THE

House of Assembly Debates

(UNOFFICIAL REPORT)

SECOND SESSION 2008 – 2013

HOUSE OF ASSEMBLY

Tuesday, October 27, 2009

Pursuant to the adjournment, the House of Assembly met at 10.20 a.m. on Tuesday, October 27, 2009.

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)

Rt. Hon. O. S. ARTHUR, M.Sc. (Econ.)

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

Hon. G. W. PAYNE, Q.C.

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

Hon. G. A. CLARKE, J.P., B.Sc., Dip. Ed.

Hon. H. F. LASHLEY

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

Hon. D. St.E. KELLMAN

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

Hon. 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)

Dr. the Hon. D.C. ESTWICK, M.B.B.S., B.Sc., (Minister of Health, National Insurance and Social Security)

Hon. Mr. D. D. MARSHALL, Q.C., LL.B. (Hons.), L.E.C.

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

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

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

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

Hon. J. D. E. BOYCE, MRAC, (Minister of Transport, Works and International Transport)

Hon. E. G. HUTSON, F.C.C.A., C.A., (Minister of Trade, Industry and Commerce)

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

Hon. 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)

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

Hon. 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. D. O'N. INNISS, M.B.A., B.Sc., (Minister of State, Ministry of Foreign Affairs, Foreign Trade and International Business)

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

Dr. the Hon. E. R. BYER-SUCKOO, M.B.B.S., (Minister of Family, Youth Affairs, Sports and the Environment)

Prayers were led by Rev. Cannon Ivan Harewood.

Mr. SPEAKER: This House is now in session.

MINUTES

Mr. SPEAKER: Minutes of the meeting held on Tuesday, October 20, 2009.

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. D. J. H. THOMPSON: I beg to second that, Sir.

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

ANNOUNCEMENTS BY HIS HONOUR THE SPEAKER

Mr. SPEAKER: Honourable Members I have with me the Financial Statement for the month of April, 2009, as prepared by the Accountant General.

PAPERS

Mr. SPEAKER: The Honourable Member for St. John and Prime Minister.

Hon. D. J. H. THOMPSON: Mr. Speaker, I am commanded to lay the following:

1. Annual Report of the National Petroleum Corporation for the year 2006-2007.

2. Duties, Taxes and Other Payments (Exemption) (Information Kiosk) Order, 2009.

Hon. F. J. STUART: Mr. Speaker, I am commanded to lay the following:

1. Report of the Judicial Council for the year 2007.

Hon. C. P. SINCKLER: Mr. Speaker, I am commanded to lay the following:

1. Annual Reports of the Urban Development Commission for the Financial Years ending March 31, 2003, and March 31, 2004.

FIRST READING OF BILLS

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

Hon. D. J. H. THOMPSON: I beg to move the first Reading of the following:

The Property Transfer Tax (Amendment) (No. 2) Bill, 2009.

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

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

The Stamp Duty (Amendment) Bill, 2009.

Hon. R. D. JONES: I beg to second that, Sir. The question was put and resolved in the affirmative without division.

SUSPENSION OF STANDING ORDERS

Hon. R. D. JONES: Mr. Speaker, I beg to move the suspension of Standing Orders Nos 6, 16, 18, 29, 42(5), 43 and 44 for the remainder of today's Sitting.

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

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

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

GOVERNMENT BUSINESS

ORDER NO. 4 – THE PROPERTY TRANSFER TAX (AMENDMENT) (NO. 2) BILL 2009

Mr. SPEAKER: The Honourable Member for St. John and Prime Minister.

Hon. D. J. H. THOMPSON: Mr. Speaker, with the House's permission, I would like to deal with both of the Property Transfer Tax (Amendment) (No. 2) Bill, 2009 and the Stamp Duty (Amendment) Bill, 2009 together, in the sense that I would only make one opening presentation.

Mr. SPEAKER: Are there any objections to that course of action?

Since there are no objections, Honourable Member please proceed.

Hon. D. J. H. THOMPSON: Thank you, Mr. Speaker. There are two Bills before the House, which arise from the Budget presented in May of 2009. Mr. Speaker, you would recall that in that Budget, I set out certain changes, not significant in terms of their impact across the legislation in the sector but significant in terms of what had been recommended by persons who operate in the International Business Sector as being critical. At that time I said, Mr. Speaker, and I quote from that Budget at page 67.

"Barbados welcomes and supports multilateral activity aimed at rebuilding the failed international financial markets, based on stronger international cooperation in matters of tax information exchange. In fact, for many years Barbados has quietly been expanding its network of tax treaties based not only on securing competitive withholding rates on dividends, interest and royalties but ensuring effective means of communication between our respective Inland Revenue Departments."

10.30 a.m.

I announced the acceleration of the tax treaty network along with some additional measures which would have included amendments to the International Trust Act to allow for the creation and regulation of private trust companies as well as legislative changes that would better define trust business as well as the spectrum of services which service providers under the legislation would offer under the banner of trust services and guidelines on licensing of trust companies and the identification of principles involved in the transaction. That legislation, which is currently being drafted, would be a much more substantial piece of legislation in relation to the international trust and related trust Laws in Barbados.

In 2007, the Government introduced certain changes to the Income Tax Act which were designed to create opportunities for Barbados to be used as an attractive jurisdiction for the creation of holding companies but the consequential changes that would have been both necessary and desirable were not at that time either agreed to or identified.

Mr. Speaker, what really is necessary would be an amendment to the Property Transfer Tax Act and the Stamp Duty Act to include a transfer to a non-resident of Barbados of shares of a company whose assets consist wholly of foreign shares, foreign securities or other foreign assets and whose income is derived solely from sources outside of Barbados.

Mr. Speaker, it should be noted that those changes to the legislation, which would be the Property Transfer Tax Act and the Stamp Duty Act by virtue of these two Bills, would contemplate that the exemption will apply to transfers by both Barbadians and non-Barbadian resident shareholders. With regard to exchange controls, it is imperative that holding companies benefit from similar exemptions to those enjoyed by international business companies and regular Barbadian companies which conduct only international business.

Sir, therefore, pursuant to what was determined in the Budget and in an attempt to attract those holding companies as well as part of the strategy that we are pursuing with respect to the high net worth individual project, these Amendments are before the House.

Sir, the Bills basically amend the Property Transfer Tax Act, Cap. 84A and the Stamp Duty Act, Cap. 91 to exempt from the payment of property transfer tax and stamp duty respectively the following:

1. Any transfer of shares to a person who is resident outside of Barbados whether or not the transferor is a resident in Barbados; and
2. Where the assets of the company concerned as well as its income are derived solely from sources outside of Barbados.

However, Mr. Speaker, in drafting the legislation, there were a couple of points that came up and we found that the proposal as announced would have been capable of being interpreted in several ways. For example, it could have been construed to mean that the company must not have any assets in Barbados or that the company must have amongst its assets investments consisting of shares and securities in foreign companies, so that if the company had fixed assets and other assets but not investments consisting of shares or securities, the company would have been outside the ambit of the legislation as proposed.

Mr. Speaker, that would also mean that the company would be precluded from owning assets in Barbados for the purposes of local business only. Therefore, as a result of those issues, we decided to further refine what was announced in the Budget so that the following would result from the Amendments that are proposed today.

1. That as long as the investment in the company consists of foreign assets, it is not the intention of the Government to preclude persons from benefiting from the proposed provisions where the company also has assets in Barbados for business purposes only.

This is a very important distinction.

2. The term “wholly” should not be omitted since it would conflict with the policy which allows the company in which the investment is held to hold assets in Barbados for business purposes only.
3. The word “wholly” was removed because it was unnecessary in the circumstances. Also, the omission of the term wholly would resolve the obvious conflict without changing the conditions as announced in the Budget in 2009.
4. It would be expressively stated in the legislation that no account would be taken of assets locally owned by the company once they are used for the operation of the business; and
5. That once the investment consists of foreign assets, the locally-owned portion would be immaterial.

Therefore, the proposal was to amend Section 6 of the principal Act, which has been done, and make provision, which was also made, under that Amendment to make it clear that the exemptions would be applicable to both Barbadian and non-Barbadian resident shareholders.

Of course, the Stamp Duty (Amendment) Bill in addition to the Schedule to the principal Act, which dealt

with the conveyance and/or transfer of sales or by way of voluntary disposition inter vivos of real or personal property, was also amended to include a similar provision to that of the Property Transfer Tax Act in keeping with the decision which I just set out in relation to further consideration of the announcements arising out of the Budget.

Mr. Speaker, we have before us the Property Transfer Tax Act and the Stamp Duty (Amendment) Bill, and therefore I am moving the second reading of the Property Transfer Tax Act (Amendment) (No.2) Bill.

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

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

Hon. Miss M. A. MOTTLEY: Mr. Speaker, this is not a controversial Amendment. May I say at the outset that the Opposition would support the Amendment. As the Prime Minister indicated, these Amendments are consequential upon a regime that was put in place in 2007 for holding companies, and we recognise that for the sake of completeness, these Amendments are necessary.

Mr. Speaker, it is true that one of the premises upon which that regime was put in place was to be able to attract foreign capital as well as substantive business activity on the ground so that those holding companies would not only have Barbados as a domicile but that they would indeed need services and the employment of persons in order to conduct their affairs.

To that extent, I entirely agreed with the Amendment which recognises that they may have Barbadian assets that are related to their business concern but that Amendment, or these Amendments which are before us really relate to revenue raising measures and recognise that Government uses incentives in order to attract foreign capital and to encourage economic activity in this country.

It is salutary and I think that after 22 months the Government clearly has recognised that foreign capital is critical because of the difference between what we import, which is about $3.4 billion, and what we earn in goods and services, which is about $2.2 or $2.3 billion.

Mr. Speaker, it is for that reason that we express great concern that the private capital inflows dropped from $1.5 billion in 2007 to $495 million last year.

10.40 a.m.

Mr. Speaker, I think it is in recognition of that, that the Prime Minister took his last trip in September to be able to get projects started back. Sir, while it may have been convenient when this Government was in Opposition for them to speak about a number of things, the reality is that it has the capacity to scare off people.

Sir, we already know there are difficult economic circumstances internationally but we cannot take any further decisions that would compound our situation. Therefore, we will not stand in the way of Government to be able to complete these Amendments, such that those responsible for the marketing of Barbados would be able to promote us as an excellent domicile for the locating of holding companies.

Mr. Speaker, the combination of our commitment to the rule of law or quality of life and our ease of access to continents of the American, European and Latin Americas, makes us a perfect choice for people who want to benefit from some significant tax advantages, while, at the same time, recognising that if they have to locate employees here, that the quality of life would be such that they would not baulk at wanting to come and live in this country.

Mr. Speaker, I also have a wider concern which relates to the performance of Government's revenue this year. I see that the accounts for April have just been laid. They have not been distributed as yet, but I am deeply aware that the International Monetary Fund Article IV Consultation speaks to the fact that there was a decline in the first quarter of this fiscal year, of some 9 per cent in terms of the revenue collection.

Sir, it is, therefore, of some concern because when these Estimates were laid in this Honourable House earlier this year, we on This Side made the point that in a sense it was an almost useless exercise because we knew that we could not meet the revenue target. We knew that there would have to be expenditure cuts and that, in a very real sense, the Government ought to make those changes and let the country know.

Sir, this document called the Estimates 2009/2010 is really a Schedule to an Act. In fact, last week in here we did the Final Appropriation Act. Sir, it is not a matter that is personal information to a Ministry, it is a public matter. We have also heard the Prime Minister saying that cuts have been instituted across Government departments. We do not know the scale of the cuts, we do not know where the cuts have taken place. We also believe that the public of Barbados has a right to know. Sir, the Government certainly has the right to make judgments about its priorities but the public also has a right to comment on those judgments that are made.

Mr. Speaker, when we looked at the revenue performance for last year, if I may remind the Honourable House, this Government projected that revenue would grow by 9 per cent. It grew by 2 per cent, when the economy

grew by 0.2 per cent. This Government thought that corporation taxes would bring in $577 million. It brought in $476 million, $100 million less than what was projected. They thought that the VAT would bring in $873 million. It brought in $811 million, some $62 million less than what was projected.

Mr. Speaker, I do not want to get bogged down in figures, but the sum of what I am saying is that if an economy that still grew by 0.2 per cent could not facilitate revenue growth of 9 per cent but in fact revenue growth of only 2 per cent, how could we, in all conscience this year, project that revenue in Barbados for the Government would grow by 7 per cent, while, at the same time, projecting that the economy would contract by 3 per cent.

Sir, it makes no sense. Our simple position is that when these Estimates came here, we said to this Government, this does not add up and that they would either have to come back with revenue-raising measures or they would have to make significant expenditure cuts across the board.

Mr. Speaker, we hope those expenditure cuts would not be at the Queen Elizabeth Hospital, and surely the dialysis patients hope that the cuts are not there because of what they have already had to endure. We hope that those expenditure cuts would not be in other critical areas affecting our schools. Sir, the reality is that school teachers across Barbados would tell you that they have no materials or supplies, in terms of any programme, particularly in sports departments, Home Economics, among others.

Mr. Speaker, the Minister of Education and Human Resource Development is looking surprised. I do not know why the Honourable Member should look surprised because he would be aware, unless he did not sit at the Estimates meeting.

Asides.

Hon. Miss M. A. MOTTLEY: We hope that the expenditure cuts would not be in Welfare, where there was already a removal of $7 million from last year in relation to these matters. Mr. Speaker, the simple point is, we say the Prime Minister has indicated he has made cuts. That is the right of this Government, that is not disputed. Sir, equally, we say that the public has a right to know what is the scale of the cut in each Ministry and what are the programmes and policies that are affected.

Mr. Speaker, we have a situation where 18 nursing posts remain vacant at the Queen Elizabeth Hospital, and this is at this time when we have unceremoniously sent back the Philippine and Nigerian nurses. Are these posts not being filled because of money? We have a situation where there are 155 vacancies in the Police Force. Are these posts not being filled because of money? Mr. Speaker, these are the things that are of concern to us.

Sir, when we look at the performance of the Transfer Tax, Government projected last year that it would raise $40 million, instead it raised $27 million, in excess of a 30 per cent under-performance from what they had projected. This year they project that it would raise $30 million.

I do not believe that these Amendments here would have significant import and impact on the revenue collection for this year. Sir, I accept that these are necessary in order to bring in foreign capital and in order to assist us with the balance of payments problem, which could become challenging again. Sir, for example, when the International Monetary Fund Article IV Report was done for this year, oil prices were at $39 and $40 a barrel. Oil prices last week reached $80, having been at $70 per barrel since about June this year. Therefore, we know that there is going to be some negative impact on our foreign reserves because we are paying more to import the same volume of oil.

In those circumstances, we believe the Government needs to update the country on the second quarter revenue performance. We know April to June is down by 9 per cent. We know that, not from the mouth of the Government but from a Report of the International Monetary Fund. We believe that if you ask the country to work with you as you make these adjustments, then you must share the information with the country, so that we know what we are facing. We asked you as well to share the information with us in relation to where the expenditure cuts have come because we need to know.

Mr. Speaker, we feel, of course, that the expenditure cuts should come first with Constituency Councils. It is a new programme. If you have to make a cut there, it is not going to affect anybody because it has not yet started. Sir, if the dialysis patients cannot get the supplies and have to look for $400 per treatment at a private institution, then we have a problem. The truth is that most of them do not have the $400 a week to go to a private health institution for dialysis treatment.

Mr. Speaker, we feel that Government needs to put the information on the table and to allow the country to assist in providing comments. Sir, it is a Government's decision at the end of the day, but the Government of Barbados is not a secret order society and these Estimates are not secret and confidential documents, they are required to be approved by this Honourable Chamber. Therefore, if there are any cuts made to them, even though Government does not need the permission of this Honourable Chamber to cut, in my view, Government ought to inform the public where those cuts would come.

10.50 a.m.

Sir, also from a very simple and pragmatic position, people can plan their businesses if they know that Government is not able to provide X,Y or Z. The Special Technical Assistance Programme at the IDC would have helped almost 500 companies between 1998 and last year.

Sir, the customers, the manufacturers and service providers, who are accustomed going to that fund to assist to give them a competitive advantage have been told that there is no money there even for draw-downs for grants that have already been approved.

Now, if there is a problem tell the country and let us work through it together but what we cannot have is people planning out their business, not being told by the Government where the cuts are taking place and finding out after they have expended money in the belief that things are available.

Mr. Speaker, the Immigration Department is a perfect example because the stock of passports ran out twice this year. I understand some limited stock has come in only on Thursday but it is believed that limited stock will not be enough to service their needs because there would have been an extraordinary impact on the Immigration Department for new passports as well in the last two or three years, if only because more and more people are converting to the machine-readable passports. Sir, you have to be able to plan for that and if there is a shortage of funds, then the Government should let us know.

Mr. Speaker, small businessmen are irate because more and more of them are not being able to access their payments from Government in a timely fashion and while we support The Factory Programme that Government has announced in this Budget, it has not yet seen the light of day.

Sir, those people invariably have difficulties and the Honourable Member for St. Michael West Central would know this because a number of them are small farmers too. Sir, I am sure they will bend his ears too because those people have to contend with keeping their businesses going on what cash flow they have because, invariably, many of them cannot get increases in their overdraft because many of them do not have alternative forms of security to put forward and, therefore, when they provide Government with a service, they expect to be paid in a reasonable time.

Mr. Speaker, we believe that the factoring programme could help deal with this perennial problem. It happened a few times under us and it happened more frequently in 1991 to 1994, when the Government equally did not have money again. Sir, it is not a problem that is peculiar to this Government, but it is a problem that if we do not put the factoring programme, where a man can go and take his invoice, let somebody buy it off him for a discount, he pays the man a commission and the person who buys it will hold the invoice and get the payment from Government and the reason why he gets that commission is that he takes the risk of waiting until Government can pay the money.Mr. Speaker, that was announced in May and this is now November.

Mr. Speaker, I am sure that a lot of small business people would agree that even with the tight cash flow of Government this will at least allow them to breathe and keep their heads above water particularly since there is difficulty for many of them to get access to loans and overdraft facilities and they simply do not have the collateral.

Mr. Speaker, the last thing I would like to mention is the whole question of the income tax returns for this year because we are dealing with revenue raising measures. There is a very strong concern -I would not call it a disquiet - across the island now and I am sure that Members of the Government have heard it where people are asking what happened to their income tax return and what happened to the reversed tax credits. Sir, people who rely on the reversed tax credit are asking what happened to the money they get every year in the reversed tax credit because they need it.

Sir, things are so tight and prices are continuing to rise in this country and prices are rising because, as I have said, apart from anything else, the reality is that the oil prices have gone up again. Sir, it will get worse because goods coming in for Christmas will be coming in on the basis of those high prices.

It is, therefore, critical for the Government to find out if it is a computer problem; if it is a money problem and when the cheques are going to be posted to people because, Sir, people want to know. Sir, it is the absence of that knowledge that creates either consternation and anger or, indeed, lack of confidence. If the people know there is a problem, as has happened with the National Insurance years ago, they will make adjustments to suit.

Mr. Speaker, the pensioners are also worried this week because some of them would have got their cheques yesterday but, Sir, the postmen are on strike again today. On my way here I saw all of them outside the General Post Office and they are on strike because another bike got stolen yesterday. I am not sure whether the Deputy Prime Minister can assist but we would have left a system in place for compensation.

Asides.

Hon. Miss M.A. MOTTLEY: Yes, I did. I went and spoke to them because they had legitimate concerns. I stopped my car, got out of my car and went and spoke with them. Sir, I am hearing sotto voce that motorists should go on strike if somebody steals their cars but, Sir, that is callous and insensitive. The reality is that the motorcycles that the postmen use are not owned by the Government of Barbados. They are owned by the postmen.

Mr. Speaker, we would have been the ones to put in place an interest free loan because we recognised that you should not ask a man to buy his tools of trade. Sir, the people at MTW or Sanitation do not buy the tools they need to do their jobs but the reality is that the postmen have to do so.

Mr. Speaker, I am saying to you that the money that you are going to put in...

Mr. SPEAKER: Okay, Honourable Members the asides are getting too loud. Please keep them down and let us get on with the business of the day.

Hon. Miss M.A. MOTTLEY: Mr. Speaker, when the asides get too loud, you know th points are making sense.

Asides.

Mr. SPEAKER: Honourable Member, please proceed.

Hon. Miss M.A. MOTTLEY: Mr. Speaker, thank you for your intervention. Sir, the reality is that it is a genuine concern and if it is a man's tool of trade, I do not believe that he should have to pay money out of his own pocket to buy a motor cycle knowing full well that...

Mr. SPEAKER: Honourable Member, I do not want to stop you but you are going a bit too far.

Hon. Miss M.A. MOTTLEY: Mr. Speaker, I know that I have gone a bit too far but I have only gone a bit far because of the immediacy of the circumstances in my memory on my way to Parliament this morning. I take Your Honour's guidance on that fact and we will address it in another place.

Mr. Speaker, the income tax returns and the reversed tax credist are relevant because we are talking about revenue here. I trust and hope that the Government, in all sincerity, can tell the public of Barbados when they can expect to receive the income tax returns and the reversed tax credit.

Mr. Speaker, I certainly hope that the Government does not want the people of Barbados to believe this is a Government prepared to put in place a regime for holding companies for international businesses but is not prepared to address the legitimate concerns of ordinary Barbadians in relation to the receipt of income tax returns and the reversed tax credits.

Mr. Speaker, as I have said, we will not oppose these Amendments but I have used the opportunity to raise other legitimate concerns relating to revenue and hope that the Government would use this debate to give us an update of the second quarter revenue figures because it is important for all Barbadians to know the state of the Government's revenue, particularly since when we go to the Ways and Means in the Report of the Central Bank of Barbados we see that Government has come close, on many months this year, to the 10 per cent of the overdraft limit required by law in terms of the overdraft at the Central Bank of Barbados.

Mr. Speaker, I remember the dark days of 1991 when that went up to 17 per cent and 18 per cent. Sir, we know things are tight but the Government should level with the people and let them know what the situation is because people can make their own internal decisions and cut their cloth to suit the circumstances of Government. Sir, generalities are no longer appropriate and people need specific so that they could plan their lives.

Mr. Speaker, I am obliged to you.

Mr. SPEAKER: Honourable Members, just let me clarify that you should not get the impression that because this is a revenue-earning matter that we are free to range far and wide about the whole economy. There has to be some relevance and I am sure you will be guided by that.

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

11:00

Hon. A.D. BRATHWAITE: Mr. Speaker, these two Bills, as was said earlier, which were taken as one, receive my fullest support.

Sir, what has happened here is not just a question of the holding company regime. In fact, we have had for many years a situation where, with respect to international business companies, if you attempted to transfer the shares of an international business company, you had to have their share transfer adjudicated in Barbados even though, in fact, as far as most practitioners were concerned, in Law it was not required because they were exempted from stamp duty and from property transfer tax.

We had a situation where one Government official, in particular, insisted that they be presented for adjudication within 28 days, and in my opinion, illegally

extracted the vast sum of $10 spending, two or three hours of his time to gain $10 for the coffers of Barbados. Hopefully, with this Amendment this will now become a thing of the past.

Sir, in my presentation I try not to refer to speeches by other Honourable Members. I must touch on one aspect of the speech by the Honourable Member for St. Michael North East. Sir, when it suits the Honourable Member she recognises the importance of the international business section to Barbados, recognises the fact that it is through the sector, that as a country they are able to do more for the same ordinary Barbadians which she was referring to, including the postmen, but when it suits her, like this morning, a measure that is intended to make the sector more competitive, does not receive the kind of support that it should, even though, of course, at the beginning of her presentation the Honourable Member was quick to say that the Bills would receive their support.

This is just another measure on their part, recognising that as a Government we need to ensure that in all areas where there is possible revenue collection, we provide the necessary tools as we are trying to do.

Sir, that is why, with respect to this sector, we are looking at the processes to reduce all impediments to good business in this sector.

Sir, the Other Side has spent many years putting together Charters. There was an international business Charter, I think the only time the Honourable Member for St. Joseph attended the Ministry of Commerce Department, was to unveil a Charter, even though he would have been the Minister for more than a year. I believe there is an international business charter, provided by the Ministry of International Business, whereby they advised and ensured that licences are issued and renewed in a timely manner, but this has not happened.

In fact, what the previous Government failed to do was to get buy-in by the ordinary members of the public and the ordinary workers. That is why one of the first things that we have tried to do is to engage all workers, all aspects of the Civil Service. Sir, we can put the best regime in place, we can have the best legislative regime in place, but unless the voters themselves buy-in and understand it does not function without them, then it goes to nought. In this regard, we have been engaging other members in the various ministries to understand that without their assistance, without their buy-in, what is now indeed a situation, can become worse. Sir, you have heard on more than one occasion the Prime Minister has been asking for us to have, at this point in time of our history, all hands on deck moreso than any other time in our history.

Sir, there are some challenges and our challenges are not different from other countries that engage in international business. I looked at the statistics recently published by the British Virgin Islands and in the second quarter of 2009, they were down by about 6 000 incorporations. According to the information published by them, by the second quarter of 2008 they had done 15 831 incorporations, and by the end of the second quarter in 2009, they had done 9 871 incorporations, which are about 6 000. Sir, the point is, no one has been spared by this present crisis. No one at all has been spared.

Sir, however, I would like to encourage us on This Side, as I have been doing in the past, to recognise that these are different times and we therefore need to adopt different measures. We have in place, I believe, a short to medium-term plan for the sector. I, however, would have done it differently, because as I said, I believe these are different times and we need to adopt different measures.

We cannot have business as usual. In that regard, as I have said before, we should have, and we have to look at the legislative regime, and recognise that the old way of ensuring that the Bills come to Parliament, may not necessarily be the best way in this present environment.

For example, in May 2010 we are having a conference by the Society of Trust and Estate Practitioners. If all goes well, we should at least have 300 visitors to our shores who are engaged in international business, and these are mostly practitioners.

Sir, it would please me, and I am sure it would please most practitioners, if before that happens, we have certain amendments to the various legislation in place so that we have, for example, the Prime Minister mentioned the International Trust Act, that we look at the International Trust Act and have those amendment in place. It would please me immensely if, in fact, before May 2010, we have changes to our companies regime. I do not necessarily believe, I am not sure other practitioners necessarily believe, that we need to have two separate regimes at this point in time, although there is another side of the coin which says that there is now no pressure from the OECD or anywhere else for us to have one regime. We did not bother to change that.

Sir, as we attempt to garner business from markets such as Brazil, the Latin American and South American territories who do not understand the Trust concept, we have to ensure that we have legislation in place and that they understand it and they recognise it. In this regard, again, if it is at all possible by May 2010 we can have this in place, then it will do wonders for us as a jurisdiction in terms of our marketing.

Again, as I said, these are unusual times and we have to look at things unusually. About three weeks ago BIBA, and I believe with the support of Government, had an international business week. As you know BIBA receives a subvention from the Government, and I do not have an argument with that. My argument however, is that Government, I think, needs to recognise where BIBA came from, what drove the sector initially, and how we can take the sector forward with the kind of momentum that BIBA would like.

Sir, the sector as it was, years ago, in particular, before the before the Enron fiasco, we had the KPMGs, Coopers and Lybrand, Price WaterHouse Coopers and Ernst and Young involved in terms of marketing, but now they are no longer able to provide the corporate services they provided them. So, in my eyes, there is a vacancy because the accounting firms are the ones who drove the sector for many years. Now that void has not been filled.

Certainly, if Government believes that in fact the void is being filled by BIBA, I urge us to relook that, because BIBA in its present structure has certain deficiencies which prevents them from being as hungry, and I say hungry in terms of passion, to go out and market Barbados as a jurisdiction for new business. 11.10 a.m. BIBA by its nature, is structured so that we have many companies within BIBA, whose mandate is to manage their own business, so there is no reason for them to spend money going to China to market. There is no reason for them to go to Amsterdam to market. There is no reason for them to go to Miami to market because their market is managing their own funds.

Sir, that is why a couple of weeks ago, I was adamant that in these usual times, we should have been seeing the public and private sector in Barbados, rather than advising Barbadians yet again how important the sector is to Barbados, in fact, we should have been putting on the same conference somewhere other than Barbados. Sir, we could have chosen London, Zurich or anywhere else in the world, spent the same money and publicise the good name of Barbados. There is no need at this point in time to remind Barbadians how important the sector was to us. Sir, that is what I mean in terms of unusual times, needing unusual thinking.

I would have spent the money, Sir, not that I have lots of money, in support of any marketing initiative outside of Barbados because I recognise that at this point in time, we all need to sacrifice, and take these different measures. Sir, the Honourable Member for St. Michael North East spoke about revenue and that is what it is about. It is about us recognising that we need to attract more investment and more business, because at the end of the day, that is the only way we could garner revenue to do all the things that I would like to do for the people of St. Philip South. Sir, that is why I am passionate about this sector.

I am passionate about this sector too, because I recognise the potential for earnings. I recognise the potential for revenue. I recognise the potential for employment and quality employment, and that is why I urge my colleagues at every turn to let us look at how we can support the sector. Sir, let us look at the impediments.

Sir, if we look at this simple piece of legislation, there is nothing new or revolutionary about it. However, the point should be made that it needed to have been done several years ago and it was not done by the Other Side.

Asides.

Hon. A. D. BRATHWAITE: Sir, as simple as it is, it was not done by the Other Side. There again is the different between us. We recognise that we do not only want to walk the walk and talk the talk but we want to deliver. Sir, even though those on the Other Side are quick that we would have done that, or this is a simple piece of legislation, the fact is, it was never done. The fact is that we took the time to do it. The fact is, we brought it here this morning.

Asides.

Hon. A. D. BRATHWAITE: Sir, that is one of our differences.

Sir, before I close, as I said, these are unusual times and I want to emphasize that because - I know it almost sounds like a cliché in terms of we need to think out of the box, but we certainly need to think out of the box. Sir, we cannot continue along the same processes. We must up our gain, in terms of efficiency. Sir, we must once again ask all of our players, our Immigration Department, Income Tax Department, the Corporate Affairs Department, and the Ministry of International Business to raise the bar yet again and ensure that when it comes to Barbados, we are second to none, in terms of efficiency.

Sir, whether we like it or not, we are actually considered to be an expensive jurisdiction, so when international business people have choices, we must ensure that they recognise that they pay a bit more in Barbados, but they receive value for money. This is why when I encounter public servants in terms of a business, I am always urging them to lift the bar. However, in case I seem negative, I daresay that in most cases, I am usually satisfied with the level of service that I receive.

Sir, before I close, there is one other housekeeping matter. When I looked at this legislation, I noticed that it speaks of company, and I just want us to ensure that in fact, SRLs are not omitted. As you know in Barbados, we also

have societies with restricted liability, and we just need to ensure that, in fact, SRLs are not omitted. I would urge the Attorney-General before long to have a look at it, just to ensure that we do not have to come back to this Chamber with an amendment just to satisfy the Society with Restricted Liabilities.

Sir, with those few words, as I said it is easy for us to support those two Bills because, in fact, it is just another measure by this Government to ensure that we give due recognition to the importance of this sector to Barbados.

I thank you, sir.

Asides.

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

Hon. J. D PAUL: Mr. Speaker, I rise to support the Bill on the Property Transfer Tax and the Stamp Duty.

Sir, I want to say that again what we notice from the Leader of the Opposition in her presentation are some statements which, if you listen to them very carefully, were designed to develop a state of what I would call, economic panic. We would want to recognise the fact that the very careful approach by this Administration, in terms of trying to deal with the problems that we face in the current economic climate, demonstrates that this is the right Party at the right time dealing with the current economic situation that we face in this country. Sir, it is not the first time that this was tried.

Mr. Speaker, you would remember that again, to distract the Government in doing the correct thing, the Leader of the Opposition encouraged this Government to go into an overwhelming stimulus package, according to her dictates. Again, Sir, we went with economic wisdom and did the correct thing. Sir, the fact that we have not experienced as a country, the kinds of problems that we see in other countries, demonstrates the wisdom of the Government's thinking.

Sir, there was another time in relation to the Clico affair. Again, recent events have demonstrated that the Government is substantially correct in the approach that was taken before, so that was the second attempt.

Sir, we have now the third attempt, so Barbadians must understand when they hear people speak that there is an agenda and it is very carefully designed.

Sir, I want to refer to a statement made by the Leader of the Opposition in which the Honourable Member referred to the fact that there was a decline in foreign capital inflows. Sir, I want to refer to a document produced by the United Nations Conference on Trade and Development, called, the World Investment Report, 2009. The document states that amid a startling financial and investment crisis, global FDI inflows fell from a historic high of $1 979 billion in 2007 to $1 697 billion in 2008, a decline of 40 per cent. Sir, it goes on to say that the slide continued in 2009 with added momentum. Preliminary data for 96 countries suggest that in the first quarter of 2009, inflows fell a further 44 per cent, compared with their level in the same period in 2008.

Sir, in the face of this, what kind of economic madness do you hear coming from the Leader of the Opposition, which suggests that the current state must be put at the feet of this Government.

11.20 a.m.

Sir, not only that, you also have the ridiculous attempt on the part of the Honourable Member for St. Michael North East to bring in the issue about bicycles and postmen. Sir, I understand that they had a discussion down there this morning in which it was said that the Honourable Member feels that the bicycles should be purchased by the Government and that they believed this all of this time. Sir, they were in power for 14 years and they never bought a donkey cart for them.

Sir, not only that, the Honourable Member went on to say that the tools of trade should be bought by the Government. Sir, that is the kind of thinking that encourages the current mendicancy that we see in our population. That kind of approach to governance over the past 14 years is what is largely responsible for the kind of problems that we see at our feet today which this Administration is trying hard to get away from to bring a new approach to governance, but every turn that you make, you have a situation where stumbling blocks are being put in the way. Sir, these stumbling blocks will be removed. We have a duty to come up with creative ways to carry this country forward.

Sir, the fact that we have introduced this measure at this point in time demonstrates that we are on top of it, that we appreciate the kind of dilemma which we face taking into consideration what is happening around the world and we intend to put the necessary steps in place to deal with it.

Sir, reference was made to the factoring programme and the fact that there is a need to put it in place. Sir, the need for the factoring programme did not only arise today, it arose some time ago because there are some small contractors in this country who sell goods and services to the Government who would tell you that they always had a problem in terms of receiving payments from Government for those goods and services, so this aspect of life in Barbados is nothing new.

Sir, again, I ask the question, where was the Honourable Member for St. Michael North East all of this the time? Sir, for the Honourable Member to come here this morning pretending that they are bringing forward innovative ideas and situations, is just not true.

Sir, I would want to encourage the Government, which I am a part of, to look at introducing a factoring scheme. Sir, as I understand it, there are attempts on the way right now to deal with that in relation to the supply of certain goods and services to the Government. Sir, one of the other statements that was made in this document in the overview on page 19 says that these economies would therefore wish - the economies that in other words that impacted upon these foreign direct investments or declines - to consider promoting foreign direct investments in industries which are less prone to cyclical fluctuations such as agriculture related industries, particularly food and beverages, as part of a diversification strategy.

Sir, when the Central Bank of Barbados Governor speaks tomorrow, I believe it is, you would note that she would report that in respect of agriculture there has been a 3 per cent growth. We must give ourselves a clap. Sir, this is an independent view that is being stated and here it is in one area that this country shows a behaviour that is consistent with what is expected as the norm. There are other countries where agriculture has declined. In the case of Barbados, the fact that we have been doing the right things all along clearly demonstrates that we are doing the right things now and we would continue to do them.

Sir, when we listen to the contributions of the Honourable Member for St. Michael North East, we have to put it in perspective. We just cannot take it. We have to understand what was intended and what they are trying to create. We have to understand that this Government is taking the necessary steps to achieve it.

Sir, I also want to deal with another situation. Sir, in terms of the Property Transfer Tax Act, we have to ensure that whatever we do as we go forward in this country does not jeopardise the macro economic stability. We have to ensure that we maintain a balanced economy. Sir, we have to ensure that foreign investors who come into this country do not in any way undermine the way in which we want to sculpture Barbados. We must have a picture of Barbados as we move forward and we must not, as the Honourable Member for St. Michael North East would want to suggest, put ourselves on the sale block to the highest bidder, we must not do that.

Sir, we are committed to ensuring that the housing needs of Barbadians are fulfilled. Sir, I want to say to those persons in Barbados who might want to take advantage of this to frustrate Government's economic policy.

Sir, when we see some private developers trying to engage in acts that also frustrate our agricultural programme, we must also sit up and take notice. Sir, we have at Content Plantation in St. Thomas the largest pig farm in this country that contains 2 500 pigs. Sir, recently I got a call from the owner of the operation saying that he is seeing activity taking place on the land close to him in which there was a lot of marking out and stuff like that. Sir, I do not know what it is but I want to suggest that those persons who want to take advantage of this Government's good nature in terms of engaging in projects that jeopardise the agricultural infrastructure of this country to start to think very carefully.

Sir, while we understand that we need to do things to further our agenda when it comes to housing, we must also be careful that we do not do things that would jeopardise that 3 per cent growth that we just talked about. Sir, the growth may be greater as we go on later this year because I am satisfied that with the kinds of initiatives that this Government has in place, we would see even further growth and further employment in that sector. Therefore, Sir, we need to use the Property Transfer Tax Bill in a way to encourage overall development in this island so that not only local investors appreciate it, but that foreign investors also appreciate their responsibility to the development of Barbados in total.

11.30 a.m.

Mr. Speaker, we cannot have two Barbadoses, and I am satisfied that when we look at the measures that are being proposed, we have no hesitation in supporting the Bill. Sir, I would like to express my congratulations to the Honourable Minister of Finance for his foresight.

Mr. Speaker, I thank you.

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

His Excellency D. St.E. KELLMAN: Mr. Speaker, everybody knows that the Barbados Labour Party is known for giving away a lot of Ttansfer taxes. Everybody knows that at the same time they were giving away these taxes, they were begging the same persons to whom they had given the tax exemptions, to provide land for poor people. Sir, this is something that I have always argued against. Mr. Speaker, for the Barbados Labour Party now to come to this Honourable House and behave in such a way, saying that we should not be doing a number of things, we cannot afford to listen to them.

Sir, they should not even mention anything about motorcycles in relation to postmen. Sir, there was a time when they brought this Bill before this Honourable House. At the time, I said that in a day and age like this, not only

should they be giving interest-free loans for motorcycles, they should also be giving postmen the right to own cars because of the importance of the mail they have to carry. I said that postmen should not have to be leaving the mail on their motorcycles but that they should be given cars so that they could have the mail locked away.

Mr. Speaker, I am surprised that today the Barbados Labour Party could come to this Honourable House and try to give the impression that they are interested in postmen, when everybody knows that we had to beg them, like dogs, for them to notice postmen. Sir, everybody knows that postmen could not even leave their bicycles outside the Post Office before it would not get stolen. Therefore, do not let the public believe we are now hearing this for the first time, this is only a continuation of what is happening. Sir, had the Barbados Labour Party done anything about it, this would not be a recurring problem. Therefore, let us put that to rest.

Asides.

His Excellency D. St. E. KELLMAN: Mr. Speaker, let us be fair. We have to understand that when we are dealing with offshore companies, we know that they bring in new revenue to the country. Since these offshore companies are bringing in new foreign exchange, we must do everything within our power to match what they are bringing and give them the necessary concessions.

Mr. Speaker, it must not stop there. Returning Nationals also do something even more important to this country Barbados. When returning nationals bring foreign exchange into this country, we need not worry about outflow, they bring inflows. Sir, I am saying this is a good step by Government to look at those foreign companies first but that we must also look at returning nationals, who bring new foreign exchange to this country. These returning nationals must also be treated likewise. This is something I have always said and I know the Prime Minister understands this point.

Mr. Speaker, we cannot and will not tolerate any advice coming from the Other Side on this matter because for many years we tried impressing upon the Other Side the importance of new foreign exchange in the economy. Sir, instead, the former Administration took away one car from the families of each returning national and paid them no attention whatsoever. Sir, if you look, you would see there was a time when returning nationals felt there was something to be gained when they came to Barbados. Sir, now the reverse is happening. What they thought they had, they recognised had been diluted.

Sir, seeing that we understand the importance of foreign exchange to the economy, I am happy that we have finally arrived at that point. I am saying this should be a lesson from the Democratic Labour Party to the Barbados Labour Party, in relation to accounting l0l, how to gain foreign exchange, how to seek investments without giving away all the land in Barbados. The lesson is that there are other ways to achieve foreign exchange without having to give away all the land.

Mr. Speaker, Property Transfer Tax is something that cannot be ignored. As I said before, I saw in this Parliament where the past Government was receiving substantial sums of revenue. Sir, that Government came to this Parliament, wiped out the Property Transfer Tax, then turned around and begged the persons who were paying that Property Transfer Tax. Sir, that tax gave Government revenue to buy land for poor people. Sir, they said to those persons that they will give them an ease on the Property Transfer Tax and that those persons should remember the poor people of Barbados, so that when those people bought large tracks of land and developed them, they had to give those poor people some lots also. I will always remember that and this is something this Honourable House cannot forget.

Sir, it is the obligation of Government to look after the masses of people in this country and not to put the masses at the mercy of the rich and famous in this country, where you tell those rich and famous that you would give them the revenue to look after housing of the poor in this country. It is the Government's obligation to look after poor people in this country and not the obligation of the investors who come to Barbados.

Sir, I hope that this Government recognises this point and would correct the error, even though it might have gone very far. Sir, though there is no evidence that any land has come to the masses of people, there is evidence that the rich and famous has got a lot of money, which should have gone to housing the poor people in this country.

Mr. Speaker, I support these two measures but as I said before, I expect to see returning nationals being treated in a proper way. I also expect that when persons leave Barbados and go overseas to work, that when they get back to this country they would not be treated the way they used to be treated because they would be going out to earn foreign exchange for this country.

Sir, I have always said that investors and workers should not be punished because those are the two groups, along with Government, that should be protected. For too long in this country, we have followed blindly, we have followed the concepts of other countries and punished our investors and workers in this country. Mr. Speaker, the two productive sectors that you need, you punish.

Mr. Speaker, we were hearing in here about how the country is lacking foreign exchange but I want you to know it occurred when we blindly went and adopted VAT the wrong way. What we did was that we accepted VAT at a lower level than we should have. Sir, I do not apologise for this but instead of persons in the services industry getting jobs, we were encouraging Bajans to dump things, while we imported all kinds of jobs from outside.

Sir, for example, if you had an old refrigerator, because of the way VAT was introduced, you would dump that old refrigerator and buy a new one instead, forgetting that your cousin was working next-door and because persons were now dumping old refrigerators, they were putting local people out of work, while creating jobs for people in North American and in other parts of the world.

Sir, we ignored our productive sectors, now we are being told by the Other Side not to look after our local manufacturers, to allow all sorts of cheap imported stuff into the country and ignore our local producers. Therefore, what you are saying to this Government is not to look after the fishermen, the manufacturers, the farmers and the other productive members of this society. We are saying that we should ignore our local productive sector and import everything we want. Mr. Speaker, we do this, while forgetting that if we do not have foreign exchange, we would not be able to achieve what we want.

11.40 a.m.

Sir, I am saying that all those who have badmouthed the concept would recognise that there is something positive about it and no matter what you do, it is the corrective measure for this economy because we have to look after our workers and we have to look after our investors.

Mr. Speaker, I have always said in this Parliament that it is a triangle; that it is the workers, the Government and the investors. Sir, I was happy to hear the leader of the Trade Union Movement on Sunday acknowledging what I have been saying for years that the previous Government never took the labour movement on board. Sir, I was very happy to listen to my radio and to hear that because when I was saying it, the tall man ignored everything I said and gave the impression that I was anti-union but, Sir, the facts are here now.

Mr. Speaker, that is why I was happy that one of the first things that was done by this Government was to increase the disposal income of civil servants in this country, including postmen. Sir, while other Governments were talking about cutting wages and salaries, this Government was talking about giving increases at a time when the world was in an economic climate and, Sir, now nobody can challenge that.

Mr. Speaker, when we come here and talk about amending the Property Transfer Tax Act and the Stamp Duty Act, what we are saying is that we understand the importance of investors to this country and that we are doing something meaningful. Do not mind that when you listen to the Opposition you would not believe it because, all of a sudden, they can give the best advice. Sir, I am not surprised because that advice has been stored up for 14 years. They have not used it but they now want to use it under the Democratic Labour Party.

Mr. Speaker, I thank you.

Mr. SPEAKER: I am obliged. The Honourable Member for St. James North.

Hon. R.C. EASTMOND: Mr. Speaker, thank you very much. If my memory serves me well enough, they use to exist a legal philosopher called Nozick, who postulated the theory that taxation should only be used for the Police Force and for the Fire Service and that the broader purpose of taxation for education and social services was unjustified. He took a very narrow view and went on to suggest that taxation for purposes other than essentials for national security was more or less immoral. Sir, I can be corrected on that by Honourable Members who have read legal philosophy that he took that view.

Mr. Speaker, however, in our culture, we have seen an aspect to taxation as being one to promote the social services like education. Sir, when I say taxation, I mean raising taxes for revenue for purposes of making sure that our health care, education and other social services are not compromised.

Mr. Speaker, the other thing about the weaknesses in Mr. Nozick's position is that as time has evolved, this country, like other countries, has transcended the very narrow approach, especially known to this country between 1960 and 1976, the very narrow approach of raising money solely for revenue and since 1976, we have seen fiscal policy used to stimulate economic activity, to promote investment and to bring an aspect to the management of taxation that now sees us in a position where we can use taxation policy in the broader sense to advance our various causes and so we begin, Sir, by rejection Mr. Nozick and those who have thought about him.

Mr. Speaker, the reason why I have raised it is to put it in a type of philosophical context, where you from your perspective of being a most distinguished and learned scholar must have read when you did jurisprudence that peculiar philosophy which I am sure other learned Members would have read, that this man put forward and such a philosophy is founded in the basic concept of the tenets of the republicanism concept that we over here do not easily engage.

Mr. Speaker, in addition, I must go on to ask my colleagues on the Other Side to truly indicate in this debate, which has more or less become a taxation debate, whether there have actually been among those Members any very serious assessment of the Moody's assessment of where our economy is.

Sir, I do not think that we should likely disregard what Moodys has said. I honestly do not think that we should likely reject Moodys. I think of where we are and I sense that the Government is in a tight, tight, tight fiscal position. I sense that this Government is in a very tight, tight, fiscal position unlike the position that it inherited.

Mr. Speaker, I go on now to look at certain charges made in a most uncharacteristic manner by the Honourable Member for St. Michael West Central. Sir, never before in my experience in this Honourable Chamber have I seen the Honourable Member for St. Michael West Central in such a mood as I mentioned Moody before. I have never seen him in such a mood. I have never seen him delivered himself in such a way. He purported to quote from an independent source and suggested that this independent source would have no axe to grind and, therefore, would be truly and characteristically sound in its assessment and its projection for our economy.

Mr. Speaker, I prefer to err with our own and so, Sir, with your permission, I read from page 49 of the Report of the Central Bank of Barbados, 2009 and respond to the Honourable Member for St. Michael West Central. Sir, this document is already a document of this Honourable House. I crave your indulgence, Sir, to read all of page 49, as an attempt to read it slowly and with clarity and I will do so with accuracy as well, not at all misquoting it.

Mr. Speaker, it is entitled "Prospects for Barbados, 2009", the Report of the Central Bank of Barbados, our own institution in a sovereign country, independent country, independent institution, that stands at the apex of financial institutions in here and should, therefore, give Barbados the respect it should have.

Mr. SPEAKER: Honourable Member, before you begin, let me caution that you are free to make references because it is a published document but that your reference should not be unduly long. I have heard you mentioned the whole page but we will see how long it is. Sir, you go ahead.

11:50

Hon. R. C. EASTMOND: "As the economic crisis continues into 2009, there should be a further weakening of the economies of Barbados' main trading partners, as a result, a downturn in the domestic economy is anticipated. In particular a decline in the trading sector activity is forecast since it is expected that both long-stay and cruise ship arrivals will fall.

There should also be a slight falloff in non-traded output, as declines are projected for the wholesale and retail activity, transportation, stores and communication as well as business and other services. Moreover, even with Government's efforts to stimulate the economy, the construction cycle faces a difficult year, as there is likely to be a reduction in commercial and residential activity. Based on these forecasts of poor outturns in the major sectors of the economy, the unemployment level should rise" which it has,

"On the other hand the domestic inflation is expected to moderate, since the anticipated falloff in world aggregate demand should place downward pressure on international commodity prices.

Declining world prices should help to reduce the import bill and thereby the need for some improvement in the current account position. Inflows related to ongoing tourism projects, along with proceeds from Government's expected $200 million bond issue in the Trinidad and Tobago market, should result in a larger surplus on the capital and financial account.However, this surplus is likely to be insufficient to finance the current account deficit. As a result a loss in net international reserves (NIR) is anticipated.

The tightening in opportunity conditions observed in the latter half of 2008 is expected to continue in 2009. In addition, given the projected decline in GDP and lower deposit rates, deposit accumulation should continue to slow down, while the credit growth is anticipated to be moderate. Monetary policy would therefore be focused on stimulating the economy, while remaining mindful of the need to project the foreign reserves.

The fiscal authorities will have to meet the demands of the countercyclical policy but, at the same time, prevent a significant deterioration in the fiscal account. This task is made even more challenging given that the current economic downturn is likely to result in a noticeable slowdown in the growth of tax revenue, and payment of wage increases to civil servants is expected to lead to higher expenditure."

His Excellency D.St.E. KELLMAN: On a point of order. The Honourable Member is misleading the House. The Honourable Member made a reference to what was said by the Honourable Member for St. Michael West Central, and gave the impression that what the Honourable Member was reading is a reflection on this Government. Anybody who understands these reports would know that a 2008 report reflects 2007. All the Central Bank was doing was telling you how bad 2007 was, and it was only giving

you a projection of what would occur in 2008 and what would happen in 2009.

I want to thank the Honourable Member for reading to this Honourable House the wicket that we were left to bat on.

Mr. SPEAKER: Honourable Member, continue.

Hon. R.C. EASTMOND: Sir, the Honourable Member said in his opening remarks that the document from which I am quoting went back as far as 2007. Then turned around and said that I am.

His Excellency D.St.E. KELLMAN: On a point of order. The Honourable Member is again misleading the House, because he is trying to put words in my mouth, but he knows that stopped when I was in third form at Coleridge and Parry.

Sir, I said that the Honourable Member is reading from a 2008 report, as quoted by him, which is a reflection of what occurred in 2007, and it is also giving you what will occur in the balance of 2008 and what will happen in 2009. It is a reflection of what happened in 2007. That is all I said.

Mr. SPEAKER: Honourable Member, continue.

Hon. R.C. EASTMOND: Sir, what I was saying uncharacteristically about the pained presentation by the Honourable Member for St. Michael West Central - I mentioned nothing about Government. I was saying that I questioned the source, and I would have erred on the side of the Central Bank of Barbados. These were my exact words. I never at any stage said anything about the Government of Barbados. I questioned the source that the Honourable Member for St. Michael West Central quoted from, claiming today, an independent source, and I challenged him to accept what is ours prevailing over that. So the Honourable Member for St. Lucy is grossly unfair, grossly misguided and I shall demonstrate towards the end in my dialogue how he is misleading this House in more than one way. I will deliberately, at the end of my speech, show that he has misled this Honourable House in more than one way on a particular matter.

Sir, the Honourable Member for St. Michael West Central made the assertion that optimistically speaking, a 3 per cent growth in agriculture was expected. Pages 4 and 5 of the Central Bank Report do not at all support that. Pages 4 and 5 suggest that milk and chicken production fell; Pages 4 and 5 suggest that non-sugar agriculture and the fishing sector were negatively affected by deteriorating conditions. It also suggested that chicken farmers had to face the prospect of high prices of feed and diesel and overall Pages 4 and 5 of the Central Bank Report actively contradict the assertions by the Honourable Member for St. Michael West Central who, as I have already said, presented a rather uncharacteristic parallelation. Therefore, I really could not understand where he was going.

Sir, normally he presents himself with the type of balance that would earn the respect of every Honourable Member of this House, but having clothed himself with a ....

Mr. SPEAKER: Honourable Member, please. Honourable Member for St. Michael West Central.

Hon. J.D. PAUL: On a point of order, Sir. I believe the Honourable Member is misleading the Honourable House on this matter. Sir, if you look at it, sugar agriculture was in the decline. There was a strong growth in non-sugar agriculture. I really think we should look at the figures again.

Mr. SPEAKER: No point of order.

Asides.

Mr. SPEAKER: Honourable Member, please. I do not need to respond to the asides, but there is nothing more to be said on a point of clarification. Honourable Members have a right to speak. The Honourable Member for St. James North is now speaking.

Hon. R.C. EASTMOND: I am still reading and citing the Annual Report of the Central Bank Report 2008, and I refer all Honourable Members to Pages 4 and 5 of this report. This Report does not stand at one, with what the Honourable Member for St. Michael West Central had to say. I really am saying that ...

12.00 p.m.

His Excellency D.St.E. KELLMAN: On a point of order, Mr. Speaker. The Honourable Member for St. James North in his wisdom is deliberately using 2008, when the Honourable Member was speaking about 2009.

Hon. R. C. EASTMOND: Mr. Speaker, the tradition is that the Central Bank produces an annual report at the end of the year. The Annual Report for the end of 2009 is not yet ready. Therefore, the Honourable Member for St. Lucy has to be completely out of order. The last Government's report was 2008. It is an annual report, Sir.

Asides.

Mr. SPEAKER: Honourable Members please, both of you take your seat.

Honourable Member for St. Lucy, let us hear your point of order.

His Excellency Denis St.E. KELLMAN: Yes, Sir.

Mr. Speaker, on a point of order. The Honourable Member knows that nobody on This Side ever quoted from the 2009 Central Bank's Annual Report. We quoted 2009 statistics.

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

Hon. R. C. EASTMOND: Mr. Speaker, the impression I was given, Sir, in his initial...

His Excellency Denis St.E. KELLMAN: Mr. Speaker, on a point of order. Impressions are not allowed in this House, Sir.

Mr. SPEAKER: Honourable Member for St. Lucy, no point of order.

Please continue, the Honourable Member for St. James North.

Hon. R. C. EASTMOND: Thank you, Sir.

I was of the opinion, Sir, when he made the initial intervention on this question that they were assembled below, reading a document.

Asides.

Mr. SPEAKER: Honourable Member please continue to address the Chair, if you are on your feet.

Hon. R. C. EASTMOND: Mr. Speaker, this is becoming hilarious. The Honourable Members are clearly in a mood, both to engage me and to engage themselves in wit and humour at the expense of clarity, wisdom and truth.

Mr. SPEAKER: In that case do not be distracted by the Honourable Members.

Hon. R. C. EASTMOND: I have been particularly distracted by the Honourable Member for St. Lucy, who should clearly know better.

His Excellency Denis St.E. KELLMAN: Mr. Speaker, on a point of order. All I am doing is protecting the Honourable Member from the Press Conference.

Mr. SPEAKER: The Honourable Member for St. James North, please continue.

Hon. R. C. EASTMOND: Mr. Speaker, I will be serious with you. The first human being I saw this morning on the road, was the Honourable Member for St. Lucy. If he wanted to protect me, he should have given me that protection this morning at ten minutes to six when he hailed me and greeted me. Sir, that is a fact but I will move on. I will conclude.

The Honourable Member for St. Lucy cannot be called a trickster. In any case, that would be unparliamentary but, Sir, he is such a clever politician that in circumstances where he sees an opportunity to move in, he moves in. Sir, in a way that is consistent with his desire not only to score political points but to heighten the essence of his partisanship.

In that regard, Sir, let us look at his contribution on the postmen. History will both recall and record that between 1994 and 2008, this great Barbados Labour Party administration - read every Budget - subject to resources, actually facilitated the acquisition of motorcycles for postmen and postwomen on very favourable terms, as part of a broader package for civil servants, Sir, but we do things, subject to resources.

At the same time, Sir, the Honourable Member for St. Lucy, I would not say stole a march, but he is a very clever man. He mentioned that he heard reference to the fact that this Barbados Labour Party is not a stalwart behind the promotion of excellent labour relations. He was referring to a news item on the Voice of Barbados (VOB), preceding the 5:30 news, last Sunday. It came over exactly at 5.27 p.m. Sir Roy was speaking - and I am telling you the truth - in the context of how certain Caribbean politicians do not look with favour on the Trade Union Movement. Sir Roy said that both the Barbados Labour Party, under its last leader, and this Government have been loyal to the cause. He said so in a context in which he mentioned the name of Ralph Gonsalves. The Honourable Member for St. Lucy would have heard that, yet he comes in here and says that This Side is anti trade union and anti industrial relations, when the news item which can be had from the VOB would tell you that what I am saying is true.

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

His Excellency D. St.E. KELLMAN: Thank you, Sir.

Mr. Speaker, on a point of order. The Honourable Member is misleading the House because what I heard from that Honourable Gentleman was that Government believes that they are so big that they do not take labour with them whenever they are going to negotiate. Sir, he was speaking about Barbados and not outsiders.

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

Hon. R. C. EASTMOND: Sir, to present further, Sir Roy actually said that Barbados was faithful under both Administrations in its contribution to the Caribbean Congress of Labour. You cannot say that he did not hear that. I heard that, so the Honourable Member for St. Lucy cannot outwit me. He will not win with his teacher. I was strategically placed to hear the item, 27 minutes past five, three minutes before the 5:30 news. As I said, Gonsalves' name was mentioned. The fact that the Caribbean Congress of Labour was going to perish were it not for the intervention of the Barbados Labour Party first, to save it, and now your Party.

Sir, I therefore end my contribution by putting matters in their proper context. I can be accused of having robed myself in partisanship but I have done so with dignity, with truth and with honour. Sir, may dignity, truth and honour always prevail under your watchful and careful leadership.

I thank you, Sir.

Mr. SPEAKER: The Honourable Member for the City.

Hon. P. M. T. TODD: Mr. Speaker, I rise to support these Bills before this Honourable Chamber. I wish to say that I will invite the Opposition and the country as a whole, to join with the Government and really seek to have a bipartisan approach to addressing the current realities of the day, in terms of these financial matters.

Mr. Speaker, I must confess that I am very disappointed with the approach taken by the Leader of the Opposition this morning to this matter. The Honourable Member clearly was very exhausted, her voice was much deeper than normal and I believe she really was not at her best, clearly distracted by the current disunity within the Barbados Labour Party.

Asides.

Hon. P. M. T. TODD: Mr. Speaker, this does not excuse the Honourable Member from her display this morning. I would say, opposing for opposing sake. The Honourable Member for St. Michael North East made a point in her presentation about the need for inspiring public confidence. Yet, I am saying, Mr. Speaker, that the Opposition continues to opposing for opposing sake, trying to promote gloom and doom, as if there is a total breakdown in the running of the State and nothing could be further from the truth.

Mr. Speaker, the Honourable Member for St. Michael North East even went to the extent of casting aspersions on the Honourable Member for Christ Church East Central, the Minister of Education, trying to suggest that schools are being starved of essential financing, questioning whether the Honourable Member for Christ Church East Central has been attending the Estimates Meetings.

12.10 a.m.

Sir, I can say without fear of contradiction that the Honourable Minister of Education and Human Resources Development has taken charge of his Ministry, and has led these Estimates meetings and ensured that we are responsible in conducting the affairs of state to ensure that all essential services in the education sector are fully and adequately financed. Mr. Speaker, I would wish to assure the public that this doom and gloom picture presented by the Leader of the Opposition is clearly a misrepresentation of the truth.

Mr. Speaker, the Honourable Member for St. John, our Prime Minister, has focused initially on the issue of discretionary spending, so if any cuts are to be made, we would look firstly in that direction.

Sir, the Prime Minister has taken personal oversight of the issue of ministerial travel to ensure that what obtained under the Barbados Labour Party does not obtain today. Sir, Ministers of the Barbados Labour Party Government would have travelled to meetings that were not at the ministerial level. They went globetrotting at the expense of the taxpayers, but this would not obtain under this Democratic Labour Party Government, so we are leading by example. Discretionary spending would be one area that if we need to cut would be addressed, but not the essential school supplies or the funding of the hospital and so on.

Mr. Speaker, the Barbados Labour Party under its current leadership is irresponsible, in my view, when they seek to oppose for opposing sake just to score cheap political points. I know that Oppositions must oppose, Mr. Speaker, but they must be responsible because we all live on this little rock. This is a Parliament of Barbados. We have been elected by the people of Barbados to run the affairs of this country in a responsible way in the national interest.

Mr. Speaker, when the Organisation for Economic Cooperation and Development was threatening our international business sector, we were in Opposition and we did not seek to frustrate the efforts of the then Government, we gave them critical support publicly. That was a responsible Opposition, but this current Opposition is lost in its denial syndrome where they have not come to

terms with the fact that the electorate of Barbados have rejected them and rather than seek to really inwardly reflect on their transgressions, they are just trying to undermine the Government's efforts at every turn.

Mr. Speaker, the public of Barbados must frown upon this irresponsible approach of the Opposition. The Opposition Barbados Labour Party must ensure that they address these serious shortcomings because they are just going further and further down. What is worse they might self-destruct. Sir, we as a people must not allow them to run this country to the ground because we must inspire the confidence of the international investors. When every minutes we are hearing from the Opposition this doom and gloom story, that does not inspire the confidence of international investors to invest in Barbados. They are highly irresponsible. That is the approach of the Barbados Labour Party.

Mr. Speaker, as I said, it is all hands on deck. We must be looking at the national interest. The Opposition wants to be involved in joint select committees and they want to be engaged in working with the Government but they are not demonstrating their sincerity in this regard. Sir, if they really want to be respected by the Government, they must demonstrate that maturity that I talked about and make suggestions.

There is nothing wrong with the Opposition making suggestions in terms of the way forward. This is what we expect so that within the public domain we could get the best perspective from all sectors of the society in the national interest. They should not oppose just for opposing sake.

I would just make one or two suggestions, Mr. Speaker. Sir, Barbadians of all walks of life should take personal responsibility for promoting Barbados in terms of tourism and indeed the international business sector and foreign investments in general. Sir, sporting teams, church groups and individuals who are travelling should take the initiative and go to the Board of Tourism and get some brochures, or to the international business sector and get some information to show to those persons in the various countries where they are travelling to because you do not know.

Mr. Speaker, I was watching CNN recently and one of the richest men in the world, Warren Buffet, was being highlighted. Sir, I do not think that he even has a computer in his office. He is a very humble man but a man that has succeeded and is now a multi billionaire. He and Bill Gates and other billionaires are willing to give billions of dollars in terms of philanthropic donations to charity.

Mr. Speaker, as we interface with persons from abroad, we must always be role models and shining examples of what a Barbadian is because our interaction with those non-Barbadians may encourage them to invest in Barbados.

Sir, over the weekend I attended the University of the West Indies Cave Hill Campus' graduation ceremony at the Gymnasium and one of the persons conferred with an honourary doctorate by the University is a successful realtor in Barbados. Sir, the public orator made the point that this gentleman's grandfather, having fled the fascist of the Hitlertarian regime of Germany in the 1930s, was on his way to Venezuela and he stopped in Barbados and fell in love with Barbados and was able to invest in Barbados. Sir, the rest is history.

Sir, these simple opportunities to learn about Barbados can often bring million of dollars of investment into our country. Mr. Speaker, you see our Government promoting the use of the diaspora, Barbadians who live around the world. As we Barbadians interface with our relatives and friends abroad we must invite them to see it as their national duty to play their part in terms of investments themselves and encouraging persons in the countries where they live to invest in Barbados.

Mr. Speaker, we must be responsible and ensure that in our quest to woo investment to our shores that we do not do so at all cost. Sir, I congratulate this Government for promoting Barbados as a highly regulated domicile and not as a tax haven. Sir, this is a mature position because a decade or so ago it was fashionable to have low tax regimes and not many regulations and we could have been lured into adopting that approach, but we see the consequences.

This is before the global meltdown where the larger developed countries, the United States of America and Europe have realised the errors of their ways of having a financial sector that was not sufficiently regulated and therefore there was not sufficient Government oversight to reduce the level of corruption and inefficiencies.

Mr. Speaker, little Barbados is ahead because we now have these best practices that can demonstrate stability to ensure that our international business sector is not riddled with corruption and that we do not have the involvement of mafias, Russian or Sicilian mafias, or money laundering in terms of the proceeds from the drug trade.

Mr. Speaker, to make a deposit in a commercial bank or a credit union in Barbados of over $10 000 you have to justify that you have sourced that money legitimately. This is a highly responsible regime because we cannot let our guard down.

Mr. Speaker, I note that this legislation here makes the point that the exemptions would apply to investors who own properties for business purposes in Barbados and not necessarily adopting the approach of the Barbados Labour Party where Barbados was for sale to the highest bidder in their attempt to earn foreign exchange by the sale of Barbadian real estate to rich persons abroad. They did not understand that there is a certain limit. Sir, we must ensure that a piece of this rock is accessible and available to born and bred Barbadians.

12.20 p.m.

Mr. Speaker, we are being responsible in our approaches and I congratulate the Government for being so responsible.

Mr. Speaker, let us look at the realities: Iceland suffered massively in terms of the global economic meltdown, where a number of their banks failed. We note that in the recovery process, in order for Iceland to source funding from the Bretton Woods institutions, the Government of Iceland had to undertake to repay the depositors, who would have lost money due to the failure of those banks.

Mr. Speaker, even today we would have heard in the news that a number of depositors, who would have invested in Allan Sanford's banks in Antigua, are now lobbying the United States of America legislators, Senate and Congress, to pressure the United States of America Government to force the Bretten Woods institutions to make, as a conditionality for lending to the Government of Antigua, that those investors be now paid by the Antiguan Government. They are now giving the impression that the country, as a whole, aided and abetted the Stanford's fiasco, that ponzi scheme. Therefore, we as a Government must be very responsible to ensure that we do not suffer such negative international publicity.

Sir, I welcome these two matters before this Honourable House, but would again urge Barbadians to be responsible in their critique of Government. I would urge them to ensure that they are not opposing for the sake of opposing but that they are coming forward with suggestions which would be in the national interest.

Mr. Speaker, I could not help but make the analogy with what is going on with the Opposition Barbados Labour Party's approach to politics and what is going on in the West Indies Cricket Team, where the public had to suffer the indignity of seeing a Second Eleven team. We see that the Leader of the Opposition was on her own, waffling with a lot of irrelevancies, while the Right Honourable Member for St. Peter, who is well-versed in these economic matters, has absented himself today, as he often does.

We heard the Honourable Member for St. Michael North East saying: "Well, Tuesday I will deal with insubordination." Well, she has a lot to deal with because clearly the Honourable Member for St. Peter is withdrawing his support for the Honourable Member for St. Michael North East. What a pity, Mr. Speaker, but that is for the Barbados Labour Party.

Mr. SPEAKER: Honourable Member, please remember the rule with respect to relevance. Just make contact with the Bill.

Hon. P. M. T. TODD: Mr. Speaker, it is highly relevant because the people of Barbados are suffering from the inability of the Opposition to act responsibly and to engage the public.

Asides.

Hon. P. M. T. TODD: Sir, I am saying that we are being paid to represent the people and that it is crying shame that the Right Honourable Member for St. Peter has absented himself today.

Mr. SPEAKER: Honourable Member, I have just cautioned you with respect to relevance with this particular matter before this August Chamber. I want you to take heed of that caution.

Asides.

Hon. P. M. T. TODD: Mr. Speaker, in conclusion, I am saying these are two serious financial matters and I think it is a shame that the Opposition Benches cannot attract a significant number of their members. As I said, we are being paid by the people. It is not a voluntary position. We are being paid to represent the people and I reiterate that if the Right Honourable Member for St. Peter does not have enough interest in representing the people of St. Peter, he should do the man-enough thing and resign his seat, so that seat could be occupied by a member of the Democratic Labour Party, who would be here every week to represent the people of Barbados.

Mr. Speaker, I thank you.

SUSPENSION OF SITTING

Hon. R. D. JONES: Mr. Speaker, I beg to move that this Honourable House be now suspended until 1.30 p.m.

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

The question that the Sitting be suspended until 1.30 p.m. was put and resolved in the affirmative, without division and Mr. SPEAKER suspended the Sitting accordingly.

12.25 p.m.

RESUMPTION

Mr. DEPUTY SPEAKER: This Sitting is resumed. The Honourable Member for Christ Church West Central.

Hon. S.A. LASHLEY: Mr. Deputy Speaker, thank you very much. I rise to make a brief intervention in this debate in support of these two measures, one; the amendment to the Property Transfer Tax Act and the other Bill, an amendment to the Stamp Duty Act.

Mr. Speaker, just to highlight the importance of these measures in relation to the overall strategy of the Government as it relates to inviting and encouraging foreign investment. Sir, what surprised me was the fact that here we have two measures, as the Honourable Prime Minister outlined, which were already identified in the last Budget as the initiatives designed to encourage investment and to add a further layer in the approach of the Government in the area of international business.

Mr. Speaker, I thought that both of these measures would have elicited from the Other Side an opportunity to give some ideas and to share some ideas....

Mr. DEPUTY SPEAKER: Honourable Member for Christ Church West, you are fully aware that it is against the Rules to read newspapers in the House of Assembly. Can you please put it up?

Honourable Member, please continue with your speech.

Hon. S.A. LASHLEY: Thank you. Sir, I thought we would have had some kind of proper intervention from the Other Side in relation to the importance of these measures. Mr. Deputy Speaker, I believe these measure should not be scoffed at in relation to the international business sector. Sir, as you know, the sector contributes more than 60 per cent in relation to the corporation tax extracted from the Government and the sector has always been hailed as being very crucial in relation to the ability of Barbados to earn foreign exchange.

1.40 a.m.

Hon. S.A. LASHLEY: I believe that the focus of the Government, in seeking through incentives of this kind to attract high end individuals and their investment to Barbados is clearly distinguishable from the approach of the Barbados Labour Party. Having an approach by which a lot of foreign inflows of capital was allowed into Barbados in a particular manner that, to my mind, could have been volatile, where in an economic recession, as we have seen, those investment dollars quickly fled Barbados.

This approach is clearly different. It is different in an environment in which we need to unfold an approach to investment that is sustainable and that is not going to be curtailed each time that we have an international economic crisis.

Sir, the background should be highlighted because I do not believe you can examine these measures in isolation. Certainly in relation to the efforts so far, I believe earlier this year, in March, we had a retreat, I think a public forum in relation to the international business sector, and out of that, I believe we will see a new plan, a new strategy in relation to the international business sector.

Sir, I would like to, perhaps, highlight a number of areas or ideas, which I believe we should focus on in relation to this vital sector. I think that paramount must be a renewed effort in the area of marketing, strategic marketing, in particular those niche markets, from which I believe we have to attract new investment dollars.

I certainly believe that the Government is moving in the right direction, particularly as it relates to the very large market opportunities available in China, for example, where we are about to see the development of a resident Mission in China being led by the Right Honourable Sir Lloyd Erskine Sandiford. There are other areas I believe we should look at. These are also potential high end growth areas.

I speak of the growing markets of Brazil. I believe that in those areas where we have the opportunity to grow investment, we should have a more aggressive approach. Not only Brazil, but we have unfolding markets in Africa that we need to tap. I believe that now is the time, because we are looking to rebuild and refocus in terms of our infrastructure, particularly in relation to investment, these are the markets on which we should focus.

Sir, we should not allow an opportunity like this to pass. Often times we do not underpin the significance of those persons, who are entrusted in providing guidance and operating at the cutting edge in trying to woo investment into Barbados. We have a number of very skilled persons at Invest Barbados and at the BIDC, who are doing significant work. I think we need to encourage them.

Our focus, in my view, should be encouraging persons who are charged with the task of inviting an encouraging investment into Barbados by means of what we say and what we do in this Chamber. I believe that the time for negativity, which I get a lot of, I hear a lot coming from the Opposition Benches, rather than vital concrete ideas and alternatives in relation to how we should go.

I want to make a few observations in relation to what came from the Other Side in this debate. Strangely enough,

these measures are in relation to the improvement of investment opportunities in Barbados, and sadly we got very few inputs from the Opposition on the topic. I think that the debate from That Side went very wide in relation to a number of economic matters. I believe that if sometimes Barbadians were to take the encouragement from the Benches of the Opposition, we would have very few confident Barbadians, very few who would believe that we will emerge from this recession, but unfortunately that is not the case. I believe Barbadians are aware of the international economic environment, and I believe that they too know that this economic recession will level out and we will eventually come to an end.

Sir, there are a number of good stories in relation to what is happening in Barbados. In the area of domestic exports, particularly in CARICOM, although we have had the negative impacts and spill-offs of the recession, we were still able to see some growth in that area. We are also able to see growth in the Barbados Economic and Social Report. We were able to see growth in the financial services sector. Particularly, in the international recession we can find some comfort in the performance of the credit union sector, and it is significant.

I would like to take this opportunity to recognise and congratulate the credit union sector for rising to the occasion and winning a very significant investment in CLICO. I think that is an example of the kind of confidence that is still within the Barbados economy.

Sir, I feel that this debate, although these measures, as the Prime Minister said, are not particularly significant revenue measures, but they are important within the scheme of the policy of the Government in relation to attracting investment. I think it is also important that since the 2009 Budget when these measures were mentioned, within a very short space of time we have actually come to the Honourable House to put into effect the legislation to give effect to those changes, which are designed to encourage investment into Barbados.

I also feel that there are a number of opportunities that we should grasp, both in relation to the emerging markets but also domestically. I feel that the approach to encouraging foreign investment needs to become more multifaceted, and am encouraged by the move towards the entrepreneurial...

Mr. DEPUTY SPEAKER: Honourable Member for Christ Church West Central, please hold.

Mr. Speaker resumed the Chair.

Mr. SPEAKER: Honourable Member, please continue.

Hon. S.A. LASHLEY: Sir, I was saying that the approach to encouraging investment in the international business sector needs to be widened to give added impetus to the move to growing the entrepreneurial sector. The importance of the sector is underpinned by the impact that it has on the domestic economy. Certainly, a number of the areas will impact on how we move forward in relation to our growth of the international business sector, and there are multifaceted, not only in relation to the tourism sector, where the international business sector provides a number of services and relies on the services of that sector.

1.50 p.m.

Sir, in the international business sector, you can provide a number of services and rely on the services of that sector. There are other areas such as the health sector that, I believe, is particularly poised to add to the whole question of encouraging investment in the area of health tourism.

I believe, Mr. Speaker, that given the approach of Invest Barbados over the past year, and the approach of the Government to ensure that the structures are in place, in relation to Invest Barbados and we pay attention to infrastructural change to allow for the kind of proactive approach, which the international business sector requires, Sir, that we are setting the tone for what would be crucial, once we have a resurgence in the international financial economy.

Mr. Speaker, the two measures which are before us I believe are important. I would like to encourage the Government to move quickly in relation to marketing these opportunities abroad, so that now that the legislative infrastructure is being strengthened, persons whom we are seeking to attract will become fully aware of these opportunities in Barbados, and that Barbadians themselves, whom because of the type of environment we are seeking to build, are made knowledgeable enough to ensure that they too, can become marketers in their own right, in spreading the information outside of Barbados.

Mr. Speaker, in my view, we need to have an approach in relation to the international business sector that basically does not see a political divide. We can see this because of the importance of the sector to Barbados over the years. This need not attract a political divide and this debate is an opportunity to add one's voice in the kind of proactive ideas and solutions that can help the sector to grow.

Mr. Speaker, with those few remarks, I would like to restate again my support for the two measures before the House. I believe that they are in keeping with an already stated strategy, which has been highlighted, not only in relation to the Government's economic strategy and policy,

but I remember that this approach was part of the first response of the Government to the economic international challenges.

Mr. Speaker, I again register my support in relation to these two measures.

I am obliged to you, Sir.

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

Dr. the Hon. D. C. ESTWICK: Mr. Speaker, just a short intervention. I believe, Sir, this debate requires that we set the Amendments today in a context that would allow us to look at the presentations from the Other Side, the way that they really need to be looked at and we have to ask ourselves these questions: Are we doing something positive or negative? Is what we intended to do in the interest of developing the sector or not?

Mr. Speaker, the truth of the matter is that what we are attempting to do will redound to the development and enhancement of opportunities in the international business sector. Sir, the Amendments have my full support, not only from the perspective indicated already, but from the fact that for a long time, the former Administration was promising to transform the international business sector, so that it truly would contribute to the economic development in the way that it can.

I remember distinctly in 2004, when the Central Banks' report on its half yearly presentation said that the international business sector was comatose. Sir, part of the reason the Central Bank would use such strong language was because the previous Administration refused to carry out the type of diagnostic work on the sector, Mr. Speaker, not only to carry out the diagnostic work on the sector but they refused, after having several pieces of advice from This Side and from international agencies, to look at the legislative agenda that would have advanced the cause of the international business sector.

Sir, I would want to congratulate the Prime Minister that within a short period of time of being in office, we would have seen it fit to start looking at the legislative agenda in a more concrete and specific way, so that we can analyse precisely why this sector that now contributes approximately 12.5 per cent to GDP, and also contributes more than 60 per cent to our corporate taxation, could very well be doing significantly better.

Sir, let me go on with respect to a broader context. One of the areas that we need to do significantly better on - and much work has been done by this Administration - when it comes to looking at creating the environment for international business development, and that would be set in the context of looking at our tax treaty agenda.

One of the areas that has become very critical for us is to understand the international changes to the geopolitical dynamics of the world and also the economic landscape. The importance of that, Sir, means that as we move to expand our double taxation treaty arrangements, bilateral information exchanges, and corporation arrangements, that we now look very closely to the emerging markets.

Mr. Speaker, we should also look very closely to those markets that are very close to Barbados. In particular those emerging markets within Latin America and other areas where there are economic strength, growth and development, so that we do not concentrate our efforts in the traditional areas of source support. I believe, Sir, that we are well on the way to that particular agenda so that we can broaden opportunities for foreign investment in Barbados.

Mr. Speaker, I want to make reference to the fact that irrespective of all the talk from the other side, there has not been any significant fall off in foreign investor confidence in Barbados. There has not been any significant fall off, Sir, really with respect to our international competitive outlook. In fact, between 2007-2008, Barbados was ranked 47th on the World Economic Programme Competitiveness Index. Today, Barbados is now ranked 41st in the world.

In addition to this, Mr. Speaker, when we look at the US Base Heritage Foundation 2008 Index of Economic Freedoms, Barbados again, is ranked 21st in the world. I do not understand the argument from the Other Side that seems to paint this picture with respect to what this administration is doing and what we have done within the last 18 months. Sir, what we have done clearly would have shown us that we are not any longer on a black list from the OECD.

2.00 p.m.

Sir, what is interesting is that there were operatives on the Other Side who were trying to suggest to Barbados that there were other countries in the world who still had Barbados on a blacklist. The reality is that the Organisation for Economic Cooperation and Development being represented largely by the countries of the G20 represents that body that everybody refers to on this matter.

Mr. Speaker, I want to take pride in the fact that this type of fiscal measure would also further enhance not only international compliance but would bring Barbados in line with what is happening in many other international jurisdictions.

Sir, for years, the international business sector was calling for adjustments to be made with respect to exchange controls as to how they apply to holding companies so that they would also benefit from those exemptions that now apply to international business companies and those regular business companies in Barbados that operate only in the international business sector.

Mr. Speaker, the Prime Minister made one critical statement this morning when he referred to the proposed Amendments to the Income Tax Act that is going to bring Barbados in line with what is happening internationally. In this regard, for an individual who is resident in Barbados, but not domicile in Barbados, the taxes on income derived from the local sources and on foreign income would now not be subject to tax.

Mr. Speaker, these were measures the international business companies in Barbados and those in the international business arena have been calling for for years. It is now up to this Administration, after having carried out the diagnostic work, to systematically put in place pieces of legislation that would enhance the international business sector in Barbados and make us continue to be a sought after jurisdiction.

Mr. Speaker, I would want to very quickly make one or two references to two statements that were made that I found quite incredible which really had to do with the interpretation of the economic crisis. Mr. Speaker, I hold strongly on the view that Barbadians are intelligent people and I do not believe that the Honourable Members on the Other Side are going to be able to confuse them with respect to what this Administration has done or what it has not done. If Barbados has three sectors that it depends on fundamentally.

If you speak to your tourism sector, tourists do not come from Barbados to Barbados. We have source markets. Our source markets are the United Kingdom, the United States of America and Canada. If the United States of America, Canada and the United Kingdom are in full recession with persons losing their jobs, how could those persons come to Barbados with the same frequency and spend the same amount of money? It does not take any brain surgeon or brain scientist to understand that, that is commonsense. Barbadians are sensible people and they will not allow the Barbados Labour Party to tell them foolishness.

Mr. Speaker, international business companies are companies that come from overseas. If these companies are coming from countries that are in recession, do you not expect that there would be a fall off in international business companies' activities? It does not take a rocket scientist to understand that. My little daughter could understand that. Even a rabbit could understand that. I do not understand this thing, Sir.

What is even further distressing is that with those two critical sectors being affected in the world and affecting Barbados, they want to suggest to Barbadians that those sectors should be doing oh so well and we are doing nothing whatsoever to mitigate those circumstances.

Mr. Speaker, it is quite distressing. I was not really interested in getting involved in the discussion but when I hear such outlandish comments for political expediency, it is indeed quite sad.

Mr. Speaker, the Leader of the Opposition spoke about the fall off in Government revenues. Mr. Speaker, I just said that our major revenue inputs come from tourism and the international business sector. The corporate tax is 60 per cent. Sir, if you have a fall off in those areas, you have to have a fall off in Government's revenue. It does not take brain science to understand that. What is Government supposed to do if Government's revenue is falling and Government still has to maintain services for the people of Barbados? We have to get the money from somewhere.

Sir, Government has two choices. We are trying our best not to raise taxes so the only option that the Prime Minister has is to look to where he can borrow on the international market and spread the borrowing over 20 or so years. Sir, that is exactly what the Prime Minister has had to do.

Sir, I tried my efforts best recently speaking on another programme to explain the three fundamental responses to the economic crisis, something that the Honourable Member for St. Michael North East would never understand, that is the reason they have made a fundamental mistake with respect to maintaining leadership there.

The fact of the matter, Mr. Speaker, is that in the 1980s when Mr. Ronald Reagan became President he was facing an economic crisis. What was Reagan's response that was called Reaganomics? Sir, back then there were some who were anti-kensian so they came up with this notion that the best way for you to control the economic crisis was for Government not to spend but to cut taxes so that people and corporations could have more money to spend.

Sir, that did not work effectively, so they had to go back to the traditional method, that what is the best approach is not to use a tax cut per se, but for Government to expend more money and keep the economy ticking over while, at the same time, creating opportunities for greater lending and greater capacity for people to spend money through the creation of a monetary policy.

Mr. Speaker, that is what the Prime Minister has done. That is what China has done and that is what Japan has learnt from when Japan made that same mistake and lost 10 years that they still call today the lost decade. Sir, that is what the United Kingdom, Germany and Canada have done. What is it that we have done so wrong?

Mr. Speaker, these are the things that I really have a problem with because these are supposed to be persons who went to school.

Mr. Speaker, mention was made about the problem facing the STAT Programme as well as the Business Development Unit. Mr. Speaker, I want to tell Barbadians that the Prime Minister has not cut those two budget allocations. The Prime Minister did not tell the Permanent Secretaries which areas to cut with respect to the expenditure of reductions that we were looking at.

Sir, we had $310 000 for the Business Development Unit in 2008-2009 and the Prime Minister allocated over $360 000 and we have now used that money more effectively to help small businesses and micro businesses because half year in the term all of the money went and the Prime Minister needed more money. Sir, the reason all the money went half year into the term is because we had created access for those micro enterprises and small enterprises to be able to keep themselves going as a mitigation to the economic crisis.

2.10 p.m.

Mr. Speaker, that is what we have done, that is what we are supposed to do.

Sir, I will always remember this. It is not a mystery for those who would want to read. Sir, in the l980s, when the United States of America and Japan were trying to get out of their economic recession, what they recognised, which is something that we here understand, is that if you have $500 million, do not spend that $500 million on two big projects. Instead, you spend that $500 million on 50 medium-sized projects, or on 1 000 small projects because each of those projects, when you have the multiplying effect, ends up having a more significant impact on the economy. That is how America and Japan got over their recession, and that is why we are spending more money at the level of the micro enterprise and at the level of small and medium-sized businesses. That is the right response.

Asides.

Dr. the Hon. D. C. ESTWICK: Mr. Speaker, the problem with Honourable Members on the Other Side is that they seek colossal and diabolical forces, they do not understand these things. Sir, it pains me to have to go back through this stuff again, but if they have hard heads, then I do not have a choice. I did not give it to them.

Mr. Speaker, I only have one other area which I will deal with before I take my seat. Sir, it has to do with the area of factoring. Sir, I do not understand these people. Sir, for l4 years, I heard nothing about factoring in Barbados.

Mr. SPEAKER: Honourable Member, when you use terms like “these people” and so on, I do not understand exactly of whom you are speaking.

Dr. the Hon. D. C. ESTWICK: Mr. Speaker, I am sorry, these Honourable men and women and Members of this Honourable House. Sir, for l4 years, small business persons in this country were crying out about not being paid on time when they got access to Government contracts. Sir, for 14 years, I heard nothing about factoring - not one word - but suddenly the Small Business Association is now talking about how slow we are with factoring to help small business persons when, for l4 years, we started to talk about factoring, they then hired a consultant - I know who he is - to set up a factoring programme for them.

It was this Administration that understood the importance of trying to allow small businessmen to be able to get access to monies for contracts in a timely manner, so that they could maintain their solvency. Sir, this Administration is to be commended for that. It is not something done by them, so how could they be criticising something that is positive for small businesses in Barbados, when our job now is to advance and develop small business development. It is a wonderful programme the Prime Minister has put together.

Mr. Speaker, sometimes I get as confused as Honourable Members on the Other Side but I am happy that I have men and women around me who have some measure of brain power to help put me back on the right track.

Sir, the last point the Opposition raised was about Standard and Poors and Moody. Sir, I want to say that Barbadians can read. Barbadians can go on Standards and Poor’s website and on Moody’s website. On each of those websites the downgrade to Barbados’ sovereign foreign currency rating and its downgrade with respect to long-term bond rating, they said was due to a long build-up of debt. They further went on to say that it was a build-up that occurred over the last 10 years.

In fact, the last report from Moody’s specified the rapid buildup of debts between 2000 and 2009. These are not my words. Therefore, if Barbadians would ever trust that Administration back in power again, they would do the same thing over because it is their modus operandi.

Mr. Speaker, when we lost office in 1976, our external debt was $234 million. Sir, the former Right Honourable Prime Minister Errol Walton Barrow understood the risk but in came J.M.G.M "Tom" Adams and within 10 years our external debt went up to more than $l billion. Mr. Speaker, they were put back in power between 1994 and 2008. Do you know what happened? Sir, our debt was $2.8 billion. Do you know how much it is now as of January 2008? It is more than $6 billion.

This is the modus operandi of the Barbados Labour Party. They do not understand the basic equation in economics, which is the Gross Domestic Product equation that tells you very simply, if you over consume, you have to borrow to pay for it. Sir, we saw that evidently in the import bill as it escalated, and that is what put America in the problem in which it is now because America was over-consuming and had to borrow from China to pay for it.

Sir, I want to say to Barbadians tonight that when we are out of this recession, there are going to be some adjustments that they would have to consider, in the interest of stabilising Barbados for a long period of time. Sir, that adjustment has to start at the level of the home. It has to start at how individuals view their spending outside of their salaries, how they put their priorities.

This is how this Administration will try to solve the problem. We will try to solve it from down there, as opposed to how That Side will solve it, which is by borrowing and then burying us all in debt problems.

Mr. Speaker, I want to give my full support to the Amendments, largely because they are the right things to do. They will redound to an improvement, not only in the efficiencies with respect to how international business is conducted, but it will be a plus for investor confidence and for architecture with respect to how we have international business set up in this country.

It will also give international business persons in Barbados the opportunity now to operate on the same playing field as other international business sectors in the world. As a result, that should redound for greater business opportunities for us in the area of international business.

Mr. Speaker, I thank you.

Hon. D. J. H. THOMPSON: Mr. Speaker, I would like to wrap up this debate, if there are no other speakers. I would like to thank all Honourable Members for their contributions in this debate. I think that certainly the Honourable Members on This Side have put the issues very squarely and very accurately before the people.

I do not think there was anything on the Other Side that either added to or augmented the statements made on This Side, and I do not think they were necessarily aimed at detracting from them. Sir, it is clear that Honourable Members on the Other Side wanted to have a full economic debate, that they are looking forward to us saying that unemployment is at l5 per cent; they would be looking forward for us saying that the reserves have declined to unsustainable levels; they would be happy to hear that every sector of the economy is not performing; they would be happy to hear that all of their predictions about the Barbados economy are correct. Happier still would they be, if they could find a single foreign investor who ran away from Barbados because of what the Democratic Labour Party said in the last Election campaign.

Mr. Speaker, I reject, out-of-hand, the allegations by the Honourable Member for St. Michael North East that there is anything the Democratic Labour Party said in the last Election campaign in relation to foreign investment that was irresponsible or that had any effect of driving away foreign investment.

2.20 p.m.

Mr. Speaker, there are other economic spokesmen for that Party, who in their fit of jealousy, I presume because it was behind closed doors when they undertake their weekly exercise, that no one sees their seething anger at the success of the Democratic Labour Party, who also wrote that the reason why the Barbados economy is performing is because of the Democratic Labour Party's hostility to foreign investment.

Now, what did we say in the last Election that could be interpreted by anybody, anywhere, as being anti-foreign investment. We said that, yes, we welcome foreign investment but we will not permit Barbados' entire coastline to develop in the way that the Barbados Labour Party had aided and abetted in the unplanned development of the West Coast in this country to the exclusion of Barbadians, forcing up land prices, forcing people to sell their land and, Sir, they even hounded down Barbadians.

Mr. Speaker, there is a lady called Lola, on the West Coast, who was approached by the then Ministry of Housing, the Honourable Member for St. Andrew and told that if she did not sell her land to a foreign investor that he would acquire it. Sir, an 80-year-old Barbadian woman was told that. We later found that the law firm for which he works was also the law firm representing the foreign investor.

We have to understand what was going on in this country from Paradise right up and as far into St. Peter and then they had started on St. Lucy. Sir, from the Bridgetown Port right around, moving in as far as Merricks in St. Philip, and the next thing you would hear is that the East Coast of Barbados would be developed in that way that

Bath, in St. John, which all we did is complete the putting in of a new road and the police tells me that more than 3 000 people go down to Bath Beach every week in this country and, Sir, these are Barbadians, they are not tourists.

Mr. Deputy Speaker, all we said is that there must be spaces for people to breathe. Sir, there are foreign investors, who had invested in this country who have said that they want spaces to breathe too. Do you think they came here to replicate what they have in London? Why do you think they came to Barbados, to see what they see in Grimsby, South Hampton, Brighton, Horsham or Reading? They invest in Barbados because of, yes, our sea and our sand. The vistas on the East Coast. Clean, fresh air. A good environment. A high standard of living and people who are friendly, which is the Barbadian experience.

Mr. Speaker, we are saying that the Barbadian experience could not continue if every inch of beach land in this country came under the hammer of tourism development and we were not going to allow it. Sir, all we said is that the land would be zoned. Do you mean that we cannot zone our own land? They have zoned it in Guernsey. They have zoned it in Hawaii and they have zoned it in Jersey. Sir, these people know about zoning better than us and yet we were hearing on the other side that if we do that, that it would be most absurd, that it could not be done; that it was impossible and that land should find its highest economic value. Sir, all we said is not in Barbados under a Democratic Labour Party's Government.

Mr. Speaker, that did not chase away any investment because, as I have said, I have met investors who have said that they agree with us 100 per cent and that they were only waiting to see if we were going to allow what has happened on the west coast to happen on the east coast in our country. Sir, there are people who are saying to us that what happened on the west coast is the only way Barbados can survive. Basically, they are saying that those of us, who want to enjoy that kind of Barbados have to go somewhere else and live and that the only way you can accommodate foreign investment is if you give the investors what they want regardless of whether it is in the interest of the people, who have toiled for 300 years to bring this country to the state it is in now.

Mr. Speaker, all we are saying is that we are not lying prostrate and asking anybody to defile us. We will stand up and fight back to the bitter end in that regard. It is not a "whomsoever-will-may-come policy" that the Democratic Labour Party is operating and, Sir, I am not afraid to say so. I have said so in the Budget, if I had remembered and I would have said it subsequently and it is only because the Honourable Member for St. Michael East, who obviously has a policy diametrically opposed to that, said what was said this morning in the debate. Sir, we said we would zone land.

Mr. Speaker, The second thing we said is that we would protect agriculture by introducing an Agricultural Protection Act because we felt that food security for a country like ours was critical. Sir, do you know that within months of coming into office the United Nations Organisation was predicting that if something was not done immediately, that there would be food riots in the world and that there was a shortage of basic staple items, and that the shift towards the production of ethanol and bio-fuel was having an effect on the food supply? What would have happened to a country like Barbados in circumstances such as that?

Mr. Speaker, we said an Agricultural Protection Act and that we were going to have open markets in Barbados, where anybody who produces food could bring their food to the market; that we were going to go for modern techniques of agricultural production so that young Barbadians who did not want to be associated with the ethos of being drawers of water and hewers of wood would be able to practise modern agricultural techniques, using greenhouses and other technologies.

Mr. Speaker, I was happy that yesterday I was able to visit a church led by a youthful pastor that bought 20 acres of land and already has started to build greenhouses on their own volition with technical assistance from IEKA and from the Ministry of Agriculture. I believe that once they are successful, that others will follow in that lead. Sir, to have the capacity, if we can convince people that agriculture could be practised in a measure with the lifestyle they want to live to revoluntionise agriculture in this country.

Mr. Speaker, we felt we had to protect agriculture and we had to protect land. Sir, if you start to use modern techniques, you may not need as much land as the Honourable Member for St. Michael West Central is always humbugging me that you need. We would then be able to have modern techniques and you can, therefore, say well, yes, the 38 000 acres or whatever the current figure, that we can reduce it to accommodate more modern agriculture techniques.

Mr. Deputy Speaker, what is the third thing we said in the Election campaign? We said that Barbadians must have access to beaches. Sir, every time that we seem to acquire a property and say that one of the reasons we are acquiring it is to give Barbadians access to the beach, the Honourable Members on the Other Side get annoyed.

Asides.

Hon. D.J.H. THOMPSON: Honourable Member for St. George North, you would not have heard those things because you are too innocent. You do not get into those things. You are a gentleman from St. George so you know

what to listen to and what not to listen to. When to be absent and when to be present. When to speak and when not to speak. There is a season for everything under the sun.

Mr. Deputy Speaker, we said that we need to protect access to beaches. We have seen what has happened on the West Coast and we would like to make sure that Barbadians still have access to those beaches.

2.30 p.m.

I have talked about Bath, St. John, and the number of people who are now using that beach, having restored the road.

Asides.

Hon. D.J.H. THOMPSON: The Honourable Member for St. George North should take a little credit. I know he needed a beach for his people and they patronise Bath in large numbers since we have put in the road. There are other beaches and beach tracks where we have to do the same. Sam Lords has one and there are others. We have even said that we will like to see more fishing festivals and fishing villages involved in economic activity for Barbadians. That is the third thing that we said.

Sir, the fourth thing we said is, where we allow foreign investors to undertake investment and we give them tax concessions, we will require them to undertake companion low income housing projects, either on a site nearby, or another site approved by the Government. We have had some applications, and some of those persons applying have put forward proposals for assisting us with our housing programme.

Sir, what could be wrong with those four policies that could have the effect of driving away foreign investment from Barbados? What is it that the Democratic Labour Party did other than sit down and watch the collapse of Lehman Brothers and all of the other financial turmoil that has occurred worldwide.

The speech that the Honourable Member for St. Michael North East delivered this morning would be equally applicable in Jamaica. It would be applicable in the Bahamas. Paradise Hotel to which the Government has given almost unlimited concession sent home 800 people, and the Prime Minister had to remind them that the tax concessions were given for them to employ people, not send them home, and they brought back a couple of them.

St. Lucia, Antigua and Dominica, do you realise that almost every country in the Eastern Caribbean...perhaps it is the first time in the history of the Caribbean barring three of our major economies and Bahamas will be under International Monetary Fund programmes, have been or will be in the space of two years, and we sought to keep our heads high in those circumstances by protecting jobs, by going out and seeing the investors.

Some of them were not approved by us. Some of those investments were approved by the previous Prime Minister and Minister of Finance and Economic Affairs, and Minister for Town and Country Planning, but we are not so meally-mouth as to adopt a position that since we did not attract them, that we are not going to seek to get the investments back on course.

Investments are either in the interest of Barbados or they are not. I do not agree with everything that was approved, but it was approved, and a country like Barbados has to have something going for it in the international community. I believe our word should be our bond.

Sir, unless there is some criminal involvement, like with the ABC Highway... we are not dealing with that yet. I will let things settle down first before we get to that. Or I should say the involvement of criminals.

Asides.

Hon. D.J.H. THOMPSON: The involvement of criminals, as in the ABC Highway, and the involvement of criminals at the Prison.

Asides.

Hon. D.J.H. THOMPSON: We are not going to reverse decisions that have been taken properly in the interest of our country. So we sat down with everybody. There is no investor that we met who said that you got an ignorant policy on beaches, so we are not investing anymore. There is not an investor who asked about zoning nor one who asked about our agriculture policy, nor one who expressed concerns about the exchange rate. Everyone said Barbados is a beautiful country. We enjoyed and have lived there before. Some said they have been living here for years, decided to invest and are going to try to continue their investment.

The Honourable Member for St. Michael North East said that we are responsible for the decline in investment from $1.5 billion in 2007 to $450 million in 2008. She did not quote the figures for 2009, but I suppose if she had them she would have been happy, if it was $1 or minus.

Sir, I am not happy about that. It is unfortunate. It is one of those many negative things about human nature that one has to contend with. The point is, all of our children have to live in this country after we are gone, and we should not wish ill on our nation. I do not wish ill on any other Caribbean nation, that is why when we met with the

World Bank President, Mr. Robert Zoellick, he said to me they have concerns about the G20 designation of some of your countries as blacklisted. We want you do a joint mission to the G20 to put your case. Would Barbados lead the mission and do the ground work? I said yes.

Sir, I have said in this Honourable House before, the Honourable Member for St. Philip was, sitting over there and heard Honourable Members on This Side say that the only reason why Barbados was asked to lead the OECD was because of who was the Prime Minister at the time, or who they were. They were unique. They were chosen because they were the most outstanding leaders, apparently the Caribbean had ever seen or would ever see. I did not go to the World Bank. I did not go to any meeting at the World Bank to proffer myself or Barbados.

I went into a meeting with CARICOM leaders and Barbados was requested to undertake that task. I did not volunteer and I did not in anyway suggest that we were available. We will undertake the task because it is also in our interest not to bad mouth the Caribbean, because when other countries in the region fail, it would have a ricochet or domino effect on Barbados.

Sir, we do not sit down and read a report every time a report comes in, look to read it just to see that Barbados is at the top of the list, and that we are glad we are better off than this country, and we are glad that we are better off than that country. We are right now, and we have been bitterly criticised. We have done nothing but dithered, sat down and twittered our fingers while Rome was burning.

On the one hand they said that we spend too much on social programmes, and last Sunday they said that we have no new social programmes. The Constituency Councils and summer camps, none of those are social programmes, apparently. Sir, we have no new ones. Every day we are talking about new social programmes, but we have none. Yet when it suits them they say that all the social programmes we have are a drain on the Treasury, mashing up the Transport Board, wasting money putting children in summer camp, in a society that is currently facing convulsions in the family unit.

All we said is, let us assist parents because of the cost of living and the economic circumstances that we face. During the summer when children are most exposed to negative vices, let us pull them under a summer camp programme and have that programme run, not by teachers and principals, but to get responsible young people in the community to take up leadership roles in running the camps. Then to let some vendors who can provide catering services an opportunity to provide food for these children, not the School Meals Department.

14.40 p.m.

Sir, we precisely went out to try to assist some of those other people who are not now getting those opportunities. We could be wrongly criticised by the principal spokesmen on That Side for implementing policies of that sort.

Asides.

Hon. D. J. H. THOMPSON: No. Today was not that. Do you want me to tell you what today was? Today was that you all have suddenly discovered that a motorcycle is a tool of trade for a postman, after 14 years in office.

I went to a similar demonstration too in my time as Opposition Leader. You all have suddenly discovered that a motorcycle is a tool of trade. We fought to get the motorcycles duty-free in the first place. Sir, that was an initiative of the Democratic Labour Party.

Asides.

Hon. D. J. H. THOMPSON: Think back, and after we put it in our Manifesto in 2003 or 1999, it was implemented in the very next Budget.

This is not the first time people have been stealing postmen's motorcycles. It is wrong, it is unfortunate and it is something that we are examining but to make some case out in the middle of an economic debate that a motorcycle is a tool of trade and should be provided free, while at the same time you are saying that school children should not travel on buses free, and people cannot get supplies to teach children in schools, as if that is the first time in the history of Barbados when that was happening.

There was a time when the education Budget was more than the health Budget in this country, and children still could not get supplies, when millions of dollars were being used by officials in EduTech to build houses for themselves, and half the files on EduTech cannot be found.

Asides.

Hon. D. J. H. THOMPSON: The Minister of Education supports the project, he was a product of it. It is a good thing that I am not the Minister of Education. I speak for me, not as Prime Minister at this point. It is a good thing that nobody else made me the Minister of Education in the year 2008, if not I am certain that there would have been a major investigation into how people who had raided that project and the Treasury, with the full knowledge of persons who were parading in this Chamber every week, with all kinds of pretty speeches, dressed to the nines, and others were doing as they like, and then they get in here now saying that people do not have supplies in schools and they do not have chalk, all of a sudden.

I went to school at a time that if the teacher did not have chalk, the students had it, because it is true that we used to collect the chalk.

Asides.

Hon. D. J. H. THOMPSON: If you did not have cardboard, you went down to - there was a stationary here on High Street called, Roberts, and you buy Bristol board. Class projects were funded by the students. If you had a history exhibition, the students had to put up money. A sheet of Bristol board was for 20 cents and now somebody is going to come in the year 2008 and give the impression that because, there may be a shortage in supplies. I do not know if there is or if there is not, but I know that Government has to run a tight budget. We have no choice in these economic circumstances.

Asides.

Hon. D. J. H. THOMPSON: Mr. Speaker, no teachers have been sent home. No lights have been turned off. No water has been turned off. None of the ancillary staff had been sent home. The school meals have not been cut back. All of the incidences of free education in this country, we have tried our best to ensure that we can continue to provide. Sir, that in and of itself is not easy.

Sir, those were the things that were said today, postmen and post women motorcycles, sheets in the hospital, and all kinds of nonsense.

Asides.

Hon. D. J. H. THOMPSON: The Auditor-General said two Fridays ago he met with them. There are things that you can do and there are things that you simply cannot do. We cannot work miracles. It seems as though we are living in a society now where as soon as people do not get what they want when they want it.

Asides.

Hon. D. J. H. THOMPSON: Well, there are views. I do not mind that because we are a democracy and nobody in this country has a monopoly on it, and I take my full part in speaking from my heart and nobody has ever restrained me. Sir, I do not believe that other people should be restrained. I have never had a slander action against me in my 30 years in politics, which means either that everything I said was true, or the falsity of it could not be proved.

Asides.

Hon. D. J. H. THOMPSON: In this Chamber, I have never shielded behind the rules of parliamentary privilege because whatever I have said in here, I have always said that I would be prepared to say outside.

The point I am trying to make is that we live in a society in which as soon as people cannot get what they want when they want it that they must shut down shop, and that only angers the beneficiaries of the programme. You are not hurting me when you do that. You are hurting the ordinary person who needs, most of all to benefit from those services.

When the Welfare Department is not meeting the needs of the poorest in our society, then that has an impact on social relations in Barbados. It pushes those persons further and further away from the centres of authority and power, because they think people do not care about them. When you have problems, every day people call in on the radio with issues with the Barbados Water Authority, even though we have increased their rates, actions that just push people further and further away from their full and effective participation in this society. It makes it worse when they are politicians who then jump on that bandwagon and try and make it appear and exploit it, just to be able to say that because revenue is down, we have cut something.

Mr. Speaker, we said we have cut, we have no choice but to cut, and what is a target? Since when has the word, target, been translated from being a target or a projection into being an actual. I always thought a target was something you aimed at. Sir, we make certain targets based on what we assume the economy can bear, it often does not bear it. The largest target that was ever missed in this country, would be the introduction of the VAT. The biggest fiscal target that was ever missed by a gentleman who was a well-qualified economist, and a forecaster from the Bauxite Institute for many years.

He used to forecast bauxite prices but he came here and told the House that the VAT was to raise one amount of money, and in that fiscal year it raised $200 million more. It was not given back to the public. It was supposed to be revenue due to the 11 taxes it replaced. It was supposed to raise the same revenue. He did not say that I have raised $200 million more, so let me give back every taxpayer some of that money.

Now, we have set targets and we have not met those targets. When you found that under the previous Government you would have up to 26 Supplementaries, in a given fiscal year: What does that tell you? It tells you that the Estimates that were designed in March were wrong. They were missing their target and therefore you must have Supplementaries to make adjustments along the way. We have not brought any Supplementary, other than one in which we found savings elsewhere, which we debated last week.

Asides.

2.50 p.m.

The Honourable Member for St. Michael North East would have a justifiable case if we were on Supplementary No. 30, which would have broken the record of the previous Government, and if she had said that there is fiscal recklessness in the country and that the Government is doing nothing to stem what is obviously going to be a massive fiscal deficit.

Sir, we have in the circumstances sought to cut back to stabilise the situation but to give priority to the maintenance of jobs and the delivery of critical programmes in this economy.

Sir, I reject the idea that missing a target, either in revenue or expenditure, is such a big thing as to warrant a suggestion that you have to have a new budget or you have to have some new round of economic speeches in here. Mr. Speaker, I have been in this Chamber in which the Minister of Finance did not come on this Floor other than to lay documents on mornings.

Asides.

Hon. D. J. H. THOMPSON: He said prayers. He laid papers and then he retreated into his office.

Sir, the fiscal targets had changed and there was no debate in here. It is true he left a gentleman, who did not understand his job then, did not understand the previous job he had and does not understand the job he has now, to do his job for him. Sir, he so mixed himself up in these debates that sometimes we were never sure what the exercise was all about but, that is a different matter.

Sir, the point is there was never an occasion in a supplementary when the entire Government's budget and fiscal position was laid out before the country at mid-term but all of a sudden every time you bring a measure here somebody gets up, they want an analysis of the revenue and expenditure position as if the Central Bank Governor does not report and as if the Government does not set out, if we have supplementaries or other occasions, the financial position in our country.

We are to set out another target and when we miss that people would be happy to say they set out those targets but they miss them. In true International Monetary Fund fashion, you set targets, miss them or you work yourself up so much trying to achieve the targets that you forget about managing the overall economy. People would spend so much time fiddling over the nuances of statistics and how you could cut National Insurance contributions and the water bill and so on that you then cannot get to the larger issues of seeking to engineer results from political actions in your various ministries.

Sir, it is against that background that I have to say I was disappointed by that contribution, but that may be motivated by factors out of my control and out of this Chamber's control. Sir, I do not exercise my mind in things that are too high for me and, therefore, I am not going to speculate on what could have influenced that. I would sympathise with it.

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

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

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

On the motion of Hon. D. J. H. THOMPSON, seconded by Hon. F. J. STUART, the House resolved itself into Committee, Hon. S. A. LASHLEY in the Chair.

COMMITTEE

Mr. CHAIRMAN: This House is in Committee.

Clauses 1 - 2 were called and passed.

On the motion of Hon. D. J. H. THOMPSON, seconded by Hon. F. J. STUART, 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. D. J. H. THOMPSON, seconded by Hon. F. J. STUART, the Bill was read a third time and passed and cited as the Property Transfer Tax (Amendment) (No.2) Act, 2009.

ORDER NO. 5 – STAMP DUTY (AMENDMENT) BILL, 2009

Hon. D. J. H. THOMPSON: Mr. Speaker, I adopt the same arguments as I did for the previous Bill and therefore I beg to move that this Bill be read a second time.

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

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

On the motion of Hon. D. J. H. THOMPSON, seconded by Hon. F. J. STUART, the House resolved itself into Committee, Mr. S. A. LASHLEY in the Chair.

COMMITTEE

Mr. CHAIRMAN: This House is in Committee.

Clauses 1 - 2 were called and passed.

On the motion of Hon. D. J. H. THOMPSON, seconded by Hon. F. J. STUART, 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 motion of Hon. D. J. H. THOMPSON, seconded by Hon. F. J. STUART, the Bill was read a third time and passed and cited as the Stamp Duty (Amendment) Act, 2009.

ADJOURNMENT

Hon. R. D. JONES: Mr. Speaker, I beg to move that this House do now adjourn until Tuesday, November 10, 2009 at 10.00 a.m.

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

The question that the House do now adjourn until Tuesday, November 10, 2009 at 10.00 a.m. was put and resolved in the affirmative without division and Mr. SPEAKER adjourned the House accordingly.

3.00 p.m.

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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. *Suspension of Standing Orders.* The motion lists 'Standing Orders Nos 6, 16, 18, 29, 42(5), 43 and 44'; the same motion at other sittings names Standing Order 20 rather than 29. Printed as in the source.

Q2. *First Reading of Bills.* For the Stamp Duty (Amendment) Bill, 2009 the procedural sentence 'The question was put and resolved in the affirmative without division' runs on inside Hon. R. D. Jones's seconding words. Printed as in the source.

Q3. *Order No. 4, figures.* The Leader of the Opposition says private capital inflows 'dropped from $1.5 billion in 2007 to $495 million last year'; the Prime Minister, replying, quotes her as saying '$1.5 billion in 2007 to $450 million in 2008'. Printed as in the source.

Q4. *Order No. 4, after the suspension.* Mr. Deputy Speaker calls the Member for Christ Church West Central and then addresses him as 'Honourable Member for Christ Church West'; when the Speaker resumes the Chair, the Prime Minister's later speech addresses both 'Mr. Speaker' and 'Mr. Deputy Speaker'. Printed as in the source.

Q5. *Speaker labels and take-slips.* Several backbench Members are labelled 'Hon.' at this sitting (for example 'Hon. A.D. BRATHWAITE', 'Hon. R.C. EASTMOND', 'Hon. J. D PAUL', 'Hon. S.A. LASHLEY'), and Mr. D. St.E. Kellman appears as 'His Excellency Denis St.E. KELLMAN'. One take-slip reads '14.40 p.m.' Printed as in the source.

DEBATE SUMMARY

(Editorial summary — not part of the record.)

The House of Assembly met at 10.20 a.m. on Tuesday, 27th October, 2009, with Mr. Speaker in the Chair; prayers were led by Rev. Canon Ivan Harewood. The Minutes of Tuesday, October 20, 2009 were confirmed and the Speaker reported the Financial Statement for April, 2009 from the Accountant General. The Prime Minister, Hon. D. J. H. Thompson, laid the Annual Report of the National Petroleum Corporation for 2006-2007 and a Duties, Taxes and Other Payments (Exemption) (Information Kiosk) Order, 2009; Hon. F. J. Stuart laid the Report of the Judicial Council for 2007; and Hon. C. P. Sinckler laid Annual Reports of the Urban Development Commission. The Property Transfer Tax (Amendment) (No. 2) Bill, 2009 and the Stamp Duty (Amendment) Bill, 2009 were read a first time, and Standing Orders were suspended.

With the leave of the House the Prime Minister opened the debate on both Bills together. Arising from the May 2009 Budget and the strategy to attract holding companies and high net worth individuals, they exempted from property transfer tax and stamp duty transfers of shares to persons resident outside Barbados where the company's assets and income derived from sources outside Barbados. The Budget proposal had been refined so that a company might also hold assets in Barbados for business purposes, the word 'wholly' being removed, and the exemption would apply to both Barbadian and non-Barbadian resident shareholders.

The Leader of the Opposition, Hon. Miss M. A. Mottley, said the Opposition supported the amendments but used the debate to raise revenue performance: private capital inflows had fallen from $1.5 billion in 2007 to $495 million, transfer tax had raised $27 million against a projected $40 million, $7 million had been removed from Welfare and 18 nursing posts at the Queen Elizabeth Hospital were vacant. She urged a factoring programme for small businesses owed money by Government, and raised the delay in income tax refunds and the postmen's strike over stolen motorcycles, until the Speaker cautioned her that she was going too far.

Mr. A. D. Brathwaite supported the Bills and urged amendments to trust legislation before a conference of the Society of Trust and Estate Practitioners in May 2010. Mr. J. D. Paul criticised the Leader of the Opposition's arguments and also supported a factoring scheme. Mr. D. St.E. Kellman welcomed the measures and spoke on returning nationals. Mr. R. C. Eastmond quoted the Central Bank's 2008 Annual Report on prospects for 2009, which drew repeated points of order from Mr. Kellman and one from Mr. Paul, none of which was upheld. Hon. P. M. T. Todd accused the Opposition of opposing for opposing's sake and was twice cautioned on relevance. The House was suspended until 1.30 p.m.

After the suspension Mr. S. A. Lashley, reminded by the Deputy Speaker that reading newspapers in the House is against the Rules, urged a wider approach to markets such as Brazil. Dr. the Hon. D. C. Estwick set the amendments in the context of international business and said the Business Development Unit's allocation had risen from $310 000 to over $360 000. Replying, the Prime Minister rejected the claim that the Government was hostile to foreign investment, setting out its four election

commitments on space for Barbadians, agriculture, beach access and conditions on tax concessions, and said that missing fiscal targets did not warrant the criticism made.

The Property Transfer Tax (Amendment) (No. 2) Bill, 2009 was read a second time, passed through Committee and was read a third time and passed. The Prime Minister, adopting the same arguments, then moved the Stamp Duty (Amendment) Bill, 2009 (Order No. 5), which passed all its stages without debate. On the motion of Hon. R. D. Jones the House was adjourned until Tuesday, November 10, 2009 at 10.00 a.m.; the last take-slip reads 3.00 p.m.