
THE

House of Assembly Debates

(UNOFFICIAL REPORT)

SECOND SESSION 2008 – 2013

HOUSE OF ASSEMBLY

Tuesday, June 10, 2008

Pursuant to the adjournment, the House of Assembly met at 10.13 a.m. on Tuesday June 10th 2008.

PRESENT

His Honour M. A. CARRINGTON, B.A., LL.B.
(Speaker)

His Honour K. ST.C. BEST, LL.B.(Hons.), L.E.C.
(Deputy Speaker)

Hon. D. J. H. THOMPSON, LL.B. (Hons.), (Prime Minister, Minister of Finance, Economic Affairs and Development, Labour, Civil Service and Energy)

Mr. G. W. PAYNE, Q.C.

Mr. R. C. EASTMOND, J.P., LL.M. (Leic.), LL.B.
(Hons.), B.A. (Hons.), Dip. Ed.,

Mr. G. A. CLARKE, B.Sc., Dip. Ed.

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

Mr. D. ST.E. KELLMAN

Hon. Miss M. A. MOTTLEY, Q.C., LL.B., (Leader of the Opposition)

Miss C. Y. FORDE, J.P., L.C.P.

Hon. R. D. JONES, J.P., M.A. (Ed.), B.A. (Hons.),
(Minister of Education and Human Resource Development), (Leader of the House)

Hon. M. A. LASHLEY, LL.B. (Hons.), (Minister of Housing and Lands)

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

Hon. R. L. SEALY, M.B.A., B. Sc., M.B.A.,
(Minister of Tourism)

Hon. F. J. STUART, B.A., LL.M., (Attorney-General and Minister of Home Affairs)

Hon. J. D. E. BOYCE, M.Sc., C. Eng., (Minister of Transport, Works and International Transport)

Hon. S. D. BLACKETT, (Minister of Community Development and Culture)

Mr. J. D. PAUL, B.Sc.

Dr. the Hon. D. S. LOWE, Ed.D., M.Ed., B.A., Dip. Theology, (Minister of Social Care, Constituency Empowerment, and Urban Development)

Mr. A. D. BRATHWAITE, LL.B. (Hons.)

Mr. S. A. LASHLEY, B.Sc., LL.B. (Hons.), L.E.C.,
(Chairman of Committees)

Hon. P. M. T. TODD, B.Sc., (Minister of State, Ministry of Social Care, Constituency Empowerment, and Urban Development)

Hon. C. P. SINCKLER, M.Sc., B.A., M.Sc.,
(Minister of Foreign Affairs, Foreign Trade, and International Business)

Prayers were led by the Rev. Cannon Ivan Harewood.

Mr. SPEAKER: This House is now in session.

MINUTES

Mr. SPEAKER: Minutes of the meeting held on Tuesday, June 03, 2008.

Hon. R. D. JONES: Mr. Speaker, I beg to move that the Minutes so cited be confirmed, subject to any omissions, observations and/or corrections.

Hon. F. J. STUART: I beg to second that, Sir.

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

SUSPENSION OF STANDING ORDERS

Hon. R. D. JONES: Mr. Speaker, I beg to move that Standing Orders 6, 16, 18, 20, 42(5), 43 and 44 be suspended for the remainder of this day's Sitting.

Hon. F. J. STUART: I beg to second that, Sir.

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

GOVERNMENT BUSINESS

Mr. SPEAKER: Government Business is now the order of the day. Order No. 2.

ORDER NO. 2 – THE BANKS (TAX ON ASSETS) (REPEAL) BILL, 2008

Mr. SPEAKER: The Honourable Prime Minister.

Hon. D. J. H. THOMPSON: Thank you, Mr. Speaker.

This is what one might describe as a housekeeping matter and this Honourable House is being asked to pass a Bill to revoke the Banks (Tax on Assets) Act, Chapter 59B. The Deposit Insurance Act which established a Deposit Insurance Corporation, in place of the taxation on bank assets, the purpose of which is to protect depositors essentially in financial institutions was introduced and passed by legislation in 2006, and came into operation by proclamation on 8th Day of June 2007.

When the then Minister of Finance announced the establishment of the Deposit Insurance Corporation, since it would be an additional burden on banks, he also agreed to the phasing out of the tax on bank assets together with the relevant legislation, which applied in that regard. Therefore, this piece of legislation merely repeals the existing Banks (Tax on Assets) Act, Chapter 59B because it is no longer necessary.

Sir, there is just one point that I want to make relative to the introduction of the new mechanism, which is that the revenue of the Deposit Insurance Corporation to date is about \$10.5 million, made up by an initial contribution from banks of \$3.4 million, and a matching contribution from the Central Bank of about \$3.4 million. Then, a half year contribution of \$1.7 million in 2007, and a half year contribution of \$1.8 million to be received in 2008. Sir, as I said, that totals \$10.5 million. There is a premium rate of 2.05 of insurable deposits held by member institutions. The Deposit Insurance Corporation is budgeting an annual premium income of \$3.6 million, based on the current reported deposits in the system.

Sir, had the tax remained in place, the revenue in 2005-2006 - \$10.7 million; 2006-2007 - \$12.9 million; 2007-2008 - \$7.6 million. Therefore, we are saying that there is a difference between what would have been collected had that legislation remained in place, and what impact the contribution of banking institutions would have on the cost of banking in Barbados.

Clearly, there has been a reduction and we would expect that the banks in Barbados would pass on the benefits of that reduction to the consumers of this country by not increasing the cost to the consumer of transactions, in relation to banking.

10.20 a.m.

Mr. Speaker, I say that as a caveat, because if that is not the case, then we would have to look at some increase in terms of the contributions from the banks to mop up that shortfall, so that we can capitalise the Deposit Insurance Corporation faster. Mr. Speaker, that is really the only point I wanted to make from a policy point of view.

Mr. Speaker, this is not a measure by this Government. It was introduced by the previous Government. We take no credit for it. It is a housekeeping matter that makes sense. However, since we do not think that the benefits passed on to the consumer at this stage are adequate, or alternatively, that the Fund could be faster capitalised, there obviously would be decisions taken by us shortly relative to the operation of the Deposit Insurance Corporation.

Mr. Speaker, I move that this Bill be read a second time.

Hon. R. D. JONES: I beg to second that.

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

Mr. R. C. EASTMOND: Mr. Speaker, what is being proposed is necessary in light of what transpired several months ago. The then Government that ruled before January 15, 2008 had changed the scenarios from a situation where banks pay taxes on deposits to one where there would be what is known as deposit insurance. Notwithstanding the change, Mr. Speaker, the banking community was favourably disposed toward the change. Mr. Speaker, I take it that the Central Bank of Barbados was also of the view that such a change was necessary.

Mr. Speaker, if you are introducing new legislation that has an impact on existing legislation in a way where the status quo ante has changed, it is necessary to introduce change. Mr. Speaker, to the extent that this change had become necessary to repeal what had prevailed before in favour of allowing what prevails now, we on This Side have no objection at all to the repealing of the Act.

However, Mr. Speaker, the time has come for the Government to have more dialogue with the commercial banking sector, not just on what that sector is supposed to cede to Government by way of corporation tax or whatever, but for the Government and the commercial banks to sit

with the aim towards Government sensitising the commercial banking system about the social, political and economic realities that prevail in Barbados.

Mr. Speaker, many years ago, an Act was passed in this Parliament permitting such a thing as “chattel mortgages.” It has happened that almost every commercial bank in the system has refused to allow for chattel mortgages to secure loans for the purpose of repairs and the building of chattel houses. Mr. Speaker, this is but one of the areas where we, who have been in politics, take one side and the commercial banks, out of self-interest, take another side. I am pleading for the commercial banks to be more patriotic.

Mr. Speaker, this is not the only area referred to where the banks need to get on board and work with Government. We have in Barbados the crying need for small business people and entrepreneurs to access capital. Sir, experience shows that even for relatively small sums of money by way of loans, commercial banks have resisted the notion of investing in small businesses on the grounds that the investment is risky.

Mr. Speaker, in an era where technical advice and technical support are not scarce, I do not understand how commercial banks can refuse to do things that impact positively on national development. In circumstances where succeeding Governments and the Central Bank of Barbados have been very benign to the commercial banking sector, I think that we have to sit with the commercial banks, tell them what is the reality of the situation, and encourage them to make paradigm shifts away from existing policies in the banking system to what the country wants.

Mr. Speaker, in relation to the paradigm shifts, let me mention that governments have been forced to establish institutions to advance money to entrepreneurs in Barbados. However, sometimes Government is unable to lend above a certain limit in circumstances where borrowers want to borrow more than that.

Mr. Speaker, commercial banks like to lend short-term, two-year loans, three-year loans, loans for vehicles, washing machines and videos. Mr. Speaker, such loans lead to consumption. Mr. Speaker, there has come a time where commercial banks must be part of the developmental plans and policies for this country.

Mr. Speaker, as a spokesman for This Side, I am supporting the repeal of the Bill which the Honourable Member for St. John has brought, but I would want that the brief remarks as made be taken seriously, because every institution, financial or otherwise, that functions in this community must from time to time cast aside self-interest and work towards the national good.

With these brief remarks, Mr. Speaker, I am deeply thankful to you.

Mr. D. St.E. KELLMAN: Mr. Speaker, I enter this debate at a point in time where the now Government could feel happy about the advice given to the Government at the time. Sir, I remember well that we told the Government that this measure would have seen the banking system getting more money. As you heard this morning, Sir, it is exactly what was said.

What I want to say today is that I hope that the Prime Minister would understand that he would have to take some action early because, to rely on the banking system, is like relying on them to lend money or to create mortgages on chattel. Sir, I think that this new Government must ensure that it puts the systems in place to ensure that aspect be looked after.

Mr. Speaker, we also made the point at the time that we were giving advantage to the banks over the credit unions. Sir, based on the information this morning, there is no doubt that the banks have received that advantage.

Sir, I honestly believe that if we are to see chattel housing being treated fairly in this country, we would have to turn to the credit unions. I believe that this new Government would do well to enter into an arrangement with the credit unions, because it is the Credit Union Movement in this country that has propelled the progress of the masses in this country.

Mr. Speaker, one has to understand that the assets in the Credit Union Movement belong to the savers who happen to be the masses of people in this country. Sir, we must ensure that the money is not reinvested to go elsewhere to prop us the status quo of the “too-few”. Sir, too often we see the Credit Union Movement having to take the surplus fund and pass it back to their competitors.

10.30 a.m.

Mr. Speaker, I am saying it is wrong and that something must be done to ensure this Movement is able to move to another step, where not only loans are lent for cars, et cetera, but that it has the capacity to see investment as something that must occur. Sir, there is no doubt that had the Credit Union Movement been able to purchase things such as land, the assets of that Movement would have increased.

Sir, when one drives on the concrete coasts of Barbados, one would recognise there are persons who have been able to use the banking system of Barbados to enrich themselves, where those who have toiled in this country have not been able to match the occurrences that have been happening within this economy. Sir, therefore, a

progressive Government like this Democratic Labour Party would have to ensure that these changes be made, so that the masses of Barbadians could feel that they too are once more part of the economy of Barbados. Sir, they saw it in the 1960s and in the 1980s, and I have no doubt that changes would come to ensure that they once again believe they are part of Barbados and that they could share in the wealth of Barbados.

Mr. Speaker, I have every confidence in the Credit Union Movement of this country. I have confidence in people who are prepared to invest in themselves, and that is exactly what occurred within the Credit Union Movement, where persons have been able to invest within themselves.

Sir, we have now seen legislation that has forced people, instead of investing within themselves, to invest elsewhere where they have been made to give money to the competitors. Sir, I would like to see a change. I would like to see that urban and rural culture of the masses coming together and pooling their deposits to enrich themselves, and that they would be given the impetus to ensure that they have the matching forces.

Mr. Speaker, what we said a number of months ago, we are now seeing it happening. We said it would have happened and the evidence is here today.

Mr. Speaker, I thank you.

Hon. Miss M. A. MOTTLEY: Mr. Speaker, I rise in this debate to participate and generally to indicate that we support the measure. As the Prime Minister has indicated, this would have been the subject of discussions between the previous Minister of Finance and the commercial banks. It was seen as a mechanism for easing the burden in respect of the fact that they would now have to pay a new levy, to be able to fund the Deposit Insurance Corporation of Barbados.

Mr. Speaker, I think we all agree in this Honourable House that there is no doubt that Barbados needed to have a Deposit Insurance Corporation. Sir, as a country, we have been lucky thus far, but there have been other neighbours of ours in the Region, who have had to face serious difficulties within the Financial Services Sector.

Sir, of course, the one that comes to mind foremost is Jamaica. In that instance, the Government took a decision to bail out all of the depositors in relation to 100 per cent return of all deposits, irrespective of their sizes. There are some who argue today that the decision by the then Government of Jamaica kept them in a situation where they had little or no fiscal flexibility thereafter. Sir, when the Financial Centre Adjustment Company (FINSAC) was set up, to be able to sell the debts, there was not a clear

recovery of what they had assumed as part of the portfolio. They got cents in the dollar in respect of the debt.

Mr. Speaker, there is no doubt in our minds that even though Barbados has been lucky thus far in being able to avert a major crisis in our financial sector, and the fact that our depositors have generally not had to face any adversity, we cannot continue to rely on serendipity. We have to ensure that the appropriate mechanisms are in place, concomitant with the status that we want to develop, both as a Financial Services Sector, but equally or more importantly, to protect the savings and deposits of ordinary Barbadians.

Mr. Speaker, further afield, we are aware of the savings and loans crisis in the United States of America, and most of these crises come about as a result of a mix-match between assets and liabilities in short and long-term lending. In Jamaica's case, many of the banks got heavily involved in the tourism sector, from a real estate perspective, and when there was a downturn in the economy, could not realise the returns on their investments and hence were unable to satisfy the depositors, once the depositors asked for their money.

Sir, our legislation, however, even in the absence of the Deposit Insurance Corporation and our new Financial Institution Act, which I think was passed in 2000 or 2001, has a number of protective provisions which, in fact, restrict banks from the types of investments that we as a country believe to be not in the best interest of the depositors, largely because of the nature of people's requests for deposits and to avoid that mix-match to which I referred earlier.

Mr. Speaker, I find it interesting that the previous speaker referred to and started to treat to the issue of housing and housing loans, and that is really because in our society, that is the primary reason people would want to borrow funds from the banking sector. Sir, for those of us who go back and look at the original debate that led to the passage of this piece of legislation which we are repealing today, you would see the then Prime Minister, Mr. "Tom" Adams, made it absolutely clear in his opening remarks, and it was then followed by others in the debate, that the issue of housing was a key component.

Sir, it is instructive for this reason that we sometimes do not remember how far we have come and there are perhaps not many people who remember that in the early 1980s, getting a mortgage was not an easy thing in Barbados. In fact, it was a very difficult thing. It was primarily a few trust companies and insurance companies that gave mortgages. Sir, over the course of the last 20 years, we have seen a substantial development of our financial sector, such that the level of mortgages being given out - and I speak from memory now - is in the

vicinity of over \$1.6 billion, in terms of new mortgages in the last few years.

Sir, we are happy for that progress, but like the Honourable Member for St. James North, I feel there has, however, not been sufficient progress in relation to both the productive and business sectors in this country, in terms of being able to access capital, such that people could take their circumstances to another level.

Mr. Speaker, I say this because in a very real sense, while banks have a duty to protect their assets and to ensure that they are diligent in their assessment of risks, one of the difficulties we confront in Barbados is an approach that has a “one-size-fits-all” prescription. Sir, to that extent, many business-men going to borrow find themselves being arbitrarily refused money, in circumstances where were they in other jurisdictions, might have been given a chance.

Sir, that has led to successive Governments supporting financial intermediaries being established that are effectively capitalised by Government, or where Government sets up entities and funds to be able to act as a buffer. Sir, we recognise that in a country where more than 90 per cent of its people effectively do not have access to funds, that Government has to play a role that gives people access to these funds.

Mr. Speaker, last year, as Minister of Economic Affairs, I started meeting with the representatives of the banking sector because it became clear to me, from interacting with the Small Business Sector and the manufacturing sector, that there was a real issue in relation to people being able to access funds for legitimate enterprises in this country and that, very often, there were a number of bureaucratic issues, as well as issues pertaining to risk assessment that precluded persons from being able to borrow. Sir, as we know, in a small society, those who have access to people who they know, invariably get fast-tracked and those who have legitimate enterprises, but no access to anyone within the banking sector, stand on the outside.

10.40 a.m.

The meetings that we have had were to begin to reassess the mechanism that banks use for the assessment of enterprises to determine whether they were worthy for consideration for the lending of funds. Sir, very often what we found out is that the kind of risk assessment procedures are completely out of synch with the manner in which business is conducted by the average small business in this country.

I believe that while the banks have a responsibility to be more liberal without compromising their asset base and

the deposits they hold in trust for the average person, that there is also a need for a review of the mechanism by which risk is assessed in relation to many of these entities.

Sir, part of the difficulty that we face is that we are now linking totally to an international regulatory system that does not take into account the differences in size or circumstances between jurisdictions. We see it clearly in relation to the matters pertaining to international trade where, in spite of the fact that we have no capacity to distort global trade and services or goods that we are being asked to subscribe to the same level of obligation as a country that has that capacity to distort.

Mr. Speaker, it is no different, I suggest, in relation to the kind of burden and regulation that you put on the financial services sector in respect of it. When we were doing work with the Caribbean Financial Action Task Force and I believe the current Attorney-General has attended meetings, so he would be briefed as to some of these issues, one of the major battles we had to fight was that you were prescribing obligations across the board that would place an undue burden on our financial services sector, that they could not appropriately recover from their customer base and the size jurisdiction that we have in circumstances where there was not a clear assessment of the risk that was faced.

Mr. Speaker, the major jurisdictions in London and New York are still the major risk for money-laundering, criminal activity and terrorism financing but yet they would want to impose on us obligations that are the same, irrespective of the circumstances. It came to a head for us when the same banks in London, who were the smaller banks, said that they were not implementing retroactive know your customer guidelines, because the cost to them, as banks, were simply prohibited. Sir, in Canada, there is an institution that changes cheques and those cheques changing institution said they were not implementing those guidelines, because it constitutes an undue burden on them, given their asset base.

Mr. Speaker, there are issues, in my view, that merit a review of the kind of risk assessment that is done, in circumstances where it can be more suitable to our cultural, social and economic conditions in Barbados, rather than simply assuming that because this is a standard set internationally, that this should be the standard which we apply in Barbados.

Sir, in those circumstances it has led, I believe, to a number of people being refused access to loans in this country for legitimate enterprises in the productive sector, but the bank has perfected the art of security for mortgages. The bank has perfected the art of security for cars and certain consumable items. Bills of sale and under the bill of sale, there is an effective disposition of the legal title to the

bank so they feel all right but in circumstances where you are dealing with enterprises, where the risk may be a little more, there is not sufficient commitment.

Mr. Speaker, in one area, where in my view, in spite of the fact that it is the country's major foreign exchange earner in tourism, the banks are not prepared in this country to lend enough money to establishments within the tourism sector and, Sir, it is a serious problem. It may well be, and we started to consider it before we demitted office, that you may have to restructure aspects of the National Insurance's portfolio and the caps that are put that limit its ability to invest in certain sectors of the country.

I speak subject to correction, but my memory suggests to me that the cap in relation to the tourism sector for the National Insurance is less than 5 per cent. Sir, less than 5 per cent of its portfolio can be invested in tourism, yet tourism is what earns foreign exchange for this country in large sums.

Mr. Speaker, I believe that the time is ripe for reconsideration of certain aspects of it. We cannot be serious about economic enfranchisement in allowing people to own a greater share of property in this society and economy if we are not prepared to understand that the majority of people traditionally do not have access to capital and, therefore, need a foot-up.

Mr. Speaker, in relation to the figures which were given, I believe the Prime Minister indicated that the rate of contribution was 0.05 per cent, which the banks would pay. Sir, that is less than the bank's tax that we are repealing. The bank's tax that we are repealing is 0.2 per cent or one-fifth of 1 per cent, which was set and unless the rate was adjusted during the years, which I am not aware of, then there is a difference there.

Mr. Speaker, I believe that particularly in the context of the repealing of this legislation, that the banks in Barbados may want to consider a review of some of the fees, which they charge customers, which in my view are burdensome and do not relate to the volume of work and activity which the bank has to do in order to be able to carry out their part of the transaction.

Sir, I believe that and I have not said it today only. Indeed, I remember giving a similar speech two years ago, but what is significant as the Honourable Member for St. James North said is that there is little division in the House on these issues, but yet there is an inability to get the commercial banks to come along at the rate that we believe to be necessary in order to fuel more broad-based development and participation in the productive sector in this country.

Mr. Speaker, I trust and hope that it is an effort that we will continue. As I have said, we have come a long way, but there is still a long way to go. You could not borrow easily for mortgages in this country 20 years ago, now you can, but there are issues in relation to accessing funds for small businesses and the productive sector. Sir, especially as I have said, it is a crying shame for tourism, which is still the sector that we rely on to earn foreign exchange in this country.

Mr. Speaker, I also believe that we need to see the work being carried on apace in relation to the development of secondary markets. The simple question that I leave for the Minister of Finance to answer in his wrap up is: "What is the status of the preparatory work for establishment of the Financial Service Authority?" It was always understood that separate from the Central Bank of Barbados regulating commercial banks, that there was a role for a Financial Services Authority which would have effective supervision over the non-banking financial sector, except for the large credit unions, so that all of the non-banking financial, the smaller credit unions, the insurance companies and, indeed, the Financial Services Authority by reason of Cabinet decision, unless it has been reversed, would also take on responsibility for the licensing of international business entities, because we felt that Ministry ought not to be in that position and that all of that would fall under the Financial Services Authority.

When last it came to Cabinet, it was approved as a policy paper. I believe that it is in the Attorney-General's Chamber for drafting and I would be interested in hearing what is the position of the Government in relation to the establishment of the Financial Services Authority.

Sir, I am obliged to you.

Mr. SPEAKER: The Honourable Member for Christ Church West.

DR. W. F. DUGUID: Mr. Speaker, thank you very much for giving me the opportunity to make a short and simple intervention into this matter as it deals with our financial institutions.

10.50 a.m.

Sir, I would like to begin, to some extent, where the Leader of the Opposition ended, and speak in particular to bank fees. I think, to some extent, this subject needs a little bit more expounding upon.

Sir, bank fees in this country have reached an arduous level, where people sometimes with little or no means at all, with their meager savings and to some extent their life savings, which may be small in some instances, have to pay significantly large fees to banking institutions

just to maintain a service in a bank. I think it is wrong. Sir, further to that, in the previous Administration, I recall the Honourable Member for St. Peter made the point while people were getting a reversed tax credit from their income tax similarly, people who were living at or below the poverty line should not have to pay withholding tax. I think that was a good programme and an excellent policy. Sir, I would query the Minister of Finance, and in fact the Government, if they are considering presenting that sort of legislation to this Parliament as well, where people who can prove that they are of little means would not have withholding tax deducted from their savings. I think that would be a good initiative for the poorer people of this country, and it is something that as a nation, we should be prepared to examine.

Sir, the other point is one I believe I have referred to in this Parliament. It relates to penalties banks charge people with mortgages, for argument sake. I think this is highly anti-competitive, which must be reviewed by this Parliament very seriously. I will give you an example.

Sir, as an individual you might have a bank mortgage. I know that you probably have a mortgage of about \$2 million or somewhere in that vicinity. Sir, the bank is charging 10 per cent interest on that mortgage.

Asides.

Dr. W. F. DUGUID: I am sorry, \$3 million. I am sorry for under estimating your wealth.

Sir, the bank, for argument sake, is charging you 10 per cent interest on that mortgage. A new financial institution with a more forward-thinking way of doing business decides to undercut the percentage that all the other banks are charging, rather than charging 10 per cent, because of your ability to pay, the fact that you have never missed a payment, you have continued to maintain the property in good condition, you have maintained your insurance, and you have added value to the property, but now you have made a decision to move from one financial institution to another financial institution to get a better interest rate, thereby reducing your payments for that mortgage. So an arrangement is made with a new financial institution to pay off that old loan.

Sir, do you know what the original financier tells you? They say they have no problem with you paying that off, but you have to pay a penalty. Sir, you have to pay a penalty for paying off a mortgage earlier than they anticipated. Sir, that is wrong. It is anti-competitive, because it prevents other financial institutions from competing for your business, and it prevents the investors freedom to move from whichever supplier or provider he wants. It is wrong and should be outlawed in this country

where banks acquire that right and privilege to charge people a penalty for seeking a better interest rate.

Asides.

Dr. W. F. DUGUID: Sir, I am being told it does not apply in other jurisdictions. Why is it that we have this throw back of people, while banking institutions are able to protect their investment. They already receive a top interest rate. They already hold all the assets. They already receive a commitment fee. Sir, banks only allow you a 75 per cent of the entire mortgage, protecting themselves in every aspect of the transaction throughout the transaction, stage by stage, the banking institution is protected.

Sir, if they acquire all of that protection, must they also protect their profits as well? Mr. Speaker, their reasoning, for argument sake, is the sourcing of funds, therefore they have a commitment to those funds and they have a reasonable expectation to profit from that money. Sir, that is wrong. Sir, nobody in this country could convince me that could be right. Sir, we need to see a major overhaul of those financial institutions. Sir, not only are they more competitive and more prepared to work with the poor person, Sir, I heard the Leader of the Opposition say they are not prepared to bring new initiatives to finance small businesses. That is true.

Sir, I remember in my early days I had to fight to convince a banking institution to take a debenture on equipment, something they had never done or rarely do. I was happy to see that the then leadership of, and I will call the name the Royal Bank of Canada, was prepared to take on the concept of a debenture. That was an excellent idea, because they were progressive.

Sir, the biggest outlay for most small businesses is equipment. It is not the building. More often than not the building is rented, so the equipment is where the finances go, those are the assets. Sir, banks should be prepared and willing to take equipment and liens on equipment, as opposed to taking something which is solid, like a building all the time. I think that once we get the mind-set of the banking institutions to change, then we would see a much better and stronger entrepreneurial class and a small business class in this country. Sir, I think that is the essence.

Mr. Speaker, the United States of America is not built on big businesses. It is built on the thousands of small businesses, from the corner shop to the paint shop the hairdresser and so on, but in this country these people have real problems seeking capital. It is as a result of the mind-set of the banks. The banks only want something tangible, something in case of a problem they can sell quickly and recoup the money, but they must be prepared to take a risk.

The same way that an entrepreneur takes a risk by putting up his life savings, the bank should work with them to take a risk too. It galls me to see that the financial institutions take advantage of the poor people in this country. I am sure that a caring government, whichever Side, would want to prepare some sort of legislation to improve the lot of those small business entrepreneurs.

Mr. Speaker, I am obliged.

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

Mr. J. D. PAUL: Sir, I want to thank you for giving me the opportunity to participate in this debate and point out that it is important we understand that commercial banks must see themselves as partners in development with the Government.

Sir, when we take into consideration the current events on the international stage, and the fact they are likely to impact severely on small businesses in this country, not only that, what is happening at this stage is also likely to impact severely on those persons within the society, who are not well endowed with the resources, the commercial banks should see themselves as more than just profit centers, totally. There must be some social agenda injected into the functioning of commercial banks, as it stands now.

Sir, we could all recall the success of Co-operatives over the last 30 years in Barbados. Sir, when we look at the cause of that success, we find that it was largely due to the fact that Co-operatives emerged at a time when certain services demanded by a particular section of our community which were not satisfied by the commercial banks. That particular section of the community was ignored for a long time by commercial banks until they began to recognise the success the credit unions were making on the economic landscape of Barbados.

11.00 p.m.

To date, what we are seeing is vigorous competition between commercial banks and credit unions.

Sir, the reason for the vigorous competition is because they recognise that it would improve their bottom lines if they enter into that particular segment of the market. What is more disappointing is that we have complaints now from credit unions, in terms of the most recent Act that came about, saying that a lot of the advantages they held then have been eroded. I think that is an issue which this new Government may have to attend to.

Sir, what is also most interesting is that at a point in time in our development, when our productive sectors need

to start going, I am not sure whether or not the commercial banks in this country have read the template and understood what is required to drive development in Barbados at this particular point in time.

Sir, I note that the Prime Minister indicated that the role of the banks at some point in time will be reviewed. I think it is important for us in that review of the role of commercial banks to make sure that we look to bring measures in place that would encourage - and I stress the word, "encourage" - commercial banks to understand the role they need to play in terms of the productive sectors, Sir, even in respect of small businesses, because the current environment of small businesses is going to come under threats.

Sir, when we examine what is happening in the United States of America, it is recognised that small businesses in the United States of America are becoming an endangered species in many areas, because large businesses have entered into areas which were seen as traditional areas where small businesses occupied. Sir, what we need to do is to have the environment in which banks now shape their lending policies, in a manner to ensure that those persons who have small business ideas would be able to get capital easily.

Sir, today we have small business persons in this country who have excellent ideas and when they go to a commercial bank they have difficulty in terms of getting support. In many cases these small business persons have to bring all kinds of things, in order to get financing. While larger businesses seem as if they have a ready-made path to getting financing for their particular projects. Sir, we need to review this situation to see what is happening.

Mr. Speaker, I also want to point out that we may have lost an opportunity under the last Administration, because sometimes we have to revisit the rationale of the exited Government, for the sale of the Barbados National Bank to private interest, coming out of the commercial sector in that way. Sir, in a way, we might have lost the leverage that we had in the commercial banking sector to cause them to adopt fundamental changes. Sir, may be that is something we need to review.

Sir, some 30 or 40 years ago, the Co-operative Movement played a vital role in ensuring that poor Barbadians were able to own houses, and that poor Barbadians could enter into areas of business activity, which the rich Barbadians did not want to enter into. At this point in time, there may be a need for us to look at the feasibility of the encouragement and the establishment of a co-operative bank in this country, utilising the assets that reside at the moment within the Co-operative Movement.

Sir, the unfortunate thing about the Credit Union Movement is that despite the fact of the large amount of assets that it has, which are mainly the savings of ordinary Barbadians, a lot of those savings have to be deposited in a commercial bank.

Again, I emphasise that we might have lost the opportunity to use the Barbados National Bank at the time to facilitate the process for the establishment of a co-operative bank. Sir, as they say, when you lack vision, the people perish.

In this current environment, we recognise that we might have given up an essential of our sovereignty, when we seek to rely a lot on the commercial banking sector to fuel development in an environment like what we have in Barbados here today.

Sir, I want to encourage the Prime Minister to pay attention to this particular aspect of the functioning of banks, so that we can have a situation where we would not see constantly in the newspapers - Sir, it is kind of embarrassing. I do not know whether or not the banks find it embarrassing - that in a country where a lot of other economic sectors are under stress, we see financial institutions are making record profits.

Mr. Speaker, it is really mind-boggling that at a time when businesses in our economy are finding it hard to survive, the financial sector in this country is making profits and super profits. We have to ask ourselves what kind of society do we have, when one section of our society is held to high level of accountability in terms of its performance, while on the other hand another section of our society seems to think that it is their God-given right to use whatever they have to enrich themselves at the expense of poor people in this country.

Sir, that is why there is the call for the review of banking fees in this country. The level of interest charges that it makes to individuals must be reviewed. Sir, we should not let them escape behind the whole fantasy of commercial institutions, because we seem to go into this whole mind-boggling thing to think that we cannot touch these fellows because we want to safeguard these vital assets. Who owns them? That is the point that we are making. Who owns these assets?

Sir, when we compare it to a co-operative structure in which ordinary people in credit unions benefit from the profits that those credit unions make on an annual basis, who profits in the case of a commercial bank? Sir, in many cases, the people who profit do not even live here, but we guarantee a certain amount of profit to these strangers to our shores, who are not appreciative of the circumstances that we face as a nation, and also what is required for our Nation to develop at this point in time.

Sir, we have serious challenges on the horizon. In that respect, again, the financial sector, the commercial banks in this country need to take a look at themselves to determine whether or not at this time, they would assist the Government, in terms of further developing and, at least, assisting those productive sectors of the economy that need assistance, or they would seek to enrich themselves even further in this time of economic stress.

Sir, I also would want to encourage the Government to seek to examine what measures could be put in place that would facilitate credit unions in this country to help in the establishment of that Co-operative Bank. Sir, I believe that an effectively functioning institution such as a co-operative bank at this time could help to solve some of the problems those small businesses in this country are experiencing.

Sir, it can also help to solve some of the problems that we see with poor people in this country who experience difficulty, in terms of getting mortgages. It would also help to ease the weight that the Government has to bear, in respect of trying to find money to help out the most disadvantaged sections of this society. Sir, we need to make a serious examination.

Mr. Speaker, I want to thank you very much for my brief intervention, but we need to look at this issue as we go forward.

Thank you very much, Sir.

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

Hon. C. P. SINCKLER: Mr. Speaker, I really did not anticipate that I would have to enter the debate. I associate myself with several of the comments made by colleagues on Both Sides of the Floor, relative to issues facing ordinary people, in relation to their dealings with commercial banks and other types of financial institutions in the country.

11.10 a.m.

Mr. Speaker, quite a bit of the debate so far rings déjà vu because I am sure we have heard several of these comments repeatedly over time on Both Sides of the House when we were previously the Opposition and when the previous Opposition was the Government of the day.

Mr. Speaker, there seems to be a lack of political will in terms of dealing with these issues frontally to bring a measure of clarity and understanding to how financial institutions function in Barbados, and how they relate to the average citizens.

Mr. Speaker, it is clear that we share several of the views of the former Government, the now Opposition. Sir, the Leader of the Opposition, the Honourable Member for St. Michael North East spoke eloquently about these issues.

Mr. Speaker, it is the Right Honourable Member for St. Peter who, in one of his Budget presentations - it might very well have been his last Financial Statement and Economic Proposals - proposed that he was going over time to remove the responsibility from the Central Bank of Barbados for determining interest rates and put it into the hands of the commercial banking sector. Therefore, when I hear some of the comments that are being made, I found them quite interesting.

Mr. Speaker, I agree with the comments. I have a degree of suspicion because I remember very clearly a couple years ago at some juncture, the Governor of the Central Bank of Barbados at one of her briefings had to intercede by making the comment that she was concerned that commercial banks were, in fact, making either larger profits, or making substantially more profits on charging fees, than on investments. Therefore, it says to us in this society that our financial sector has reached the stage where there have such a level of comfort in the system, that they can fall back and rely so heavily on really what is almost a guaranteed way of making money off customers and clients without having themselves to take even the most minimal risk associated with financial type activities.

Mr. Speaker, of course, we want to give the banks cover, because we do not want to end up in a situation...

I heard the Honourable Member for St. Michael North East, the Leader of the Opposition, speaking about the fact that we have been able to dodge major financial crises. Mr. Speaker, I am old enough to remember the problems that we had with Trade Confirmers. Mr. Speaker, even though it was not a major national collapse, it certainly was one that woke us up to the fact that these issues can affect us. Therefore, we want to give effective cover to commercial banks to ensure that they are properly capitalised and that the risks they take are not out of proportion with what is really reasonable.

Mr. Speaker, we also want to ensure that commercial banks are able to contribute, as the Honourable Member for St. Michael West Central has said, to the development of the country. Mr. Speaker, I agree wholeheartedly with the Leader of the Opposition when she made the point in relation to the whole question of the productive sectors, and no more so than in services. Sir, it is not only in relation to tourism services, it is also in relation to other services.

Mr. Speaker, we boast ourselves as a services economy. We are going to look into the future at cultural industries. We are going to look at other types of services,

fashion and all of that. However, Mr. Speaker, hardly any of those persons can mosey on into a commercial bank and receive a loan to either establish, expand, or continue their businesses. They would struggle. Fisher folks in this country who contribute significantly can hardly go into a commercial bank and raise money to invest in their businesses or to make money to hire ordinary Barbadians. The Honourable Member for St. Lucy knows exactly what I am talking about. He has been meeting with them and would continue to do so.

Sir, as much as we like to talk about these so-called conglomerates in Barbados, because I do not know what conglomerates we got in Barbados, it is the small and medium-sized businesses that are really keeping this economy afloat, and it is to them that we have to look for additional new sources of employment in this society, particularly in the services sector, because that is where people are trending towards. Mr. Speaker, if that is the case, then we have to grow up and build out a new culture in financial services in Barbados in a way that allows people to benefit.

Mr. Speaker, we as the State and as the Government, have to take responsibility in many ways, because the failures that we refuse to deal with in the traditional financial sector lead us in Government, on Both Sides, to introduce additional new instruments and mechanisms to prop up the system. However, when we do so, we act sometimes worse than the financial institutions. We have small business windows and you have to jump through all types of hoops in order for somebody to get a loan.

Mr. Speaker, whilst we stand up in here sanctimoniously, sometimes correctly, and lambaste the traditional financial sectors, we have situations where - even the last Administration, came up with some good ideas, and I would credit them for them - at the end of the day, in terms of accessing money, we make it so much more difficult, and unreasonably so, in terms of the things we ask of people. Sir, we too are perhaps no better than some of the people that we criticise.

Mr. Speaker, I am saying to you and to Honourable Members of this House that we have to wake up to the reality that development and productive development is expensive and very involved, however, it is necessary, if we are going to move this economy from where it is at now to a higher level. That means that the Government, the State, the private sector, in terms of traditional banking, and the co-operative sector, I continue to be amazed at the restrictions placed on credit unions.

Mr. Speaker, you can walk into a credit union and get a loan. Mr. Speaker, I get the reports from my credit union every year, and when I look at their balance sheets, I see the amount of money that is lent for travel, cars and

weddings. Sir, people go to the credit union and borrow \$20 000 for a wedding. People begin a marriage in debt and then when the marriage collapses nobody wants to repay the money. However, Sir, if a small business person go to the credit union, they cannot get a loan.

Sir, we have to revamp this entire system. We have to look at it seriously, because frankly, we are making sport. If we are serious about moving this economy to the next level and involving the broad cross-section of ordinary citizens in this country in productive activities, we have to get serious. The Opposition, Government, the private and public sectors have to sit at a national level and seriously reform this financial system that we have in here, so that it treats to the issues that are affecting ordinary citizens in their ability, in their desire and in their enthusiasm to participate in the development of this country.

Mr. Speaker, until we do that, we would continue to come back here, year after year, amendment after amendment, Resolution after Resolution, complaining about the same things and as I say, ringing hollow and sounding as a case of *déjà vu*.

Sir, I want to implore us to take this bull by the horn and tame it in a way that would allow our citizens to enjoy the kind of existence that we expect and to have a higher standard of living.

I am obliged to you, Sir.

11.20 a.m.

Mr. SPEAKER: The Honourable Member for Christ Church East Central.

Hon. R. D. JONES: Mr. Speaker, as I rise to speak on this Banks (Tax on Assets) (Repeal) Bill, 2008, I have listened to many of the contributions and I would agree that we have some issues in this country relative to how banking institutions see the development of Barbados, but we must recognise that I believe all of our commercial banks are foreign owned and therefore they respond to the calls of other masters. They respond to the calls of other people whose views on the development of Barbados might not be in sync with ours.

Mr. Speaker, while I say that, I believe there is always room, particularly in infancy, for the State to act as mother and to nourish institutions. Therefore, when the Barbados National Bank was developed, it acted as a mother within the financial sector of Barbados, to borrowers and savers.

Mr. Speaker, do not let us fool ourselves that a Government can hang on to a commercial entity ad infinitum. It surely cannot. Sir, Government always has to

look as the trailblazers in some areas and when it blazes the trail, in order to concentrate on its core functions, that is to provide services and goods in the form of health, education, welfare, et cetera, Government would need to allow these commercial functions. What it might want is that many of these commercial functions to be handled by our own people, but then, one has to look at the issue of capacity. I believe the Government of Barbados still has some shares in the Barbados National Bank and I would want to see the time comes where Barbadians across the various sectors would participate in the ownership of that particular percentage in the Barbados National Bank.

Mr. Speaker, I agree, and the Honourable Member for St. Michael West Central is correct, the Credit Union Movement of Barbados has developed quite well. There are several Honourable Members who are members of the Credit Union Movement, who have been able to advance their own development as a result of the pooling of resources within the Movement. Sir, I think they have come to the point, that just as we sought to establish an insurance company, which has worked its way through its difficulties - because in all beginnings one has challenges - but that entity, with the support of the Credit Union Movement, has worked its way through the early difficulties to be recognised as an emerging and sensible general insurance company in Barbados. Sir, that too will read as a reasonable success story within the movement of persons who have been thinking about developing Barbados.

Mr. Speaker, in truth and in fact, we have to take the next step, which has been identified by the Honourable Member for St. Michael West Central. We have to create the environment through which credit unions would see it as being practical to establish a co-operative bank. Sir, this is where what I call facilitatory activity through legislation on the part of our Government comes into play.

I believe that is something which should be done and which most definitely can be done but the Credit Union Movement would have to say to the State that it has done an examination relative to the extent of its resources, such as how much is utilised through borrowing for whatever means, what surplus is left, et cetera, to be able to establish that co-operative bank.

Mr. Speaker, it is all well and good to look at the resources of the Credit Union Movement but much of those resources are, in fact, with the members of the Credit Union Movement, for example, housing. Sir, within the Credit Union Movement, there are about four or five large credit unions in Barbados relative to their asset base or relative to their membership base, or there might be a direct link between the two.

In talking about the Credit Union Movement, one needs to make mention of the Barbados Public Workers' Co-operative Credit Union Ltd., the City of Bridgetown Co-operative Credit Union Ltd., the Barbados Teachers' Cooperative Credit Union Ltd., BET Co-operative Union Ltd., the Barbados Workers' Union Co-operative Credit Union, Caribank, and the University of the West Indies Credit Union. These can be counted as among some of the large ones, and they would have to lead the way, rather than see themselves - and I am concerned about this - in competition with the banks.

Sir, credit unions must never see themselves in competition with banks because the motivation and principles are essentially different. Therefore, since they are essentially different, the paths which they must tread is one which protects those who have deposits or shares within the Credit Union Movement. For example, you lend to yourselves by lending to your members who must honour their commitment to repay. In the Credit Union Movement, one get loans on the reducing balance. There are no heavy commitment fees across the borrowed loans but by and large, many of our people still go because of the historical connections to banks. They believe banks are safe and that their money is protected.

Mr. Speaker, this Deposit Insurance Corporation gives an emerging measure of protection to depositors within the banks. Therefore, this competition is not necessary between these two financial institutions. There are other financial institutions who charge exorbitant rates because the banks would not take them on, so it is almost like loan-sharking, when sometimes you calculate the real interest rate charged. Mr. Speaker, those persons go to those institutions as a last resort and those institutions take on the risk and therefore charge reasonably high interest rates in this instance.

Mr. Speaker, I believe that, notwithstanding, our banks are foreign owned and foreign controlled, that they must see Barbados as part of their total remit. Sir, they must not only take from the citizens, they must operate with citizens in such a way where they understand the citizens' developmental needs, where they understand there are citizens who have ideas and that those citizens want to come in and discuss those ideas.

Furthermore, there must be windows of opportunities where banks could say, this is the path they suggest persons should tread and therefore the banks would provide the kind of loans needed, to help develop those businesses. Sir, ultimately this would help develop the country because of the fact that the country is demanding more and more businesses in order to take up a lot of the unemployment which still exists in Barbados, to take up those persons who might not be entrepreneurial-minded, but who have knowledge and skills to lend to those

businesses, for example, persons coming out of university, who might not be like the Honourable Member for Christ Church West, that is, highly entrepreneurial in his endeavours and that must be complimented, but to work as accountants, managers, financial controllers, ideal persons as innovators, to help those businesses to move forward and to advance.

Mr. Speaker, I do not believe in this country we have been able to create the kind of nexus between finance and ideas, or between finance and product, or services within this country. There is still a lot that can be done. We need venture capital. We need persons who are going to join with you and help you take the risk. We have to use the opportunity.

Mr. Speaker, we have been essentially relying on the State. We had the Barbados Development Bank, now there is Fund Access, the Enterprise Growth Fund Limited, and all of these institutions at some point in time become challenged, because individuals who sometimes borrow, see it as Government's money and therefore believe that they do not have to repay, or that they do not have to repay on time, or that they do not have to honour their commitments. Sir, that causes problems for further investment by the State when taxpayers' money becomes badly utilised.

11.30 a.m.

There were many examples during the last 14 years of this and Government cannot always be cleaning up and replenishing these institutions, because it becomes wasteful. We are saying that the sensible implanting of institutions to take care of the people's needs become highly important within the kind of economic flavour that we now have. We are not going to go back to the days of \$50 a barrel for oil, because a major impact of the economy of the world is taking place globally.

The world is going through stresses and strain and there is a lot of internal and external pressures within the world and, in this part of the world, we have to take strategic, but meaningful decisions to develop Barbados to assist in the development of our neighbours by the pooling of capital right across the Region in order to develop other countries within the Region. There are countries in the Caribbean ripe for development which would impact on Barbados and Trinidad as financial centres. There is Dominica, Guyana, Suriname, Belize, all of these countries demand and need capital infusion, but no bank in Barbados, Guyana or Belize is going to do that. We have to come up with institutions which are going to help propel that type of development and it is going to impact on the development of Barbados.

Mr. Speaker, even though we are talking simply about a measure which should have happened a little while ago under the last Government, since they move the legislation for the Insurance Corporation of Barbados, this Tax on Assets Repeal Bill gives us an opportunity to once again reflect and to encourage persons within the banking sector, within the financial sector to not only pursue a consumer agenda, even though it is an important agenda on the part of citizens but to also consider and to look at a developmental agenda for Barbados.

Sir, when Barbados does well, bank will do well. If banks do badly, Barbados will do badly, so there is a direct synergy, a direct relationship between what happens within the country and what happens within the bank and vice versa. Therefore, the appeal must be for all of us to sit at a table of science and to work out the kind of strategies for the development of Barbados.

Mr. Speaker, I thank you.

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

Mr. A. D. BRATHWAITE: Mr. Speaker, I just want to make a few brief comments based on the presentations earlier this morning. Sir, I want to limit my comments mainly with respect to the international financial services sector as banking impacts upon that. I believe that one Honourable Member suggested that the credit unions should look at chattel mortgages and that concerns me slightly because I do not understand why the commercial banks who are making, according to what I am hearing, so many millions of dollars in profits every year have shied away from chattel mortgages. I think we know the risk associated with chattel mortgages, so I do not understand why we want to suggest that credit unions take on such a risk when, in fact, the bigger institutions are shying away from them. Sir, having said that, I recognise that Government has a responsibility to ensure that it provides the environment so that we can have chattel mortgages fulfilled. Sir, all I am saying is that one must recognise that there are risks associated with chattel mortgages and that in a capitalist society bank and/or credit unions have to take that into consideration. Sir, that is my comment with respect to chattel mortgages.

Mr. Speaker, with respect to the international financial services sector, I heard the comments by the Leader of the Opposition with respect to the regulating of Barbados in the world environment. The reality is that we operate within a global environment and the smallest matters can destroy our years of hard work. We do not have the resources, whether it be financial, whether it be through lobbying or otherwise to withstand the kind of matters that say, Citibank, may have. Citibank is an example of an

institution that has had money-laundering scandals over the last few years and they have continued to grow.

Sir, Barbados as a small developing nation does not have the same capacity to withstand such a scandal. We have seen what has happened in Grenada. We have seen what has happened in Montserrat. We have seen that the United States of America Government basically told them to close down their industries. I believe the position of the Government has to be that we must provide the regulatory framework to ensure that our financial services sector is protected.

We must also provide the framework to ensure that it grows. One of my concerns is, based on my relationship with the Central Bank of Barbados, that we do not seem to have the right relationship between the regulator, the Ministry and the Government in terms of how we would like to see the sector grow.

Mr. Speaker, if you say to me whether or not I believe that our regulators are interested in growing our financial services sector and in particular the banking sector, I would say to you that the answer seems to be "No", but I believe that we need to encourage the growth of our banking sector. Last week, in a presentation by the Honourable Prime Minister, we heard about the billions of dollars within the banking sector and a large percentage of that lies within what we call the "offshore banking sector." Having said that, I want us to get away from the idea that there are two banking sectors, that there is a resident banking sector and that there is an offshore banking sector, because whatever obtains in one in terms of regulation, should obtain in the other.

Mr. Speaker, you cannot say to me that you have lax regulations with respect to our local banks, but you have more stringent regulations with respect to the offshore banks because, Sir, the business is the same and your requirements to understand the business of the client is the same, so we need to get away from this idea that there are two different types of banking, because it is one and the same, Sir.

Mr. Speaker, I believe that if we are to take Barbados forward, we have to encourage the growth of our banking sector. I believe that the Government needs to sit down with our regulators and with those who market Barbados and find some mechanism to encourage more banks into Barbados. Sir, as it is now, many of our banks under the International Financial Services Act are banks that have been established because of a certain tax niche within the Canada/Barbados Treaty, so my concern is that if that disappears, then these banks will disappear. Sir, we have to ensure that we widen our basket and we have to ensure that we attract more players into Barbados.

Mr. Speaker, in order to have more players, we obviously need to have more products, so we then, therefore, need to ensure that we have more products. We are deficient with respect to investment management products. We need to ensure that we provide the environment and encourage the expertise into Barbados so that we can grow that sector.

Mr. Speaker, when we establish our tax treaties, we need to also ensure that our regulators understand why we have gone into these jurisdictions. For example, we have a Barbados/Cuba Treaty and one of the more difficult things has been to have funds going into Cuba, because many of our banks, because of their nexus to the United States of America, were concerned about having information showing that they are doing business in Cuba and, Sir, that became an issue for us. We established the Barbados/Cuba Treaty and we understood why, but we did not go to our banks and tell them that they need to help us to ensure that it works.

Mr. Speaker, the same thing in Venezuela. We have a Barbados/Venezuela Treaty and you would hear that Venezuelan banks are not regulated and we are a bit gun-shy in doing business with Venezuelan banks but, Sir, the reality is that we, as a country, took the decision that we would have a Double Taxation Treaty with Venezuela.

11.40 a.m.

Sir, we are satisfied that this is a country we want to have a relationship with, a relationship that is working to our benefit. Therefore, we have a responsibility to say to our regulators, let us find a mechanism to ensure that business between Barbados and Venezuela runs as smoothly as possible, so that if a Venezuelan bank wants to be established in Barbados, let us find a mechanism to regulate it.

We have to stop being gun-shy. I fear that our regulators are being too gun-shy. I fear that part of the reason for only 54 banks in this country is because we have taken the position that we cannot regulate them ourselves. I would urge the Minister responsible for banking, the Prime Minister, if that is the case, then he needs to sit down with the Central Bank and say, what tools do you need to satisfy yourself that you can regulate this sector, not only regulate it, but encourage the growth of the sector.

Sir, it concerns me that as a jurisdiction, as we pretend, we want to call ourselves the financial hub of the Caribbean, and when you look at our bank survey it is limited to about four banks. Quite often you have clients who ask, who else is there in Barbados?

Sir, China for example, we have the Barbados/China Treaty. Sir, users of a product like names that they are

familiar with. We do not have HSBC Bank (China), which is probably one of the largest players in China. They ask us, who is First Caribbean. I am not saying anything negative about First Caribbean? Sir, all I am saying is, in terms of brand recognition, in certain jurisdictions, it does not have that brand recognition.

Sir, I would like to urge the Government, and I am sure that the Minister responsible for international business, and I am sure that the Prime Minister, who is responsible for banking will ensure that we provide the necessary environment to move our banking sector forward.

Sir, this week we spoke about the opening of a bidding for our offshore sector. Again, financing for matters such as oil and gas are very specialised. You are not going to find that you can go up to Rendezvous by someone in the offshore sector, or First Caribbean, and automatically he understands the risk associated with such an industry. If we are going to move into certain sectors, we also have to ensure that we attract the expertise, otherwise we are going to end up with a situation where there is no growth in the sectors, because the monies are not flowing. Sir, nothing can happen in this country, in terms of the growth of our sectors unless the banks are involved.

Sir, I am urging the Government to ensure that the banking sector is on board, to ensure that any deficiencies within the banking sector, are addressed.

Sir, the Minister of Foreign Affairs mentioned, for example, that we talk about the cultural industries and different industries, but if you go to the bank, and say this is what I am involved in, they are going to say, how can I help you, because they can only understand if there is a house, it must be held by them as collateral. They understand the use of the car as collateral, but they may not understand that your artistic work is valued at millions of dollars. They may understand that your intellectual property is worth millions of dollars. We must ensure that we grow our knowledge pool. We must ensure that we grow our banking sector and the relationship between them must be one.

Sir, I close by, again, urging the Government to ensure that when we set our timetable, when we establish our Treaties, when we establish what we want to do in terms of our industries, that we sit with the banks and ensure the banks are on board at the same time, because if they are not on board, we will never be able to grow these sectors.

I thank you, Sir. I am obliged to you.

Mr. SPEAKER: The Honourable Member for the City of Bridgetown.

Hon. P. M. T. TODD: Mr. Speaker, I rise to support this matter before the Honourable House, and just to say a few words. First, we must appreciate and note that these banks operating in Barbados, by and large, will repatriate the profits from business in our country to their respective home bases, be it Canada or what have you. Therefore, the savings the banking sector will garner from this current matter before the House, I encourage the banking sector to put something back into the community.

For example, in recent years banks in Barbados actually charged persons, banking with them, fees for using the Teller, a simple exercise which traditionally, before the advent of the ATM machines, were not present. Sometimes, we as customers of these banks may not even be aware of the accumulative effect of these small fees charged to customers. Sir, when you multiply a few cents by several thousand transactions, you end up with thousands of dollars, and then eventually, as time goes on, you are talking about millions of dollars that these banks are raking in through these sorts of hidden fees and charges, which are levied on the people of Barbados.

Sir, there are a number of people, who do not like the impersonal nature of transactions on ATM machines, where sometimes you experience technical errors. Many people prefer to interface with another human being at the counter, a Teller, where certain particular concerns that the customer may have can be addressed by the Teller, whereas the ATM machine is very sterile. You are just looking at a computer screen but you are not able to get the service you require. The banks nowadays are demanding that the public has to pay for this, what I would consider a basic service. It is the money of those persons who make deposits at the bank. It is our money that we are investing, and the banks must appreciate this and do not try to squeeze every last dollar out of the poorest person in the country, pensioners and unemployed persons who really need a hand up.

Sir, for example, the Honourable Member for Christ Church West talked about the issue of penalties which banks levy on customers who seek to cancel mortgages by way of refinancing, but it goes further. Sir, even small loans that individual customers may have, who may seek to clear the balance in a lump sum, are charged a penalty, regardless of the size of the loan. I agree that this is not fair to persons. You should be given encouragement to liquidate debts as fast as possible, yet we have this anomaly where banks are charging extra when people do financially prudent acts when trying to liquidate debts faster than anticipated. I agree that we need to seriously look at this issue.

Sir, the commercial banks, which make money on the depositors' funds, should give something back to the society. Many of these banks are based in Bridgetown. For example, we need to see more banks coming forward to

adopt the primary schools in the area - be it St. Mary's Primary School, St. Ambrose and Wesley Hall. Many of these schools do not have properly equipped libraries, a donation to these schools. Sir, adopting a school where you provide scholarships for some of these children. Showing the country that it is not just all about profits, but the banks care about the people of Barbados, their customers, who enable them to make these tremendous profits - the churches, service groups, feeding the children of the City, as the YWCA is doing so well in the uptown area and the Deacons area.

11.50 a.m.

Sir, I congratulate them, but they need help from the private sector, and the banks must not be excluded from such ventures. I look forward to them stepping up to the plate. I know some have been good corporate citizens, but more can be done, especially in these times when every dollar is really very crucial.

Sir, in terms of the relationship between the commercial banks and the Credit Union Movement, I agree with previous speakers who have stressed the need to give greater support to the Credit Unions because there is sort of an unlevel playing field as currently exists.

For example, when you look at the increased competition that the banks now are engaging in with regard to small loans, as the Honourable Member for St. Michael North West and others mentioned, credit unions traditionally provide share secured line of credit, or small back-to-school loans for poor people, who need that injection of funds to achieve certain goals.

Yet, nowadays, the commercial banks which traditionally would not have been engaged in such small loans, are now very aggressive. They have been writing to people. Many of us have been written offering us loans up to \$5 000. They ask no questions. They say, come in, we have the money there, no collateral is needed, because they are feeling the competition from the credit unions.

Sir, the commercial banks can compete fiercely with the credit unions in this regard, yet, credit unions have restrictions placed on them, in terms of not being able to issue Checking Accounts and so on. Therefore, I am saying that we seriously have to look at the limits which we place on credit unions, of course, with tremendous financial prudence, and regulation to make sure that the savings of the members of the credit unions are not compromised. Sir, I am saying that we need to look seriously at levelling the playing field in that regard, because these credit unions are indigenous financial institutions.

When you look at the history of the evolution of the Credit Union Movement, such as the sou-sous, the meeting

turns, the partners, and the friendly societies, this is a traditional way of saving that has evolved, in terms of poor people pooling their resources together for the mutual benefit of those participating. I am saying that we, as a government and as a country, must really look at a thorough analysis of this sector to propel it forward to the advancement and the benefit of those thousands of poor people, who support the Credit Union Movement.

In closing, Mr. Speaker, I would also encourage local conglomerates, local big business entities to get involved in the banking sector. We had an effort in the past with the Mutual Bank, and yet we did not get the sort of success that perhaps would have been envisaged.

It does not mean that persons cannot seriously engage in joint ventures, with international banking institutions so that some of the profits to be made by the banking sector can remain in Barbadians' hands and not just expatriated out of the country, where we are unable to keep those financial assets circulating more on a long term basis in our country, to improve investments in the productive sector of our country.

Mr. Speaker, with those few words, I support this Resolution. I look forward to the banks passing on the concessions to the customers, as the Honourable Prime Minister made the point, that we look forward to these concessions being passed on to the customers. Therefore, we have to monitor this very carefully because we give all these concessions and yet we do not see tangible results to the benefit of the average citizen.

I thank you, Sir.

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

Hon. F. J. STUART: Mr. Speaker, very briefly, I rise to support the Bill before the House and to make a few general remarks on the debate as it has gone so far. Sir, the fact that the Bill seeks to have this Chamber repeal the Bank (Tax on Assets) Act, has given rise to a debate on the behaviour of banks generally. Sir, there have been appeals to the compassion of banks as this debate has proceeded.

Mr. Speaker, I like to live in the world as it is while focusing on a world that ought to be. The world as it is, is a world in which some time in 1989, what was known since 1945 as the Cold War came to an end. The balancing forces between social democratic politics and liberal or free market politics was removed, clearing the way for a rabid free market capitalism to hold sway right across the world.

The result of that has been that a certain market fundamentalism has taken hold of people's minds and all the language associated with the market has tended to

permeate our politics. Words like competition, profit, and the bottom line, none of which are bad words, by the way, but this is now how our political discourses take place.

Against that background, I do not understand how it can be thought that you can appeal to the consciences of commercial banks, or to any other commercial institution when, in fact, the very premises from which those institutions proceed, are to make as much money as they can, as long as they can get away with it, Sir.

The father of capitalist thought used to be a man called Adam Smith and, at the dawn of the capitalist era, he basically laid down ground rules for how capitalism was going to work. He immortalised himself when he declared that it is not out of the benevolence of the brewer, the baker or the butcher that we get our dinner, but it is out of their regard for their own profit.

Sir, bakers do not bake bread because they love you. They bake bread because they want to make money. Brewers do not brew beer because they love you. They brew beer because they want to make money. Butchers do not sell meat because they love you. In a market environment, the whole idea is to make money, and commercial banks and commercial institutions are similarly motivated.

Sir, I have always found this commitment to market fundamentalism very puzzling, such as is pervading the world now. Sir, when I look around this Chamber, none of the Honourable Members in this Chamber is a creature of the market. All of us in this Chamber, and all of us in the Gallery are creatures of what the State has done in Barbados.

12.00 a.m.

Sir, long ago before we had the kind of State we have now, there were interests in this country that were well-positioned to do for the masses of this country what the State has been doing since universal adult suffrage, but they did not do it and it fell to the State, in partnership with labour, to pass laws and to create an environment where all of us could be enjoying the standard of living and the status that we can boast today.

Mr. Speaker, if banks, whether in the United States of America or in Britain, as has happened recently, got into trouble and had to be bailed out by the same State, it was because they were following the only Law they know, which is, to try and make as much money as possible. That is what sub-prime mortgages were about. The risk did not pay off and the British State and the American State had to step in to rescue these banks from failed risks.

Mr. Speaker, preaching sermons to the banks in Barbados is, in my view, a vain exercise. I agree with the Honourable Prime Minister that if, after the elapse of a reasonable period of time, there is no evidence that the benefits that the banks are likely to get from the initiative we are taking today are being passed on to the consumer, that steps would have to be taken by the Government to ensure that situation is redressed.

Mr. Speaker, we cannot fool ourselves that we can sermonise and somehow banks would feel guilty and change their behaviour. It does not work that way. These are capitalist institutions committed to the investments of their shareholders. Their first duty is not to any customer. Their first duty is to the persons who invested in them and made their existence possible in the first place. Customers are vehicles they use to satisfy the interest of those who inspire their formation.

Mr. Speaker, a government that is committed to the interest of the people has a clear responsibility in this kind of setting to observe the scene and to see how particular institutions in the society are behaving. Sir, in the event that behaviour is inconsistent with the interest of the masses of the people which the Government is supposed to be looking after and whose interest the Government is supposed to promote, Government must step in and redress the imbalance.

Mr. Speaker, I understand and deeply appreciate the feelings of my good friend, the Honourable Member for St. James North. I know that he genuinely wants to see banks behave better. I know of his commitment to the cause of the masses of the people. I also understand the feelings of compassion of my colleague, the Honourable Member for St. Michael North West, but preaching sermons to banks would not do it. Many sermons have been preached to them before and not much has changed. Change comes about when governments step in and say this is the way it has to be done so that the ordinary people in the society can benefit.

Mr. Speaker, as I said, I fully endorse the Honourable Prime Minister's statement that the banks are going to benefit from this initiative, but that if the benefits are not passed on to the ordinary men and women in Barbados, the Government would have to revisit this issue and ensure that the interest of the ordinary men and women in this society are protected from the rapacity of the commercial banking system.

Mr. Speaker, I think it was the Honourable Member for St. Michael West Central who adverted to the fact that the Government now has a diminished interest in the Barbados National Bank. That was the decision taken some time ago. Sir, the truth is that the Barbados National Bank, as a Government-owned institution, was for, quite a while,

a moderating influence on other commercial banks in the system. Mr. Speaker, I wait to see how its entire privatisation would affect how the entire commercial banking system operates and how the interest of customers is promoted in the result.

Mr. Speaker, that is now spilt milk. I do not think that we can reverse those decisions. The bank seems to be doing well profit wise. Sir, up to now, in the wake of its partial divestment, it has been behaving like a reasonably good corporate citizen, and long may that continue.

Mr. Speaker, in terms of how the banking system on the whole behaves, I think Government has to keep an eagle eye out and ensure that the interests of the masses of the people are not sacrificed to the profit-making zeal of commercial banks in Barbados.

With those few words, Mr. Speaker, I conclude by repeating that this Bill commands my support.

I am obliged to you, Sir.

Hon. D. J. H. THOMPSON: Mr. Speaker, let me thank those persons who have spoken on this Bill. I believe that the Government has made its position clear that the contributions of banks under the new Deposit Insurance Corporation Scheme are less than the previous tax that was applicable under the Banks (Tax on Assets) Act.

Mr. Speaker, depending on how the consultations and deliberations with the banking sector, particularly with regard to Government's strategy on the cost of living pans out, we would then determine whether we are going to seek to regularise that shortfall, or whether we are going to leave the shortfall in place if we are satisfied that we have that level of co-operation.

Mr. Speaker, at the time when the legislation was passed, I believe the Honourable Member for St. Lucy spoke. As he did with the VAT many years ago, he predicted that the level of contributions to the corporation would be less than the current level of taxation. In a sense, he was saying that Members of the then Barbados Labour Party who were railing against the banking sector were, in fact, easing the banking sector by the introduction of new legislation.

Mr. Speaker, I am not going to be partisan in this debate, but I think that it needs to be said that I have heard a lot of rhetoric about the role of banking institutions down through the years. It has reached a crescendo in the last 14 years, but yet very little is ever done about it.

I have never heard a Minister of Finance or a Minister of Economic Affairs, or an Attorney-General or anybody else who held those positions in the last 14 years

say that they were going to take some specific initiative to deal with what they said was the rapacious and monopolistic practices of the banking sector.

12.10 p.m.

Mr. Speaker, that is tragic. I am now witnessing it with the telecommunication sector. Sir, a lot of hot air was expended both in and out of this Honourable Chamber in the past 14 years. It was said that it was to be the one sector that was supposed to become so competitive and for which there would have been a breaking up of the monopoly, and that new players would have been coming into the market.

Sir, a White Paper was done on it, a Policy Paper was done on it, new legislation was passed in this House, yet we are still faced with some very serious deficiencies in relation to true competition in the telecommunications sector. Sir, I am going to deal with it very shortly. That is why it is under my portfolio.

Sir, I am giving the undertaking today that I will deal with it and I give an undertaking regarding the banking sector as well, because while I may not agree with every recommendation made in this Honourable House, I have had to deal with the banking sector in Barbados before.

Mr. Speaker, in 1993, the then Democratic Labour Party opted to take out the compromised agricultural portfolio out of the Barbados National Bank, so that by the time you all came to office in 1994, you found a clean-looking balance sheet, asset base, et cetera, for the Barbados National Bank. We developed, in the Ministry of Finance, a debt workout solution similar to the savings and loan scenario to which the Honourable Member for St. Michael North East spoke about, which was used in the United States of America.

Sir, we did it with great success, because we always felt that the asset would improve over time. We felt that even though initially we might have had to sell some of the assets at values that might not clear off the debt, that land in Barbados would always appreciate in value.

Mr. Speaker, the Barbados National Bank was given bonds. I decided, as the Minister of Finance, that they would not be getting the market rate of interest on those bonds because I felt that the Barbados National Bank itself had badly managed the agricultural portfolio.

Mr. Speaker, we talk in a vacuum about lending short and borrowing long and about the mix-match of financial instruments and so on. Sir, it is not that which has compromised the financial sector in Barbados, from time to time. That is not what created problems with BCCI. Those were generated externally but Barbados, under a Democratic Labour Party Government, was the only

country in the world in which depositors in BCCI got back 75 cents in the dollar. It was the highest benefit to depositors anywhere in the world.

We did not have a Deposit Insurance Corporation then. We had a sensible National Insurance Department, sensible actors in the private sector, including insurance companies and banks, who understood that the integrity of the financial system in Barbados was so vital that we had to find a solution that did not damage the integrity of our financial system.

Sir, this is not the first time we have had to deal with looking at the question of risk. We had Trade Confirmers in Barbados. Sir, some people took a very rough hit in relation to Trade Confirmers. We had BNB, BACT, BDB and CRL, which all had a debt workout solution. GEMS was part of that debt workout solution, and the only virtue to the GEMS arrangement, if there is any at all, is the fact that due to factors exogenous to any decision made by any member of the Board of GEMS, the value of the beach-front property has increased in Barbados phenomenally, in a short space of time, so that the assets may now be worth more than the debt.

Sir, this is not because of anything the previous Government would have done. The path that led to that started in 1992/1993, after significant concessions were offered in this country to investors in real estate, starting with Westmoreland, which revolutionised the real estate market and put us on the map in terms of high-class properties, et cetera.

Asides.

Hon. D. J. H. THOMPSON: Mr. Speaker it is true it should have been accompanied then by a policy to deal with the impact of rising land prices on ordinary Barbadians, but we were kicked out of office, only months after those concessions were put in place. It should have been the responsibility of the next Government to put in place policies that would have balanced the interest of those persons who were making high-value investments on our West Coast and now right down through the South Coast and into St. Philip and the interest of Barbadians.

The failure to do so led to a scenario in our country today where people complain that the price of land is too exorbitant, thus causing the now Minister of Housing to have to try and intervene in the market, hopefully with the assistance of the very banking institutions we are talking about, to correct significant market deficiencies. Mr. Speaker, these things can be traced economically. There are people who get up as if the world started on January 16, 2008, or on September 6, 1994, or on May 28, 1986, but I believe that most of us know there are factors that contribute to where we are today, some of those factors

being influenced by political decisions, and that we have taken political decisions before that have ensured the banking sector in this country would maintain its integrity and its status, without a Deposit Insurance Corporation.

Asides.

Hon. D. J. H. THOMPSON: Governments are free to say this instrument might be better for protecting depositors or not. Certainly we are going to have to increase the intensity. Sir, there were some people who got great pleasure in introducing the Bill and carried on as if it was the greatest instrument for national development. I did not worry to speak in the debate because as I said, sometimes you have to go back to remind people about the history of our economic development.

Sir, no reference was made of any significance to BCCI, which has led to the Mutual Bank, which then evolved into the Bank of Butterfield. We have had a seamless continuum in the banking sector in this country, from the fallout of the BCCI. Sir, I return to it because as I said, some people act as if, without these things, the Barbadians who have deposits in banks are not protected, and I am saying that is not so.

Sir, I do not think that if Government had fully owned the Barbados National Bank that it would have made any difference to the situation today. I think the Credit Union Movement has developed the expertise. They need now to invest in a banking institution and they will have our support in that regard. I have said so publicly. The Honourable Member for St. Michael South, when he was in the Other Place, said so. I believe other Honourable Members on This Side would have said the same thing, and we have had others on This Side who have had this experience in the Credit Union Movement in Barbados. I believe that subject to resolving certain issues, because, of course, once you go the route of establishing a bank or a regulated financial institution.

12.20 p.m.

I think the Honourable Member for St. Philip South alluded to it. What he is alluding to is the high level of regulation in Barbados. Now, that is a two-edged sword because one bank's failure in an offshore bank can bring down your entire sector. It happened to Grenada some years ago because their prudential requirements were not as stringent.

Barbados has always opted for extremely stringent prudential arrangements, know your customer obligations, sometimes to the extreme, but I believe that has contributed to a higher quality of persons coming to our jurisdiction. It is not all the pretty talk with the OECD that saved us from the strictures that were being levelled against us.

In 1994, the then Minister of International Business said she was on an aeroplane and she pulled out a magazine and saw that a man by the name of Jerome Sneider had attacked Barbados as an over-regulated jurisdiction. Sir, Jerome Sneider writes about tax havens, but Barbados is not a tax haven. The then Minister said she wrote a letter to him complaining about what he said about Barbados, but I was glad to hear that he said those things about Barbados.

It is for us to complain about, because we are over-regulated for him, because he was telling people how to get away from disclosure of information and other things, but we are a jurisdiction that cooperates with information, and we meet the prudential requirements at an international level. It is those things that make a difference to Barbados, because decisions are not based on personalities even though there are some people who seem to think so.

Barbados has a good name, but when you put what they consider to be last class politicians in Government who do not match up to their brand name ideals that the country falls apart and, Sir, that has never been so. Therefore, as I have said, you listen to the rhetoric and I listened to it back then and I did not intervene because I am a Barbadian and I want to see our country grow and develop.

Sir, it does not grow based only on personality. It grows on our traditions, it grows on our principles as a nation, which sometimes even transcend political parties, on our outlook and ethos as a people and our integrity and those are important things.

Mr. Speaker, that is why I say we can pass legislation, we can speak in here and grumble, but I believe we need to be judged on our actions. I have pledged here that we are going to take certain actions in relation to monopolies in this country. I have pledged it before and we are going to do it.

We are not going to stand idly by and see sectors in which we believe that consumers could be and should be getting a better deal to not give them that better deal. Sir, that is one pledge we have made and this is one area in which we feel particularly, as I have said, to the banking sector that there is a need for some attention.

Mr. Speaker, I do not believe in comparing apples and oranges. There are some changes that have taken place in Barbados that have enhanced the security prospect for ordinary people. It is not that the banks have looked any differently on those things. I would acknowledge the passage of the Tenancies Freehold Purchase Act as one thing so that banks could now get land as security. A better and clearer definition of what is a chattel, O'Brien Loans and this is a classic case, which I think clarifies that area of the Law, which again helped banks to come to a clearer

determination on the definition of chattel. I think also that the role of the National Housing Corporation in the early 1970s in doing projects like Wanstead and other projects in which people were able to buy a discreet lot of land and a house as distinct from units with common services and common walls which do create a challenge.

Those developments largely heralded by the National Housing Corporation in this country and by a new outlook in relation to housing. As I have said, the relationship of banks to the security that citizens offered changed. It is not that anybody did anything to change the banks' outlook, but those things happen and they are responsible for what I consider to be the ability of Barbadians to provide security for loans to banking institutions.

Mr. Speaker, the banks in recent times have done a lot more than they were doing before and Government has had to do a lot more. I believe that Government needs to intervene wherever possible to ensure that the objectives of its housing policy, or economic policy, are met using the banking system hand in hand to achieve the objectives of that policy. Therefore, I think those changes are what would have contributed more to the approach the banks used in the year 2008, than the simple passage of legislation, by greater or lesser regulation or even by moral suasion by politicians. I think there were actual changes that occurred in relation to the characterization of security.

Mr. Speaker, the Financial Services Authority. The Honourable Member for St. Michael North East asked about it. I have looked at it, there are going to be some changes in that regard, but I have not yet fully determined it. It was certainly not at a stage such as to be able to bring it before this Parliament within the first six months of a new Administration.

I did not get the impression that the previous Administration would have been ready either. Therefore, we are going to look at it carefully and make some serious decisions relative to the need for the Financial Services Authority for improving the environment for credit unions in this country and levelling the playing field for them as well as encouraging their involvement. We are going to be looking at the role of the Barbados National Bank and I believe some decisions have been taken by the Commission in relation to those entities, taking into account the points made by the Honourable Member for St. Michael West Central as well as what Government will over the medium-term and what role such an institution may or may not play in that medium-term programme. Sir, that is where we are.

Mr. Speaker, as I have said, this piece of legislation, by and large is housekeeping and it gave Honourable Members a chance to speak to a number of other important issues. I am grateful for the suggestions that have been

made on Both Sides of the House. They certainly will be taken into account and if we need to return here, as I said, to make adjustments as a result of failure to get the level of sensible co-operation that we require, then we will have an opportunity to further debate this matter.

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

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

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

12.30 p.m.

COMMITTEE

Mr. CHAIRMAN: This House is now in Committee.

Clauses 1 and 2 were called and passed.

On the motion of Hon. D. J. H. THOMPSON, seconded by Hon. R. D. JONES, Mr. CHAIRMAN reported to HIS HONOUR the SPEAKER the passing of one Bill in Committee, without amendment, and Mr. SPEAKER resumed the Chair and reported accordingly.

On the separate motion of Hon. D. J. H. THOMPSON, seconded by Hon. R. D. JONES, the Bill was read a third time and passed and cited as the Banks (Tax on Assets)(Repeal) Act, 2008.

RECOMMITAL

NOTICES OF QUESTIONS

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

Hon. Miss M. A. MOTTLEY: To ask the Minister of the Civil Service:

1) Will the Minister state how many acting officers are entitled to be appointed since January 15, 2008, under the Public Service Act, 2007?

2) Will the Minister please state how many of those temporary and acting officers are entitled to be appointed pursuant to the Public Service Act?

3) Will the Minister please give a time-frame within which those said temporary or acting officers entitled to be appointed will be appointed?

I am obliged to you, Sir.

SUSPENSION OF SITTING

Hon. R. D. JONES: Sir, I beg to move that this SITTING be suspended until 1.45 p.m.

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

12.34 p.m.

RESUMPTION

Mr. SPEAKER: This Sitting is resumed.

ORDER NO. 4 – THE CIVIL AVIATION (AMENDMENT) BILL, 2008

Mr. SPEAKER: The Honourable Member for Christ Church South.

Hon. J. D. E. BOYCE: Mr. Speaker, in moving this Bill, Sir, we recognise that Barbados, as signatory to the Chicago Convention, is responsible for complying with international standards and recommended practices in all aviation matters. These standards, as described in the Annexes to the said Convention of the International Civil Aviation Organisation, conducts periodic audits of States' safety and security oversight capabilities to ensure compliance.

Sir, you would have heard reference on this kind of situation on many occasions, I am sure, especially with the recent development of the Grantley Adams International Airport and the work that would have been started in pursuit of the Category I status under the same Convention.

1.50 p.m.

This Category I status emphasises the standardisation or the acquisition of certain standards which are accepted by the Federal Aviation Administration and ratified by the International Safety Civil Aviation Organisation.

From time to time, audits are carried out of the various facilities around the world which handle aircraft that would be using airports in the United States of America under the arrangements of the Federal Aviation Administration.

In 2001, one such audit found Barbados short in a number of areas. These included our guidance material, operation and air-worthiness capabilities, organisational structure, personal licensing, record keeping and continuing air-worthiness, and our aviation legislation. As a result of

these findings, we have had to take action continuously to make sure that these shortcomings are repaired.

Sir, Barbados has been a leader in civil aviation in the Caribbean. From as far back as 1961 when this great political party first held the reins of Government. We had, as the leader in this area, our founder leader, the late Right Excellent Errol Barrow. The uniqueness of the late Right Excellent Errol Barrow was that not only was he the Minister responsible for civil aviation, but that he took a personal interest in the outcomes of negotiations and discussions on civil aviation internationally. Mr. Speaker, he was supremely qualified to do so because of his personal experiences in the Royal Air Force, which are well-documented in this country.

Mr. Speaker, he also had a very close relationship with the former Premier of Canada, Mr. Pierre Tudor. Mr. Speaker, because of that bond and that appreciation of where Barbados had to be, in leading civil aviation, we were able to outpace a number of territories in the Caribbean, probably with the exception of Puerto Rico. Mr. Speaker, I would go as far as to say that we even outstripped Trinidad and Tobago in many, many ways. Mr. Speaker, whether we are still ahead is not really a subject of debate. The point is that we have always been as far back as then a hub as it is now termed for Caribbean, extra-regional and of course regional travel, and we have had to maintain that situation.

Mr. Speaker, this Bill seeks to vary the Civil Aviation Act which would have been passed in this Honourable Chamber in the year 2004, which falls short in detail in the modern convention where the civil aviation bodies are expected to be able to cooperate with one another, and with other bodies of similar status throughout the world, and to establish standards in administration, in safety of aircraft, both in the air and on the ground, and in safety of the premises in which these aircraft operate when they are on the ground and, of course, the security.

In this regard, it is required that the officers who represent the Authority are empowered to make decisions without reference to persons outside of the agreed standard organisation from which they evolve their being. Mr. Speaker, the Bill seeks to amend the Act of 2004 to first of all give the Minister the power to delegate and then to, in actual fact, delegate this authority to the Director of Civil Aviation.

Sir, we are very comfortable in using this opportunity to carry out this activity in this Honourable Chamber and to also enunciate the policy of the Democratic Labour Party Government, 2008. Sir, along with the amendment 2008, there is a policy on civil aviation. The Democratic Labour Party Government 2008,

which, like so many of the policies which we have adopted out of our Manifesto, the people accepted on January 15.

Mr. Speaker, we want to see a more holistic approach to the question of civil aviation in this island. We want to maintain our supremacy as a hub. Sir, we have already taken steps, that seemed impossible to be made by That Side, to make sure that there is no question about our willingness as a leader in the Caribbean to make sure that we not only talk the talk, as was so often characteristic of that Administration...

Mr. Speaker, they had a big-thumping, chested Minister of Civil Aviation who used to get up and shout and foment. Mr. Speaker, in actual fact, when you look at the end product, there is so much wanting in civil aviation in the Caribbean and in our relationship with our international partners in order to achieve the kind of effectiveness that we must have as a developing nation, that one wonders what in truth was being done over on That Side.

Mr. Speaker, we spent \$155 million at the Grantley Adams International Airport. I use that figure because that is the last figure I have been assured to be correct, or very near correct. With these things, there would be variations. Today, that figure is inadequate. There are signs of woeful, awful planning in terms of the outcome we got for this \$155 million, which is a lot of money. Mr. Speaker, hardly had the airport been officially opened than we heard talk about needing \$40 million more to put down air bridges, a fundamental issue like that.

2.00 p.m.

Mr. Speaker, it comes about because there is a piecemeal approach to the solution and there is not a completeness of thought, or maybe there was not a capability of actually leading the charge in this regard, and so we are short at the Grantley Adams International Airport.

Mr. Speaker, we are short in capacity, and one only has to be there either on a Wednesday or Thursday afternoon, trying to get on a Virgin or British Airways flight to London and you would know what we are talking about. We are short in accessibility, because if it is raining and we want to offload 400 passengers off one of those large liners, it is impossible to do so. If it is raining and we want to empty a LIAT flight with 35 passengers so that it could make its usual 20 minutes turnaround, it is short. Sir, therefore, what have we achieved for the \$155 million? And this is only the obvious air side flaw.

Mr. Speaker, when you get into the nitty-gritty and the workings of the airport, airlines have been complaining for years about the inability to move in transit passengers

freely, within the confines of what we can term the sterile area of the airport, and we may get back to that during the discussion.

Asides.

Hon. J. D. E. BOYCE: Mr. Speaker, we accept there are challenges to air travel. We know that. All over the world, when you arrive at an airport to take a flight, you have to go through a level of scrutiny or a level of undressing. Therefore, a person leaving Miami to come home on the 2.00 p.m. flight, for example, has to leave the hotel at 7.00 a.m., or that person would be in trouble, because of such a large crowd that would have to be screened for safety purposes.

Sir, we know the history of that occurrence. We know the situation with September 11, 2000. We know of the change of practice and that one of the things we have got to be constantly grappling with is the question of screening and security maintenance at the airport, so as to maintain that sterility. Sir, if we could maintain that sterility with everyone on the air-side, everyone within the confines of the lounge and out on the tarmac, then we would be in a better position to negotiate flexible arrangements with airlines travelling to other States throughout the world.

Mr. Speaker, the Barbados Labour Party was unable to achieve it in any meaningful way. Sir, I would like to remind them that they used to come here for 14 years and boast that they were the only brains in Barbados and that they were doing it right. Sir, they were saying they had access to large numbers of funds because of their ingenuity and that they were the "A-Team".

Sir, I would have thought that this money for the airport would not have to be repaid because I thought they had already paid for the airport. I believe a lot of people in Barbados are of the same opinion. I believe that a lot of people thought that this \$155 million was repaid by the Honourable Member for St. Peter, who, as usual, is not in his place, and the Honourable Member for St. Michael North East.

Asides.

Hon. J. D. E. BOYCE: Mr. Speaker, you would think that they would have already paid for this airport. You would not think that under this new Democratic Labour Party Government we have now to look for the funds to pay for the airport.

Mr. Speaker, in speaking to the Estimates at the beginning of this Sitting, the Honourable Member for St. Michael North East referred to a phrase well recorded in music. The Honourable Member said it was a case of bring

drinks, somebody will pay. Sir, I keep reminding her of her comments and again it is a classic example of they bringing drinks and now the taxpayers of Barbados have to pay.

Mr. Speaker, what have they got for it? I say the thinking at organising the utility of the airport is short also. We have found some arrangements, for instance, in terms of the allocation of shops within the airport, that do not bring into account the basis of the thinking of the Democratic Labour Party and they will be addressed. Sir, therefore, Honourable Members on That Side could go back and let their friends know that the Democratic Labour Party will re-look those arrangements of shops, to bring about a more Barbadian colour. Sir, I believe there is a woeful waste of space, with some shops being unnecessarily large. I believe we could have more opportunities being taken care of there. This is what we mean when we talk about a fair share for all.

Mr. Speaker, I want to ask for the co-operation of Barbadians in this regard. Sir, safety and security at the airport is paramount for us to retain our position as a leader and a hub in the Caribbean, for us to be able to negotiate with strength with other airlines. We have to demonstrate a record of safety and safety practices, which can be audited. Sir, that is the important thing to remember. These safety practices are going to be checked, so that at any point in time the FAA or any State to which we are flying, could request an audit of our facilities.

Mr. Speaker, we have to understand that it is not business as usual. Sir, for example, the issuing of passes has to be specific and ordered. You cannot, because you are a manager of an organisation or as a member of Government, or a Permanent Secretary, believe that it is a right. It is no longer a right. Sir, even employees at the airport have got to understand that we have got to demonstrate in their cases that they will either be subjected to screening or that their organisation understands and has them subjected to regular screening and even in those cases be prepared for random checking.

Sir, that is the reality of the situation. If I could get that message out in a very clear way to everyone concerned, including both workers and players at the airport, it would be as simple as that. It is about security, safety and maintaining our position in the civil aviation arena, as leaders in the Region.

Mr. Speaker, we have not seen or we have come to encounter a less than fully useful relationship with the Customs and Immigration Departments.

2.10 p.m.

Sir, again from This Place, I want to assure those entities that we understand their sovereignty, if I could use

that term in the very broadest sense, their responsibility as immigration and as customs, and they will be so integrated into the operation that everybody recognises their role, but what we will achieve and what we will achieve soon is that we have effective and meaningful transiting of persons using the Grantley Adams International Airport.

If you know the layout of the airport and if we can achieve that sterility and have the passenger who comes into Barbados to go to another airline move smoothly and flawlessly into the Departure Lounge without requiring to exit the facility and go through the woes of checking back in, then, Sir, it will be the responsibility of air carriers to establish the correct infrastructure to allow this transition to take place. Sir, it is one of the things which has been holding up the full effectiveness of Barbados as a true hub.

Mr. Speaker, we are going to achieve it and we have already started the discussions that will bring this about. Sir, I believe this is going to bring a lot of comfort to the Minister of Tourism and the Ministry of Tourism as they seek to attract more airlift into Barbados.

Mr. Speaker, the external development of the airport has not been satisfactory. The Barbados Labour Party Government must be made to understand where it falls short. I repeat that they were in it in times of plenty. Oil was \$30 a barrel not \$130 and \$140 a barrel. Sir, that is what they had 14 years of, \$30 a barrel and they have not been able to complete a proper cargo handling area, no refrigeration storage facility, none whatsoever; no potential, therefore, for growth in new areas. Can you spend \$155 million and come up as short as this or do we have to ask questions once again about what direction were we really going in?

Mr. Speaker, one of them told me already that they made the money, so they can spend it and I will quote them, Sir. It is not a member in here now but they told me that. They were collecting the money so they could spend it as they like. Sir, I am beginning to be suspicious that is truly the motto, not only of that individual but of a number of the decision-makers of the Barbados Labour Party and we have to turn it back. We have got to turn it back from here and this is what we are going to do in the Civil Aviation Department as we seek to put in place a spirit of co-operation.

Mr. Speaker, one of the characteristics of this Government will be a recognition of the right of the people of Barbados. Sir, I want to divert for one statement. In our continued co-operation with the private service vehicles in this country and the owners and operators of these vehicles, will reap benefits to the transport system, and not a treatment of you out there like an outside child that was characteristic of the Barbados Labour Party policy. Sir, it went through to the airport too but we are inviting the

partners and players at the Grantley Adams International Airport.

Asides.

Hon. J. D. E. BOYCE: Mr. Speaker, I spoke earlier of the Right Excellent Errol Walton Barrow and I really believe that we need, as a government, to look at the appropriate civil aviation memorial to that gentleman. Sir, at the appropriate time that must be dealt with. There is no question in my mind whatsoever about that. There should be an appropriate memorial to the contribution of the Right Excellent Errol Walton Barrow in aviation in Barbados.

Mr. Speaker, there is no storage facility, but a cargo section which is deplorable. Sir, workers at the airport have no accommodation. Civil Aviation staff are presently accommodated in a building which we are also looking at to do proper renovations to, even as they wait for the permanent building that we are obligated to provide. Sir, I do not believe they used to go by the work at all. They never knew what was going on.

Asides.

Hon. J. D. E. BOYCE: Yes, they flew around, played golf, came here on Tuesday, thump their chests, and talked about beds and tea parties with the rich and famous. Sir, if you want the co-operation of people, you have to go where people are. You have to go where people work. You have to share their experiences with them and you have to take the journey with them. This hand-off stand-off approach of the Barbados Labour Party Administration of the last 14 years has thankfully ended and I am going to make sure, as Minister responsible for Civil Aviation that we not only roll out an effective policy that speaks to the issues which I have raised - the issue of safety, the issue of security and the issue of airworthiness. It speaks to the comfort of the staff, who work at the airport, the clear delineation of areas of responsibility, the respect for each other's sovereignty, the total co-operation of all the entities in achieving the objectives which ultimately are the smooth transit of passengers, whether destined for embarking or moving on through the Grantley Adams International Airport.

Mr. Speaker, the Barbados Labour Party should be ashamed of what has happened up there. You have a wasted space between the arrivals and departures. For example, there is a playing field. That is all I can describe it as. There is almost a deliberate separation of persons travelling on LIAT. Y, you go down to Gate 18, by the sheds and there are no facilities. There is one Coke machine. Mr. Speaker, do you believe that?

Sir, I believe that was of recent vintage. Sir, all indications are that was not in the original plan and there is

no access to the duty-free facilities. As a matter of fact, in my first discussion, they referred to it as the "Queuing Room". That was the term that came down from the Barbados Labour Party. It was not a departure lounge. It was a queuing room or an area to queue. Sir, that is not good enough.

Mr. Speaker, we have the Embassy here, for instance, and there is a ready market to be exploited. We, therefore, need when people come from St. Vincent and St. Lucia, as is happening now, the information on the ground is that they try to find ways to fly around and that is why I copied a chart from LIAT showing LIAT's routes in the Caribbean and I can make it a document of the House, because the Members on the Other Side do not know what is going on because they are not on the ground.

2.20 p.m.

Sir, I copied a chart from LIAT showing LIAT's routing in the Caribbean. Sir, currently, LIAT, on demand of their passengers are finding ways around Barbados. We are going to correct that because of the fees we charge. We are going to restructure the fees so that passengers originating from destinations in the Caribbean can be comfortable and not, like the Honourable Member for St. Thomas, who is sitting frowning,

Sir, we are committed to a programme which is truly inclusive. I want to make it clear, not like the inclusion that transpired, or what was espoused by That Side, because they included persons for political purposes. If you brought a couple hundred votes with you, you had a chance of being considered. If you were about genuine contribution and effort, your chances were zero. If you stood your ground as a member of the Democratic Labour Party and worked hard, your chances were zero. That is how the Barbados Labour Party operated for 14 years, and that is why they are where they are today.

Even in these troubled times, even with the fuel at US\$150 a barrel, we will survive, because we will take the people into our confidence, as we have already done, not skirting the issues and hiding the facts. The people are confident about our leadership because we are open with them, not partially open, but open. They can see what is going on. Sir, we are taking our decisions in transport and international transport to make sure these things happen. We are taking those decisions and there are reaping success.

Sir, we are going to make sure that all the features of our civil aviation policy are available for Barbadians to peruse in the very near future, but in the meantime, those changes that will bring about effective completion and effective co-operation with foreign aircraft and regional aircraft will redound to the benefit of Barbados. Those

changes will be put in place with immediate effect. They have already been initiated to make sure that we utilise to the fullest the expansion at the Grantley Adams International Airport, and the organisation of the Grantley Adams International Airport Inc. is given the very best opportunity in surviving.

We will provide the fire station that should have been part of the first plan. We will provide the fire station that should have been in the \$155 million. There is no question about that. Also a proper medical facility not a “hodge podge” arrangement. All these things are short. We will provide more opportunities for Barbadians to operate in the shops, and we will create some more shops and put Barbadian craft, “Barbadiana” craft. Do you understand what I am saying? Real Barbadian craft in the duty free shops. That is the kind of craft we are talking about.

We will make sure those Barbadians that we promised so much to, their dreams will come true under a Democratic Labour Party Government, and all the time we are doing that, we are going to remain safe at the airport, because we are going to train our officers and Air Traffic Controllers.

Sir, can you imagine we have a situation where no one is being trained because of ineptness on the part of the Barbados Labour Party? That is all it is, ineptness.

Sir, you have to go and avert all kinds of labour situations.

Asides.

Hon. J. D. E. BOYCE: The point must be made that you can encounter a situation at an International Airport where you are not training people to continue in the system. We are not even training Air Traffic Controllers. People have to threaten to strike or withdraw their labour to achieve a simple address to a situation like that.

Sir, we used to have state of the art equipment. You would not believe that we have equipment at the airport that is less than modern. It threatens our airworthiness. It threatens our ability to remain safe. We have these things on order, and thank God that they should be here within the next two months. We have a lot of things to correct that the Barbados Labour Party has left hanging. We will correct them, but most of all, we will create the environment, which will be best suited to the effective development. We will create the environment that includes Barbadians, and create the greatest opportunities for Barbadians to take part in this development.

Sir, in concluding, I want to repeat that although this Bill today is in itself a simple procedure, it speaks to and allows discussion in areas of complete neglect, the

responsibility of the Barbados Labour Party. I repeat, they stand condemned in Barbados for failing in their duty to provide facilities, concomitant with the \$155 million that they raked up and spent at the Grantley Adams International Airport, but we are not surprised. We talked about that and we talked about the highway. Today it is the Grantley Adams International Airport Inc. Another day will be the ABC Inc.

Mr. Speaker, I am obliged to you.

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

Hon. F. J. STUART: I beg to second that, Sir.

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

Mr. R. St. C. TOPPIN: Mr. Speaker, I rise to make my brief intervention after, certainly, if nothing else, a very amusing presentation. Sir, what is significant is, the Minister really flirted with the issue of what the Bill is about, and said nothing to let us know how near Barbados is now to attaining its Category I status.

2.30 p.m.

Sir, this Bill really is to facilitate that status, certainly to play a very important role. I would like to know exactly where we are in relation to that issue. I gather that there is to be a rescheduled visit next month, possibly, by the FFA to conduct an inspection. It would be interesting to know if that is expected to be the last inspection, where after, Sir, Barbados would be able to get the green light, in relation to its safety oversight standards.

Sir, this Government is in the fortunate position of really having very little to do for Barbados to attain Category I status. Sir, it is the very fortunate position that it has almost nothing to do. It inherited the situation from us, where the process was very well advanced. It is very important for a country to have Category I status, if it is to claim that it wants to participate meaningfully in the civil aviation industry. Sir, that is basic. The Minister should not be asking me what is Category I. He should be telling the people what Category I is and if he does not know, he should educate himself, instead of talking about everything else, except what this Bill is about, Sir.

Sir, what the Democratic Labour Party inherited from this Government is a far cry from what we inherited from them in 1994. Sir, civil aviation was at an all-time low in 1994, and that filtered down to the point where major airlines were collapsing.

I remember having the unfortunate experience to be in Miami on a Pan Am ticket in 1990/1991 to hear the

news up there that Pan Am had ceased operations. I had to catch another flight to get back home and that is how bad it was in 1994.

Sir, I remember the days when we had to leave Barbados and go to Miami for negotiations with the FAA, which sometimes I had to lead, to try to stave off Barbados from being placed then in Category 3 status.

Sir, in 1996, I remember being at a meeting with the FAA, when the inspector said that if they had to liken Barbados unto a human, they would have to describe Barbados as a sick man on a dying bed and going fast, in relation to safety oversight standards in Barbados.

Asides.

Mr. R. St.C. TOPPIN: Sir, although I knew the truth of some of what they were saying, being patriotic, I could not stand hearing that about my country. There were some very sharp exchanges at the meeting as a result of which Barbados was not, in fact, so categorised. Sir, you have to fight and fight very hard when you are dealing with the FAA. I hope the Minister understands that, Sir.

There is an international world body (IKO). The Minister made reference to it and I hope he knows what it does. I think that it sets world class standards, in relation to safety oversight. Sir, once we attain those standards, we need to hold them up and show the FAA that this is what you have to accept. We have met international standards.

This is not a play thing. This is not anything for any Minister to sit down and allow himself to be run a rough shod over, and does not even demonstrate an understanding of what this Bill is about. This is a serious and important Bill, dealing with a very serious and important issue, and not to be trivialised.

I hope the Minister understands that, Sir.

Mr. SPEAKER: Honourable Member, I notice that you are referring to Members as the Minister. It is the Honourable Member and that has been so for half the day, please.

Mr. R. St.C. TOPPIN: Sir, I thought that the title, "Minister" carried a certain amount of respect in itself. Sir, no disrespect of mine. I have heard that term used regularly. Sir, you ruled.

Thank you, Sir.

Sir, what I am saying is that if Barbados does not attain a Category I status, this Government can have only itself to blame because it inherited a situation where the

donkey-work has already been done, just for the finishing touches to be put on now.

I heard the Honourable Member for Christ Church South making the point about an audit done in 2001. Whatever that audit may have said, it was a vast improvement on what the situation was in 1994/1995 when it was at an all-time low. I want the Honourable Members to understand that, Sir.

Mr. Speaker, having achieved Category I status, which obviously we would want to attain, or even arguably without attaining it, but more so of course if we do, the objective now has to be to attract additional airlift and additional carriers into Barbados, whether by way of providing scheduled services, non scheduled services or, perhaps, even more preferably, to get carriers to become Barbadian carriers. In other words, to have Barbadian airlines. Sir, that is the objective, when you set out to get Category I status.

Mr. Speaker, having a Category I status, would permit airlines to fly out of Barbados into the United States of America and, Sir, that is in itself a serious attraction to carriers to come and invest into Barbados.

Sir, I assume the Honourable Minister would be fighting hard for Category I status, although he has not shown that he understands what it means, but I can explain the importance of it to him elsewhere. Sir, there could be no point in going through all of this and acquiring Category I status, unless the intention clearly is to ensure that we do away with a lot of the bureaucracy and the red tape that now accompany applications for permits, licences and air operator certificates in Barbados. Sir, it could be no point it being business as usual.

The simple truth now is that it takes too long for applications for permits, licences or air operator certificates to be processed. I have had to work on one of two occasions for airlines and I know the frustration that attends these applications.

Sir, sometimes applications or files pass back and forth, left and right, sometimes going to 15 or 16 different people over the course of several months or a year, may be longer, before a decision is made. It is frustrating and it is a deterrent. Therefore, these are the questions: Is it a case of insufficient staff? Is it a case of civil service mentality? At what level is the whole process being tied up? Sir, these are serious questions that have to be addressed now, if having moved to Category I status, we intended it to benefit us in the way in which we would obviously want it to, Sir. The Minister has to focus on that and not on the relative trivia that he came in here with today. Sir, he has to focus on all these things.

Mr. Speaker, in relation to safety oversight, things are certainly looking bright for Barbados because of the work that has been done and the position that the new Government has inherited from the former Government of the Barbados Labour Party.

The Minister did not take the time to give any detail about how, as the Honourable Minister for Civil Aviation, he intends to weather the storm that he will face, in light of the new conditions worldwide. Certainly, there is the issue of the increase in oil prices that this Government will now have to cope with.

I say that not to give the Democratic Labour Party any escape valve on this issue, because I want to assure you that no excuse is going to be accepted for the Democratic Labour Party lying down, rolling over and playing dead, and believing that we should accept from them, any prolonged or significant decline in our tourism product because of this situation. It is not an excuse for it.

Sir, it is not the first time that Barbados would have faced an oil crisis or another crisis. At least the Democratic Labour Party was forewarned about the rising oil prices.

2.40 p.m.

Sir, we had to deal with a number of things as a Government. We are talking about oil prices now or they would want to talk about that. Sir, in the year 2000, the cost of a barrel of oil was around US\$12 a barrel. When we left office this year, the price of oil was US\$100 per barrel. That is a significant increase to deal with. Sir, that was a somewhat gradual increase.

Mr. Speaker, they knew the oil crisis was coming. They could have prepared for it. Mr. Speaker, let us take oil out of the equation. Let us give them that.

Mr. Speaker, we had to deal with 911 which nobody on earth knew about beside a few people, I would imagine, in Afghanistan. Sir, there was no time to plan for 911. Nobody knew about the outbreak of SARS or the Asian Flu. We had to deal with that as a government. We did not flee to the public. You have to understand that things are going to change and you have to give us time and we are going to roll over and die and give us your pity. If that is what the Democratic Labour Party expects, there would be none from Over Here. The Democratic Labour Party has to behave the way we did.

Mr. Speaker, the 911 crisis is worse than an oil crisis. With an oil crisis, airlines can raise fares. With 911, the consumers said that they were not going to get back on any more aeroplanes. Sir, that is a more serious crisis to deal with than a rise in oil prices.

Mr. Speaker, we met with the relevant stakeholders in quick time and devised policies and programmes to ensure that Barbados was able to soar after a while. We just had a little pull back. We were able to soar to the point where we were able to hand over to the Democratic Labour Party an economy with a tourism industry that saw a record number of tourists in 2007 and also a record amount of tourists spend in Barbados in the amount of \$2.4 billion.

Mr. Speaker, we did not beg for mercy. We did not roll over and die. We did not come to Parliament and made jokes like the Honourable Minister just did. It was serious business. We rose to the occasion. We ensured that if there was a problem, we would face it and we fixed it in quick time. Sir, there were no layoffs. There were no threats of layoffs and no threat of hard times. Sir, we took our job very seriously.

Mr. Speaker, I want to hear from the Minister at some time soon what exactly are his plans to ensure that, as a country, we could weather the storm that they had more than adequate notice was approaching.

Sir, the Democratic Labour Party now has certain facilities at its disposal as a result of which it can now embark on some new approaches to attract airline business to Barbados.

Sir, I believe that the Democratic Labour Party is now in a position to, and should formulate, an air services development strategy. Sir, with the involvement and participation of a number of stakeholders, including the Barbados Tourism Authority, the hoteliers, and the Ministry which should lead the process.

Mr. Speaker, the Democratic Labour Party now has the chance that we did not have of involving in a meaningful way the airport and airport personnel now in the formulation and implementation of this air services development strategy.

Sir, only the purblind could visit the airport or read anything about the reputation of Barbados' airport in the Region and really make the statements that the Honourable Member just made. The airport is a spanking modern complex. Sir, I may not have always agreed with the style of the leadership at the airport. I never did, that is well-known. Mr. Speaker, only the purblind, I cannot say the pur-foolish, in here could say anything other than good about what was done at the airport.

Sir, let me just remind the Honourable Member about it. Sir, when the Barbados Labour Party came into Government in 1994, it found at the then airport a roof that was like a sieve and cramped check-in counter space. Mr. Speaker, airlines did not have the inclination to come to

Barbados. You could not even assure them that you had check-in counter space.

Sir, we found toilets that were not flushing. The Honourable Member for the City would want to hear this kind of vernacular. We found serious drainage problems and an “insy winsy” car park. When you go up there, you could not park in the car park. It was a small little thing. We found woefully substandard office facilities and no real executive lounges were up there. The airport was a really backward joint in 1994.

Sir, we handed over to the Democratic Labour Party a modern spanking new facility that only they could criticise. It is not criticised in the Region. I do not know if the Honourable Minister of Civil Aviation travels as much as the Honourable Minister of Tourism. Maybe he does not come into contact with others of the Region to hear the reputation that the airport has. He could ask the Honourable Minister of Foreign Affairs because he certainly gets around, so he would be able to report back the reputation the airport has in the Region.

Sir, what we have up there now is nothing to feel ashamed of. Obviously anything that is done can be improved. Rome was not built in a day. The Democratic Labour Party can destroy it in a day. Rome was not built in a day, so anything that has to be done now they should get up and do it and stop talking about it.

Mr. Speaker, now that they have these new facilities, they can be marketed. The Barbados Labour Party could not market what we inherited. It was nothing to market. The Democratic Labour Party can now market that new facility. That is why I am saying that they have an opportunity now to engage the stakeholders, with the previously unprecedented inclusion of the airport personnel, in the negotiations and talks with others, especially airlines, to attract airlifts to Barbados.

Mr. Speaker, the Chief Executive Officer of the airport must not see himself anymore as a desk-bound individual. The Board of the airport cannot see its role as meeting every month to get a report from the Chief Executive Officer about how the airport was run over the last month. They have to go further. They have to get up and get out there with the other stakeholders and try to attract airline business.

Mr. Speaker, airline personnel ought to be on hand so that they could engage in negotiations with carriers to see what, if any, packages could be put in place in relation to charges and fees at the airport that would attract these carriers that you are negotiating with to see Barbados as a place that they would want to come to. Mr. Speaker, these are the things I thought I would hear the Honourable Minister speaking about just now, not this little ‘nay-nay’

talk he went on with for about 40 minutes. These are serious issues.

2.50 p.m.

Mr. Speaker, the Honourable Minister professes that he is in contact with the stakeholders and that nothing is going to be done without the involvement of the players. He also professes that there would be a consultative inclusive process.

Sir, I would like to draw to the Honourable Minister’s attention that airlines run the defence that their tickets are high because of charges imposed by Governments.

Sir, I am aware, and I have been told this by a travel agent then, that there is a certain carrier - and if I could know about this, the Honourable Minister should know about it, he has more access than I - that is adding on taxes that they cannot even explain.

Sir, this travel agent told me she was so appalled that she contacted the carrier herself and asked what was the additional tax about. Sir, that agent said she was told they did not know what the additional tax was about. When that agent said that perhaps it was a matter that should be referred to the Fair Trading Commission (FTC), she was told by the airline to go ahead and do whatever she wanted, that the tax would remain. Sir, yet the airline is unwilling or unable to explain the reason for that tax.

Mr. Speaker, I would like to think that the Honourable Minister would see himself as being on the side of the consumer in these matters.

Asides.

Mr. R. St.C. TOPPIN: Mr. Speaker, I have always prided myself on taking that position, so that when I hear anything that results in the exploitation of the consumer, it angers me.

Asides.

Mr. R. St.C TOPPIN: Mr. Speaker, I am not now in a position to contact any airlines, to use any leverage about their conduct in relation to their charges and taxes but the Honourable Minister is in such a position.

Asides.

Hon. J. D. E. BOYCE: On a point of order. Mr. Speaker, the Honourable Member is misleading this Honourable House. Sir, these charges that we have inherited, which we are attacking now, were imposed by

the Barbados Labour Party. They are the ones who guided the Grantley Adams International Airport Inc.

Mr. R. St.C. TOPPIN: Mr. Speaker, the Honourable Member should not get up to repeat what the Prime Minister tells him to get up and say. The fact of the matter is that travel agents know what are International Air Transport Association (IATA) taxes and what are not. Sir, I am saying that a travel agent has told me that over and above all those taxes and charges, there is an additional tax that a certain carrier has imposed. Sir, it must be strange there is only one cargo that has so far imposed that charge.

Hon. D. J. H. THOMPSON: On a point of order. There is only one way to impose taxes. Sir, except for the secret tax imposed by the Honourable Member for St. Peter on gas products to fund cultural activities, I know of no other way under the Constitution of Barbados for a person, as Minister of Finance, to impose taxes other than by Law. Sir, no airline can impose a tax.

Sir, I have not imposed any new taxes in Barbados since coming to office and if a tax exists, it would have been imposed by the previous Minister of Finance.

Secondly, it was the Honourable Member for St. Peter, the former Minister of Finance, who established the Fair Trading Commission (FTC) in Barbados. It is true it was also his undoing, but he established it and knows that Government does not have any unique or special rights in relation to the Fair Trading Commission (FTC).

Mr. Speaker, if a consumer has a problem - and I hope it is not one of the constituents of the Honourable Member's - since he is such an expert in this area, the Honourable Member should take up that person's cause, because they are our citizens and they have a right to be heard.

The Honourable Member should do a pro bono case on behalf of that person. The Honourable Member could volunteer his considerable legal ability and knowledge, much of which he displayed here today, to represent that young lady, so that if the airline industry with which the Honourable Member is so familiar is wrong, that it would be stopped.

Mr. Speaker, it is wrong for anybody to give the impression that taxes could be imposed in Barbados other than by Law. Sir, no airline imposes taxes in Barbados, and certainly not under this Government. Therefore, I am surprised to hear that under the previous Government an airline has imposed a tax on Barbadians.

Asides.

Mr. SPEAKER: May be the Honourable Member would indicate the specific tax of which he speaks.

Mr. R. St.C TOPPIN: Mr. Speaker, I do not know. I am saying to this Honourable Chamber what a travel agent said to me. Sir, that travel agent deals with airlines every day. Sir, I made that clear from the beginning and the travel agent was clear that it was not anything done under the previous Government. It is being done now.

Asides.

Mr. R. St.C TOPPIN: Sir, if the Honourable Prime Minister would prefer, I would not say taxes, as I was told it was, and say charges. I could do that if it is going to give him any peace of mind.

Sir, the Honourable Minister of Civil Aviation has sought to pride himself on what I guess he sees as a new way of doing things: a consultative way, a way in which everyone is involved, one where stakeholders are involved, et cetera.

Sir, I am saying that I do not have the leverage to meet with those stakeholders, but in as much as it is being said of one carrier, the Honourable Member has the opportunity, having been alerted by me, to check it out. Sir, the Honourable Minister would be in a position to use his leverage to urge airlines...

Sir, you do not want to fracture a relationship with an airline, what would you gain by doing that? Therefore, the best approach is that which the Honourable Minister has access to, that is, to ensure that the airline understands that this is not the type of behaviour, if my report is accurate, that we are prepared to accept and tolerate in Barbados, and that they must change their way of doing business in relation to charges on their tickets.

Mr. Speaker, with those few words, I wish to say I am indebted to you, but I do seriously look forward, in the near future, to hearing a more relevant presentation from the Honourable Minister. Sir, if the Honourable Minister does not do it here, then, at some stage, we in Barbados want to know how it is that the Government intends to weather the storm which the forecasters have been repeatedly announcing over and over again. What are they going to do to ensure this Government could weather the storm and could fly high in the way in which the Barbados Labour Party did, when it had to weather the storm of 2001?

Mr. Speaker, I am obliged to you.

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

Hon. R. L. SEALY: Mr. Speaker, I rise to support the amendment to the Civil Aviation (Amendment) Bill, 2008. Sir, in offering support to this amendment, I want to take this opportunity to offer support to the efforts of the Honourable Member for Christ Church South, to take what he has described as a holistic approach to the issue of civil aviation. The Honourable Member who has just spoken, who seems to be vacating this Honourable House in a hurry, and it is interesting hearing him speak on what the Minister did not do, or should have done.

Sir, I was not sure if the Honourable Member was speaking about the last Minister because we know the relationship he had with the former Honourable Member for St. Michael South, that is why he had to go back to 1994 and speak about that period, instead of going back to 2004.

Mr. Speaker, the Honourable Member is talking about relevance. The Civil Aviation Act was passed in 2004, in response to inspection done by the FAA. Those are the issues which the Honourable Member should be speaking to but he had to go back to 1994, because we all know the Honourable Member could not have taken the approach of the last Minister who had responsibility for Civil Aviation and I have to agree with him actually, because I do believe,

3.00 p.m.

having shadowed the portfolio, that we did not approach this issue of civil aviation in the manner that we should have. We passed an Act in 2004 and yet we find ourselves back at it in 2007, and back at it in 2008. Sir, one has to understand the background that led to the passage of that Act in 2004.

I remember when the former Minister moved the then Act, he did speak about this audit that was conducted in 2001 and that there were a number of shortcomings. He said that it was necessary that we take civil aviation to another level. I remember that he jumped up and down perspiring and he was laughing. Lo and behold, two years later, we had to come back and make significant amendments relating to the terrorists' acts to be committed.

We were still flunking inspections by the FAA after the passage of that Act. I think that it is a pretty serious issue, because if there is one thing that the Honourable Member for St. Michael North said that was correct, probably the only thing he said that was correct was that this issue of getting a Category I rating is extremely serious business for Barbados because, unlike other countries, we are a tourist destination. That is where our keep comes from. Therefore, we need to have the assurance that aircraft can fly freely in and out of the United States of America.

Sir, that is what these efforts are all about and I am afraid that it was not given the sort of attention it deserved to be given. Actually, it is fair to say that the last Minister responsible for Civil Aviation did not give the sort of attention that should have been given to this area. Sir, now we find ourselves with an airport that is inadequate, with procedures operationally that need to be reformed and addressed, an organisational structure that needs to be adjusted and all these things that need to happen.

Mr. Speaker, I want to again credit the Honourable Member for Christ Church South, the new Minister of International Transport, who has the responsibility for the portfolio of Civil Aviation, for the tenacity and energy that he is putting into this area. It should have happened a long time ago.

Asides.

Hon. R. L. SEALY: Mr. Speaker, I think that the other effort that needs to be saluted by this new Minister is the attempt to allow for greater local participation as far as activities of the airport are concerned, particularly commercial activity.

I remember very well when this nonsense about bringing in an Irish concern to run half of the duty-free shops at the airport, including one selling beach wear, so the Irish were coming to teach Barbadians about the beach.

Sir, that is the sort of craziness that was passing as policy under the last Government. We have to bring an end to that and I commend the Member for saying that we will have local people operating those shops at the airport and earning big profit, because they are not going to open a shop in Bank Hall, Silver Sands or the Orleans. They want the airport, the lucrative stuff, and if we have to operate the shops in the communities, we can go up at the airport and earn the big handsome profits as well.

Mr. Speaker, I will be on my colleague's case. He has a big voice and he must follow that up with some big action. I have a list of persons from St. Michael South Central, who would not mind getting some of the action too, so just remember that. Sir, I think it is important that the culture of our airport be properly Barbadianised. I am also glad to hear as well that the "Red Caps" will continue to be a feature of the Grantley Adams International Airport.

I heard the Honourable Member for St. Michael North talk about what we have inherited. Sir, I remember very well what existed. He was on the Back Bench cursing the Minister, the Minister was cursing him back, the Minister was cursing the Chairman of Grantley Adams International Airport Inc., the Chairman was sending home the "Red Caps" and nobody knew anything about it, and

the trolleys were down at the Port waiting clearance to go up to the airport. Sir, as the man said.

Mr. Speaker, the Honourable Member for St. Lucy and myself had to sit down over the Other Side and make some noise and that is what saved the “Red Caps”, and that is why now that we are the Government, we are going to make sure that they are entrenched and that they will continue to be a feature because, believe it or not, that is part of our tourism product. You have tourists that talk about the experiences they have had with the “Red Caps” and come back and tell you about Leroy, Bull, Blackie, Powlett and, of course, Dove, because we cannot forget Dove. Sir, this is something unique that we offer.

Mr. Speaker, I think it is important that we do not lose track or lose focus with respect to our airport. Sir, this is a very serious point because, even as far as the infra-structural development of the airport is concerned, a number of things were occurring that just did not make any sense. How much sense could it make to be spending close to \$200 million? The latest figure I am hearing is \$155 million but that figure has fluctuated all over the place and here it is that you have to remove the whole front in order to put in jet bridges to have the airport up to a modern standard.

Mr. Speaker, how much sense could it make, to be paying all that money and the roof is leaking and three quarters of the floor space in that airport is only useful during sunny periods. Sir, it is ridiculous. We would not even talk about the fire station they forgot to put in because I do not understand how a country that sometimes has four or five wide-bodied aircraft on the ground at a time could not see the importance to have a modern and proper equipped fire station. Sir, that should have gone without saying, but apparently you have to wait until the FAA comes, tell you what to do, but there is nothing wrong with putting on your thinking caps.

I do some times shudder at the thought if something has to happen at the airport what would really happen but, at least, we know that with the sensible thinking that is now existing with respect to the civil aviation portfolio, that we will have that fire station.

We also know about the works to repair the roof so that when the Honourable Member for St. John is coming through the airport he would not slip on mossy floors because, if you remember, he complained about that. We are going to have all those matters dealt with. We have to have a proper development plan as well.

3.10 p.m.

Sir, it is my understanding that the leadership we now have at the Grantley Adams International Airport Inc.,

Chairman, Rawle Branker, along with his Minister, are looking at how we are going to plan at improving the capacity of the airport in conjunction with our tourism officials, as well.

We are going to have some say that, based on our projections for the next five, 10 and 15 years. That is what we have to do. We are constrained now. Sir, we plop the Concorde down on the eastern side and you have something on the other side, so we are constrained now to what we can do, but we have to make the most of it and ensure that we can take care of all of these issues, because it is of paramount importance.

Mr. Speaker, once again, I want to salute the work that is presently ongoing and the clear improvements we have seen with respect to the administration of our civil aviation matters. It is good to see that this amendment is not only speaking to the airport physically in operation, but it is also what you are doing with respect to the civil aviation policy, what you are doing with respect to complying with the Montreal Convention, Chicago Convention and the IKO requirements. I think that we are going in the right direction.

Sir, while I am on my feet, since it is the responsibility of the Barbados Tourism Authority and LIAT to make provision for negotiating adequate airlift to Barbados, we are happy to report, in spite of the challenging conditions, that we have been able to negotiate some additional airlift for Barbados, since January 15 while, at the same time, ensuring that we preserve the physical airlift that we have.

Sir, it would be remiss of me, given this opportunity, that I did not mention that from November 2008 we will have the Westjet service coming out of Toronto. That is additional seats from an emerging market, a market where we did very well in the past, but our figures fell off, but we think that could see some improvement. Westjet is very strong on the West Coast of Canada as well. Even though they are coming out of Toronto, with their connections beyond the Gateway, we should get some business from that area, the Edmonton, British Colombia and Calgary areas. Of course, it gives Air Canada some competition also. They have been having their way on that route for too long, and with some competition, we should have some more competitive prices with respect to our service out of Toronto and Montreal. That is good news for the country and good news for travellers as well.

Sir, our service out of Continental Europe - Condor flies out of Frankfurt, but while attending the ITB Convention recently, I was able to negotiate an additional Condor flight coming out of Europe. The Euro is very strong and we are very glad about that, because that is, of course, more foreign exchange for Barbados. So, we have

additional services coming out of Europe with another Condor flight.

Sir, having said that, we are still trying to preserve our airlift out of the United Kingdom, our top market, by constantly remaining close with British Airways, Virgin Atlantic and the various charters. We are trying to get BMI coming out of Manchester. We are trying to get some more service out of Heathrow, as opposed to Gatwick, because there are much better connections to be had at Heathrow, Continental Europe, Ireland and other places. That is good, considering that British Airways has agreed from 2010 that we should at least be able to get one flight out of Heathrow. We are trying to remain close to them and negotiate hard to make sure that situation is improved.

Sir, the work of the Civil Aviation Authority is not in vain, but we are doing our part to see to it, that the aircraft will want to come to Barbados. They would be coming full when they do come. They would be well taken care of.

Sir, some Honourable Members in this House, may be concerned about the suspension of the Fort Lauderdale service, Air Jamaica. When I came to office they came to see me and explained that they were going to end in April 2008, but April was the very month of the third flight from Miami, American Airlines flight was started. So we did not lose any seats as such, based on that decision, but we have to monitor what is happening with Air Jamaica, in terms of its future, because they do help us a lot on that New York/Barbados, a daily flight out of JFK Airport.

Sir, we are working to make sure that the airlift is preserved, and in spite of these very challenging times, we can continue to have the basis for a sustainable tourism industry, and one that can still grow even in spite of the challenges.

Sir, I think it is very important that I should mention here that while we have been approached by some carriers to even try going into new areas, for example, the US Airways that has a weekly flight at the moment, is interested in looking at some other cities, but we are not going to get too excited just yet. We want to make sure that we preserve what we have, make sure that we market effectively to get these flights full, and then we will look at conquering new areas. This is a time that we need to consolidate. So, that is the position.

Sir, for example, with respect to the new Westjet service, we are going to market very strong around our airlift. I think it was one of the failings of the last Government, in my view. Very often you remember the former Ministers making heavy weather of a new flight, a new Air India flight, some other new flight, then no marketing was done around it and the flight eventually

collapses. We are going to make sure that we go the whole hog with respect to WestJet, in terms of even stationing officers over in Calgary and Western Canada, implementing a creative marketing programme around any new service and around our existing services, to see that we continue to be well provided for. We want to even have a nostalgia tour, with the Merrymen and so on, where Canada is concerned, to bring back those days when Canadian business was booming.

Sir, do you remember those Wardair jets used to be full at the old Seawell Airport? I was very small at the time, but I remember they used to get off the plane groggy, because of they used to get free alcohol throughout the whole flight and so on.

Sir, in 1979, ninety-nine thousand Canadians came to Barbados. Last year only 55 000 came. So we have room there that we can grow. This Government is about getting some of that business, and that is what we are doing.

Sir, the Honourable Member for St. Michael North may comment on the occasional trip or two that I made. I made three trips in five months. I am the least travelled Minister of Tourism of all time, and I am producing results when I do that.

Asides.

Hon. R. L. SEALY: Mr. Speaker, I think it is important that we set the record very straight, that all Barbadians should be assured we are doing everything we have to do at the Ministry of Tourism, through the Barbados Tourism Authority, to ensure that we have suitable air links and we do everything to make sure we get people on board these flights.

Sir, let us be very clear that the forecast - the Honourable Member for St. Michael North spoke to this, that there are a few storm clouds forming, so we have to work that much harder. He tried to make a comparison between 9/11 and now, that was not really very valid, because anybody with an iota of understanding of what happened post 9/11, Americans, for example, were staying close to home, so rather than going to Europe, the Far East and the Mid East, they preferred to come to the Caribbean. The 9/11 actually worked to our advantage in a kind of way. It is a very unfortunate incident to have happened. I am not trying to gloat over the unfortunate loss of life at the World Trade Centre, the Pentagon and Flight 93 and so on, but I am saying not to try to say that you did a wonderful job after 9/11 and had a record year.

3.20 p.m.

Sir, now that we are dealing with a situation of the price of oil at \$140 a barrel, which affects everybody on the

planet, we are not dealing with a crisis situation because some analysts say that it could reach \$200 a barrel before the end of the year. We hope that it does not come to that, but we have to deal with the consequences of that action.

Mr. Speaker, I did not want to interrupt the Honourable Member for St. Michael North but I really think that he needs to maybe do a little more reading. It is a known fact that all the airlines are surcharging like crazy because of the price of oil and the price of aviation fuel. Obviously, these charges that are turning up on the tickets are the surcharges that we are paying for the additional cost of fuel, and that is the reality.

When I met the Vice President responsible for the Caribbean and Latin America at American Airlines, he said that for the first quarter of this year, they spent \$775 million more in aviation fuel, than they did in the last quarter of 2007. Sir, that is not unique to that particular carrier.

The reality is that all of them are surcharging. It is something that we have to deal with and we have to recognise that we are, certainly, as far as the North American market is concerned, a little further south than some of the others that we compete against, such as Cancun, Domreg, Cuba, The Bahamas, Jamaica, et cetera. Therefore, the trip is a little further and, naturally, the surcharges will affect us. I think that is what the Honourable Member was trying to speak to but, of course, he called it a tax and tied himself into a little knot because he was trying to blame the Government for something that really and truly is a little more involved in that, Sir.

Mr. Speaker, I give everyone the assurance in this House and those listening elsewhere, that we will do all that we have to do to manage that situation and will continue to work hard to see that we continue to have healthy arrivals. Of course, we will do what we have to do once the tourists get here, but, Sir, that is a matter for another debate.

Once again, I salute the work that we are seeing on the part of the Ministry of International Business by the Minister, the Honourable Member for Christ Church South, the new Board at GAIA, Inc., and the staff, in addition to everything that we are doing to see that our civil aviation matters are moved out of that mire of controversy and confusion, so that we now have clarity and vision in the way forward. Sir, this is a very important aspect of our national life, and so, I happily support this amendment and continue to support the efforts of this particular Ministry in this important activity.

I am obliged to you, Sir.

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

Mr. D. St.E. KELLMAN: Mr. Speaker, I rise to support this amendment and to say that it is quite clear to me that the person who spoke on behalf of the Opposition made a gross error when the Member said that they had to deal with the rise in fuel from \$12 in 2000 to \$100 in 2007, which is a difference of \$88 in seven years or an average per year of \$12.57.

Sir, if we look at what has occurred between February 15, and today, we have seen an increase of \$40 for four months, March, April, May and June. This means that if it is allowed to continue at the rate it is increasing, we would see an increase in that period of \$120 in fuel for one year. Yet, the Member said that they had to deal with these high increases. Sir, when we compare \$12.57 to \$120, it is obvious that the math is wrong on That Side, but that is not all, Sir.

Mr. Speaker, it also means that if the price continues to increase at the same rate, we will have to face the price of fuel at \$220 a barrel. We understand that every time we come to Government that we have challenges. We had challenges In 1961, we had challenges in 1981. We have challenges in 2008 again. Sir, but we will not run away from them. We will deal with them.

Sir, to demonstrate without a shadow of doubt that we are not going to run away from these issues, when we came to Government we saw a situation where LIAT could hardly get a flight early at any point in time. Sir, if you check with anybody now, you will see that if you do not get to the airport early, you will not get on LIAT. Sir, LIAT is not only leaving early, but it is also arriving early and that has happened in less than four months. Previously, everyone was cursing LIAT but not today, because in less than four months, everyone is praising LIAT, including the market vendor.

Mr. Speaker, things have changed and they will continue to change. I am also saying we could not believe that the same thing we told them before, we are now hearing from the former Minister of Civil Aviation how things should be done. When they had the opportunity to do it, Sir, they did not do it, because we told them that if you were going to spend so much money on that airport, we should put in air bridges. We were told that there was no need for air bridges.

Mr. Speaker, I heard from a previous Minister, a very senior one that Barbados is a sunny island and we do not need air bridges. Before it was completed, we were hearing that they now recognise that they have to put in air bridges and how much money it would cost. Everybody that knows anything about accounting would tell you that

once you are going to do anything, it is better to plan for it upfront, because the minute that you have to make changes, it is going to be more costly.

Mr. Speaker, it is no doubt that had we put in those air bridges when we were planning the expansion, and when the present Government was in Opposition at the time, and we were asking them to do that, Sir, it would not now cost us the amount of money that it would cost us to put in the air bridges.

Sir, if we are talking about a Category I Airport, we thought that when we are spending that sum of money that we would have included those things to ensure that the people coming to a country will not have to face the elements, especially when the rain is falling. I am told by the Minister of Civil Aviation that you only have to check on a Wednesday at 2.00 p.m. or 3.00 p.m. or any evening at the airport and you would understand what we are speaking of.

I am saying, Sir, that if we want to compete, we have to put the services in place to ensure that we deliver a proper service to the patrons for whom we are budgeting.

Mr. Speaker, I was shocked to hear the Minister today saying that there is a lack of training, as it relates to the airport and the airport staff. I am told this is something that occurs right through the Civil Service. Sir, I want this House to know that on a yearly basis, 50 per cent of the training vote for the last 14 years was reverted.

Sir, we are talking about a lack of training. It cannot be a lack of training because of the lack of money. It was the lack of training because of a lack of commitment to the civil servants and public servants of this country. I am saying it will change and it will have to change for the simple reason that we have been speaking about this for many years.

Mr. Speaker, you cannot have a training vote and every year 50 per cent going back in. It is wrong because if you are budgeting for it, it should be spent on the people. Our greatest asset in this country is our human resource asset. I am saying at a time when we ask civil servants to hold strain, and not to take the salary increases that they should take, we should never have them suffer from training. We should have provided the vote for training our civil servants to ensure that they enhance themselves and they are able to market themselves better.

3.30 p.m.

Sir, we have to recognise that we cannot continue to do business as normal. We cannot have pleasure flights coming into this country and mixing with commercial flights. We have to understand that if we are going to be a

Category I Airport, that bigger aeroplanes are going to be coming and that the demand is going to be greater.

Mr. Speaker, it is about time we separate the eggs from the chickens and recognise that it is about time we have to go to the north and do the rightful thing. It does not make sense delaying the inevitable.

Mr. Speaker, we are right for development. It is about time that people stop believing that because it was said by me that it has to be back-raised and put on the back-burner. I want you to know that if you deny me, you would be denying someone greater than me, because it was in 1975 when the late Right Excellent Errol Barrow not only said it, but included it in the Manifesto of the Democratic Labour Party. Mr. Speaker, those who believe that they are shortchanging me, they are not shortchanging me, they are shortchanging the father of the country.

Mr. Speaker, the most amazing thing is to hear an Honourable Member who was also a Minister of Civil Aviation in a government for the last 14 years asking the new Minister of less than four months to bring an air service development policy. Something that they could not do in 14 years, they are now coming to Parliament and trying to force down the throat of the new Minister for him to do in less than four months. Mr. Speaker, I could understand that, because they understand that this new Government is a government of action, and that what they could not do in 14 years, this Government could now do in four months. Mr. Speaker, we will deliver.

Mr. Speaker, I am saying to the new Minister that the Honourable Member has a lot of faith in him and he should live up to his expectation. Mr. Speaker, they had three Ministers and they could not do it, but he believes that the new Minister could do it in four months. Mr. Speaker, it means now that he understands where he should be and he should do the right thing.

Mr. Speaker, if this amendment would allow this country to have a Category I Airport, I support it wholeheartedly. Sir, it also means that we have to correct some errors. We have to make sure that the Grantley Adams International Airport is an airport not only for the "too-few".

Sir, we had running debates on That Side when we even had to tell the Minister at the time that the Red Caps who play a pivotal role in delivering a service to the country were going to be replaced by technology. Sir, that Government believes that workers were not important and that all they had to do was to introduce something and reduce cost and that is important. What the Government did not recognise was that it was defeating the whole premise that this country has built on human resources and not necessarily on technology and that whenever you

outsourced and replace man by technology, you are creating work for outsiders and displacing your own people.

Mr. Speaker, this Democratic Labour Party Government cannot adopt the same attitude. We have recognised those persons who have built this country. We will stay with them and we will fight on their behalf.

Sir, I am happy to hear today that the "Red Caps" need not worry anymore because their service is recognised. They have been worried for a long time. Sir, we recognise the "Red Caps", the vendors, the taxi men, the fishermen, the farmers and all categories of workers in Barbados. That is why this Government has to play a role to ensure that we continue to empower the people who have empowered this country and empowered us.

Sir, we have not forgotten who we went to and who we requested support from. That is why when we come here, we have to come to speak on their behalf. Sir, we will not only speak on their behalf, but on the behalf of the whole country.

Mr. Speaker, I have said to people in Barbados that if they want to understand what the Democratic Labour Party is all about, all they have to do is just go back to 1961. Mr. Speaker, in 1961 when we introduced free secondary education, we could have done it only for the poor, but we recognised that if we wanted to keep a country peaceful, that we had to introduce what we wanted for the people, but that we include everybody to make them happy too. Mr. Speaker, the policy of the Democratic Labour Party has always been not to introduce piecemeal policies, but to be holistic in everything we do.

I thank you very much, Sir.

Dr. W. F. DUGUID: Mr. Speaker, I thank you for giving me another opportunity today to join in this new debate. It was not my intention to speak on this matter, but after having heard the Minister introduced the amendment, I felt obligated to at least say a few words on this amendment. Mr. Speaker, I am by no means an expert in civil aviation, but I am certainly a consumer of the services offered at the Grantley Adams International Airport, neither am I an expert in housing as the Honourable Member for Christ Church South is trying to suggest to me. I may be learning how to develop properties, but I am certainly not an expert in housing.

Mr. Speaker, as I said, I am no expert, but I am certainly a consumer of the services at the airport. I was surprised that the Honourable Member sought to go down the road that nothing had been done, or the money was poorly spent in that frame because as a simple user...

Hon. J. D. E. BOYCE: On a point of order. Mr. Speaker, I hate to interrupt the Honourable Member when he is in full flow, but the truth is he is misleading the Chamber because I never said that nothing had been done. I said that what we had at the Grantley Adams International Airport in terms of infrastructure was an inadequate facility for the kinds of money we have spent, so I think he should withdraw that statement.

Mr. SPEAKER: What statement? That you have said that nothing had been done?

He did go on to say that nothing had been done or that money had not been properly spent, so I think he captured what you were saying nonetheless.

Dr. W. F. DUGUID: Thank you very much, Mr. Speaker, for that.

Mr. Speaker, I was not trying to use his exact quotes, but the gist of what he was saying came across in that way. Mr. Speaker, that has encouraged me to get up and say a few words on this amendment.

Mr. Speaker, as I said, I am no expert in civil aviation, but if you cast your mind back, sometimes some people find that hard to do, to before the renovations at the airport and compare it to now...

Mr. Speaker, sometimes when you build a new structure, you get accustomed to the new structure and the new facilities and you forget what the old structure was, and you do not then appreciate what has been done. Mr. Speaker, that is how your brain works. Your brain plays tricks on you. Mr. Speaker, just like how sometimes you might have a bad smell in the area, but your nose gets accustomed to it, the same way the brain gets accustomed to new facilities.

Mr. Speaker, I remember a Grantley Adams International Airport that had woefully inadequate parking. Many times when you went to the previous airport before it was renovated, you could not find a place to park. Many people had to park on the outside or by the Shell Gas Station and going up.

There is now a better facility with much better parking and much better arrangements of pick up and drop off of people. I think it is much better. I think that the way that you drop off and pick up people now and how it is arranged with a two parallel or three parallel system is a great improvement to how it was before with a mismatch of some people getting dropped off, some people getting picked up all in the same lane and the taxis all trying to use the same lane, so I think that is also an improvement.

3.40 p.m.

Mr. Speaker, there has also been an improved Arrivals Lounge. Let us cast our minds back to the old felt-circulating system where it had tears in it, where the bags were falling off at the corners, where people had to run over to the corners to pick up the bags, et cetera. Sir, we have a new 2008 standard Arrivals Hall, which is well painted and airy, where the facilities for retrieving the bags are better, where speed and turn-around times are now faster, where the places where you have to line up to get to Immigration personnel or the whole service arrangement for Immigration personnel is now located in an air-conditioned environment. Sir, these are all improvements. There are also additional bays for the jets to land on.

Mr. Speaker, there was a time when the airport could not handle four or five jet liners at the same time because the airport did not have the gates to handle them. Sir, the previous Administration and the Board of the airport added gates, so that there are now more people who could be handled at the same time.

Mr. Speaker, anybody who uses the Departure Lounge at the airport on a regular basis would have to admit there is a tremendous improvement. First, the size of the Departure Lounge has been improved and secondly, the environment is more comfortable. There is now Y-5 capability, where persons can now sit at the airport and access Y-5 technology. Mr. Speaker, the bathroom facilities in the Departure Lounge and throughout the airport have been much improved. Therefore, when we try to suggest that it was \$150 million not being properly spent, I think consumers could certainly see what has been spent.

Mr. Speaker, last weekend I had the opportunity to drive around a colleague of mine who taught me at the University of Wales. Sir, on the last occasion my colleague came to Barbados was about 11 years ago and so driving him around, he remarked how impressed he was at seeing the new Grantley Adams International Airport. He spoke of the improvements that were made, in comparison to what it was 11 years ago.

Asides.

Dr. W. F. DUGUID: Mr. Speaker, I am sure all of us would have heard from other Honourable Members, from tourists with whom we would have come into contact, from people from foreign nations, who, on their first trip to this country, would be often surprised, and rightly so, at the level and the type of airport facility we have.

Sir, this is something of which we could be proud. Sir, I think that all Barbadians, from all walks of life, would be happy to say they are proud of the Grantley Adams International Airport we now have. Mr. Speaker, from a consumer's point of view, it looks and appears to

me that the money spent there appears to have been reasonably well spent, in terms of what we have.

Mr. Speaker, I want to go further and speak about the shops. The Honourable Member on the Other Side made a significant contribution about the shops at the airport. Sir, this is a little difficult for me because I would have to agree with him on certain aspects of it. The first aspect is that certainly I think the number of shops at the airport is woefully inadequate. I think that more shops could have been added, or could still be added, without too much expense. I think more shops could be added in the Departure Lounge for sure. I am not too sure they could be added in the Arrivals Lounge, but certainly in the Departure Lounge there are lots of space for more shops.

Mr. Speaker, this is the difficult part, I think the means of allocation for shops at the time may not have been the right way in which the shops were allocated. I think so, and I must state up front for the record that I had an uncle, who had one of those shops at the airport and that he lost his shop. This is why it is so difficult for me and I make it quite clear about it. Mr. Speaker, I felt very sorry that after having provided a service at the Grantley Adams International Airport for many years, that my uncle would have lost that opportunity. I think it was because of the way in which the shops were allocated.

Mr. Speaker, I think a fair way to have allocated the shops at the Grantley Adams International Airport was to state a price for the square footage and after stating that price, people could then make a decision, based on the cost of that square footage. They would make a decision as to how much square footage they would want or whether or not they could afford to be at the airport. Sir, to me that would have been a fairer way to offer the facilities there.

Mr. Speaker, unfortunately, as I understand it, there was a tendering process instead, and the tendering process went essentially to the highest bidder. Sir, to me it is a process that did not encourage the small business entrepreneur. I think that might not have been the best system and I would hope, as the Honourable Minister has said, that we would see the end of that.

Mr. Speaker, I would imagine it is going to be a more equitable system, and I would be encouraging my uncle to re-apply because after all, the Minister said it is going to be a much more equitable system and that there would be a fair share, therefore, I would be encouraging my uncle. Sir, I do not know if my uncle was not successful because he and I both share the same first and second names, but if the Honourable Minister sees an application coming with a first and second name similar to mine, the Honourable Minister could rest assured it would not be me.

Mr. Speaker, I think when we talk about an airport, an airport is constantly in expansion and constantly changing. For those of you who have had the opportunity to visit the Miami International Airport, I have yet to go to the Miami International Airport, over the last 20 years, and not finding it under construction.

Mr. D. St.E. KELLMAN: On a point of order. Mr. Speaker, the Honourable Member is misleading this Honourable House by trying to give this House the impression that his former comrade and Minister of Tourism would have deliberately not allowed him or anybody with the same name to be able to get a shop at the airport, because of a name.

Mr. SPEAKER: The Honourable Member for Christ Church West.

Dr. W. F. DUGUID: Mr. Speaker, just to make it clear for the Honourable Member who knows full well that the Minister does not make decisions, neither does he allocate space at the Grantley Adams International Airport. At that time, it was the decision of a Board.

Mr. D. St.E. KELLMAN: On a point of order. Mr. Speaker, the Honourable Member is even making it worse. The Honourable Member is now saying that the Chairman and the Members of the Board have so spited him and has so spited his name...

Mr. SPEAKER: Honourable Member, the Honourable Member did not finish his point, so I really cannot say what the Honourable Member was saying. I am sorry.

Mr. D. St.E. KELLMAN: He did not finish the point? I heard the point finished.

Mr. SPEAKER: He did not finish the sentence, so I do not know what he was saying.

Mr. D. St.E. KELLMAN: Mr. Speaker, I know I heard a finished statement. Sir, it might be a matter of hearing.

Asides.

Mr. SPEAKER: The Honourable Member for Christ Church West.

Dr. W. F. DUGUID: Mr. Speaker, let me make it clear for the Honourable Member for St. Lucy. Sir, at no time did I ever say that the Board, the Minister or anybody, spited anybody relating to me or anybody with my name.

3.50 p.m.

I am saying that I think the method that was used to allocate shops could have benefited from modification to enable Barbadian entrepreneurs to get a piece of the pie as well as the other big business members. I think they should have considered people who have provided a significant service to the airport for years that should have had some sort of opportunity to continue that service. Sir, that is essentially what I am saying with respect to the shops.

Mr. Speaker, let me get back to my point about the expansion. I am yet to go to the Miami International Airport and there is not some sort of construction or expansion, and it happens at all airports. Sir, recently, Heathrow added Terminal 5. When I was a student there was Terminal 4 and it was spanking new and now there is Terminal 5. There comes a time, even when you have completed expansion at the airport, by the time you have finished or completed it, it now needs further renovations because of the increasing use of civil aviation by the global population to be able to travel far and wide with better facilities and bigger planes. We are now even hearing of an A3800, a plane that is double decker throughout with Jacuzzi on board, everything first-class, top of the line and everything.

Asides.

Dr. W. F. DUGUID: Of course, I will have to try it out. Sir, you will constantly have airports that are required to be longer to accommodate those planes, airports that will have to have a wider base to accommodate the planes as they come into bay, and to be able to handle the number of passengers. Sir, throughout an airport's life and history, it will have to be constantly expanding.

Mr. Speaker, this is just to make the point that \$150 million was spent and, to my mind, from what I can see that we got for the \$150 million, it appears to me that it was reasonably well spent. Sir, was there room for improvement? Yes, I would have loved to see jet bridges because there are times when you want to disembark, it is raining and you cannot get off. Sir, jet bridges bring a sense of being a developed nation. Not only does it bring that sense to the tourists that use it but also to the locals. I have been to many airports and I had to go down the stairs. In Canada I had to use the stairs so it is not only in Barbados, but there are developed parts of the world that you have to use the stairs that do not have jet bridges. If Barbados was able to have the jet bridges from the beginning.

Mr. D. St.E. KELLMAN: Mr. Speaker, on a point of order. The Honourable Member is misleading the House.

DR. W. F. DUGUID: Mr. Speaker, the Honourable Member is now trying to tell me what I heard in this House. All I can tell you is what I heard at a previous conference. I am subject to correction, but I remember

US\$6 million for four jet bridges. Sir, I stand corrected on it but jet bridges would be of benefit to the airport.

Mr. Speaker, right now I see that whenever there are adverse weather conditions, they have coaches that they use and, Sir, coaches are used at many international airports. I went into Terminal 2 or 3 in Toronto and you had to go down the stairs, like we have here, get into a coach and they would take you to the terminal and, Sir, that is Toronto with 30 million people. We are a country with just under 300 000 people and we are also trying to get to that kind of stage where we can show to the world that Barbados is moving closer and closer to develop national status.

Mr. Speaker, this brings me to the other point. The vast majority of the users of our airport are tourist and I find it more that passing strange that the tourists are the greatest users of the Airport, and under this new Administration, the Civil Aviation portfolio does not fall in the Tourism Ministry as one would have expected, but instead has been transferred over to the Transport Ministry which also encompasses international transport.

Mr. D. St.E. KELLMAN: Mr. Speaker, on a point of order. The Honourable Member is misleading the House by giving the House the impression that if you separate international transport from tourism, it would not give it identity. The Honourable Member knows that when you put it under tourism that the greatest concentration is on moving people and not necessarily on civil aviation, but if you separate it, that you give it that independence and you allow people to better understand the appreciation of Civil Aviation.

Mr. SPEAKER: Honourable Member, he is entitled to his opinion. Is that not so? The Honourable Member for Christ Church West, please continue.

DR. W. F. DUGUID: Thank you, Mr. Speaker, for protecting me from that point of confusion. Sir, I will join with the Honourable Member for St. Lucy for the first time because in his presentation he decided to again encourage his colleagues in front of him to put an airport in St. Lucy. I do not know if it would happen in his lifetime, but I think what he may be better suited at asking for is a heliport, because it is certainly something that could easily be installed in St. Lucy as opposed to his constant request for an airport, which keeps falling on deaf ears but I must admire his tenacity for bringing it up from time to time.

We have passed Legislation in this country that a heliport can be installed in other parts of the country. Sir, a heliport may be something that he may want to start with rather than an airport. Sir, he has caused me to digress but his point of confusion has had some merit because it caused me to go into a flight of fancy with respect to airports.

Mr. Speaker, to get back to the matter at hand, I think that the airport has done well. There are improvements that need to be made and as we go on, we will continue to see the airport expand, not only in the physical infrastructure, but also in terms of the quality of service that it offers because, at the end of the day, that is what the consumer wants. He wants to know that he has got his value for money and that is what we as Barbadians need to show that we have received value for money in the building of the airport and those that use the money get value for money as they come through our gates.

Mr. Speaker, I am obliged to you.

Mr. SPEAKER: The Honourable Member for Christ Church West Central.

Mr. S. A. LASHLEY: Mr. Speaker, I join this debate at this late hour in the evening to make a few points in relation to this amendment to the Civil Aviation Act, 2004. Indeed, in listening to the last speaker, it has become almost commonplace to hear apologies from the Other Side and I think we shall continue to accept the apologies particularly when they relate to flaws in the execution of key projects, in this case, the execution of the airport project.

Mr. Speaker, I want to touch on a few issues in relation to the amendment, which I believe may not have been given the pre-eminence that they ought to have been given in this debate.

4.00 p.m.

I believe that the amendment we are seeking here, in relation to the delegation of certain powers of the Minister, the Director of Civil Aviation has become necessary because of the need going forward to ensure that even when we achieve the Category 1 status, we do not have a situation where we lose that status, because we failed to maintain a high level of monitoring and vigilance.

Sir, perhaps, we should not only focus on the question of a delegation to the Director of Civil Aviation, but if the Honourable Minister has not yet thought about that, if we are serious about maintaining the status, the Director should, perhaps, have at his disposal an action committee to ensure that the oversight necessary is maintained. I certainly would suggest that going forward to the Minister.

Sir, there is the question of civil aviation. We focus a lot on the airport, but I believe we have missed opportunities over the past number of years - the Honourable Minister alluded to the millions of dollars spent on the airport development project, but in times of plenty - and I think this is the divide between the Barbados Labour

Party and the Democratic Labour Party. It should be a lesson to us that in times of plenty, we should use money wisely.

Sir, as we experience significant increases in oil prices, which require us as a government to look very holistically at our future development planning, if we had used the money more wisely at the airport ensuring that the Grantley Adams International Airport Complex can be seen as a tool for economic empowerment, both at the level of infra-structural development and an outlay, to the benefit of our people, broadly, I believe that we would have been in a position to cushion the impact when things get rough. Sir, we cannot take this issue lightly.

Sir, I recall in this Honourable House, I was not present, but certainly as someone keenly interested in debates, during the renovation project to the airport, and the massive grand plans in relation to the airport. I am not in any way detracting from the improvements which we have seen at the Grantley Adams International Airport, but I believe that it is commonsense, as my learned colleague said before, that if we were to be planning pro-actively for the development of the airport, it would have been political madness, not to incorporate features in that airport that would reduce our spending in the long-term, but would gain maximum economic value.

Mr. Speaker, it has always been my view that it was craziness to omit jet bridges from the airport, just as it was crazy to award a contract for the development of the airport.

Dr. W. F. DUGUID: On a point of order. Sir, the Honourable Member said it was craziness not to have included jet bridges in the development of the airport.

Mr. SPEAKER: Honourable Member, what is wrong with that?

Dr. W. F. DUGUID: Mr. Speaker, I am going to get to that. I just spoke on the same matter and about the same jet bridges. My point of order is, it could not have been craziness.

Mr. SPEAKER: Honourable Member, that is a point of view. I cannot see that being a point of order.

Dr. W. F. DUGUID: Sir, I take your ruling.

Mr. S. A. LASHLEY: I repeat, it would have to be nothing less than political craziness, both in relation to the wise use of public funds, and if we were thinking about modern airport development and expansion, I do not believe how could we conceptualise a project without and not incorporating in that project a fairly traditional and modern feature of jet bridges, especially recognising that to

do it now, the project will now cost more money than you would have had to spend in the first place. That is the point. That is the economic commonsense that was missing from the expansion project at the Grantley Adams International Airport.

Sir, I also want to make the point that I was not present in these Chambers when the debate would have been ensuing, in relation to the expansion project, but I do recall that a contract was awarded for the project at the Grantley Adams International Airport and the previous Administration returned to Parliament for millions of dollars to fix a roof at the airport which was leaking.

Sir, there was no reference to whether there was a breach of the contract. It related to the joining of the old roof to the new roof, from my recollection. Sir, I believe that is an example of a certain height of neglect and probably mismanagement in relation to a key aspect, the kind of wantonness, the kind of lapsed approach to spending millions of dollars.

Sir, I recalled that millions of dollars were voted in this Honourable House to fix the problems in relation to the roof of the airport. This is the kind of economic mismanagement that we are talking about. Sir, once we are in the time of plenty, and the former Administration always said that they could borrow on the international market, while holding the money on an account for times of need, but in times of plenty we have to be prudent in our planning.

Sir, the other feature of the development of the airport, which I continue to be peeved about is, it is okay after the fact, to be remorseful and apologetic about this. It is something that should never recur in Barbados. I believe that the Airport Development Project ought to have been viewed within a holistic airport development strategy.

I think that the key to that ought to have been the operation of small businesses in Barbados, in relation to owning and being part of the economic pie, which the new expanded airport offered. Therefore, it troubles me immensely, when the shops and the opportunities at the airport were treated in such a manner by the former Administration, where it was clear to me that the small entrepreneurs, the people in Barbados who were asking to be part of the action, when it came to the whole question of economic empowerment, all of them were excluded from being part of the shop facilities at the Grantley Adams International Airport. This is what happens when our people become a bit shy of political pondering and statements.

Sir, you would not believe this was a Barbados Labour Party Administration that talked about empowering people, but something must be wrong when only certain

restaurants in Barbados can be awarded a space at the Grantley Adams International Airport. Something must be wrong when that happens and our vendors - I recall there were several food vendors who were forced to ply their trade at the airport because they were not invited to the table, and they were literally chased away from the airport under the former Administration when that project was unfolding.

4.10 p.m.

Mr. Speaker, I believe that now that we have an opportunity to look at the continued development of the airport, I certainly want to applaud the Minister for saying this and I certainly hope that it is matched with action that we see, very expeditiously, to ensure that the look and feel of the Grantley Adams International Airport reflect the norms and traditions of Barbados, also that the presence of Barbadian entrepreneurs and small business people, could be felt at the airport.

I still am not happy that on returning to Barbados I can enter the Grantley Adams International Airport and there is no feeling that we are in Barbados. There is hardly a feeling that we are in a country called Barbados, where we have persons who ply their trade in all areas of endeavour and still we do not feel their presence in the Arrival Hall at the airport. Mr. Speaker, I am calling for us to look at this in a rather serious way to ensure that we can incorporate our people in the airport.

Again, I want to compliment the Honourable Minister for Tourism. He did say that we had actually secured new airlifts from various places and I think that is good.

I believe, however, that we must always have strategy, in relation with our airlift. Our strategy must always be broad-based, particularly as we are dealing with a rather frail industry, which is often impacted by international forces, over which we could never have no control.

I believe that in terms of the airlift strategy, while we need to consolidate, that our strategy ought to be expansion and looking at non-traditional players and to invite them to be involved in the airlift business in Barbados. Sir, I believe that, if we do that, while consolidating that, if in the unlikely or likely event that one of the big players fall out of the picture, we will still have a wide base on which to prop our tourism industry. I feel that is something we certainly should look at, Sir.

Mr. Speaker, those are essentially the key points that I wanted to make. Again, I want to compliment the Government for bringing this amendment to the Civil Aviation Act. I certainly hope this will be a wake up call. I

believe that the management of international civil aviation requires a certain amount of vigilance on the part of Governments.

Although this amendment is meant to move towards a more efficient management of that aspect of our civil aviation, perhaps we need to go further, in terms of strengthening the capabilities of the Director of Civil Aviation, even giving that functionary an action team that will be a watch dog, which will continue the work of being vigilant, as it relates to the obligations that we have under the various Conventions and Treaties.

Mr. Speaker, the industry continues to evolve. I think we have to ensure that we are always on the cutting edge of that evolution and not necessarily following what is happening, in terms of the requirements of the FAA and other agencies.

Mr. Speaker, with those brief remarks, I am obliged to you, Sir.

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

Mr. R. C. EASTMOND: Mr. Speaker, one of the defining aspects of our system of governance and politics is that over time, succeeding Administrations, or Administrations that succeed previous ones, can take a step backwards and in a very objective way look to see how they can improve what there is in existence in the present, or what has been in existence in the past.

Sir, before I begin, I would want to advise the Honourable Minister for International Transport always to avail himself of the best advice possible. We may not have to look for such advice beyond our shores, but in circumstances where there are technocrats and persons well qualified to advise, we as policymakers should exercise such humility, as to be able to take the best possible advice, Sir, and that such advice should be evaluated, checked and reassessed with the view to bring about improvements.

Sir, if one listened carefully to the Honourable Member for Christ Church South and Minister of International Transport, one would have heard him say there is an untenable situation in respect of how intransit passengers are treated. Permit me some observations on this particular matter.

If it is taken that an in transit passenger has to disembark, go outside and possibly pay departure tax to come back in, then this is something that has to be re-looked, re-thought and dealt with expeditiously. What can be wrong, Sir, with the airline that brings in the in-transit passengers having a number of intransit passes, to be issued to in transit passengers? The intransit passengers then go to

a particular room or location where they assemble, such room being accessible to washroom facilities, and the duty-free area where you would seek to capitalise from the sales of the shops in the airport.

An interesting feature of the presentation of the Honourable Member for Christ Church South was that he said that in his judgment, the principle of ergonomics was not properly in vogue. In other words, he was saying that there is an abundance of space which has not been properly utilised. The science of ergonomics is about maximising the use of space in a prudent and modern fashion.

Sir, if it is a situation where in true inadequate ergonomics, there is wastage of space, then the case for a special lounge for the in transit passengers becomes even stronger. It means that there is space there. It means that this space is not properly utilised. It means then that we might be weakening ourselves in a situation where in tourism and in international transport, we are operating in a highly competitive, regional and global environment, where when things go wrong in Barbados, there is always some other country that will pick up the weakness that has been evinced in Barbados and make capital of it, Sir.

Mention was made that in 2001, there were issues to do with our categorisation and our status as an international airport. I believe in that year, 2001, the American agency responsible for assessing international airports came to one conclusion, while their British counterparts came to a different conclusion.

The Americans said that we were weak in a number of areas. The British did not concur. Whatever difference of opinion there was there, what it means is that we should do our best to be at the top of the line because international transport, whether at the level of the sea port or at the level of the airport, provides the cradle out of which our tourism product grows.

4.20 p.m.

Mr. Speaker, in a situation where our tourism product is now in the minds of marketeers, at the mature stage of development we have to be extremely careful to be competitive. Why do I say that we are at the mature stage of development of our tourism? In marketing, there is the concept of early growth, the concept of growth, those would have occurred in the 1960s and 1970s, and the concept of maturity where you reach the very veritable highest height. Sir, if anything happens that does not sustain you at that level, then you could go into decline.

Mr. Speaker, Barbados could ill-afford for its tourism product to go into decline in circumstances where tourism is a major earner of foreign exchange and a sector with potential to increase our growth and development.

Mr. Speaker, I would want to join with all those who are interested in these matters. I am not going to treat my contribution as a Barbados Labour Party one versus a Democratic Labour Party one. I am going to treat my contribution as one where I am speaking in the national interest. I feel that level of confidence in myself, that at this juncture in my political experience, I could detach myself from partisanship and speak as a nationalist and a patriot as opposed to a "yard fowl".

Mr. Speaker, the three considerations that were mentioned are exceptionally important, the concept of safety, the concept of security outside ordinary safety and the concept of screening. Barbados, as is known, is an open economy, but how many people see Barbados as an open society? Barbados is not just an open economy. It is an open society and God knows how many undesirables have visited Barbados between 1960 and recently who could best have gone somewhere else and whose contribution to our tourism product was neolithic.

Mr. Speaker, in clear circumstances where this expansion has attracted considerable debate, we need now to sit and look to see whether we have got the best. I recall that there were many industrial disputes during the airport expansion phase. I recall many scenarios where there were tensions between the local labour force and the primary contractors on the project. Indeed, I believe that some litigation may have been started when it came to a sub-contractor falling out with the contractors.

Sir, this new amendment must certainly be one where the Minister is given latitude to advise and to advise further. The Minister's own words were that he would have power to delegate to the Chief Technical Officer in Civil Aviation. To that extent, there is obviously going to be a situation where the Minister has to be confident in the directives that he issues. The Chief Technical Officer must have the necessary courage and enthusiasm, along with a sense of forth-rightness, to work with the Minister to ensure that our civil aviation is at the level which is not only desirable, but which would facilitate further growth of the tourism product.

Mr. Speaker, civil aviation is a specialised field. Sir, even though I make bold to make a contribution on it, I am no specialist on it. However, at the same time, I appreciate its significance in a changing global environment and in a region where there are times when different States break for themselves and where, despite the Caribbean Tourism Organisation, each individual member of the Caribbean Tourism Organisation still has to have its own agenda and its own national interest put at a level of paramountcy.

Mr. Speaker, the Honourable Minister lamented what he called "lack capacity" or "lack of capacity." He also lamented what he called "accessibility" or "lack of

accessibility.” Sir, in circumstances where first impressions matter, if a tourist who comes to Barbados for the first time gets a serious drenching by rain coming down the steps, or falls from the slippery steps which are aligned to the aircraft, then there would not only be lawsuits, but the word would spread through the world that Barbados is not serious about how it treats its visitors. Mr. Speaker, I wanted to make that observation.

The final observation I want to make is this. Mr. Speaker, this very week there is a debate in Trinidad and Tobago over whether or not LIAT would make Trinidad and Tobago a hub. My fear is that if LIAT is seriously contemplating making Trinidad and Tobago a hub, it would be doing so at Barbados’ expense. To the extent that they are considering setting up a hub in Trinidad and Tobago, and to the extent to which they also have a hub in Antigua, then the only loser, if LIAT makes Trinidad and Tobago a hub, is going to be Barbados. Therefore, I would encourage the Government to ensure that every measure is taken, whether on the diplomatic front or whether through bilateral talks, or by whatever means, to keep LIAT here. Mr. Speaker, one reason why we should keep LIAT here is that Barbados has been made to bear a disproportionately high contribution to LIAT’s survival. Barbados has carried LIAT. There is no question about that. Our contribution by way of capital and the injection of finance had at times galled individual Barbadians in the streets, because other countries that benefit from LIAT’s service do not contribute or do not pay up to the same degree as Barbados does.

Mr. Speaker, I would want that whenever next an audit is done of our facilities at the Grantley Adams International Airport, that we not only pass the acid test, but that suggestions can be made out of that audit how a small developing country like Barbados can run and manage its airport and its civil aviation to be the envy, not only of the Region, but of the Hemisphere.

With these brief remarks, I cannot at all object to the measure before the House, I am clearly in support of it.

I thank you.

Mr. SPEAKER: The Honourable Member for the City.

Hon. P. M. T. TODD: Mr. Speaker, I rise to support this Bill to amend the Civil Aviation Act. In my brief remarks, I would like to address the issue of jet bridges. I heard the Honourable Member for St. James North making the point that we have to look at the eventuality of a tourist slipping while exiting an aircraft, and that is valid.

Mr. Speaker, I remember that the late Right Excellent Errol Barrow used to talk about some of us

having champagne taste with mauby pockets. When I hear about \$40 million having to be spent to equip the Grantley Adams International Airport with air bridges, and I look at the hundreds of residents of the City who appear at my office weekly urgently in need of housing accommodation.

Mr. Speaker, \$40 million can provide hundreds of such housing accommodation, be it apartment or housing for these poor people whose lives are threatened.

4.30 p.m.

Mr. Speaker, we are now in the hurricane season and under the Barbados Labour Party stewardship for the last 14 years, some of them have been left without running water, without waterborne toilet and bath facilities. Some of them have also been left with leaking roofs, in circumstances where a high wind or depression could cause them to have their lives at risk.

Sir, it is one thing to talk about tourists. We understand the need for tourism, but I am saying that as a government, we have to get our priorities right. Sir, if we could have alternatives to the jet bridges that would address the issue which the Honourable Member for St. James North made mention - yet we do not need \$40 million in expenditure - then I think we need to crawl before we could walk. I think it is a question of the allocation of our scarce national resources.

Mr. Speaker, it is clear that the last Administration had to grapple with this issue because Honourable Members have mentioned, in the first instance, that the last Government did not contemplate the construction of those jet bridges. It was an afterthought that a certain lobby within that Administration pushed and jet bridges were considered at the last stage.

Asides.

Dr. W. F. DUGUID: On a point of order. Mr. Speaker, the Honourable Member is suggesting that jet bridges were an afterthought. Sir, that is, in fact, not the case. Sir, the point the Honourable Member first made was, in fact, the actual case.

Mr. SPEAKER: Honourable Member, I do not know on what is before me - would I be able to say what actually is the case?

Dr. W. F. DUGUID: Mr. Speaker, let me see if I could explain. It was a decision that the cost of jet bridges at the time was considered to be too expensive, when there were other developmental issues needed in the country, for example, poverty alleviation, among others.

Sir, interestingly enough, it was his predecessor for the City of Bridgetown, who was one of the loudest persons who spoke about being frugal with the expansion of the airport and not to put in jet bridges because the money could have been better spent.

Mr. SPEAKER: Very well, Honourable Member.

Hon. P. M. T. TODD: Mr. Speaker, I remember clearly signals being sent by leading people within the Barbados Labour Party Government suggesting that serious consideration was being given to the construction of air bridges. Sir, the public would judge that, but I remember it being clearly enunciated by Members of the Barbados Labour Party Administration. As I said, they were confused, but we in the Democratic Labour Party Government are clear. We know where our priorities lie.

Mr. Speaker, I am saying we are seeking to be a national airport in our approach and therefore we must look at the alternatives. Sir, like the Honourable Member for Christ Church West, I have been able to travel throughout Asia, Europe, North America, Central America and South America and have seen some of the alternatives the Honourable Member has mentioned, in terms of buses that transport travellers from the foot of the aircraft to the Terminal and vice versa.

I am saying these are alternatives that we could very well look at. Sir, when we have the small inter-island propeller-driven aircraft like LIAT, the air bridges might not be relevant there, but we still have to look at that mix. Sir, I am saying that in the national interest, we have to be realistic. Let us not forget the vulnerable groups out there who may be relying on Government to deliver the necessary services such as housing as a priority. Therefore, we cannot allocate the national resources in the wrong way.

Mr. Speaker, too many people live in a kind of denial. They like to think that everybody is as affluent as they are, but there are thousands of working-class people in Barbados who need to be given attention by any caring Government. Therefore, the Democratic Labour Party pledges not to forget the working-class people of Barbados.

Mr. Speaker, when you look at the context in which the Barbados Labour Party has managed the airport, where the Board of the Grantley Adams International Airport Inc. was promoting the idea of bringing in a Chief Executive Officer from overseas, where that Chief Executive Officer would be paid a big six figure income, that is where the Barbados Labour Party Government was allocating the scarce resources of our country, while poor people in the City could not find work. Sir, the Democratic Labour Party had to lobby against that. That is why they pulled back at the last minute.

Mr. Speaker, constituents of mine, who used to work at the airport, have come to me complaining that with the establishment of the Board of the Grantley Adams International Airport Inc., while under the Barbados Labour Party Government, some of them had to wait for months before they got their severance and other monies owing to them.

Sir, the unions had to lobby on their behalf, while the Barbados Labour Party Government could have cared nothing about those working-class persons who would have worked to build up the airport to the international standard that it has reached. Sir, that was poor management and, praise the Lord, the Democratic Labour Party is here to address these concerns.

Mr. Speaker, I want to make a few suggestions. Sir, you know that within the City of Bridgetown we have the highest concentration of Barbadians who are Muslims. I have met with them at their Mosque and they have indicated that they would like to have a multi-faced chapel located at the airport because, in the Islamic faith, they have to pray several times during the day and as part of that exercise they have to wash their feet.

They do not want to inconvenience other members of the public by putting their feet in the bathroom basins. They just need a simple multi-faced chapel, one that could be used by Christians and other religions, so that they could conduct their worship in peace and sanctity. Sir, this is not an unreasonable request and, therefore, this is something which I look forward to the Government addressing in a meaningful way.

Mr. Speaker, while talking about washrooms, I would make the appeal to all Barbadians to take ownership of Government's washroom facilities. Sir, I remember in the 1970s, as a young lad going to Lodge School, a bus used to pass by the airport. I know when that airport was being constructed, there would have been modern bathroom facilities, so that when there are toilets that are not flushing, or they are smelly and so on, that would have been as a result of abuse by persons using those toilets. Sir, we need to take ownership of these facilities. We need to take pride in maintaining a clean environment that would be conducive to the improvement of the tourism product.

Mr. Speaker, if there is a need to have persons stationed at washroom facilities, as occurs at many stations around the world, we would need to consider that. Sir, I agree that first impression counts and tourism is our business, as we like to say. Therefore, we need to take pride in maintaining a clean environment that would be conducive to the improvement of the tourism product so that when someone from around the world has to utilise our airport facilities, there would be nothing to say that the standard of hygiene in these facilities is not at the level that

exists in international airports around the world. Sir, I think this is something that all Parties would have to promote.

Mr. Speaker, I know we have a number of small guest houses in close proximity, but I would also want to suggest that we need to encourage investment, not necessarily in a huge hotel but in a sizeable hotel plant within a two-mile radius of the airport. We know there are a number of persons who may be intransit and who may need such facilities.

Asides.

Hon. P. M. T. TODD: Mr. Speaker, if we have one, I am saying there is need for another, because we are trying to promote Barbados's tourism product and we need to look at the fact that some people may be intransit and we do not want persons to be sleeping in the Terminal at the airport, as occurs in many international cities where there are not that many sleeping accommodations within close proximity to the airport.

4.50 p.m.

Sir, this is something that could improve our tourist product.

Mr. Speaker, another simple suggestion. I know some times at Crop Over you may have a little steel band there to serenade the tourists as they arrive and to welcome back Barbadians. Sir, tourists do not just include tourists from the big cities around the world, but also our Caribbean brothers and sisters because, as the Minister of Tourism would tell you, regional tourism is a very important aspect of our tourist product.

Mr. Speaker, we have a new Ministry of Culture and Community Development and I think that the National Cultural Foundation and the various agencies which relate to culture should have a package on an ongoing basis where we have "Mother Sally", stilt-walkers, the "tuk band" and so on to welcome people to our lovely island paradise, Barbados, so that the first impression is a lasting impression that would bring those people back to our country, because we know that repeat tourism is a very important aspect of our tourist product, that makes tourism sustainable and ensures that there is growth in tourism from year to year.

Mr. Speaker, recently we had Dave Martin from the old Tradewinds back here. I think he is based in the Cayman Islands, with that old time calypso. Sir, I remember being in Trinidad and in the bus terminal in Trinidad, you had old time classical calypsonians in vans, going around and serenading the people. Sir, it really enriches the culture of the country and I think this is what

tourists will spend millions to appreciate and, Mr. Speaker, we need to look at.

Mr. Speaker, the Honourable Member for St. Michael North in his presentation talked about the need to reduce the bureaucracy, but let me point out that this amendment addresses this, because it seeks to delegate the authority from the Minister to the Director of Civil Aviation in order that he can directly action certain matters without necessarily diminishing the overall oversight of the Minister, because there are people who hold on to power and believe that the Minister must be bogged down with every large decision.

If the Minister is straddled with all those mundane files that he or she has to authorise, then it reduces the ability of the Minister to have enough time to develop policy that would take the Ministry and the work of the Government forward.

I assure the Honourable Member for St. Michael North that this is what the Democratic Labour Party is addressing, which the Barbados Labour Party just talked about, but did not actually bring to fruition, so I congratulate the Honourable Member for Christ Church South for not just talking, but for acting within months.

Sir, we go further. The Federal Aviation Administration of the United States of America, through the International Civil Aviation Organisation (ICAO), since US carriers come to Barbados, then they, as a contracting State, have the authority to conduct international aviation safety assessment audits. Therefore, what they found weakened our legislation that reduced our ability to get the Category I status. The fact is that we within the Region, have a situation in which Barbados is utilising the personnel resources of other regional States through the Regional Aviation Safety Oversight System (RASOS), to meet our inspector requirements as allowed by the ICAO.

Mr. Speaker, this amendment through Section 5.1.B(1) is going to actually regularise this so as to meet our interaction with the CARICOM. The Section says:

"To authorise the conduct of inspections of aircraft and aircraft equipment by inspectors pursuant to the provision of the Memorandum of Understanding between civil aviation authorities of CARICOM concerning the establishment and operation of the Appropriation Bill, the association of the civil aviation authority of the Caribbean signed by Barbados on October 29, 1998."

This amendment, Mr. Speaker, therefore, would result in moving any deficiencies and that would permit the scheduling of the IASA audit for Barbados in the very near future, again, reducing any hindrances to our Category 1

status accreditation. Sir, the Democratic Labour Party is addressing these concerns in a realistic manner.

Mr. Speaker, in conclusion, let me remind this Honourable House that it was under the Barbados Labour Party Government's expansion of the airport that we had journalists from the Nation News having to sneak in during construction and shows pictures to the whole of Barbados of serious construction faults within that construction process. It is only due to that good investigated journalism that issue was addressed. Sir, it was under the watch of the Barbados Labour Party Government that this situation arose, so the Democratic Labour Party will not be acting in such a way as to compromise the safety of the airport and the safety of persons who utilise the airport.

Mr. Speaker, talking about the Air Traffic Controllers, you have heard the Meteorological Institute and Air Traffic Controllers talking about the need for updated radar. For years they have complained to the Barbados Labour Party and it fell on deaf ears. This affects our safety, because the relationship of the aircraft and their movement to the weather pattern is very important. When the wind direction changes, then the aircraft have to land and take off in the opposite direction, so these are important safety concerns and the Democratic Labour Party, with the leadership of the Honourable Member for Christ Church South, in this regard, will definitely be on top of this. Indeed, you have a shortage of Air Traffic Controllers.

Sir, my degree is in Mathematics and Economics. I have been a mathematics teacher for many years and air traffic controllers are a specialised group of persons. They have to be trained and well versed in mathematics, geometry, trigonometry and physics and the Barbados Labour Party has not addressed this concern.

If you remember when the Air Traffic Controllers strike in the Reagan years, it almost crippled air transportation in North America and the Barbados Labour Party Government did not address the need to go into schools and have career showcases to encourage young Barbadians to get involved as Air Traffic Controller. The Democratic Labour Party is aware of this critical area and we will pledge to address it in a meaningful way.

Mr. Speaker, I thank you.

Mr. SPEAKER: The Honourable Member for Christ Church South.

Hon. J. D. E. BOYCE: Mr. Speaker, I rise to close this debate and to thank Honourable Members on This Side for their support and understanding of the issue. I want to especially mention the Honourable Member for St. James North who continues to make some very erudite

contributions. The Honourable Member for St. James North is fast taking on the father's role in this Parliament. Although his experience in the Chamber is obvious, his wise and almost impartial advice is appreciated.

The point has been made in respect of the differentiation of the physical plant at the Grantley Adams International Airport and the operability of that plant. Nobody is saying that if you conquer every block or every bit of mortar or every piece of steel, it would not come to a large sum of money, but we are saying that the layout, the application of the resources, the Honourable Member for Christ Church West, without any prompting from This Side, reinforced the point we made about the displacement of Barbadians in terms of the opportunities for shopping, etc.

4.50 p.m.

Mr. Speaker, we probably did not spend enough time discussing the plight of the workers, and I want to raise that point now.

There are many workers at the airport, a lot of them come from the constituency that I represent, Christ Church South, and constituencies around Christ Church. We certainly are mindful of the fact that under the Barbados Labour Party's execution, there was a level of displacement and a lack of openness. Even now, we are dealing with issues where categories of workers are not necessarily being afforded equal treatment. We would certainly urge the Board at the Grantley Adams International Airport Inc. to look into any of these situations that come to our attention and make sure that they are dealt with.

Sir, we need to make one final point. We are not in this Bill dealing with the physical airport plan, in as much as we are dealing with the Civil Aviation Administration, the Civil Aviation Safety, the Civil Aviation Oversight, and its ability to regulate Civil Aviation activities generally in respect to airline operations. That point must be made and made very firmly. That is what this Bill seeks here.

Sir, therefore, with those few comments I beg to move that this Bill be read a second time.

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

On the motion of Hon. J. D. E. BOYCE, seconded by Hon. R. D. JONES, the House resolved itself into Committee, Mr. S. A. LASHLEY in the Chair.

COMMITTEE

Mr. CHAIRMAN: This House is in Committee.

Clauses 1 and 2 were called and passed.

On the motion of Hon. J. D. E. BOYCE seconded by Hon. R. D. JONES, 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. J. D. E. BOYCE, seconded by Hon. R.D. JONES, the Bill was read a third time and passed and cited as the Civil Aviation (Amendment) Act, 2008.

ADJOURNMENT

Hon. R. D. JONES: Mr. Speaker, I beg to move that this House be adjourned until Tuesday, June 24, 2008, at 10.00 a.m.

Hon. J. D. E. BOYCE: I beg to second that, Sir.

The question that the House be adjourned until Tuesday, June 24, 2008 at 10.00 a.m. was put and resolved in the affirmative without division and Mr. SPEAKER adjourned the House accordingly.

4.55 p.m.

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EASTMOND, Mr. R. C. (St. James North)
JONES, Hon. R. D. (Christ Church East Central)
KELLMAN, Mr. D. St.E. (St. Lucy)
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PAUL, Mr. J. D. (St. Michael West Central)

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EDITORIAL NOTES — NOT PART OF THE REPORT

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

EDITORIAL QUERIES

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

Q1. Order No. 2, Prime Minister's speech. The Prime Minister is reported as giving 'a premium rate of 2.05 of insurable deposits'; later Hon. Miss M. A. Mottley recalls him as having said 0.05 per cent. Printed as in the source.

Q2. Take-slips. Two take-slips read '11.00 p.m.' and '12.00 a.m.' in the morning sequence, presumably 11.00 a.m. and 12.00 noon; two consecutive slips both read '4.50 p.m.' and there is none for 4.40 p.m. Printed as in the source.

Q3. Order No. 4, speech of Mr. R. St.C. Toppin. The international body is given as '(IKO)', presumably the International Civil Aviation Organisation (ICAO). Printed as in the source.

Q4. Order No. 4, speech of Hon. P. M. T. Todd. The section quoted refers to a Memorandum of Understanding 'concerning the establishment and operation of the Appropriation Bill', which appears garbled. Printed as in the source.

Q5. Order No. 4, second reading. The source records Hon. R. D. Jones seconding the second reading and then the House going into Committee, without a sentence recording that the question for second reading was put and agreed to. Printed as in the source.

DEBATE SUMMARY

(Editorial summary — not part of the record.)

The House of Assembly met on Tuesday, 10th June, 2008 at 10.13 a.m., with Mr. Speaker in the Chair; prayers were led by the Rev. Canon Ivan Harewood. The Minutes of 3rd June were confirmed and Standing Orders were suspended for the remainder of the Sitting on the motion of the Leader of the House, Hon. R. D. Jones.

The Prime Minister, Hon. D. J. H. Thompson, moved the second reading of the Banks (Tax on Assets) (Repeal) Bill, 2008, describing it as a housekeeping measure introduced by the previous Government, since the Deposit Insurance Corporation had replaced the tax on bank assets. He said the Corporation's revenue to date was about \$10.5 million, while the tax would have yielded \$10.7 million in 2005-2006, \$12.9 million in 2006-2007

and \$7.6 million in 2007-2008. Mr. R. C. Eastmond and Mr. D. St.E. Kellman supported the repeal. The Leader of the Opposition, Hon. Miss M. A. Mottley, supported the measure, called for a review of the banks' risk assessment and for access to funds for small businesses; she noted that the contribution rate was lower than the 0.2 per cent tax being repealed.

Dr. W. F. Duguid criticised bank fees and penalties on mortgages transferred to another lender, Mr. J. D. Paul spoke of competition between banks and credit unions and of the sale of the Barbados National Bank, and Hon. C. P. Sinckler called for the system to be revamped. Hon. R. D. Jones, Mr. A. D. Brathwaite, Hon. P. M. T. Todd and the Attorney-General, Hon. F. J. Stuart, who argued that preaching sermons to the banks was a vain exercise, also spoke. In reply the Prime Minister recalled the BCCI collapse, when depositors in Barbados got back 75 cents in the dollar, and gave an undertaking to deal with monopolistic practices. The Bill passed its second reading, Committee stage and third reading. Hon. Miss M. A. Mottley gave notice of questions to the Minister of the Civil Service on acting officers entitled to be appointed under the Public Service Act, 2007, and the Sitting was suspended until 1.45 p.m.

On resumption the Minister responsible for Civil Aviation, Hon. J. D. E. Boyce, moved the second reading of the Civil Aviation (Amendment) Bill, 2008, which amends the Civil Aviation Act of 2004 to allow the Minister to delegate powers to the Director of Civil Aviation, as part of meeting the Chicago Convention standards and seeking Category I status after shortcomings found in a 2001 audit. He said \$155 million had been spent at the Grantley Adams International Airport with poor results in capacity, cargo facilities and training.

For the Opposition, Mr. R. St.C. Toppin said the Government had inherited a modern facility, and raised charges added to airline tickets, which led to points of order from Hon. J. D. E. Boyce and the Prime Minister, who said he had imposed no new taxes; Mr. Speaker asked the Member to name the tax. The Minister of Tourism, Hon. R. L. Sealy, reported new airlift, including a Westjet service from Toronto from November 2008. Dr. W. F. Duguid defended the airport works as money reasonably well spent, prompting several points of order from Mr. D. St.E. Kellman. Mr. S. A. Lashley called the omission of jet bridges 'political craziness', Mr. R. C. Eastmond did not object to the measure, and Hon. P. M. T. Todd argued that the \$40 million mentioned for air bridges could provide housing in the City.

Hon. J. D. E. Boyce closed the debate, speaking of the workers at the airport. In Committee, with Mr. S. A. Lashley in the Chair, clauses 1 and 2 were passed, and the

Bill was read a third time and passed as the Civil Aviation (Amendment) Act, 2008. The House was adjourned until Tuesday, 24th June, 2008 at 10.00 a.m.

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