy working group and the Ministry, responsible for the International Business Unit, is the kind of plan that is agreed across the board, that Barbados ought to be pursuing, in order to continue to reposition the sector.

Sir, we have, however, as a Government, pursued a number of the initiatives. Invest Barbados is up and running, most of its staff complement is on. It has taken decisions which are coming before Cabinet now, that there needs to be a revisiting of where our emphasises are, in terms of international representation. Sir, on my way back from the China/Caribbean Forum, I would have had a series of meetings in Hong Kong, along with Invest Barbados, and the Board of Invest Barbados has indicated, that they would wish to recommend to the Cabinet of Barbados that Barbados opens up an Invest Barbados office in Hong Kong within the next 2 to 3 months, as a matter of urgency.

Sequence 14 12.20 p.m.

Tuesday, October 30, 2007

House 149, Sequence 15, 12.20 a.m.

Hon. Miss M.A. MOTTLEY: Mr. Speaker, part of the reasoning is because we have traditionally used the Barbados/China Treaty, for inward investment into China, without recognising that there is also significant potential for outward investment from China, using Barbados as the conduit to the rest of the world.

The truth is, Mr. Speaker, that the excess liquidity within the Chinese system now, with their foreign reserves of more than \$1.4 trillion, with them having set up, as recently as last month, a new state investment agency, and with the development of what is known as the Sovereign Wealth Funds, the Chinese have already in this year, become a major shareholder in Blackstones Private Equity. They are also major shareholders in Barclays.

It is interesting, Mr. Speaker, that as recently as last week Monday, when I attended a seminar of the G-30, which is the group of 30 in terms of bankers, with the head of the Federal Reserve, Ben Bernanke; the head of the Bank of Japan; the head of the European Central Bank, Jean-Claude Trichet; and many of the major global financiers. I must tell you, Mr. Speaker, that it was a very rarefied atmosphere, where you began to understand how the global economy is controlled. I was perhaps the only woman there, and certainly one of the only two or three black persons in the room. Sir, you also begin to understand where the decisions on the global financial community are taken.

Sir, it was significant for me that for the first time, the Americans who had trumped because of their being full liberalisation on the movement of capital, and no restrictions on where capital could find a home, were now all of a sudden, Mr. Speaker, through its former Treasury Secretary, Larry Summers, and others, beginning to say that there may be a need for a policy revisit on whether or not there should be restrictions on what Sovereign Wealth Funds can invest in, in countries.

Sir, all of a sudden when the shoe now gets on the other foot, you are being able to see more and more, in the North Atlantic developed world, in my view, that there will have views that will try to restrict the reach and impact of Sovereign Wealth Funds, whether they are from China, Lybia, Dubai, Jordan or Saudia Arabia. Sir, we already saw with happened last year, when the Dubai ports tried to buy ports in the United States of America.

Mr. Speaker, in my view, this is a scenario that is going to play out itself, over the next few years and we

need to be cognizant of it. We are obviously not of the same league to be able to hold - and certainly not at this stage but, maybe, after another few years - Sovereign Wealth Funds. I really hope that 50 per cent of whatever revenue comes from the oil sector, is insulated from the normal capital expenditure or recurring expenditure of the Government of Barbados, in order to provide for future generations.

I am saying to you, Mr. Speaker, we have to be cognizant of what is going on, if only because we need to position ourselves to be able to benefit from it. We feel that by the opening of an office in Hong Kong, which will allow us to have a presence in Asia for the very first time, we will be in a position to aggressively promote Barbados as a domicile of choice for those under the China/Barbados Treaty or other treaties, which we hope to conclude with other Eastern and Asian countries, for investment into the rest of the world.

Mr. Speaker, this is not pie in the sky. I intend to have this matter addressed by Cabinet within the next few weeks because we see it as urgent. We already have the posts approved by the Ministry of Civil Service. Therefore, once the formal decision by Cabinet, and the Prime Minister who is the person in charge of all forms of international representation of Barbados, is taken, we believe that we could have that office open by early next year.

Mr. Speaker, in addition to that, Hon. Members will recall that three months ago, we brought to this Parliament, amendments to the International Business Companies legislation to create a new procedure for applications for IDCs and SRLs. The simple premise behind it, Sir, was to shift the burden of proof, in order to allow us to be able to take decisions in a quicker way.

Previously, Mr. Speaker, the process of due diligence took a very long time. Sir, what we have done is that we have also amended the legislation to put an obligation on the applicant to provide full and frank disclosure and, equally, to give the licensing entities a power to revoke, specifically on the grounds that a person fails to provide full and frank disclosure. It will allow us, therefore, Mr. Speaker, to be able - as has happened already in the last three months since the legislation has been enforce - to take quicker decisions.

It equally allows you to put in your application simultaneously to Corporate Affairs, as well as to the international business section. Whereas, Sir, prior to the amendment, it was a sequential process. You could only go to the Ministry of International Business, having had your company formed at Corporate Affairs. This simultaneous process means that in our view, Mr. Speaker, you can now

form an international business company, within three to five days in Barbados.

Mr. Speaker, concomitant by those changes that were passed by this Parliament in July of this year, as promised in the Prime Minister's Economic Statement, we have also had Cabinet settled for us, an International Business Unit Charter, which will be presented to the public. Sir, it has been the subject of consultation, not just with the Government departments that are affected but, equally, with the Barbados International Business Association (BIBA).

Mr. Speaker, I want to be frank in this matter. We can set targets but we also must have a process that monitors the maintenance of activity, in relation to those targets. We have agreed that a process should be in place, where every two months, representatives of BIBA and representatives from the various Government departments meet in a meeting chaired by either the Permanent Secretary, or the Director of International Business to see which departments are not meeting the targets that they said they believe are reasonable for them to meet.

These departments include the international business unit itself and all of the various entities, which have to interact with the international business sector, such as the Central Bank; the Immigration Department in relation to work permits; Corporate Affairs, and the Supervisor of Insurance. Mr. Speaker, I would make this Draft Charter, a document of the House. It will be going to the printer very shortly and, obviously, will be done more in the format of a small booklet, which would be easier for people to carry around.

Mr. Speaker, we feel that it is only by holding people accountable through those periodic meetings, that we can change a culture that, quite frankly, has not had the best reputation for responsiveness, in terms of where we want to carry the Barbados International Business sector.

Mr. Speaker, the Prime Minister has already announced in his Economic Statement of this year, that the Government will be establishing a financial services authority that will be responsible for all non-banking financial regulations in Barbados. Therefore, it means that from the Securities Commission to the Supervisor of Insurance, to the Supervisor of Pensions, as well as the licencing arrangements on the International Business Sector, will all come under this body.

We also announced then and are working towards it, that Barbados must have the ability to target niche markets. We feel that asset management is a niche market that we must go after, in its broadest sense. Sir, within asset management, there are two things:

1. The ability to be able to go after family offices, which is nothing but private wealth management. The people who have large sums of money have to find mechanisms by which to manage that money and to be able to allow it to grow.
2. We recognise, even with the instability and, perhaps, because of the instability in the global financial market now, that there is a role for being able to cater, with a more appropriate form of regulation to aspects of private equity, particularly private equity involved in investment in illiquid assets.

Mr. Speaker, illiquid assets are lumpy. They are difficult to quantify. They are difficult to access but at the same time, you need regulation...

House 149, Sequence 15, 12:30:14

Tuesday, October 30, 2007

Hon. Miss M. A. MOTTLEY: Mr. Speaker, illiquid assets are lumpy, they are difficult to quantify and difficult to assess. Sir, at the same time, you need regulation that is not a one-stop shop regulation but regulation that is appropriate to the particular risk of the particular asset.

To this extent, Mr. Speaker, Cabinet has already signed off on the policy paper for both the Financial Services Authority as well as the proposal for a specific regime called the Barbados Qualifying Investor Status. That simply means, Mr. Speaker, that if you pass certain criteria within the Barbados qualifying investor regime, that it would allow for us to be able to have a form of regulation that is more appropriate to risk.

Mr. Speaker, we live in a world where people are tending more to the one size fits all regulations, but that does not work for small countries. We do not have the buffer to be able to engage in that kind of reckless activity that would effectively undermine the competitiveness of our regulations. We feel, Mr. Speaker, that the legislation that sets up the Financial Services Authority should be legislation that speaks to the philosophy that regulation must be appropriate to risk.

It sounds simple, Mr. Speaker, but it does not happen in 95 per cent of the regulators across the board. Only last week, the Head of the Financial Services Authority in the United Kingdom was making the same point because they themselves have had to restructure their financial regulations over the last seven years. Mr. Speaker, they have found that it is more important for them to be able to have regulations that are cognisant of real risk rather than trying to create academic models through a one size fits all

prescription that would not in any way protect either the economy or the consumer.

Why do you regulate? Mr. Speaker, in the first place, you regulate because you want to prevent systemic contagion across the economy and, secondly, you want to protect the consumer, if there is a retail consumer.

Mr. Speaker, there are some investors who are not dealing at all with the retail consumer. Therefore, they should not have to go through the same level of regulation as one who is offering products as a retail product to the consumer. Mr. Speaker, we feel that having a structure for a Financial Services Authority that is rooted in this philosophy, that the regulation must be appropriate to risk, with the requisite skills and the requisite ongoing training and support would make a significant difference to the competitiveness of Barbados and our ability to be able to offer new products.

Mr. Speaker, I have spoken already about the International Institute and about our plan to significantly expand the treaty network. What I have not yet said is that in July of this year, I took a decision to ask for a revision of the model treaty for both our Double Taxation Agreement as well as our Bilateral Investment Treaty, because in both instances both of those models have existed since the early 1990s, and much has happened. We recognised that we need to have perhaps a more aggressive but more nuance treaty given the fact that in some of the treaties negotiations, for example, with the United States of America, there have been limitations of benefit provisions that carve out the international business sector, so it is really not smooth sailing. Mr. Speaker, we believe that Barbados must always therefore have the competence and the depth of skills that would allow us to be able to operate at the very highest level of the global financial services sector.

Mr. Speaker, there are two amendments which the Prime Minister adverted to in his Economic Statement that are currently with the Ministry of Finance to be brought before this Parliament very shortly. One relates to the exemption from withholding tax on dividends derived by Barbadian resident companies from overseas companies in cases where the Barbados resident owns at least 10 per cent of the shareholding. The other one is the exemption from withholding tax on dividends paid by resident companies to non-resident shareholders. Mr. Speaker, it is one of the mechanisms used by accountants in order to be able to allow us to keep our jurisdiction more competitive. It is also one of the set of the measures announced by us in the Economic Statement of March of this year.

Mr. Speaker, it is our hope that all of the initiatives, of which the Financial Services Authority legislation will be the major one, because even after we pass the

legislation, we have then to work toward merging three or four separate entities, which, in and of itself, is not a simple exercise... The Ministry of Finance has already advertised for assistance in helping us to create that structure. Mr. Speaker, I have every confidence that as soon as we can get that entity up and running, there are a lot of new investments that could continue to come into Barbados, particularly the private equity in illiquid assets, particularly asset management which allows us to be able to go at the top end.

One of the significant things, Mr. Speaker, is that people do not have to live in London and New York to be involved at the heart of the global financial system. Mr. Speaker, Barbados' quality of life and its continued insistence that that quality of life be at the centre of our development process is in fact now the thing that makes us as competitive as most other jurisdictions in the world. People want to be associated with a jurisdiction where they feel safe, where there is political stability, where the rule of law is certain, and where there is a sense in which the quality of life of themselves and their dependants, whether it be spouses or children, are not compromised by things such as crime, environmental pollution or some of the other things that affect other jurisdictions in the world today.

We feel, Mr. Speaker, that it allows us to bring together much of the work that we have done as a country in building the reputation but equally the credibility of this nation to be able to use it as a platform for further growth into a sector which, as I have said before, has no limitations on its potential for growth. The only limitation, Mr. Speaker, is the inclination of the Government and the people of Barbados. Mr. Speaker, I feel that our educational base, as well as those other things, make it right for us to pursue this sector more aggressively.

I am cognisant, Mr. Speaker, that some areas of this sector are technical and are not sexy, and therefore would require a little diligence in terms of understanding how it works.

Mr. Speaker, I have also seen in the last decade more and more Barbadians coming into the sector such that the President of the Barbados International Business Association today is a young Barbadian man who is doing well in circumstances where before a lot of the persons were expats or non-nationals. I therefore have every confidence that we would continue to see the increase in these numbers. That is why I have been adamant that the educational and training opportunities go hand in hand to create the basis for more Barbadians to come into this sector.

Equally, I must say that you cannot work in isolation from the international people because it is the international

capital that you want to come here, so you need a balanced framework to be able to grow out the sector.

Mr. Speaker, I believe that this plan is worthy of support by the Parliament of Barbados. It has been the subject of intense negotiations and discussion among the private sector, the public sector and the various stakeholders. Mr. Speaker, it is specific in terms of its objectives, and it is specific in terms of the measurements which are being used to determine success in the next five years.

Mr. Speaker, I have every confidence that with the right support from the various other ministries, with the right financial resources and with the participation of the private sector and the general society in Barbados that we would achieve the clear objective by 2012 but more important set the foundation for Barbados to receive global recognition in a particular area within the financial services sector.

SUSPENSION OF SITTING

Hon. Miss M. A. MOTTLEY: 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.

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 149 Sequence 16

12.40 p.m.

Tuesday, October 30, 2007

RESUMPTION

ORDER NO. 5 (Resumed)

Mr. SPEAKER: This House is resumed. The Honourable Member for St. Lucy.

Mr. D. St.E. KELLMAN: Mr. Speaker, there is no doubt that this particular discussion means a lot to Barbados, especially when one looks at the currency market. Sir, in looking at the currency market, there is no doubt that we are in a very good position to launch our productive markets.

Sir, when one considers that the pound sterling is at a very high rate, the Canadian dollar is even higher than the US dollar, and the fact that the Euro is also growing, from a trading point of view, it makes no difference with the US

markets because the relationship would not change because of the fact that we have a pegged relationship with them. What we must hear from the other side are what plans they have to ensure that the productive market of Barbados could gain from this opportunity of the currency difference.

Mr. Speaker, for years, I have been hearing persons in the agricultural, tourism and manufacturing sectors making the point that if we were to devalue the Barbados dollar, that it would serve the country well. Sir, the truth is that we do not need to devalue the Barbados dollar because of the relationship it has with the international currencies and with what is happening on the international markets.

Sir, in truth and in fact, the value of the Barbados dollar has been devalued because it has been pegged to the US dollars. It, therefore, means there is no need for the Minister of Finance to do anything because as the US dollar fluctuates against the other currencies, the same relationship would occur with the Barbados dollar.

Mr. Speaker, it is economies such as Barbados and the United States of America, that from a trading factor, should gain a lot because of this relationship. It would now tell us whether we have anything to export or whether we have anything to gain from services.

Sir, one would hope that with this information, the Ministry of Tourism, the Ministry of International Business, along with the other protective sectors, would now go on a marketing campaign to promote Barbados, but the question must be asked, what would we have to offer, in light of these new changes.

Mr. Speaker, I was at pains in this Honourable House to tell this House not to cut back the sugar production of this country. When one looks at the cut from the European Union and now the rising of the Euro and the Pound Sterling, one would recognise that even though we have fallen prices for sugar...

Asides.

MR. SPEAKER: I am here trying to follow you, you know.

Mr. D. St.E. KELLMAN: I know you would say that, Sir. Asides.

MR. SPEAKER: I always give a fellow a chance to get there, and I want you to get there.

Mr. D. St.E. KELLMAN: Mr. Speaker, I know you understand the virtue of politics.

Sir, there is no doubt that the International Business Sector, as it relates to Barbados and the United States of

America, is in the best position ever to take advantage of what is going on in the world. Sir, those persons who are seeing the goings-on in the world as being a negative for Barbados and for the United States of America, just do not understand the International Business Sector.

Mr. Speaker, we cannot be in a situation where, for years, we have been told that in order for Barbados to gain on the international market, we have to adjust our currency, and now that the international market has done that adjustment for us, we are still saying we have to do it.

1.50 p.m.

Tuesday, October 30, 2007

(EDITED)

Mr. D. St.E. KELLMAN: Mr. Speaker, I am saying that we have to recognise that we also have to put policies in place for our local business people to take advantage of these situations. It does not necessarily mean that because we have these currency changes that we can just wake up one morning and allow our productive sector to go on a marketing campaign without having something to market. It is clear to me that we as a Government were not reading the currency markets, even though they have been spoken about on many occasions from this side. If we were watching the changes in the currency market, we would have done enough to put the productive sectors in place to take advantage of what is occurring within the currency market. Sir, international business cannot only be about selling and buying, it has a lot to do with the currencies. Those who cannot understand the relation of the shift in currency to trade will fool themselves on that particular matter.

Mr. Speaker, those persons advising Government, especially in Barbados and in the United States of America and cannot appreciate that this is the best time to push the productive sectors, would be failing those two countries. Sir, everybody knows that the cost of goods coming in would be higher but those that are exporting, will have an advantage. Sir, if people cannot appreciate that our exports would be in a better position then it means that we do not understand what is happening on the international market.

Mr. Speaker, I have said for many years that when we were blacklisted, that those countries blacklisted did not understand what was happening. I was happy when the Honourable Member for St. Michael North East made the point that it is because of our tax advantage that we had problems some years ago. There is no doubt that those countries which were blacklisted, were blacklisted because of their comparative advantage as it relates to taxation. Sir, I cannot understand why the other side cannot understand the theory of 'Kellmanonics'. It is all about having an equal

base for all competitors. Sir, if you have an equal base for your local people and for your foreign people, then nobody can brand you as a tax haven or brand you as giving advantage over the other. Mr. Speaker, it is clear that people do not understand the far-reaching thoughts that went into 'Kellmanonics' and will not be able to take advantage of that enlightened theory known as 'Kellmanonics'.

Mr. Speaker, known economists, who have worked at the University of the West Indies have tried very hard on many occasions on the Floor of the House to get theory one, so that at least they would have something to count on and be able to repeat it in the regional thought as if it were theirs but, Sir, I will not be trapped into any discussion on international business using Kellmanonics for anybody to believe they could come in here and throw a red herring across the border and I will be like a blue peter shark catching it. Sir, in this discussion I have to be the lion shark, not the blue peter shark. This is why it is to our advantage to understand what is happening in the world market and to appreciate that Barbados can only gain if we look after our productive sector and ensure that they take advantage of what is happening within the world economy so that we can export more and allow more services to be sold so that we can build our foreign reserves.

Mr. Speaker, we cannot sit back when we have an advantage and do nothing. I have seen nothing from the productive sector in tourism as a marketing tool or any additional opportunity offered by the Ministry of Tourism to take advantage of the currency market. Sir, let me say this to you. In any world, you cannot look at cost and ignore the currency market. If there is one thing that can change your cost overnight, it is the currency market and we should have known that from the time we dealt with the Japanese loan. Now, Sir, we have seen the Pound Sterling move from \$2 and something to \$4 and something and we have not recognised that in our international business market that we are gaining advantage because we are able, if we have something to export, to export it at a cheaper cost but, Sir, the problem is, we do not have anything to export so we cannot take advantage. Sir, that is where we have to look at the services and see how we market those services to ensure that we could take advantage.

Mr. Speaker, I am saying that if the international business sector can find the relationship between that sector and the tourism sector, - there is a natural relationship - then, nobody should get in here and say that it will be a good season, we should be able to tell people with surety that we have put a plan in place that we would see the doubling of tourists coming out of the Canadian market and the European market. Sir, just because we do not understand the movement in the currency market, we have done nothing to capitalise on this.

Mr. Deputy Speaker, a few days from today, we will be in the month of November and 15 days after that, we will be into the winter season and we have not seen any additional marketing to take advantage of the currency changes. I am saying, Sir, that if we do not see a great increase in tourism in this country that the Minister of Tourism is responsible because when we are dealing with international business, we cannot ignore the services provided by the tourism sector.

Mr. Speaker, there is a direct relationship between the international business sector and tourism and there is a direct relationship between international business and the currency market. Mr. Speaker, there are those who want to mislead you that there is no relationship, but I know that you know better, Sir, and that your institution that is the foundation for Part I and Part 2 of economics would have thought many of us economists and we would be able to expound on these things.

Mr. Speaker, even though people would want to limit this topic, the Honourable Member was very wide in her discussion on this particular matter and we would have to understand that we are at a serious point in developing our economy and if we do not take the advantages given to us now, when they are no longer there, we cannot blame anybody.

Mr. Speaker, our tourism sector is in the best position now, since the 80s to take off and if it does not take off, we can only blame ourselves. Sir, all this talk about what we expect from the international business sector, what we need to do is to pull out the tourism sector aspect of it and deal with it. Sir, even from the point of view of foreign exchange liberalisation, this is the best time to cushion our foreign reserves and this is the best time to go on the European or the Canadian market to borrow money. Sir, the currencies are at such a level now that there can only go in one direction, that is the downward trend. If we are to ensure that we maximise without necessarily using the productive sectors, we now need to use the currency market to take advantage of that situation that has been created in the world for us.

Mr. Speaker, those who do not understand these things will call it nonsense but they would ignore going on the currency market to borrow now and as soon as the pound sterling drops or the Canadian dollar drops, you would then find them going on these markets to borrow money when the rate is much lower and then having to repay it at a higher rate.

Mr. Speaker, this is serious business and we must understand that we have an advantage, that we must take charge of that advantage and use it to the best of our ability.

H149/14:00

Sequence 19

Tuesday, October 30, 2007

Mr. D. St.E. KELLMAN: We must also use our tax rate advantage, and not allow the OECD to tell us that we are doing anything wrong, because we have an advantage. Those countries that have advantages take charge of them and use them to their benefit. We in the Caribbean, and in that selected group, must understand when we have an advantage, and must take charge of it.

Sir, as I said before, if our productive sectors do not grow from now on, I will blame the Government, for the simple reason, the shift in currency allows us to have cheaper goods to export. The shift in currency would allow our tourism product to be cheaper, and if we do not take advantage, it would be the fault of the Government, because it would have to be a lack of action by the Government.

Sir, our biggest tourism market is England, and that is where you see the appreciation. I was very glad to recognise that the Chairman of the Barbados Tourism Authority also understands the importance of the Canadian market. That is why he has pointed us to the Canadian market.

by Mr. SPEAKER.

Mr. SPEAKER: We are not going to have that in the record. Honourable Member you will have to withdraw that. What was said must be struck from the record.

Certain remarks made by the Honourable Member for St. Lucy were ordered to be expunged from the records Mr. D. St.E. KELLMAN: The Minister of Tourism has been anti my comments on the tourism market, as it relates to Canada.

Mr. SPEAKER: Honourable Member, that is what you meant?

Mr. D. St.E. KELLMAN: Sir, the records of Hansard would show that I have always said that the market in Canada allows Barbados to have tourists come to Barbados for six months - that is a fact - especially the farmers, and we have never really gone after them. The new Chairman of the Barbados Tourism Authority has recognised that we have given up a lucrative market and is now fighting hard to ensure that we get back that Canadian market. Sir, do you know what is interesting? The Canadian dollar is now greater than the US dollar. It is also interesting that the Pound is also very high. It means that when tourists come from these two destinations, they have a lot of money to

spend. I hope that those persons in the sector do not do foolishness, by inflating or doing things that they should not do, but recognise that they need to rebuild those markets, to ensure that we have sustainable tourism and not treat it as a one-off, or treat it like World Cup, and want to get everything in one drop.

Mr. Speaker, there is no doubt that we are in interesting times, and need to recognise that we, as a country, have a good opportunity, but it is how we manage this opportunity that will decide where we will go.

I thank you, Sir.

Mr. SPEAKER: The Honourable Member for St. James Central.

Hon. K.D. SYMMONDS: Mr. Speaker, I thank you for this opportunity to rise with some dispatch and great alacrity, to rectify the assault on the record of this Government, as just fell from the lips of the Honourable Member for St. Lucy. Sir, we are in the immediate post luncheon session, and it is apparent that the Honourable Member for St. Lucy consumed, at the table, those matters which have affected his capacity for clarity of thought.

Sir, I would want to start by speaking to the question of the failure, as he alleges, as he pontificates and asserts of the Government, to have taken a clear and visionary approach to what has been a trend, over the last few years, in terms of currency fluctuations in the international currency market. Mr. Speaker, there are a number of allegations which have to be responded to.

Sir, first of all, a framework was established in 2003, by this Government, which articulated a very clear vision on the expansion or the need for us to expand the bilateral treaty network. We wanted to expand bilateral treaty network, because of the fact that we felt Barbados should be seen as a place that is open to business, and wanted our business people to be able with some degree of certainty, to approach their colleagues and partners, internationally, in markets which were carefully being targeted, largely as result of the economic performance of those particular markets, largely, as a result of the management and approach to business to be found in those particular markets, and also with a view to understanding the correlation or benefits that could ensue to Barbadian business persons, if we were to go into markets where there was a great capacity for investment, as a result of a strengthening currency on their part.

Mr. Speaker, I am putting it in the record that the Honourable Member for St. Lucy has chosen to leave the Honourable House at this point, because edification, apparently, is something that he will always resist. I want to say we have set up bilateral investment treaties with

Finland, Norway, Sweden, Switzerland, Austria and the Netherlands. These are the countries of Europe to which the Honourable Member for St. Lucy would refer, but in the context of saying that we, in fact, are not making the necessary outreach to a community which is enjoying at the present time, a trend of escalating currency value, escalating purchasing power, escalating preeminence, in terms of being investors.

Sir, those countries, Finland, Norway, Sweden and Switzerland, have not only been approached by Barbados, but they are part of the deliberate expansion of a bilateral investment treaty network, which this Government set about to do, and has successfully concluded in doing so.

Sir, it is also worthy of mention that we are not satisfied only to approach Europe, but we have a vision as well for Latin America and other parts of the globe. The Honourable Deputy Prime Minister, spoke at length to a relationship we are cultivating with China, and I need not go back there.

Sir, here in this hemisphere there is Chile, a country whose performance indicators, read almost as a carbon copy of Barbados', unemployment hovering in the vicinity of 7.9 per cent. The Honourable Member for St. Lucy does not like to talk about unemployment figures, but let it be read into the record now, that under this Government they are at the lowest that they have ever been in the history of this great country. Sir, the fact of the matter is, double taxation negotiations, bilateral investment treaty discussions are engaged with Chile, and, in fact, Barbados has been earmarked by the Government of Chile, as being the place where a commercial presence should be established in the Caribbean, even though for some time now, they have had their seat of diplomatic accreditation for the Eastern Caribbean, in the Republic of Trinidad and Tobago. In simple terms, there is a preference to set up the commercial business centre of Chile's external relationship with the Caribbean, here in Barbados.

Sir, I wonder what manner of conscience is possessed by the Honourable Member for St. Lucy, when he makes the kinds of allegations that he made just now. He spoke at length to tourism, again, the record has been scarred and parched, and I venture to suggest that it has been abused by the Honourable Member for St. Lucy. It was done without any sentiment or conscience whatsoever.

Sir, the fact is, under this Government, within the last year, his argument was that there has been no vision on the part of this Government, not looking towards capitalising on the market access opportunities, being created or enhanced by a strong Euro and a strong Pound. Mr. Speaker, nothing could have been further from the truth.

Sir, British Airways flies into Barbados seven days a week, and from this winter it will be coming in 11 times per week. Never before, in the history of Barbados, was that relationship with that particular carrier so strong.

Sir, Virgin Atlantic comes into Barbados eight times per week, and within the last year these are things that have been renegotiated. We are introducing a Virgin Atlantic flight from Manchester.

H149

Sequence 20 14:10

Tuesday, October 30, 2007

House 149, Sequence 21, 2.10 p.m.

Hon. K.D. SYMMONDS: During the last year, Virgin started to fly a 747 into Barbados and it was precisely because of the understanding of the operatives in Ministry of Tourism and by extension the Government, of the importance of the marketplace that the expansion was created. Sir, it is precisely that point that has to be made to this House.

Mr. Speaker, it is a tragic thing, when in the face of the most glaring and overwhelming evidence to the contrary, in this most silly of seasons, that the Honourable Member for St. Lucy will abandon his well-respected international reputation for good sense, and come to this House to so assault the record of the Government's performance.

There was never before in the history of this House or the Members of this House in their memories, any knowledge of an airline called, First Choice, flying into Barbados from Gatwick, but it is doing so today. There is no Member of this House, Sir, who could contradict the fact that it was the Minister of Tourism, who introduced the BMI flights from Gatwick that are coming three times a week now. Again, it is done with a vision to capitalising on precisely the growing market opportunities in the United Kingdom, and on a strong and strengthening Pound. Sir, the Honourable Member for St. Lucy has the temerity not to wish to engage on that matter, or to engage on that matter in a manner which does not reflect a capacity for understanding the truth.

Asides.

Hon. K.D. SYMMONDS: Mr. Speaker, I was speaking in response to that which was said before, so to the extent that I stray, I apologise.

Mr. Speaker, let me say that if we are going to talk about the international business sector in the context of

tourism, and I do not want to have a tourism debate, but I want to say in the context of market access because, there are modes of supplying international services and sectors in which the services are supplied. Sir, I would concede with the Honourable Member for St. Lucy that tourism is one way of supplying international services. It is done in what the UN calls, consumption abroad. Their people come and consume the service down here.

Mr. Speaker, the point has to be made for the record that if we interpret tourism to be a critical part of an international business sector, Barbados has a duty to open up its marketplace. Barbados has to put energy in a marketing thrust, into parts of Europe, where we are seeing, because of strength of their Pound, an opportunity for growth.

Mr. Speaker, I have no quarrel with that argument but let me say that it is this Government's policy that has brought Livingstone Air to Barbados from Milan. It is in that context, Mr. Speaker, that this Government's policy allows Martinair to come here from Holland. It is in that context, Mr. Speaker, that this Government's policy allows Condor to fly in here from Frankfurt.

Therefore, the evidence of the way in which that tourism sector of the international business aspect of our economy is operating, suggests that the exact opposite of what the Honourable Member for St. Lucy is alleging is, in fact, taking place in Barbados. Therefore, he should be ashamed to make the allegations he makes. I want to go further.

Mr. Speaker, so convinced am I that the international business sector should see tourism as part of its component, even if not the only part, I am satisfied that this Government has gone to non-traditional aspects of traditional marketplaces.

What do I mean by that? I give you but one example. Sir, a traditional marketplace from which we would have sourced the opportunity to supply tourism services, would have been Canada. Traditionally, under a Democratic Labour Party and, indeed, prior to this regime, there was a thinking that Canada began and ended at the Toronto gateway.

Sir, today we are into Calgary, where an airline called, Westjet has been able to successfully negotiate market access to Barbados to bring tourists to Barbados from Canada. We have increased the inflow to two flights a week by Air Canada. Therefore, the point I am making is that there has been a diversification by finding non traditional gateways, in what has been a traditional marketplace.

Sir, I want to put paid, once and for all, to what I can only describe is a hopelessly vacant and erroneous approach to argument, by the Honourable Member for St. Lucy and it is entirely consistent with all that he has allowed himself to become. Sir, there is a larger and a more meaningful part of the international business sector, which has to be looked at as well.

Mr. Speaker, the very learned Deputy Prime Minister of Barbados, in her presentation, made the very interesting point that about two-thirds of the corporate tax takes now comes from the international business sector. Sir, that is a substantial inflow of revenue into this country.

Mr. Speaker, what is even more important, is the fact that it is also a major employer in Barbados. It is not any 'nay-nay' sector as one may well say that it was back in 1991 and 1992. The reality now, Sir, is that six thousand people now find their employ in the international business sector. This is what makes it so important for us to continue to build out, by way of a methodological process, a series of Treaty relationships, such as bilateral investment treaties and double taxation treaties, so that we can guarantee for our business community, a level of certainty in the marketplace. Sir, it has to be married as well with a clear and firm understanding of the country's foreign policy direction.

What this Government has successfully put paid to, was the mistaken and misguided practice of bygone administrations, when persons would willy-nilly go into a country, because they heard that there were 300 Barbadians in X country, would go and set up a consulate and an Embassy.

Mr. Speaker, the reality is that the Consulate and Embassy are all very well and good but if it has to serve a purpose, pay its way and earn its keep, then the prudent administration of foreign relations in this country dictates that we must be able to define a marketplace, where Barbadians can do business by providing their goods and services into that country. Then, you could set up your consular facilities and the embassy, so that is what carries Barbados' international trade. Sir, this is how it should be, and not the other way around.

Mr. Speaker, that is why we are in a position today to be working with CARICOM, so that Barbados' international business interest can, in fact, be represented across borders. Sir, even if it is in a far-flung jurisdiction like China, we are seeking to build an umbrella relationship with our brothers and sisters in CARICOM. Mr. Speaker, let me say that there is nothing wrong with that because implicit and inherent in the revised Treaty of Chaguaramas, is the provision for us as far as is practicable, to have joint representation of our foreign relations.

Sir, that is why for the first time in the Caribbean, CARICOM countries are now talking about pooling their resources to have joint representation abroad, in far-flung jurisdictions, where it is very difficult to set up, maintain and operate successful missions, representing not only Caribbean people, because in places like China, there are not going to be many, but what is more important, representing Caribbean business.

Asides.

Hon. K.D. SYMMONDS: Mr. Speaker, if I have to hold a tutorial in here for the Honourable Member for St. Lucy, I will continue to do so, Sir. How does the Caribbean business get there? Sir, it is precisely through this route of the international business strategy of the Government of Barbados.

Asides.

House 149, Sequence 21, 14:20:14

Tuesday, October 30, 2007

Hon. K. D. SYMMONDS: Mr. Speaker, Sir, we are clear in our conviction that there are four ways in which we can provide Barbados' services and Barbados' goods to the international community. Sir, method No. 1 is by doing it cross-border. We have a lot of people in this country, particularly young people, who have mastered the information technology, who are so gifted and who are so sophisticated, who on a day by day basis takes an artistic design, taking whatever concept you wish, and sell it to the international community for a fee by using the information technology to reach the international community.

The Honourable Member for St. Lucy looks at me as though I am speaking that which is extraordinary. Sir, I say to him that the business of the Barbados Labour Party Government is to make the extraordinary our ordinary business. Therefore, we commit ourselves to moving the supply of our services across border by way of information technology.

Sir, I have spoken to you about the tourism product which is when they come here to consume, and we are comfortable with that. Sir, there is another way. Barbadians must be prepared to establish a commercial presence in other jurisdictions. What do I mean by that? I mean that you go, you incorporate a business and you set up a commercial operation in somebody else's capital, in the same way that right here in our CARICOM space we see aggressive business persons from the Caribbean coming into the Barbadian marketplace to set up a commercial presence and earn money.

Sir, it is a tragic thing that there are many Barbadians who are in a position to do that, but who are apparently reluctant so to do because of the fact that there is a level of complacency. Sir, I say to you that in this era where there is liberalisation and movement of capital across borders that our people have to establish commercial presence overseas whensoever it is possible.

Mr. Speaker, that brings me back to the importance of the Double Taxation Treaty because when I go over there and I have a taxation treaty worked out between my Government and their Government, then there is certainty that I am not paying taxes in Barbados and also in that jurisdiction, so that the business community is in fact protected even before they move to set up the commercial presence. Sir, that is the importance of the thing. That is what is causing the Honourable Member for St. Lucy such difficulty that he cannot remain quiet in his seat for five minutes.

Mr. Speaker, the Bilateral Investment Treaty operates in the same way, so you are guaranteeing people a protection on their investment. Sir, no businessman is going to leave Barbados to go to another jurisdiction and not be sure that his investment is protected. When he earns some money, he wants to be assured that he could get that money out of the country and into Barbados, so that he could make more investments in Barbados on the profits he has earned overseas. Sir, that is what this international thing is about. It is about treating a large global market as increasingly one place, making sure that our people are able to get into those markets without the hindrances that traditionally would have existed. That is what this Government remains committed to do.

Mr. Speaker, there is another area, the movement of natural persons. Sir, in law, the body corporate is called a legal personality, but I am talking about the natural persons, you and I, human beings moving to sell our services across borders and come back again.

Mr. Speaker, as the Honourable Member for St. Michael North East has pointed out, it can be lawyers, doctors, engineers, a whole raft of professionals in Barbados. They continue to do so within CARICOM, they move freely now. The issue is to what extent are these people empowered and to what extent do we have to empower them to be able to get into foreign marketplaces, let us say, Europe, the United States of America, Canada, et cetera, to provide the same services.

I do not accept, Mr. Speaker, that an engineer qualified in Barbados and trained in the Caribbean, cannot sell his services successfully in Miami or in Canada. Sir, one of the things that stand in their way is very often the simple issue of accreditation, that the University of the West Indies' degree is not recognised in the marketplace

where he wishes to work. Sir, that is a challenge we have to overcome.

Very often, Sir, it is some internal obstacle in the marketplace to which you are going, for example, in the United States of America, you have three tiers of licensing; at the federal level, at the State level, and at the municipal level and in the particular city there is another set of licensing and permissions you have to get to operate and sell your services. We have to break down those barriers as well.

Sir, in a well-advanced era of discussion of globalisation and trade liberalisation, those are the things I would have wanted to at least heard a whimper about from the Democratic Labour Party spokesperson on these matters, but not a word was said. They treat to these things as they treat to quietude and civil discussions in George Street as though it is something to be banished from the record.

Mr. Speaker, it is wrong, it is unacceptable, it cannot guide Barbados anywhere if we are not prepared to treat to this Parliament in the way in which the Parliament is seen as a focal point for deliberating on what we can do to make sure that the United States of America and Europe accredits the University of the West Indies, the same way they accredit European universities or American colleges.

Mr. Speaker, that is the issue of today, and that is why such great lengths have been gone to in working out an economic partnership relationship with Europe so as to make sure that market access is given to our people so that those who wish to provide an international business service into any part of Europe would know that the service they are providing is able to be sold.

Mr. Speaker, they need to know that they could go to the European marketplace, in whichever country or in whichever province in France, and say I come as an attorney, a doctor or what have you, and my qualifications are recognised and are recognisable in law in your country.

Sir, until we see this place as the place where we have to work through and talk through and guide the nation through these particular issues, which were not on the front burner in 1970 or in 1980 and which should have been on the front burner in the 1990s but are definitely on the front burner today, we would sell our people short, so let us start to define where the platform and where the election issues would fall.

Sir, they would not fall on the streetlights and the potholes in the road because you cannot patch the pothole unless you are earning the foreign exchange so to do. If you wish to be in a position to earn the foreign exchange, you have to empower your people to be able to go out there and

treat this open new world as an open new marketplace, but they have to have the opportunity to participate sensibly and meaningfully in it. That is what makes this debate on international business and the strategy in the medium term so important.

It is also worthy of mention at this point, Mr. Speaker, that the bankruptcy of the Opposition on these matters was ably articulated when the Strategic Plan for Barbados was discussed in this Parliament. Sir, we do not have to reflect on that debate. We know that what came out was that the Leader of the Opposition made no contact with the issue at all. We know that what we are doing here is looking at a first intervention in the short to medium term on a matter which is fundamental to the bread and butter of the people of this country.

We know, Sir, that what we are doing here is trying to create a framework for Barbadians to be able to understand what are some of the fundamental things that have to be built into this country's administrative systems in order for them to be able to make the most of the opportunities which present themselves.

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

Hon. K. D. SYMMONDS: Thank you, Sir,

Mr. Speaker, Sir, much has been said about the double taxation treaties and the bilateral investment treaty, but I want you to understand as well that one of the most interesting ideas that has come out of this Government on these matters in recent times is the appreciation of the fact that whenever you have these kinds of arrangements across borders, even within the same country, indeed in any arrangements or in an arrangement between man and wife, there will, from time to time, end in dispute. Therefore, Barbados has to see itself as a place which is well-positioned and having the calibre of people that we can offer dispute resolution services first, on behalf of the Caribbean, second, on behalf of this hemisphere, and indeed let us not think small, on behalf of the world.

House 149 Sequence 22

2.30 p.m.

Tuesday, October 30, 2007

Hon. K. D. SYMMONDS: Mr. Speaker, that is why I enjoin the discussion led by the able Deputy Prime Minister on the establishment of an International Arbitration Centre in Barbados. I think that tells you something about a vision. It tells you about an understanding of what we see the capacity of the Barbadian man and woman to be. It helps you to understand how we

see the professionals in Barbados, where they could go and where they could take the country with them. It helps you to understand what we understand to be the empowerment process.

Sir, if Barbados could become the central point, or one of the central points in this hemisphere, for the deliberation and resolution of inevitable controversy and dispute arising out of cross-border economic activities, then, Sir, we are inviting to Barbados all and sundry who fall into that category. Sir, seeing that the Americans, Canadians, Latin Americans and everybody, are interesting in getting more deeply involved in moving their businesses across borders, then we are opening the doors of Barbados to being a haven for such opportunities. Sir, this is what this discussion has to be about.

Mr. Speaker, it is a tragic thing that a debate of this importance, at a time of this significance, could be treated so shabbily, by the Honourable Member for St. Lucy. The Honourable Member seems to believe that you could just get up and rewrite the record of the Government, as though you are waving a wand or talking under a shop light somewhere, where nobody is paying any attention to you. This is a Place which in other jurisdictions is called the highest court of the land and it must be treated with that respect.

Mr. Speaker, I am finished chastising the Honourable Member for St. Lucy. I wish to express my gratitude to you and I wish that we would have had the opportunity where we would have been able to go on. Mr. Speaker, I thank you.

MR. SPEAKER: I thought you were going to do it to me too. The Honourable Member for St. Philip West.

MR. SPEAKER vacated the Chair. Mr. DEPUTY SPEAKER has assumed the Chair.

Dr. D. C. ESTWICK: Mr. Deputy Speaker, I support the position taken by the last Honourable Member, in one regard, that this is a very serious debate. I believe this debate lays the foundation for a determination of the growth and development of a sector that could eventually, if managed properly, be a sector that employs more persons than that of the tourism sector. I believe it is one that could also generate more foreign reserves for Barbados.

Sir, it is from that premise that I would do an evaluation of the National Strategic Plan, therefore, to look at its strengths and to evaluate where the Opposition believes there are weaknesses to be discerned and to be spoken about, in the interest of Barbados.

Mr. Deputy Speaker, at the outset, I want to thank the members of the Joint Economic Working Group, the

International Business Unit of the Ministry of Economic Affairs and Development, for their hard work in compiling this strategic plan under consideration today.

Mr. Deputy Speaker, even though I do this - and I said earlier that this sector could become a sector to rival tourism - I am convinced that when I do an evaluation of the record of the Barbados Labour Party, which would be done through evaluating the various budgetary proposals and financial policies since 1994, the record of this Government does not speak to placing any great emphasis on the growth and development of the International Business Sector.

Mr. Deputy Speaker, ironically, this administration has placed such emphasis on the growth and development of the International Business Sector, that it has reduced or replaced the Ministry of International Business and has now downgraded the International Business Sector into a department, hidden somewhere in the portfolio of the Deputy Prime Minister. This is a sector that is supposed to be one with the potential to lead Barbados in years to come, in terms of economic development and growth. That is how it was treated by this administration.

Mr. Deputy Speaker, the facts are the facts. Our International Business Sector is behind that of Bermuda, the Bahamas, the Cayman Islands and the British Virgin Islands. Sir, St. Lucia's International Business Sector is growing by leaps and bounds. Sir, there is a reason, when one evaluates the 1994 to 2007 periods under the Barbados Labour Party administration, why that sector has not grown commensurately.

Sir, I am not going to sit here and allow the Honourable Members on that side to suggest that there was a lack of foresight on the part of the Democratic Labour Party, with respect to the development of the International Business Sector. It was the Democratic Labour Party who, in 1965, established and brought to this House the International Business Act. It was also the Democratic Labour Party who, in 1992, recognising that the International Business Sector players were fragmented and were under the various ministries, formed the International Business and Financial Services Unit. That attempt to bring all the players under one roof was very far-reaching at that time.

Mr. Deputy Speaker, this administration had the largest Parliamentary majority in history, and for the 14 years it has been in power, it cannot show me the legislative inputs that a "Tom" Adams administration, between 1976 and 1986, would have attempted to introduce to the development of the International Business Sector. Sir, with the largest Parliamentary majority, which means they could have done what they wanted to do, as they were unimpeded by the Opposition Party, they have not done so.

Mr. Deputy Speaker, I have looked through every budgetary proposal since 1994, I was looking for the so-called far-reaching policies and the so-called new developmental strategies that are being touted by this administration for the International Business Sector. Sir, between 1994 and now, the first time that any serious attempt would have been made to address this issue, would have occurred in 2006, that was when this establishment attempted to establish the International Business Promotion Corporation.

Sir, after that, we are now hearing an administration that wakes up after 13 years, like Rip Van Winkle, and finds that the International Business Sector has a future capacity to develop Barbados, and the next thing we hear about is this administration is now talking about a programme called "Invest Barbados". Sir, it reminds me of a marathon runner who refuses to drink water at the beginning of a race but who stops to drink water 50 metres from the finish line.

Mr. Deputy Speaker, could you imagine that today 2007, this administration, led by these experts on that side, had the opportunity to seriously address many of the issues that were raised by the Barbados International Business Association and many of the experts in that particular sector, regarding hindrances to the particular sector? But what we now have is that I would have thought that after coming to power in 1994, that at some time in 1995, 1996 or 1997, this administration would have brought a strategic plan for the International Business Sector, but 14 years after being in power, I am now being told that we are going to debate a strategic plan for the development of the International Business Sector. Sir, what were they doing for the last 14 years? Were they using the Democratic Labour Party's plan? Was there no plan at all? Which plan were they using?

2.40 p.m.

Tuesday, October 30, 2007

(EDITED)

Dr.D.C. ESTWICK: Sir, I can tell you what was the last and most recent report of the International Business Sector Association. I know what they said about the sector and I know what they said about this whole notion, that I will speak to later, about registration of businesses. Sir, what we need to look at is not the registration of businesses, we need to deal with those businesses that have failed and those that are concurrently functioning but, Sir, I will deal with that later.

Mr. Deputy Speaker, it bothers me immensely that we could be coming today to evaluate a plan to develop a sector after this Government has had 14 years in office. Sir,

the same sector had five Ministers during that period of time and none of them brought a plan apart from the Minister responsible now. Sir, if the international business sector was supposed to be such a sector to carry Barbados forward, you had four Ministers before the present Minister but we never had an international business plan so, I take my hat off to this present Minister for bringing a plan, even though she did not bring a good plan, at least she tried. Sir, she brought a plan, it is not a good plan but I will deal with that later.

Mr. Deputy Speaker, what is important here is that I looked through the plan and the areas of concern to me with respect to this plan are as follows:

When one looks at the SWOT analysis that was done that defines the strength of the sector, the weaknesses of the sector; the opportunity of the sector and the threats of the sector and one focuses on the strengths, the weaknesses and the opportunities, one is forced to ask the Honourable Member for St. Michael North East to explain:

(1) How are you going to operationalise all of the elements identified? (2) How are you going to deal with the threats that you have identified?

Sir, a plan cannot be a sensible plan if you just tell me the objectives of the plan, then you move to tell me what you want to do but you do not tell me how you are going to do it. If you do not tell me how you are going to go about achieving any of the things you intend to achieve within the plan, it is a wasted plan. Sir, that is what we should be debating in here today.

Asides.

MR. DEPUTY SPEAKER: Honourable member, please proceed.

Dr.D.C. ESTWICK: Mr. Speaker, I will proceed because the Honourable Members on the other side will not tell me what to say. I am saying that you cannot bring a plan to tell me how you are going to advance a particular sector and you identify objectives and initiatives and do not tell me how you are going to achieve the initiatives and what are the operationalisation mechanisms. You must tell me what are the operationalisation mechanisms otherwise, it does not make sense.

Asides.

Dr.D.C. ESTWICK: Mr. Deputy Speaker, I will proceed because I know what is the plan. Sir, in the 1950s and 1960s, internal investment in Barbados was premised around low-end investment. It was premised around labour intensive investment and that type of development occurred somewhat through the 70s and 80s as well. Mr. Deputy

Speaker, I believe that the way forward for Barbados in 2007, is not to tell me about labour intensive inputs, call centres and other inputs where there are no transfers of technology or no transfers of education and knowledge, that was the way of the 50s and 60s, that was when we thought about developing Barbados with sweatshop type operations.

Sir, what this administration has done is concentrated on bringing international businesses to Barbados that would park their money in Barbados and we would not benefit from the requisite transfers of technology; the requisite transfers of education; the requisite transfers of design capacity and the requisite transfers of the like. Sir, that is what happened and if this plan is to merit anything at all, this plan must tell me and Barbadians how this administration intends to infuse and create a nexus with the university, the international business sector in Barbados and the Government. This plan has not yet begun to address how it will create these things because if you are going to move Barbados forward and you are going to start to develop and utilise our skilled labour and utilise or 'educability' as a people, that is level and the type of businesses that we should bring to Barbados.

Mr. Deputy Speaker, what is even more important is that we have concentrated our efforts in that particular way. What has happened is that we have been left behind in respect of our legislative framework for mutual funds development in this country. We have a Mutual Fund Act that has not yet been amended in such a way as to provide the level of growth and development of mutual funds registered in Barbados, that is the position. We need to look at our legislation with respect to international trust activity. We need to look at the International Financial Services Act. We need to look at the Financial Intermediary Act as well and the Trustees Act.

Mr. Deputy Speaker, when we do this, the university and other entities like that must be able to expand the skilled sector in Barbados, so as to make sure that we have the professional level of personnel to benefit fundamentally from the growth and development that we are talking about and to be able to speak openly and broadly on information without coming in here and engaging in the way we need to engage. Sir, I have no usage for that so I will stand firm on my position. When the Honourable Member for St. Michael North East wants to get up and counter, it is in her capacity to do so.

Mr. Deputy Speaker, we have an educated population and as a result of that, therefore, I blame this administration for not being nimble enough, not being far-reaching enough in terms of their proactive thinking to have understood how to make the necessary adjustments. Sir, they have to be nimble in their thinking because, one of

the thing that you have to be in the international business sector is nimble, you have to be able to adjust to a legislative framework quickly and you have to be able to get legislation out quickly. Honourable Member, that is what I am talking about.

Mr. Deputy Speaker, we must be more efficient than we are now, that is called being nimble. Not only must we be more efficient but the legislative framework that is created to allow you to be more nimble needs to be put in place because it is not yet in place. There are no such programmes or structures in this land that allows for that and I will stand firm by that, Mr. Deputy Speaker.

Mr. Deputy Speaker, I accept that so far the international business sector...

H149/14:50

Sequence 24

Tuesday, October 30, 2007

Dr. D.C. ESTWICK: ...contributes more than 60 per cent of the corporate taxation on a 2.5 per cent tax, and it employs over 3 000 persons at this particular point in time. Sir, what is fundamentally still a problem is that, the Honourable Member on that side cannot tell me what is the contribution to the Gross Domestic Product. The Honourable Member cannot tell because there is no mechanism to trace and cap effectively the contribution of the International Business Sector, in terms of the Gross Domestic Product. Sir, if this is so, I want to know what we are doing about it, because it becomes necessary, in order for us to understand the ancillary relationships and impacts.

Sir, I do not see in the plan that international business has been made essentially our customer, or we would make international business our business. I do not see how the plan has moved that particular level. I have had the opportunity to review several of the operation elements in several of the other territories, and one of the fundamental difference between those elements and Barbados is, in Grand Caymans, the Bahamas and Bermuda, international business is the business of the Government, and the Government sees that business as their customer. They are facilitators. We are not yet facilitators of international business and that is the reason we are lagging behind every jurisdiction, and those are the facts.

Sir, I said earlier that there is no effective tracking of the contribution of the International Business Sector to our economy. Is the Honourable Member for St. Michael North East, aware that if you are talking about growth and development of the international business sector, that the Corporate Affairs Office is understaffed and does not have

the technology to do the job? It is lacking in the technology required to do the job. Sir, those practitioners in the business sector who are listening to my voice, today, know that what I am saying is correct. All of the prodding and nuances on that side mean nothing at this stage.

Sir, can you imagine that you can have a situation where the growth and development of the International Business Sector... and I will also posit that the Financial Intelligence Unit is also understaffed and does not have the technological requirements to get the job done.

Asides.

Dr. D.C. ESTWICK: Sir, I will continue because I know what is the game plan on the other side, and you are not going to off-track me from what I have to tell Barbadians.

Sir, I have reviewed the statistics on International Business Companies. Every year they tell you one thing; how many new companies have registered for that year? They do not tell you how many of those companies that have been established are still in operation, after they have been established. They do not tell how many of those companies are just being established as a special vehicle, and do not employ more than one person in Barbados. They do not tell you, and what the contribution of those companies are to the economic development of Barbados. That is what they should be telling you. That is how you evaluate the International Business Sector.

Asides.

Dr. D.C. ESTWICK: Sir, do not mind the idle chatter.

Sir, the Honourable Member should be telling this Honourable House, how the Barbados Labour Party administration intends to deal with the United States of America's Congressional Bill regarding tax havens. That is what they should be telling Barbadians. They should be telling Barbadians how they are going to deal with it. They should tell Barbadians how that threatens their future, and what they have to in place to address it. That is what they should be telling Barbadians.

Sir, they should also be telling Barbadians, how this plan addresses the threat with respect to the International Business Sector and the legislative changes with respect to the Canadian Government. They should be telling me how they are planning to address those issues in the interest of the development of the sector.

Dr. D.C. ESTWICK: It is also important that in Barbados, if you are talking about a plan to advance the development of the international business sector, you have

to tell me how you plan to deal with the international threats.

Asides.

Dr. D.C. ESTWICK: That is the point I will make. I will get to the Double Taxation Treaty elements later.

Sir, one of the fundamental problems here is this. I want to caution this administration now, that we are talking about CARICOM, we are talking about a CARICOM regional negotiating machinery, we are talking about negotiating as a group, and we better be very careful about these bilateral treaties that you are negotiating in the interest of Barbados alone, without CARICOM, that it does not conflict with what Richard Bernard and those guys are doing in the international community. That is what you should do.

Hon. Dame Billie MILLER: On a point of order. Sir, I have a duty to protect the Barbadian public. The Honourable Member is grossly misleading this House. We are not negotiating any trade bilaterals. Any proposals for trade bilaterals have first to come to the CARICOM Secretariat. We negotiate as CARICOM. Sir, except with the Europeans, we negotiate as CARIFORUM, which is CARICOM plus the Dominican Republic. In trade negotiations there are no such bilaterals.

Dr. D.C. ESTWICK: Sir, that is not what I was talking about. That is not what I spoke to. I made a broad statement, that if you are telling me that negotiating bilateral treaties, in the interest of Barbados' domestic economic development, I am asking if in negotiating those bilateral treaties, with respect to our domestic economic development, are they consistent with the principle and the theory with respect to working for a CARICOM negotiating machinery, in the interest of all CARICOM members. That is what I spoke to, and that is something completely different from what the Honourable Member for the City of Bridgetown spoke to. I will move on, Sir.

Asides.

Dr. D.C. ESTWICK: Mr. Deputy Speaker, let me speak to an area that is of great importance. In Barbados, we are about to embark on the possible liberalisation of a number of our capital accounts in this country. I sat down and read fully the asking of the Barbados International Business Association. Sir, when I spoke earlier with respect to how can you develop the international business sector, in a country where you will be moving to look at the development of Mutual Funds and Trust Companies businesses, in Barbados, you are also looking at dealing with financial intermediary, and so on. The point is, if you are doing that, then you have to seriously look at how money moves in and out of Barbados.

Sir, if the Honourable Member for St. Michael North East is saying that I am way off-base, then I want to know, from the Honourable Member for St. Michael North East, what is the position of the Government with respect of the development of Mutual Funds, in regard to what the Barbados International Business Association has asked for; an increase in the total amount of money, that they can invest overseas as a mutual fund. What is the position of Barbados? You cannot develop the business if you do not presently amend that piece of legislation, to allow for further external investments, growth and development. I want to know what is Government's position on that. Sir, I also want to know what is Government's position, with respect to the anomaly that exists when international business owners come into Barbados, and live in Barbados for more than three years on a work permit? Answer these questions.

H149

Sequence 25 15: 00 p.m

Tuesday, October 30, 2007

House 149, Sequence 26, 3.00 p.m.

Dr. D.C. ESTWICK: Mr. Deputy Speaker, when they come to Barbados and they work for three years, they are now considered as residents, for exchange control purposes, but they are not considered residents, with respect to Income Tax.

Why this is a fundamental problem for the international business sector, is that when international business persons come into Barbados on a work permit and they stay here for three years, if they buy a home, because those individuals are considered to be residents, they cannot register their funds. Sir, because those individuals cannot register their funds, if they sell the home, the profits, with respect to what they paid for it, and what they would have originally registered when they first came in, cannot be repatriated out of Barbados, under the present legislation.

Mr. Deputy Speaker, if the Honourable Member wants me to make a document of the House, the recent Barbados International Business Association document, I can. Therefore, with all of the talk about evolving and developing a Barbados international business sector, these types of issues have to be addressed.

Mr. Deputy Speaker, what about the issue, with respect to getting licences from offshore banks, which takes about nine months to one year in Barbados, and in other jurisdictions, may happen in a matter of a week. Sir, these matters also have to be addressed.

I heard the Honourable Member for St. Michael North East in her presentation suggest that you can now form an international business company, querying in a matter of less than a couple of days, because you can now register with Corporate Affairs, and simultaneously with the International Business Unit. Sir, this is because the Honourable Member understands the importance of the things I am talking about, that you have to address those issues, if you want to move the international business sector forward. Sir, I do not mind all the snickering.

Mr. Deputy Speaker, the real problem with the international business sector is this. We have not yet developed the types of customer-friendly relationships in Barbados that have reached international standards. The international business people who operate in Barbados complain about the turning around with respect to getting approval from the Central Bank; they complain about the time it takes to get licences and agreements; they complain about the time it takes to get information to move from one Corporate Department to the next; they also complain about several restrictions, Sir, with respect to the movement of monies, in and out of Barbados.

Mr. Deputy Speaker, you cannot be talking about moving the sector forward unless you seriously look to address some of these issues. I will get another opportunity to sit, where I will be able to delineate each one of the areas, and ask this administration what is their position.

Ultimately, do not mind all the fancy talk about whether you have a register for this, whether you have this unit and that unit, those units must be able to accomplish the things that I have been speaking about. If those units do not do that, you have a problem. Sir, if we do not find a way to interlink at the university, or other tertiary institutions to develop the sort of skill sets that are required, with respect to our professional groupings, and to get actively involved in the international business sector, we have a problem.

In fact, right now, the people in the international business sector have cried out and they continue to cry out that there is a problem, with respect to the professionals who are plying their business in that sector. In addition, the other major problem that you have is that unless there is a change in attitude, where the international business is actually seen as a customer of the people, and it becomes a customer of this administration, so that they put the corrective measures in place, we are going to continue to have a problem. Sir, we have had a lot of talk, and now it is time for action and this plan does not bring any of the implementation strategies, to accomplish any of the initiatives or objectives.

Mr. Deputy Speaker, I thank you.

Mr. DEPUTY SPEAKER: The Honourable Member for St. Michael North East.

Hon. Miss M.A. MOTTLEY: Mr. Deputy Speaker, this day will stand in my memory for a very long time, because it is the most perfect example of which an Honourable Member being unfortunately advantaged. I have never, since the Honourable Member who just sat entered this Chamber, seen him more at a loss to put forward a single set of coherent thoughts. Therefore, I sympathise with him because it is clear that those who gave him the written brief from which he read - in the most unaccustomed way because he is not a man known to reading speeches in this House - I have never seen him so at a loss to put forward a set of policies and a set of arguments. Mr. Deputy Speaker, and what is more, he was so in direct contradiction with the source document that is the subject of the debate. It is almost like child abuse for me to refer to the various pages one by one, which say the very things that he says the document does not say.

Mr. Deputy Speaker, the Honourable Member said that the document does not tell you how it is going to achieve the objectives, and that it sets objectives but it does not tell you how. Sir, when you say that you establish an institute of financial risk and regulation at page 23 of the document; when you say what the desired output of that institute is; when you say who are the entities responsible for establishing that institute; and when you say what is the completion date by which it is to be done, Mr. Deputy Speaker, on every single objective, both in the body of the document, where it sets out objectives, the initiatives to be undertaken, and then the targets to be achieved by those initiatives.

Mr. Deputy Speaker, I can understand his need to hold face in this Parliament.

Dr. D.C. ESTWICK: Mr. Deputy Speaker, on a point of elucidation. It is quite clear that the Honourable Member is confusing herself, with respect to what is an objective and what is an initiative. If you put a structure in place and say to me that this is how you plan to do X, Y, and Z, that does not give me an implementation pathway or it does not give me a line of mark. Mr. Deputy Speaker, this is what I am talking about, and not a broad statement that means nothing.

Mr. DEPUTY SPEAKER: Please proceed, Honourable Member.

Hon. Miss M.A. MOTTLEY: Mr. Deputy Speaker, if I was ever convinced that the Honourable Member spoke for 30 minutes and said nothing, I am even more convinced after the last intervention. Sir, not only does this document deals with the initiatives, but it deals with the

implementation time period and the objectives expected from implementation.

Mr. Deputy Speaker, the Honourable Member left his book at home. He clearly received it but was derelict in his duty and, obviously, never read it. I can understand because, clearly, when he has something to say, normally he says it, but let me carry him through because he obviously did not take his tutelage well from those members of the Democratic Labour Party, who ought to also know better about the international business sector.

I can excuse the Honourable Member for St. Lucy because that Honourable Member was caught in the unfortunate situation, where he had to hold a line, but let me carry him through.

Mr. Deputy Speaker, the Honourable Member said that the Bahamas, Bermuda, Cayman, British Virgin Islands, are all ahead of Barbados. Sir, he is the first person to say that you can only compare apples with apples and oranges with oranges, as a scientist. If he knew what he was talking about, he would know that all of those jurisdictions whose names he called - The Bahamas, Bermuda, Cayman, British Virgin Islands - are all tax havens. They do not have a tax structure.

House 149, Sequence 26, 15:10:14

Tuesday, October 30, 2007

Hon. Miss M. A. MOTTLEY: Barbados, however, is not a tax haven. That is the fundamental premise upon which our international business sector is built.

Dr. D. C. ESTWICK: On a point of order. What the Honourable Member has just attempted to express has not in any way altered the statement that I made. I said that they were behind. I did not give a reason for them being behind. What Barbados would probably have to consider is to look at whatever tax measures they may have and evaluate what they need to do. What the Honourable Member has said has not altered or changed anything that I have said, Mr. Deputy Speaker.

Mr. DEPUTY SPEAKER: Proceed, Honourable Member.

Hon. Miss M. A. MOTTLEY: Mr. Deputy Speaker, if I were not in this Parliament it would cause me to reflect the statement which the Democratic Labour Party used in their last but two ads, that the higher the monkey climb, the more you see.

Mr. Deputy Speaker, the reality is that the Organisation for Economic Cooperation and Development global forum does not even describe Barbados any more as

a tax haven, they refer to Barbados as a significant financial centre. Sir, Barbados' natural competitors are countries like Ireland, Singapore and Cyprus.

Mr. Deputy Speaker, what is even more, if the Honourable Member shadows this responsibility, and after four years in this Parliament he does not know the difference between a tax haven and a low tax jurisdiction, they are in more trouble than I thought they were. He would have done well to follow the entreaty that when you are in a hole the one thing you must do is stop digging.

Asides.

Hon. Miss M. A. MOTTLEY: Mr. Deputy Speaker, I go further. The Honourable Member, in both his lack of knowledge and innocence, has asked what about the Congressional Bills in the United States of America. Mr. Deputy Speaker, if the Honourable Member would have been in a position to understand what was being said earlier today he would have heard about the Doggett Bill and about the Bills being used to be able to bridge the budget deficit in the United States of America. He would have also heard me explained that the utilisation of Barbados' name, on the admission of the offices of the Senators involve sponsoring the Bill was there because they took a John Doe summons dealing with credit card fraud and attached it to the Bill irrespective of whether the countries were tax havens or not. Mr. Deputy Speaker, even the Honourable Member for St. Lucy, I am sure understands those basic premises. Mr. Deputy Speaker, if the Honourable Member understood this as well as I would concede that he understands medicine...

Asides.

Mr. DEPUTY SPEAKER: Please address the Chair.

Hon. Miss M. A. MOTTLEY: Mr. Deputy Speaker, if he understood this, he would know that the most basic test in all of this, and I am going to break it down simple, is that you cannot have a tax treaty relationship with a tax haven.

Mr. Deputy Speaker, a tax treaty relationship is that both countries agree that there would be no double taxation of the particular entity. It therefore presupposes that you can only have a tax treaty relationship with a country that has a tax system that taxes entities, so that when an American Congressman or a Senator purports, in a Bill which is not drafted by the Executive like here but by congressional staff, to cite Barbados as a tax haven, then they do not even know that their country has treaty relationships for the avoidance of double taxation with Barbados. *Res ipsa loquitur*, the facts speak for themselves.

Mr. Deputy Speaker, that, more than anything else would cause me to ease off the Honourable Member for St. Philip West because he clearly is completely out to sea. Mr. Deputy Speaker, I go further. The Honourable Member then tried to confuse bilateral investment treaties with international trading agreements on a bilateral basis. Mr. Speaker, a bilateral investment treaty is just an investment protection treaty. I made the point earlier, Mr. Deputy Speaker, that bilateral investment treaties are really only now coming into vogue in the last decade because countries are now going to arbitration to protect the rights that they feel have been breached by countries and to that extent it is about investment protection as opposed to a trading arrangement. Mr. Deputy Speaker, if we choose, we can talk about trade in another debate, but there is nothing in this debate that relates to either bilateral or multilateral trade arrangements. Mr. Deputy Speaker, I feel sorry for him.

Mr. Deputy Speaker, the Honourable Member said that this Government had passed no legislation in 14 years. Mr. Deputy Speaker, the Honourable Member really ought to go and abuse those who briefed him. Mr. Deputy Speaker, he said that he perused the budgets and he saw no evidence of any form of legislation.

Asides.

Hon. Miss M. A. MOTTLEY: Mr. Deputy Speaker, legislation was the word he used. What are the facts, Mr. Deputy Speaker? Mr. Deputy Speaker, I prefer to start with the Societies with Restricted Liability. In 1995, this Government, under the Honourable Member for Christ Church East, passed international trust legislation. This Government passed legislation for mutual funds. Mr. Deputy Speaker, this Government passed a new International Financial Services Act, brought by the Ministry of Finance to replace the Offshore Banking Act.

Asides.

Dr. D. C. ESTWICK: On a point of order. Mr. Deputy Speaker, the Honourable Member is misleading the House because what I said is what this Administration needs to look at. I said that they need to look carefully with respect to making amendments. Sir, I identified the Mutual Fund Act, the International Trust Act, the International Financial Services Act of 2002, the Financial Intermediaries Act and the Trustee Act.

Hon. Miss M. A. MOTTLEY: Prior to his saying so, he used the words 14 years, I remember it clearly. He said that this Government had not brought any legislation. That is why I know, Mr. Deputy Speaker, that he received a potpourri of complaints. I really feel sorry for him. I really do not have the heart in me to go any further with him

because I know that he has been made a victim of a most unfortunate act here today by the members of his Party.

Asides.

Hon. Miss M. A. MOTTLEY: Yes, I am not going to say he was used.

Mr. Deputy Speaker, I called about six or seven pieces of legislation, but I could go further.

Asides.

Hon. Miss M. A. MOTTLEY: I started with that.

Mr. Deputy Speaker, that does not mean, and this is where I would agree with him, that there must not be a continuous process of amendments. Sir, to that extent, in July of this very year, three months ago, the Government amended the International Business Companies Act. In this very year, the Government amended the International Financial Services Act. Mr. Deputy Speaker, all of these things are part of a continuous process of amendments in order to be able to meet the demands of the day.

Mr. Deputy Speaker, the Honourable Member made a statement just now that I really have to wait for the Hansard and keep it. I am happy to hear him say so. Mr. Deputy Speaker, it was the one point of clarity at the end of his speech, when he said that you cannot have a successful international business sector if you are seeking to restrict the movement of capital. That is what he said. Mr. Deputy Speaker, I leave it there and I would find occasion in an appropriate debate...

Asides.

Dr. D. C. ESTWICK: On a point of elucidation. The Honourable Member will not get me caught up in a broad statement with respect to capital liberalisation across the board. I said that we looked at the Mutual Fund legislation with respect to whether we should allow a greater investment outside of Barbados with respect to mutual funds. That is what I said. I also said that one has to take a careful look at capital account liberalisation. I am not going to allow the Honourable Member to twist my words as she is a good spinner of the ball. I am not going to allow it.

Mr. DEPUTY SPEAKER: Proceed, Honourable Member.

House 149 Sequence 27

3.20 p.m.

Tuesday, October 30, 2007

Hon. Miss M. A. MOTTLEY: Mr. Deputy Speaker, the Honourable Member talked about the mutual fund but in his sincerity and exuberance, then went on to say that you cannot have restrictions on the movement of capital, if you are going to fulfil the promise of the growth of the International Business Sector. Sir, the Honourable Member then went on to talk about the change in attitude that is necessary and that there must be a customer-driven approach.

Sir, the Honourable Member said all that, and I am saying that was the one point of clarity with which I entirely agreed. Sir, I also feel this is the sector that, in 20 years' time, could surpass even the contribution of tourism, in the same way that tourism surpassed sugar and manufacturing. Sir, I feel so because Barbados has all of the critical components, to be able to participate in a global financial system.

Sir, let us be clear, just because those other countries in the Caribbean have something called an International Financial Services Sector, they are not our competitors, their structure is inherently different. Our competitors, in truth and in fact, are the Signapoors, the Cypruses, the Irelands, the Luxemburgs, et cetera, because we have gone into the part of business that has a higher value added.

Mr. Deputy Speaker, the Honourable Member is correct, the International Business Sector legislation was first passed the year I was born, in 1965, but it laid dormant until 1977/1978, when the Right Honourable Prime Minister of Barbados, "Tom" Adam, determined that you could not have legislation without an institutional framework to support it and without the expenditure to be able to help build out the sector. I said then that the private sector took the lead in marketing but that the Government took the lead in the refinement of the product, through legislation and through regulation.

Mr. Deputy Speaker, the Honourable Member has referred to a few things and in my speech I was up front. I said that we have to do better what we are doing. The Honourable Member spoke to the issue of staff at the Corporate Affairs Department of my Ministry. The Honourable Member did not hear when I indicated that nine persons have been added, almost a 25 per cent increase in staff to the Corporate Affairs, at a time when that department did not receive staff at any other time through the 1980s and early 1990s. We added staff a few years ago and we are now adding further staff. We also have a programme going with the Inter-American Bank, in order to be able to develop the technological platform for the real-time functioning of that department.

Sir, all of those things are in process as we speak, they are not future promises, they are being executed. Therefore, if the Honourable Member wants to, he could

leave here with me and come across to Belmont Road, where he would be able to see it. I am sure that I would be able to treat him better and to be more faithful to him, than those of the Democratic Labour Party who, only briefed him to their work. And I gave him that assurance.

Mr. Deputy Speaker, secondly, I would have indicated that the question of education is key. Sir, we have received 500 000 Euros, which has been designated for us, in order to build out the Institute of International Financial and Risk Regulation, with the University of the West Indies as its partner. Therefore, when the Honourable Member says that we are not doing anything to partner with tertiary institutions and that we should do it with the University of the West Indies, it means that those persons whom he relied on have misled again. Sir, that is public knowledge.

Mr. Deputy Speaker, I feel strongly that the Government is on a strong batting wicket. There is never perfection but we have shown consistently that we have taken a sector that was contributing less than 30 per cent to the corporate tax take when we became the Government of this country. That sector is now contributing 67 per cent of the corporate tax take, at a time when we know the incidence of corporate taxation started at 2.5 per cent and declined to 1 per cent.

Sir, that speaks to the issue of volume. I have already said that by every index, for the first ten month of last year, the revenue is up. This year, for the first nine months of the year, the number of registrations are up on last year's. Sir, we believe that when we establish the new Financial Services Authority next year, when we continue the work that we are doing, to have and to accommodate an International Arbitration Centre by the London Court of International Arbitration here.... Sir, we will speak more on that because a Bill will come to govern international arbitration, but these are the things that we are doing to further build out the platform.

Mr. Deputy Speaker, I believe we need to do more to popularise it, such that it seems as an employment area of choice by ordinary Barbadians. Sir, the fact that the President of the Barbados International Business Association is a young Barbadian man, is indicative of the fact that ministers who went before me, did what they had to do, to lay out the foundation, so that Barbadians could become more and more participants in this sector. Sir, 30 years ago, this sector restricted the participation of large numbers of Barbadians.

Mr. Deputy Speaker, I thank the Honourable Members who have spoken and I empathise with the ones who were misled, but suffice it so say, this is an area in which I do not believe there is any deep partisan politics. I also feel these are areas where we feel there can be full and

liberal discussions of Government's developmental programmes.

Mr. Deputy Speaker, I promised the Honourable Member that if he wants to have discussions on these area, that I would make myself available to him. I also promised that I would not treat him in the manner in which his own has treated him. In fact, it should cause him to remember the words of a former Leader of the Democratic Labour Party, words that he should say when he goes home this evening. Sir, those words being, to ask the Lord to help him to know his friends, for his enemies he can take care of. Sir, if his friends could treat him in that way, then I can assure him that we could provide the cocoon against that kind of friendly fire, of which he has been the victim today.

Mr. Deputy Speaker, I commend this plan to this Honourable House. I think it is a platform that sets out only a five-year framework for where this sector could go but the truth is that there would be more work required because it is asking us to interact with a global financial community, where things change on a regular basis. Therefore, nimbleness and flexibility must be hallmarks of this sector. Have we done well? Yes, we have. Can we do better? Certainly, we must.

Mr. Deputy Speaker, I am obliged to you.

Hon. M. A. MOTTLEY: Mr. Deputy Speaker, I beg to move that this Resolution do now pass.

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

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

Mr. DEPUTY SPEAKER: This House will now revert to Government Notices.

GOVERNMENT NOTICES

Hon. R. C. EASTMOND: Mr. Deputy Speaker, I beg to give notice of the following:

1. Constitution (Amendment) (No. 2) Bill, 2007;
2. Public Service Bill, 2007.

FIRST READING OF BILLS

Hon. R. C. EASTMOND: Mr. Deputy Speaker, I beg to move the first reading of the following Bills:

1. Constitution (Amendment) (No.2) Bill, 2007;
2. Public Service Bill, 2007.

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

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

3.30 p.m.

Tuesday, October 30, 2007

(EDITED)

GOVERNMENT BUSINESS (RESUMED)

ORDER NO. 10

MR. DEPUTY SPEAKER: The Honourable Member for St. Joseph.

Hon. D.D. MARSHALL: Mr. Speaker, the Bill before this Honourable House addresses the final issue, which remains outstanding that would take us to the point where the occupation of the prison at Dodds in St. Philip, by the inmates can be accomplished. Sir, by way of background, members of this Honourable House would certainly be aware that the new prison facility was handed over to the Government of Barbados by the contractors on October 1st and on October 15th, we had the official opening of the prison.

Mr. Speaker, I believe that having given the Ministerial Statement on the matter of the prison at Dobbs that all the relevant matters would have been canvassed on that occasion. Where we are now is as follows: All of the officers of the Prison Service have been rotated through the new facility. Honourable Members might be aware that an advanced team has been in place at Dodds, since the month of July. This advanced team had the awesome responsibility for the first time in 150 plus years to become familiar with a new prison complex.

Sir, in 1855, when Her Majesty's Prison was built, perhaps the most technologically driven thing would have been the locks, which were used to lock the doors but today, we are looking at a high-tech prison; a prison that meets all the relevant international standards for prisons; a prison that certainly meets all the prerequisites of the Barbadian society today and a prison facility that is a technology centre and that is going to meet not only the demands for security but also that would meet the demands in terms of rehabilitation, training and so on.

Mr. Speaker, we have occupied the facility at Harrison's Point in trying circumstances for many months and there are some things that have been obtained at that facility because of the necessity for security and because of the fact that Harrison's Point was not designed as a prison

so, for the last two years, Mr. Speaker, family members and relatives of the inmates at Harrison's Point, would not have had the benefit of contact with the inmates, who form part of their families. Sir, that contact would have been provided solely by way of a video conferencing mechanism, where family would go to Glendairy in St. Michael and be connected via video and audio to their relatives at Harrison's Point. Sir, that situation will no longer obtain, when once we have moved to the new facility so, essentially, Mr. Speaker, what we are taking about is the last hurdle to be crossed.

Mr. Speaker, over the past few weeks, there has been quite a bit of activity. In fact, some members of the public seeing an increase amount of traffic, in terms of the prison bus with prisoners and so on, had formed the opinion that the move of the prison had already taken place. In fact, what has been happening is that various essentials, that were needed to be moved to Dodds, had been moved from Glendairy and some had been moved from Harrison's Point but, in fact, the inmates, at this time, have not been relocated.

Mr. Deputy Speaker, the Prisons Act, Cap 168 of the Laws of Barbados defines for this nation, what a prison is. It says in Section 30:

"The following places shall be prisons for the purposes of this Act, namely, Glendairy Prisons."

Sir, all the legal framework that is required for a prison to operate has been operating in the context of Glendairy Prison except where the Minister has the discretion to approve temporary facilities. Under that discretion, Mr. Speaker, we were able to nominate Harrison's Point and Six Roads as temporary facilities but, of course, that situation cannot obtain for a permanent facility so, under the law we are required to enact that Dodds is, for the purpose of this Act, the new prison.

Mr. Speaker, as I have said, there is a legal framework that governs how a prison operates. The Superintendent of Prison has varying responsibilities, he has obligations, he has powers of discipline and things of that sort but they only relate to a prison as defined in the law. Therefore, we must bring Dodds, the facility within this definition.

Mr. Speaker, an added feature of this amendment is the fact that we have taken the trouble of defining the extent of the prison facility in the context of a land surveyor's description and also in the context of certain geographical coordinates. Sir, a glance at the Prisons Act, Cap 168 would show that was not so defined in 1945, when that Act became law. The telling difference here is that in 1945, when this Act sought to define Glendairy as a prison, Glendairy had been in existence for 90 years so it was

public and common knowledge and when you said Glendairy, everybody knew what you meant because there was only one Glendairy, that was the prison and so, in 1945, it was not necessary to define it.

Mr. Speaker, however, we feel that in the year 2007 - and bearing in mind that we do not have 90 years of history in relation to Dodds being used as a prison as we did with Glendairy - it is, therefore, integral for us to define the parameters of the prison facility. Sir, consider for example that under the former arrangements at Glendairy, for example, where you had the prison farm, part of it being in various locations in Waterford, the fact is that it is arguable that you could not consider the prison farm to be part of the prison. It was a facility but, in as much as Glendairy was stated as being the prison within the meaning of the Act, you were clearly talking about the confines of Glendairy walls and not any other place that the prisoners might have had to be.

Mr. Speaker, on this site, we are going to have a 50-acre prison farm, at least in the initial stage but it is possible that it might be extended. We felt we need to extend the definition of prison beyond the confines of the walls of the prison facility.

Mr. Deputy Speaker, as I have said, over the last six to eight weeks, all of the prisons officers have been rotated through the prison facility so as to allow them to become familiar with their new circumstances and we have almost completed the move from Glendairy. Sir, you might be aware that many administrative members of the Prison Service did not move to Harrison's Point and that they remained at the Glendairy site. Therefore, we had a situation where administrative matters were attended to from Glendairy, while the actual confinement of individuals took place at Harrison's Point. Sir, staff at Glendairy, the clerical staff and the administrative have already been relocated to Dodds and we are on the verge of handing the facility at Glendairy back over to the Ministry of Housing and Lands.

H149/15:40

Sequence 29

Tuesday, October 30, 2007

House 149, Sequence 31, 3.50 p.m.

Hon. Miss M.A. MOTTLEY: I believe, Mr. Deputy Speaker, that incident remains one of the greatest challenges we face, in terms of security as a nation. I also believe that even though we were at a stage where Cabinet had already taken a decision to build a replacement for maximum security prisoners, to accommodate approximately 650 persons for Glendairy, there was no

doubt in my mind that the work of the public servants, putting us in a position to be able to transition that original model to what had to be built, was nothing short of extraordinary.

The reality is, Mr. Deputy Speaker, that at the end of March 2005, before the building of the prison, they were making plans for a 650-man prison, as a maximum security prison, and to refurbish Glendairy as minimum risk security, and for the women's prison. All of this had to change, and they did it within a time frame, such that we were able to start the mobilisation and the construction of the new prison by January 2006. Sir, that the contractors and the public servants have done their work, so that the Attorney-General was able to officially designate the completion of the construction works and the readiness of the prison, last week, is something which I believe should be commended in this House.

Sir, when I ceased holding responsibility for this portfolio in February of 2006, the work had started and the implementation agreement had to be completed. The Honourable Member for St. Joseph completed that process and, indeed, the only reason he was not able to complete it sooner, or I was unable to compete it, is that we took a decision for parallel activities to minimise the dislocation to the Barbadian public.

Sir, whatever you design, and how many working drawings you needed for electrical or plumbing designs, you knew you still had to clear a site and you still had to do excavation to the foundations. Therefore, that dexterity in having parallel work going on, is really what has allowed us to be in this position today, where a new prison could have been completed within 20 months of construction, and within 27 months of the fire taking place at Glendairy.

I have not spoken publicly on these matters since the fire at Glendairy, but suffice it to say that it speaks to me of the great resilience of the Barbadian population and of what we have in Government, in terms of administrators, as well as security personnel. Sir, the fact that we should have been at Harrison's Point, with a temporary prison, and there be no threat to security at Harrison's Point, is also a phenomenal result, given that Harrison's Point was protected, not by 20-foot walls, as was Glendairy but, indeed, by fences and the combined efforts of the Royal Barbados Police Force and the Barbados Defence Force, supplementing the efforts of Her Majesty's Prison Service.

Asides.

Hon. Miss M.A. MOTTLEY: Sir, the record must also reflect that the people of St. Lucy had to put up with significant dislocation. It would be remiss of this Government if we did not publicly thank the people of St. Lucy for their understanding and their appreciation that in

difficult times, extraordinary decisions have to be made. Sir, it is fair to say that other than one or two occasions, the Honourable Member for St. Lucy has also been supportive of the Government's efforts at that time of an extraordinary crisis.

Mr. Deputy Speaker, I felt that it was important to reflect my own personal appreciation, given the difficult times of that particular national crisis, to those people and to the families of the prisoners. I remember well that we met with the association that comprised members of the family of prisoners and explained to them why we could not accommodate visits at Harrison's Point in St. Lucy.

At first, there was a sense of great anxiety, but once we explained to them that because of the nature of the prison, where we had literally to create a temporary prison within eight days, and that we did not have walls and if there were challenges, the security services would be forced to take drastic action to preserve the security of the environment, the families understood.

In the first two to three months, there was no contact whatsoever, but we worked assiduously to put in place, a virtual communication, by allowing them to communicate between Harrison's Point and Glendairy, through the computer technology that is now available to us. The Attorney-General has indicated that this episode will come to an end, with the return of the prison to Dodds.

Sir, in a very real sense, we know that this prison will probably last us for the next century, with modifications along the way. It has been designed with full sewerage treatment system, and with water tanks to be able to withstand national emergencies, like hurricanes, at least in the short term. It has full industrial kitchens, a full hospital and all of the rehabilitation facilities that were lacking at Glendairy, which constrained Glendairy.

Sir, in the difficult situations at Glendairy, they tried to build out a clinic, and an asthma bay, but Dodds allows for the modern approach to ensure that the physical space is, in fact, capable of admitting to model rehabilitation programmes.

I look forward to the Pilot Parole Programme, which will be undertaken by this Government, within the next two months. The Attorney-General has indication such that we can see how best this will develop to reduce the pressure on prison members.

Mr. Deputy Speaker, with those few words, I want to commend the Attorney-General, the leadership and membership of Her Majesty's Prison Service, the Royal Barbados Police Force, and the Barbados Defence Force. I recognise that the two latter agencies will be able to get back their full members after the move to Dodds, in a way

that they have not had for the last two and a half years, yet, they have presided over another decline in crime in Barbados. We forget that, when we analyse what is going on. I would also like to commend the public servants, and finally, Mr. Deputy Speaker, the contractor.

Sir, in spite of all of the idle talk, this is a project that has come in within budget and within the time frame. Sir, those who sought to use my reference to the \$100 million in this debate here in June of 2005, without realising I was referring to the United States of America currency, will do well to remember that the facts of this case will show that the actual construction cost in the end, is coming in on or about US\$114 million, with the other US\$30 million, comprising of financial charges, legal charges and what is called, soft cost.

Therefore, in truth and in fact, even though we did not have the working drawings in June of 2005, we were on the advice of the Project Unit of the Ministry of Home Affairs, on or thereabouts in the ballpark of what would be expended. The final implementation agreement settled at US\$144 million and the Attorney-General has already given a ministerial statement on this matter, showing that the management of his department and himself on this matter, have seen to it that this project remained within budget, and within the appropriate time frame.

Mr. Deputy Speaker, I think that it would have been negligent of me, not to have place formally on the records, the appreciation that this Government and the country should feel to the appropriate persons that I have mentioned already in this debate.

I am obliged to you, Sir.

House 149, Sequence 31, 16:00:14

Tuesday, October 30, 2007

Hon. D.D. MARSHALL: ... The question has come fast and furious as to what use is intended for the Glendairy Prison. That is going to be a matter for further consideration by Government and more particularly, by the Ministry of Housing and Lands, once we have left it. At the same time this amendment will remove Glendairy from the definition of prison, so that we will no longer have any authority of any kind, whether as a prison or as a Government agency, in relation to the Glendairy facilities at Station Hill. The Ministry of Housing and Lands, will then have to consider to what purpose that facility would be used.

Sir, all of the arrangements are in place. I mentioned earlier that this is a technology-centered prison, and arrangements have been put in place for the individuals, who were responsible for the installation and

commissioning of the various technological issues, to remain with us for some time. I can assure you that all of the members of the Prison Service, who will have to be working with those elements of the Prison, have already received all of their training.

I believe a singularly important feature of this new facility will be the provision of dedicated quarters for the Prison Officers, for the first time in our history. The quarters for the Prison Officers would include dormitories, other kinds of rooms, recreational rooms, a cafeteria, and so on. I can assure you that this is the beginning of trying to improve the lot of the Prison Officers who have the most difficult task of working to maintain order and good governance at the Prison.

Mr. Deputy Speaker, that is the essence of this amendment. As I said, this is the last hurdle, after which we will be in a position to actually relocate the inmates from Harrison's Point.

Sir, with those few words, I beg that this Bill be read a second time.

Hon. Dame Billie MILLER I beg to second that, Sir.

Mr. DEPUTY SPEAKER: The Honourable Member for St. Lucy.

Mr. D. St.E. KELLMAN: Sir, there is no doubt that the removal of the Prison from Harrison's Point will impact on the economic activity of the North of Barbados. We cannot only look at things from the economic point of view, but we also have to look at the security of Barbados.

Sir, I am being told that the new prison is very much similar to Harrison's Point, in terms of security. Seeing that the Harrison's Point has a record that no one has ever escaped, I hope the new prison will also offer this security to the people of North Point.

Sir, since the Prison was relocated to Harrison's Point, we did not complain about the supply of water. I would like to take this time to have the assurance from the Honourable Minister, that when this new prison is commissioned, the people in St. Philip will not have a problem with their water supply, and the necessary arrangements would have been made with the Barbados Water Authority, to ensure that the increase in demand is matched by an adequate supply.

Sir, it is okay to say that you are going to build a prison for 1 200 people, but what you are actually doing is now adding an additional 1 200 persons to the water demand in the East of Barbados, where the housing stock has also increased. I hope that in commissioning this prison, these things would have been taken into

consideration, and this would not be a problem for those persons living in the East of Barbados.

Sir, regarding the farm at the Prison, it is one thing to train a prisoner to do something, but we also have to look at their lives after leaving prison. I hope that in the same way that we recognise the need for 50 acres of land for them to farm, when in prison, that the Attorney-General would recognise, that one good thing will be to negotiate with the Ministry of Housing and Land to get land for them to farm after leaving prison, because that talent would be wasted if we do nothing afterwards.

Sir, another point, when the officers leave, they will be leaving to go to a real prison. That is, previously, they went to Glendairy, now they will be going to Dodds. Sir, when they went to Harrison's Point, they had to go to Station Hill, and then to Harrisons Point. I still will make the charge, which I made previously, because I felt at that time and still believe, that it was unfair for them to have to report to Station Hill, then to Harrison's Point, and no additional allowances were paid to them for the inconvenience.

I am calling on the Attorney-General, who has a heart, to consider this point. There is a difference. I will not make this call when they move to Dodds, because that is their workplace. That is not a temporary workplace, that is a permanent workplace, and no one can make a demand on the Attorney-General on that particular point. I believe that even if it is an honorarium, they need to have something as a compensation for that additional responsibility and distance, they were asked to traversed on a daily basis.

Sir, we have to acknowledge that we also have another problem. If we are to get everything right and put everything behind us, we have to ensure that now we have the Accrual System, in accounting, those temporary officers do not have to come to the Press again, complaining of not being paid. There is no justifiable reason under the Accrual System why anybody, whether in a temporary position or otherwise, should not be paid on a monthly basis, because the Accrual System allows you that latitude. I will not accept any excuse for this particular failure. Sir, I am saying that if we are dealing with a matter so serious, we should not have this problem, and it should not recur.

Sir, we have to recognise that we are now asking the officers to operate in a different environment, and we need to restructure the officers at the Prison, and to look at their compensation package. There is no doubt that the demand is going to be greater, and we need to give them a better package.

I hope that this amendment is not only about the Prison Act, but it is also about the officers operating within

the Prison Act, and we can throw some benefits to make them happy. Sir, everybody knows that they are unhappy. It does not make sense putting them in a new prison, when they are unhappy with the conditions. We need to correct that problem and then deal with the new prison. If we do not correct that problem before we go to the new prison, we might be back to what we had at Station Hill. Sir, no one in this Honourable House would like to see a recurrence of what happened at Station Hill, so let us get it right.

Sir, as I said before, I do not want to hear any complaints from the people living in the East of Barbados about water. If there is a possibility of a problem, I would like them to speak to The General Manager and all the officers, to ensure there is an adequate water supply in that area, before we commission the prison. I am begging that this be looked at. We now have a demand of over 1 000 persons going in that area, where the housing stock has increased tremendously, and we cannot ignore that point.

I thank you very much, Sir.

Mr. DEPUTY SPEAKER: The Honourable Member for St. Michael North East.

Hon. Miss M.A. MOTTLEY: Sir, I just want to make a very brief intervention in this debate. I want to salute the Attorney-General for the completion of the work at the Prison, and indeed, for putting this Government in a position, where we are able to successfully bring to a closure, the very unfortunate episode that led to the temporary relocation of the Prison, at Harrison's Point.

It is a good thing that this Government has had the capacity to deal with an issue that, in fact, transpired some two years after the last Election, and have it completed even before we get back to the electorate again, such that there are no long-term negative consequences from the burning of the Prison at Glendairy. Sir, this is without prejudice to the Commission of Inquiry finishing its work.

H149

Sequence 30 15.50 p.m.

Tuesday, October 30, 2007

Hon. D. D. MARSHALL: Mr. Deputy Speaker, in wrapping up this item, in relation to the matter of the water resources in St. Philip, I wish to assure the Honourable Member for St. Lucy that all care has been taken to ensure that the prison at Dodds does not operate to strain the supply of water to the community of St. Philip. In fact, two huge tanks, which will each hold 250 000 gallons of water, have been installed at that facility. Mr. Deputy Speaker, we have, through the provision of these tanks, provided not just water for the purposes of putting out a fire but also one

and a half days full supply of water for the use of the prison.

This prison, Sir, as you would know, has the capacity to house 1 250 persons, and so a lot of water would be needed. Mr. Deputy Speaker, this is a matter that was clearly contemplated at the outset and therefore we have storage for half of a million gallons of water at this site.

I also wish to assure Honourable Members of this Honourable House that for irrigation purposes at the Prison farm, the wetting and so on that has to happen not just on the site of the prison but on the 50 acres of vegetables and other crops and so on, that the water that would be used would be grey water which emerged as the end product of the sewerage treatment plant. Sir, it would be fair to say that the Government has taken absolutely every precaution to ensure that there will be no stress or strain in the water supply of St. Lucy, sorry, of St. Philip, and the surrounding areas.

Mr. Deputy Speaker, having mentioned St. Lucy by that slip of the tongue, it would be remiss of me not to acknowledge the support of the residents of St. Lucy in this respect. We know that all of Barbados had to be mobilised in one way or the other to ensure that we remain a safe and orderly society in the immediate aftermath of the fire and disturbance at Glendairy.

The Deputy Prime Minister has indicated that a temporary prison had to be constructed within eight days. We have thanked, in this Honourable House, all the contractors and all the individuals who put their shoulders to the wheel, who worked 24 hours a day, to ensure that this new facility could be put in place. Sir, the people of St. Lucy suffered great inconvenience. I am well-aware, it has been mentioned in this Honourable House, that the fisherfolk from Six Men's were deprived of what has been described as being one of their prime or prize...

Mr. D. St.E. KELLMAN: On a point of order. Mr. Deputy Speaker, the Honourable Member is misleading the House by giving the impression that Six Men's is part of St. Lucy. What the Honourable Member meant was those fisherfolk in Crab Hill, Checker Hall, Half Moon Fort and the surrounding areas. I want to remind the Honourable Member that in a previous debate I have also asked for a compensation for those fisherfolk. Sir, I think the time is right for the Honourable Member to speak to that matter.

Mr. DEPUTY SPEAKER: Proceed Honourable Member.

Hon. D. D. MARSHALL: Mr. Deputy Speaker, as I was saying the fishermen from Six Men's used to go there too, so all of those fisherfolk were inconvenience. The

residents had to content with increase traffic, it was a tremendous dislocation for them, and I want to say that the Government of Barbados and the people of Barbados are eternally grateful to the people of the immediate environs of St. Lucy for shouldering their share of the burden during these difficult times.

Mr. Deputy Speaker, several members of the Royal Barbados Police Force had to be stationed there on a full-time basis. I am grateful to the Honourable Member for reminding of this particular fact. The Barbados Defence Force also helped to shoulder significant burden, equally too, the members of the Prison Service.

Mr. Deputy Speaker, I have indicated that we are not going to be sparing any effort in ensuring that their lot is improved and that they are able to work in significantly improved conditions. Sir, during that time, they were deprived of the proximity that they had enjoyed to Bridgetown and other places because of the long distances they had to travel. In many respects, the atmosphere at the temporary facility was hostile and they too went above and beyond duty, I think that they performed creditably, equally too, the Ministry of Education. The Barbados Youth Service was uprooted from their facility at Harrison's Point - we had made a significant investment in that facility - at very short notice but that programme has continued without suffering any deleterious effects from the move, but clearly it was an inconvenience and an imposition on them too and they too helped to shoulder the burden.

Mr. Deputy Speaker, with the passing of this particular Bill, I believe it would bring us to the end of what could be considered to be a dark time in the penal history of Barbados. Sir, there are still some matters outstanding. The Commission of Inquiry is about to wrap up its work, and that would be the subject of a discussion for another day. Suffice it to say, that with clearing the way now for the move to the new facility at Dodds, we look forward, having put those challenges behind us, having closed that chapter, to the opening of a new chapter in penal reform in Barbados, a new chapter which would see us benefiting from the finest of prison facilities as befit, and I do not apologise for this, citizens of Barbados.

Mr. Deputy Speaker, I have said before that the individuals who are inmates at the Prison have been and continue to be our brothers, our sisters, our mothers and our fathers and therefore, inasmuch as they have to suffer the punishment for their crime, we owe them a particular duty to incarcerate them in the most humane circumstances as we can within our financial needs.

I believe other countries in the Caribbean have taken the plunge of building new prison facilities to replace aged and now decrepit prison facilities. I think Jamaica is looking to start a new one. We did this in record time. We

did it within budget and we did it in a way that I believe is a credit to all of the stakeholders in the process.

With those words, I beg to move that this Bill be read a second time.

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

On the motion of Hon. D. D. MARSHALL, seconded by Hon. R. R. FARLEY, the House resolved itself into Committee, Dr. W. F. DUGUID in the Chair.

COMMITTEE

Mr. CHAIRMAN: This House is in Committee.

Clauses 1 - 3 inclusive were called and passed.

The Schedule was called and passed.

House 149 Sequence 32

4.10 p.m.

Tuesday, October 30, 2007

On the motion of Hon. D. D. MARSHALL seconded by Hon. R. R. FARLEY, Mr. CHAIRMAN reported to His Honour the DEPUTY SPEAKER, the passing of one Bill in Committee, and Mr. DEPUTY SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Hon. D. D. MARSHALL seconded by Hon. R. R. FARLEY, the Bill was read a third time and passed and cited as the Prisons (Amendment) Act, 2007.

ADJOURNMENT

Hon. Miss M. A. MOTTLEY: Mr. Deputy Speaker, this brings us to the end of Government Business for today's Sitting. I beg to move that this House do now adjourn until Tuesday, November 06, 2007, at 10:00 a.m.

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

The question that the Sitting be adjourned until Tuesday, 6th October, 2007, at 10.00 a.m., was put and resolved in the affirmative without division and Mr. DEPUTY SPEAKER adjourned the Sitting accordingly.

4.12 p.m.

CONTENTS

MINUTES

Hon. R. R. FARLEY.....	1
Hon. G. A. Clarke, 1.	

(EDITED)

ANNOUNCEMENTS BY HIS HONOUR THE SPEAKER

1. The Ombudsman Report for the year 2006.

PAPERS

Rt. Hon. O.S. ARTHUR.....	2
1. International Financial Services (Exemption) (Great Pacific Bank Limited) Order, 2007.	
1. Financial Statement of the Barbados Water Authority for years ending March 31, 2004 and March 31, 2005.	
Hon. R. R. Farley, 2.	

BILLS READ A FIRST TIME

Hon. R. R. FARLEY.....	2
1. National Union of Public Worker Guarantee of Loan Bill, 2007.	
2. Prisons (Amendment) Bill, 2007.	
Hon. G. A. Clarke, 2.	

SUSPENSION OF STANDING ORDERS

Hon. R. R. FARLEY.....	2
Hon. N.A. Lynch, 2.	

GOVERNMENT BUSINESS

ORDER NO. 6 – CIVIL AVIATION (AMENDMENT) BILL, 2007.....	2
Hon. N.A. Lynch, 2, 3, 5, 6, 9; Hon. R. R. Farley, 7; Mr. R. L. Sealy, 7, 8.	

(EDITED)

Hon. N.A. LYNCH.....	9
Mr. D. St.E. Kellman, 10, 11, 12; Hon. R. R. Farley, 13; Hon. Miss M. A. Mottley, 13.	

ORDER NO. 5 – RESOLUTION TO TAKE NOTE OF AND ENDORSE THE INTERNATIONAL BUSINESS SECTOR STRATEGIC – PLAN 2007 TO 2012.....	13
Hon. Miss M. A. Mottley, 13, 14, 15.	

(EDITED)

Hon. Miss M. A. MOTTLEY.....	17
------------------------------	----

RESUMPTION

ORDER NO. 5 (resumed)

Mr. D. St.E. Kellman, 23.

(EDITED)

Mr. D. St.E. KELLMAN.....	24
Hon. K.D. Symmonds, 26, 27, 28, 30; Dr. D.C. Estwick, 30.	

(EDITED)

Dr. D.C. ESTWICK.....	31
Hon. Dame Billie Miller, 34; Hon. Miss M. A. Mottley, 35, 36, 37, 38, 39; Hon. R. R. Farley, 39.	

GOVERNMENT NOTICES

Hon. R. C. EASTMOND.....	39
1. Constitution (Amendment) (No. 2) Bill, 2007;	
2. Public Service Bill, 2007.	

FIRST READING OF BILLS

Hon. R. C. EASTMOND.....	39
1. Constitution (Amendment) (No.2) Bill, 2007;	
2. Public Service Bill, 2007.	
Hon. R. R. Farley, 39.	

(EDITED)

GOVERNMENT BUSINESS (RESUMED)

ORDER NO. 10.....	39
Hon. D.D. Marshall, 39, 42, 43, 44; Hon. Miss M. A. Mottley, 40, 41, 43; Mr. D. St.E. Kellman, 42, 44; Hon. Dame Billie Miller, 45.	

SUSPENSION.....	23
-----------------	----

ADJOURNMENT.....	45
Hon. Miss M. A. Mottley, 45; Hon. R. R. Farley, 45.	

SPEAKERS IN THIS ISSUE

ARTHUR, Rt. Hon. O.S.
CLARKE, Hon. G. A.
EASTMOND, Hon. R. C.
ESTWICK, Dr. D.C.
FARLEY, Hon. R. R.
KELLMAN, Mr. D. St.E.
LYNCH, Hon. N.A.

MARSHALL, Hon. D.D.
MILLER, Hon. Dame Billie
MOTTLEY, Hon. Miss M. A.
SEALY, Mr. R. L.
SYMMONDS, Hon. K.D.

DISCLAIMER. *This transcript was prepared with the assistance of artificial intelligence tools and is provided for reference only. It has not been reviewed, verified or approved by the Hansard Department of the Parliament of Barbados and does not constitute an official parliamentary record. It may contain errors or omissions, including inaccuracies in wording or speaker identification. For authoritative quotations or confirmation of proceedings, consult the official Hansard record when available.*

EDITORIAL NOTES — NOT PART OF THE REPORT

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

EDITORIAL QUERIES

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

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

Q2. Opening. The convening sentence begins mid-way: ‘met at 10.15 a.m. on Tuesday, October 30 2007.’ The words before ‘met’ appear to be missing. Printed as in the source.

Q3. Adjournment. Hon. Miss M. A. Mottley moves the adjournment until ‘Tuesday, November 06, 2007’, but the closing procedural sentence reads ‘Tuesday, 6th October, 2007’, a date before this sitting. Printed as in the source.

Q4. Order No. 10. The Order number is not followed by the title of the Bill; it is identified only from the first readings (‘Prisons (Amendment) Bill, 2007’) and the third-reading citation. The Attorney-General refers to the new prison at both ‘Dodds’ and ‘Dobbs’. Printed as in the source.

Q5. Order No. 5, Mr. D. St. E. Kellman (afternoon). The note that the Member’s remarks were expunged is split: a stray line reads ‘by Mr. SPEAKER.’ before the Speaker’s ruling, and the note then runs straight into the Member’s next words (‘Mr. D. St.E. KELLMAN: The Minister of Tourism has been anti my comments...’) without a new speech heading. Printed as in the source.

Q6. Take-slips (several). The word ‘(EDITED)’ is set as a heading beside six take-slips during the sitting; it appears to be a reporter’s note rather than part of the record. Printed as in the source.

Q7. Speech labels. The seconder of the second reading of the Prisons (Amendment) Bill is labelled ‘Miss Hon. Miss B. A. MILLER’ (elsewhere ‘Hon. Dame Billie MILLER’), and the motion to go into Committee on the Civil Aviation Bill is recorded as ‘seconded by Hon. Hon. Mis M.A. MOTTLEY’. Printed as in the source.

Q8. First readings and Suspension of Standing Orders. Both questions are recorded as ‘resolved in the affirmation without division’. Printed as in the source.

DEBATE SUMMARY

(Editorial summary — not part of the record.)

The House of Assembly met at 10.15 a.m. on Tuesday, 30th October, 2007, with His Honour I. A. Roett, the Speaker, in the Chair; prayers were taken by Reverend Canon Ivan Harewood. The Speaker announced receipt of the Ombudsman Report for 2006. The Prime Minister, Rt. Hon. O. S. Arthur, laid the International Financial Services (Exemption) (Great Pacific Bank Limited) Order, 2007, and Hon. R. R. Farley laid the Financial Statements of the Barbados Water Authority for the years ending 31st March, 2004 and 2005. The National Union of Public Worker Guarantee of Loan Bill, 2007 and the Prisons (Amendment) Bill, 2007 were read a first time and Standing Orders were suspended.

Hon. N. A. Lynch moved the second reading of the Civil Aviation (Amendment) Bill, 2007 (Order No. 6). He explained that the amendments to the 2004 Act transferred some of the Minister’s responsibilities to the Director of Civil Aviation, provided for an aviation security agency and substituted ‘aviation incident’ for ‘aircraft incident’, and that passing them would settle the last outstanding matter, the legislation, needed for Barbados to reach FAA Category 1; technical guidance materials were about 80 per cent complete. Mr. R. L. Sealy questioned combining regulatory and promotional roles and asked for the Minister’s vision for the sector. In reply the Minister was interrupted by repeated points of order from Mr. D. St. E. Kellman, who withdrew the word ‘pompasetting’, while the Speaker required the Minister to withdraw words of his own. The Bill passed all stages, with Dr. W. F. Duguid in the Chair in Committee, as the Civil Aviation (Amendment) Act, 2007.

The Minister of Economic Affairs and Development, Hon. Miss M. A. Mottley, moved the Resolution to take note of and endorse the International Business Sector Strategic Plan 2007 to 2012 (Order No. 5). She said the sector provided two-thirds of the corporate tax take and just over 6 000 jobs, recalled the joint statement with the OECD in January 2002, and set targets of another 3 000 jobs and fifteen more tax and investment treaties in five years, noting a Double Taxation Agreement and Bilateral Investment Treaty she had signed on 19th October, 2007. She spoke also of Chinese investment, a Financial Services Authority and a Barbados Qualifying Investor Status.

After the suspension Mr. D. St. E. Kellman spoke on currency movements and local business, and some of his remarks were ordered expunged. Hon. K. D. Symmonds described four ways of exporting Barbados’ services. Dr. D. C. Estwick said the sector contributed more than 60 per cent of corporate taxation and employed over 3 000 persons, asked what it contributed to Gross Domestic Product, and was met by a point of order from Hon. Dame

Billie Miller that trade bilaterals are negotiated through CARICOM. Hon. Miss Mottley replied, insisting that ‘Barbados ... is not a tax haven’, and the Resolution was agreed to without division. Hon. R. C. Eastmond then gave notice of, and had read a first time, the Constitution (Amendment) (No. 2) Bill, 2007 and the Public Service Bill, 2007.

On Order No. 10, the Attorney-General, Hon. D. D. Marshall, Member for St. Joseph, moved the second

reading of the Prisons (Amendment) Bill, 2007, the last step before inmates could occupy the new prison at Dodds, St. Philip, after the long use of Harrison’s Point; he said the future of Glendairy would be for the Ministry of Housing and Lands. Hon. Miss Mottley spoke of the dislocation suffered in St. Lucy and Mr. Kellman of the effect on the north. The Bill passed all stages as the Prisons (Amendment) Act, 2007, and the House adjourned on the motion of Hon. Miss Mottley.