

THE SENATE DEBATES

(OFFICIAL REPORT)

FIRST SESSION 1981 – 86

THE SENATE

Wednesday, 30th September, 1981.

The Senate met in the Senate Chamber, Public Buildings on Wednesday, 30th September 1981, at 2.45 p.m.

PRESENT

His Honour Senator the Honourable Sir ARNOTT CATO, M.B., Ch.B. LL.D., (President); Senator the Hon. N. A. BARROW, B.A., LL.B., (Minister of Information, Communications and Culture) (Leader of the Senate); Senator Mrs. E. M. LYNCH, B.A., G.C.M.; Senator J. E. D. WILLIAMS; Senator Miss J. CLARKE; Senator M. C. C. WARD; Senator StC. E. HOWELL; Senator Mrs. M. O. REECE; Senator E. E. GREAVES, B.A., Ed.M.; Senator W. W. HALL; Senator A. W. A. McCLEAN; Senator Mrs. G. G. READER, M.B.E.; Senator C. D. SEALE; Senator the REV. CAN. I. McK. JONES and Senator K. A. ROUSE.

Prayers were read by Senator the Rev. Canon I. McK. Jones.

ABSENT

His Honour Senator J. C. W. WICKHAM, M.B.E., (Deputy President); Senator the Hon. O'BRIEN TROTMAN, Senator H. R. LINTON, Senator C. I. E. DEANE, Senator C. A. GRIFFITH and Senator D. A. C. SIMMONS.

SENATOR THE REV. CAN. I. McK. JONES: Mr. President, before the business begins, may I just say that I have not been receiving the Order of Business for the Senate. I did not get one last week, I did not get one this week. I do not know why.

Mr. PRESIDENT: I am very sorry to hear that. Does any other hon. member have a complaint of that

sort? I do not know why this should be, but I will certainly look into it. The instructions that have been given to the person who delivers the Agenda is that it must not be posted, it must be delivered by hand. I will make an enquiry.

INTRODUCTION OF BILLS

SENATOR THE HON. N. A. BARROW: Mr. President, I have the honour to introduce the following:

A Resolution to approve the compulsory acquisition of land at Oistins, Christ Church, for the purpose of road improvement and in connection with the Fisheries Terminal Project.

A Resolution to approve the compulsory acquisition of land at Whitepark Road, St. Michael, for the provision of a radio station for the Caribbean Broadcasting Corporation.

A Resolution to approve the compulsory acquisition of land at Applegrove, Christ Church for the provision of a playing field.

A Resolution to approve the compulsory acquisition of land at Hastings, Christ Church for the purpose of road improvement.

A Resolution to approve the compulsory acquisition of land at Boscobel, St. Peter for the purpose of erecting a storage tank for the Barbados Water Authority.

Sir, with your leave and with the leave of the Senate, there were three documents to be laid. With your leave I will do it now and save having to ask for a recommittal. The documents to be laid are as follows:

Hire Purchase and Credit Sale Agreements (Control) (Amendment) Order, 1981.

Civil Establishments (Payment of Passages) Order, 1981.

Offshore Banking Licence Fees (Amendment) Regulations, 1981.

PUBLIC BUSINESS

RESOLUTION TO APPROVE THE COMPULSORY ACQUISITION OF LAND AT MY LORDS HILL, ST. MICHAEL

SENATOR THE HON. N. A. BARROW: Mr. President, there is nothing particularly complex about this. From time to time lands have to be acquired for the purpose of public housing, and right at the beginning of last year correspondence on file shows the Chief Surveyor having a look at a number of pieces of land, and if my memory serves me correctly, they have in the main been so far acquired.

This is land at Licorish Village, My Lords Hill, which we need for housing development. The area approximate to it is an area of rather thick housing, dense housing, and it is also an area which a former Senator in this Chamber described as a depressed area.

What this is, is an attempt to buy land very close to the area for continued housing development in the area. There is some housing development going on right inside the Ivy itself, but the My Lords Hill-Ivy area is an area where we need to make additional provision.

One other thing too, Sir, is that it also represents part of the policies applied from time to time and indeed has been applied more in resettlement than anything else of locating persons so that they are still even within or contiguous to their community which itself helps to keep some of the better values of the community going rather than just herding a whole lot of people into a lot of mortar and concrete because the land exists there and you clear the land and build a large housing estate elsewhere.

Mr. President, I beg to move that the Senate concur in this Resolution.

SENATOR GREAVES: Mr. President, speaking on this Resolution relating to the acquisition of this portion of land at My Lords Hill, I think I would like to start off by saying that we from this side, and I am speaking for Senator Hall and myself, have no basic objection to the idea of the acquisition of land in My Lords Hill or indeed in other areas in Barbados from time to time for the provision of housing in this country. We recognise that housing is crucial to our development and indeed is extremely crucial for our overall social development in this country. That is why I am sure that it can

be said that the Democratic Labour Party is supportive of any move by any Government to improve housing for people in Barbados.

Now having said that, I think it would be necessary for us to just examine this proposition in the light of what has been happening to housing and housing development in Barbados, because I would like to think that this proposed housing development and its ancillary facilities at My Lords Hill would not go the way of some of the development which has been undertaken by this Barbados Labour Party administration and which are still being developed, and I would like to give some indications about some of the overall difficulties and problems which have been encountered in the area of housing which has been provided by the Government of this country. I say I would take this opportunity to do this because we would not want to sit down here and approve of an acquisition which is near an area where there is need for housing, but then you find that the housing which is provided is out of the reach of people who are really in need. I believe that if one were to take an indepth look at some of the projects which are at present being undertaken by the Barbados Labour Party administration, you will see that this is one of the criticisms which can be levelled at them. So as I said, I do not want to see this development going in that direction.

I think that one would also have to look at some of what has been happening in the National Housing Corporation from the point of view of how that Corporation responds to the needs of persons who are in search of housing in Barbados, and indeed who have applied to that Corporation for a very long time and their needs have not been satisfied, even although it can be clearly established that some persons to whom houses have been allocated are persons whose applications were not in the National Housing Corporation before some persons who did not get. So that I am going to in my discourse make a suggestion as to how we might be able to avoid what I would describe as favoritism in the allocation of housing in this country. I think we would also have to look, Mr. President, at the overall housing development which is taking place, the areas where such housing is sited and note, for example, that there was for some time an absence of any strategy to deal with housing on a complete national basis, that is, to get away from the concentration of housing in the urban and suburban area.

Now there is a movement into some of the rural areas and at the very outset I would just like to indicate a concern which I have expressed for a number of years in the Lower House. As a matter of fact I had raised in the course of the Resolution on the whole question of rural development the question of the provision of housing in the rural areas and at that time I zeroed in

on the provision of housing in the northernmost parish of St. Lucy. A decision was taken to establish a housing development at Nesfield in St. Lucy. This was way back in 1975 and when the Barbados Labour Party came into power, in spite of the indications which were made to the owners of land at Nesfield that the land would be required for housing development, instructions were issued and this was confirmed by the Deputy Prime Minister, Bernard St. John, in reply to a query which I raised that they did not have the kind of applications in the National Housing Corporation which would justify the establishment of a housing project in St. Lucy.

Now I believed and I maintained then and I maintain now that that is wrong because when you in your housing development concentrate housing in urban and suburban areas, as I had to point out you are putting pressure on a number of services: the health services, the sanitation services, the water services and transport services, and you get that kind of pressure which can be seen now. As you go around Barbados you can see the kind of uneven development which has taken place, and I therefore would like to urge the Government to step up its programme of extending and taking housing into the rural areas and more specifically, as I said, I would hope that Government would see the wisdom in moving and having the development which was indicated and for which I have been pressing for some time in the area of St. Lucy and if possible at the Nesfield area.

As I understand it, under the Physical Development Plan that area was earmarked for housing development and I presume that we are still operating on the basis of the Physical Development Plan which was approved by the Legislature, I believe, early in 1977 or late in 1976.

Having said that I think that one must say that I believe that this housing development and the provision of other facilities would be superintended by the National Housing Corporation. Within recent weeks or months, the National Housing Corporation has demonstrated very clearly that it is in a lot of financial trouble and maybe in some administrative difficulty with the financial starvation which it is going through but this is not entirely of the making of the National Housing Corporation.

I think it has been a direct result even although it is an agency of the Government, it is as a result, I am submitting, of very bad and reckless planning by the Barbados Government. Last week I was accused of attempting to grab headlines by words which I used. I have no apologies for making that kind of statement or using those kinds of words. I am saying that the National Housing Corporation which will be administering this project has found itself in a tremendous amount of difficulty, financial starvation, because of the recklessness of the Barbados Labour Party administration.

I will show you why because this recklessness came about when it was clear that an election was going to take place on June 18. I have the information which will demonstrate as we go along and I would hope that there would be better planning in this so that we would not run into this because there are a number of projects which are at present being undertaken by the National Housing Corporation which have come to a halt, which are on the verge of halting and there are going to be a lot of adverse spin-offs which will result from this kind of situation.

I know that we do not refer to, in this August Chamber, articles in Newspapers but I think it is known to everybody that the National Housing Corporation is laying off and has laid off a lot of its staff and indications are that by the end of this week another 100 or so people will be laid off and if the National Housing Corporation does not get the money to keep it going, I am stating that in a matter of another week or so, its entire operations as far as building houses will be concerned, will have to be shut down. The only project which might possibly continue and this will be done by the juggling of finances, will be the St. Cecelia Project which I will indicate to you how that will operate.

Mr. PRESIDENT: I hope you are not going to use this Resolution to make a general excursion into the National Housing and various projects that are not relevant to this particular issue. The time for general debate on that Corporation is under another issue. This is a particular Resolution and while I think it is proper for you to indicate that you hope that the problems that arose in other directions would not arise now I cannot allow you to go into a general dissertation on the National Housing Corporation.

SENATOR E. E. GREAVES: Mr. President, I am grateful for your direction and I was indicating that I am very concerned about the way in which the National Housing Corporation has been operating and the way in which it has been managing the various projects under its control and I wanted to support this by the production of some information and indeed analysing some of the reasons why the National Housing Corporation and our general housing programme particularly Government housing programme is unfortunately in the state it has found itself in at this point in time.

I recognise the point you are making but I was really going to use the references to some of the others as supportive evidence of the position which I am taking on this and I would give you the assurance that my excursions would not be too far even although I indicate that I would just want to allude to some of them. I had intended really to going into and dealing with all of them but since you indicated that you did not consider that this is right at this point in time I could hold that back

until another time but I would like to crave your indulgence just for the purpose of comparison to allude to these....

Mr. PRESIDENT: I understood you to say that you were supporting the Resolution.

SENATOR E. E. GREAVES: Yes, yes, of course but at the same time.....

Mr. PRESIDENT: You have indicated that you would not like it to fall into the difficulties that arose in other directions. That's enough of a point. You cannot go into detail of all of the rest.

SENATOR E. E. GREAVES: I was not sure that I had made the point clear enough.

Mr. PRESIDENT: I understand what you have said.

SENATOR E. E. GREAVES: I said that the policies of the Government have starved the National Housing Corporation out of money. An argument has been advanced that the non-collection of rents is partly part of the problem of the National Housing Corporation. I just want to read from a memorandum, which I will make a document, and gladly so, of the House from the Permanent Secretary in the Ministry of Housing to the Manager of the National Housing Corporation relative to this whole question of financing and maybe at this time the Minister could give us some indication as to when he expects that this development will take place and indeed where the Government expects to get this money from to develop this housing development at the Ivy.

I am saying that the \$6 million which was allocated to the National Housing Corporation in the 1981-82 Estimates that money was used up by, I think, the end of July or August of this year so that I believe that he would want to give some indication but the Permanent Secretary of the Ministry of Housing and Lands writing to the Manager of the National Housing Corporation on the 6th July had this to say in paragraph 2 relating to Housing. It says "In this regard Ministries" - Sorry, I will read the first paragraph.

"I have been informed by the Director of Finance and Planning that an immediate review of capital expenditure is being undertaken and of the projects financed from this source.

In this regard, Ministries are required to keep expenditures below the level of the appropriations for 1981/82. Supplementary provision will not be entertained and, if necessary, projects will have to be halted, rescheduled or delayed. In respect of the National Housing Corporation, it is strongly recommended that the

projects at Maynards, St. Peter and Lammings, St. Joseph should be rescheduled for 1982-83."

This is just to indicate the financial state of the National Housing Corporation so that I would want the Minister to give us some indication as to where the money will be coming from for this and indeed when the Government proposes to start this project. I believe that if we are coming here to acquire land for housing development purposes....

SENATOR THE HON. N. A. BARROW: On a point of order, Mr. President. I am rising on a point of order to ensure, Sir, that the document just quoted from has, in fact, been made a document of the House already.

Mr. PRESIDENT: The hon. member said that he would make the document a document of the House and I am getting back to the original point that I was making.

I cannot see that an excursion into all of these matters are necessarily relevant to the resolution we have in front of us. You have made the point and I understand the point you are making that you support the resolution, but you would like to be assured that the Government knows where they are getting the money from and that they will adopt policies that will not create difficulties that have occurred in other directions. That takes 15 seconds to say and I do not think we need to go into all details of other things.

SENATOR E. E. GREAVES: Thank you, Sir. It would seem Mr. President, as if I would have to save some of that detail for another time, but I assure you that I will hold it for - if you so rule - a more appropriate occasion. There are still some other points that I want to raise on this particular matter.

I would also like to know if this project would be one in which houses would be provided for sale, or whether it would be a project which would be purely a project for rentals because I think that this is important that we know these things. If, for example, the project is one for sale, where houses would be put up for sale to individuals then, the whole question of the availability of mortgage finance is something which would have to be taken into consideration. Again, I am not going to go into any details on that because there are lots of things which can be said in that particular area, but which as you indicated are not relevant for this debate.

I said earlier that there has been some concern, justifiable concern being made about the way in which houses are allocated in the National Housing Corporation and I would like to suggest that we have reached a stage where, quite seriously, the Government should give some consideration to the computerisation of the whole process of

allocation. This, I believe, would remove the bickerings which take place, the obvious favoritism which takes place or even the feeling of people that they are not treated fairly in this matter.

I believe that a programme can be developed which would weigh for example, the family size, the need of the family, the income of the family, the kind of application and those kinds of detail and then, a programme can be made out and process developed where the people who are now responsible for allocating units would not have the kind of say which they have because it is a characteristic of this kind of operation that people who are appointed to these committees and who invariably are appointed by the political party in power feel that they are obligated to giving houses and preferences to people who are supporters of their particular party.

In Jamaica, they have developed a system which takes care of this particular thing and I would like to think that we can look seriously at this suggestion to see how we can get away from that because housing, I believe is too fundamental to our national life and particularly, our social and our economic life to continue to be — particularly at the level of allocation — to be kicked around in this kind of way and for citizens who deserve to get houses to sit down and to see people who under normal circumstances would not qualify for housing or for a rental unit qualifying and getting preference to them. It is unfair, totally unfair and I am saying that this ought to be stopped and this would be a way of stopping that kind of problem.

Mr. PRESIDENT: What are you rising on.

SENATOR M. C. C. WARD: On a point of order, Sir. This is the third time in this speech that we have heard about giving away houses to friends and unfair treatment to other people. I cannot understand the repetition of this.

Mr. PRESIDENT: Senator Greaves.

SENATOR E. E. GREAVES: Yes, Sir.

Mr. PRESIDENT: I really feel that if you wish to discuss in a general debate the policies adopted by the National Housing Corporation that you should pick another opportunity or give notice of a motion to discuss the policy of the National Housing Corporation, then you can roam far and wide on the issues that you are raising now. I have already indicated to you that apart from a general reference to what is happening and your hope that faults will be corrected, I cannot see that I can allow you to go debating far and wide on the policies of National Housing Corporation in respect of this resolution which is to acquire some land in My Lord's Hill. If you want a general debate on the

subject, pick another opportunity, or make a motion to that effect. Yes.

SENATOR E. E. GREAVES: I am finished, Sir.

Mr. PRESIDENT: Senator Seale.

SENATOR C. D. SEALE: Thank you, Mr. President. Just a few small points, Sir. As I understand it, the Government owns about 4 000 units which it rents. So, if we give these housing units a value of between \$10 000 to \$15 000, an average value of, I would think that the Government would have something like \$40 million to \$60 million in capital tied up, lying down in housing. Sir, now the National Housing Corporation and the Government itself has a cash flow problem which in Barbados parlance means that they need some cash, Sir, I wonder if they would give consideration to the sale of these units to the tenants presently occupying them, Sir. I realise of course that there are a number of tenants who would not be able to take up this offer, Sir and I also do realise that there would be some problems with the legal titles for these properties. But, Sir, this Government is served with the best legal brains in Barbados and I think that problem could be overcome.

Also, I do believe, Sir, that the tenants themselves would be most pleased to purchase their own properties and then, we would not have any more hassle about rise in rent and also too, we would save a lot of money on maintenance. So, I just wondered if the National Housing Corporation would give consideration to this.

One other point, Sir, there is a move that when we have to do some redevelopment in Bridgetown, there is a tendency to move the people that live in the housing out of the City, Sir. This causes a lot of problems, Sir, because it creates transport problems and I am just wondering whether the Government would give consideration Sir, to the purchase of the Modern High School building in Roebuck Street which I believe has been for sale now for a very long time, Sir. This, I think, stands on about two or three acres and probably would make a good area for housing, Sir. Thank you.

Mr. PRESIDENT: I did not understand whether the last Honourable Member was supporting the resolution or not. That is why the danger of going far afield comes in. If Honourable Members wish to oppose the resolution and to give reasons why they oppose the resolution and say, that they have seen problems arising because they have acquired land at particular places, well, that is in order. But, I do not think I want a general debate on housing policy arising out of a resolution to acquire some land in My Lord's Hill.

SENATOR THE HON. N. A. BARROW: Mr. President, in the first place this land is going to be used for the construction of terraced units, and the development of terraced units on this land will take its place in the ordinary phasing of government expenditure for housing. I have also had a look at the document which Senator Greaves is quoting from, and except to say that the document is quite clearly factual and in any way fraudulent, I fail to understand why he is fascinated with it.

Government from time to time, as long as the economic condition requires it, and the economic condition can require it for a number of reasons, will have to reschedule projects. At this time of the year when the full impact of the economic situation is known, there is massive rescheduling of projects. At the time when that letter was written, at the beginning of July, early July, when already there were one or two indicators of some of the problems we will have to face, so I do not really know why Senator Greaves is so excited by it. Perhaps it is that the Senator has found a document that he at last understands. I believe if we continue like this we will just waste a lot of time every time we come in on little matters which are not contentious and end up debating them for two or three hours, and then by the time we come to deal with matters which are more substantial and which indeed lend some real divergence of view, members will be left with no taste for it and as a result the level of debate in here might very well deteriorate.

The point about the sale of housing units, Sir, is not new. It is a matter which enjoys some support, but the National Housing Corporation and the Ministry of Housing have necessarily to be cautious as they approach a programme of sale of units. If you think that the mere rental of houses has enough problems in it, wait until you start allocating some of these houses for sale, because one of the first things we will have to do is to get around what has become a well established practice, where every time Government is about to sell any land or houses you will find people well situated who would put down their own names for houses or land and/or the names of relatives. Sometimes you will find that a man will put down his name and the names of his two daughters, and Senator Greaves understands the problem very well, because he associates daily in his political life with people who speculated on the land at Wanstead, on the houses at Oxonards, so he understands the problem very well.

My comment in relation to the business of allocation of houses which the Senator is stressing is this. I mean, he comes in here and he lays no basis for the accusation he is going to make. All of the evidence which one wants in relation to the business of the allocation of houses is to be found in the Hanschell Report; all of the evidence. The Minister for most of that report

was also called Greaves, Sir, but not Senator Greaves. All of the evidence is there, all of the evidence on allocation, how it could be done, who could make money out of it, and so on and so on, and I do not find myself able to make it easy when representatives of a party that has had the most blatant evidence of corruption in national housing policies can come in here and start to sound so religious on the question of housing. For my part, I would hope that the day had never begun when people were given preferential treatment in the matter of housing. We did not start it, and as long as it has ever been begun, it is one of the most difficult things, it is near impossible to root it out completely.

You are going to find that there are people queuing up for houses who have been queuing up for houses since about 1970 and who could not get houses then because maybe they were believed to be supporting the Labour Party and so on. This is not the time to come in here, Sir, and sound pious about housing. I would wish that the matter of housing could be approached without any reference at all to partisanship, choice on any basis other than need and so on, but some of the people who have been trying to clean up the whole housing mess have had, to some extent, to back to a number of those old applications to ensure that people who were denied for so long at least got a break. That would look like partisan administration too, and Senator Greaves' formula of course is the most beautiful formula for him who has just lost office. I will allocate to all my friends, leave yours in the cold, and when now you are in the saddle let us immediately start allocating without reference to the fact that people were left in the cold. You cannot do it so, Sir, you cannot do it that way. It is just like telling people not to pay house rent and then turning around and telling people about recent administration and Housing Corporation. The kinds of rent that people owe that Corporation, it is not yesterday that they stopped paying rents, a long, long time ago, Sir.

If we could take the Hanschell Report and whatever else and try to understand the lesson, we can perhaps then sit down and adopt a totally new approach to the allocation of houses in this country. There is such an approach already in place, but it would be easier to do it more fully on a fair and impartial basis if there was not this backlog of people who have been victimised for all these years.

The question, Sir, about when this thing will be built, as I said, it will take its place in the normal schedule of Government projects. Some Government projects have had to be rescheduled, some workers in the National Housing Corporation have had to be laid off and some have been reabsorbed by the private builders who have a shortage of labour, so that it is not as though the layoffs at the National Housing Cor-

poration represent a massive dislocation which they otherwise might have, because they are laying people off at a time when there is ample employment opportunity in the rest of the building industry.

The question that the Senate concur in the Resolution was put to the Senate and agreed to.

RESOLUTION TO REGRADE THE POST OF EXECUTIVE PERSONAL SECRETARY TO THE PRIME MINISTER

The Second Order of the day was called – to move the passing of a Resolution to regrade the post of Executive Personal Secretary to the Prime Minister.

SENATOR THE HON. N.A. BARROW: Mr. President, when this post was created in 1973 with the appointment of Mrs. Patricia Mayers, the salary was then set at Z. 12 – 8. As the years have passed, in 1976 and in 1978 when regradings took place in the public service, the grading of the post was in fact overlooked with the result that the emoluments attaching are no longer those of the salary grade Z. 12 – 8.

All this Resolution seeks to do is to restore the original grading, salary scale Z. 12 – 8 to this post. In other words, by some oversight it has lagged behind. It is now brought right back to where it was when it was created in 1973.

I beg to move that the Senate concur in this Resolution.

The question was put to the Senate and agreed to.

RESOLUTION TO APPROVE THE LEAVE PASSAGES (AMENDMENT) ORDER, 1981

The Third Order of the Day was called – to move the passing of a Resolution to approve the Leave Passages (Amendment) Order, 1981.

SENATOR THE HON. N.A. BARROW: Mr. President, when once salary increases are given within the public service, there are certain entitlements which automatically become affected. The intention where such an Order is concerned is that those who are at a particular level and above in the Government service should be those who enjoy the particular facility. It is no part of the terms and conditions of those below that level. What happens therefore, Sir, is that since it is set in money terms, the person who is at let us say, Z. 9 and who would therefore qualify for a leave passage will find at the end of the salaries revision that that particular amount of money may now be the salary for a person who is at a more junior level, say, Z. 15. If therefore this kind of order did not come in right after the salary increase, the effect

would be to extend this sort of privilege within the Government Service, and I think, Sir, that we all agree in these days that far from wishing to extend any such privilege, we are all looking forward to the day when the privilege no longer exists. In other words, it is a perfectly straightforward matter that those whose terms and conditions of service this happens to be continue to enjoy it, those whose it is not are not to be brought within the net, and therefore the money limit has to be raised.

I beg to move that the Senate concur in this Resolution.

The question was put to the Senate and agreed to.

THE ESTATE DUTY (REPEAL) ACT, 1981

The Fourth Order of the day was called – to move the second reading of a Bill to repeal the Estate Duty Act, Cap. 70.

Mr. PRESIDENT: As the next Order is to deal with a Bill, I have to draw it to the attention of the Senate that the Deputy President is absent today and therefore this Senate would be required to appoint a temporary Chairman of Committees for the purposes of this sitting.

SENATOR THE HON. N. A. BARROW: Mr. President, I beg to move that the Senate appoint Senator Ward as Chairman of Committees for the remainder of today's sitting.

SENATOR K. A. ROUSE: I beg to second that.

SENATOR M. C. C. WARD: Mr. President, there is one problem. I did not discuss this with the Leader of the Senate, but I wanted to make some comments on this piece of legislation.

Mr. PRESIDENT: You can on the second reading.

The question that Senator Ward be appointed as Chairman of Committees for the day's sitting was put to the Senate and agreed to.

SENATOR THE HON. N. A. BARROW: Mr. President, again, Sir, I do not propose to be long. This is something which has been around for a long time in that it represents a budgetary measure, the abolition of estate duties. Just permit me, Sir, one comment, and it is this: that the essence of the theory behind the imposition of estate duties is, Sir, that there should be a redistribution of wealth, and that one of the ways of doing this is to ensure that those who inherit should not inherit without incurring some cost, this cost being in the way of payment to the State which is therefore a contribution to the general material good. Where the duties are sufficiently steep, of course, it means that those who are taking under

a will or taking because of the position of heir at law will find themselves having to sell the property in question in order to pay the duties on the property in more extreme cases.

The fact of the matter, Sir, is that particularly through the use of trusts those who have enough money do not really incur the cost because since they have enough money they can afford good lawyers, they learn from early in the day that the legal estate is not something that has magic about it, that if you own or control the equity that that is where the action really is, so that the persons of that sort give away their legal estate long before the evening of their years so that they have not got a legal estate then to tax by the time they depart this world.

There are one or two people who still continue to get caught, but generally speaking this sort of legislation just does not in modern sophisticated times bring in the kind of money which one anticipates it should. So I want to make the statement that it is largely a matter of style these days where you have such legislation around, because you have to look to other means to collect the money.

If you look at the history, Sir, of countries with this legislation you do not find that as a rule the property has had to pass on to other people. As I said, there are devices which you use to ensure that you escape the tax net anyway, Sir. That being said, Sir, it is not a matter of any difficulty for me at a personal level to give support to this legislation.

Indeed, Sir, there is nothing else that I would wish to add at this stage. It is a perfectly straightforward and simple matter. If there are people, Sir, who believe that there is some religion about it, perhaps we will find ourselves with a full-dressed debate but I believe that most of us looking at the matter in a practical way will find that there is nothing really to argue about.

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

Mr. PRESIDENT: It is proposed that this Bill be read a second time.

SENATOR M. WARD: Mr. President, I rise in complete support of this Bill that is before the Senate and I completely appreciate all the remarks made by the Minister and wholeheartedly agree but there is an aspect about this Bill which has not got home to many people because they have been always viewing, as the Minister said, that this Bill applies and does damage to people in the wealthy bracket who have not made provision in the way of turning their estate into a limited liability or in to a Trust Company.

There are other people, Mr. President, who this Estate Duty used to severely affect. As you are aware, Mr. President, a man may have built a property twenty years ago and it now is revalued at his death in the vicinity of \$200,000 or \$300,000 and this is all that the person leaves for his widow and children and I brought along what is the scale of the tax and \$200,000 is 16% and \$300,000 is 20% which would be \$60,000.

Now, in this day and age, I think that each and every one of us in this room — Senator Seale and maybe yourself, Sir, may not apply to this — but most of us would fall into this between \$100,000 to \$300,000. It is not hard these days to fall into this bracket. Because of the great appreciation of property, money has lost its value and figures — remember, Mr. President, if I may draw a reference that my parents owned a place called Avondale in Bank Hall where my father died and we sold it for \$14,000. It sold for over \$200,000 within 20 years after that so it gives you some idea of how people can get into this bracket and unfortunately, a certain number of middleclass people suffered severely from this because as the Minister said, the wealthy people could afford to form a Trust Company or put their real estate and their property into a limited liability but these people in this bracket like a Civil Servant, a clerk working in a store in Bridgetown, and many other people found themselves in this \$300,000 or \$200,000 bracket and they were the people penalised.

The poor people, of course, were so lightly valued at 8% that it may be \$300.00 or \$1,400 for a piece of land that they had but it was people who lived in Regency Park, Clermont and this bracket of people who were severely penalised so in this way this is a most progressive piece of legislation to abolish the Estate Duty. As a matter of fact, Mr. President, if I may bring something in now, there has been a comical sign for the abolishing of these estate duties because many a man rushed and gave away his estate a few months before it was abolished and ran back to his lawyers to see if he could get that changed.

Unfortunately, the Law does not permit this. I know many people who had given away their properties to save death duties, then wanted to get them back but it was a little too late. Many others, and I would not say including myself, had been to the lawyer to get it done but it had not yet been done so even us did not return.

But, Mr. President, the position now is this to get to the main bone of what I would like to speak about. I feel that this Bill has fallen short in one regard. It should have been made retroactive. It is not fair that a person whose father died March 1, 1981 had to pay the full tax and a person who died on April 1, 1981, was completely removed, the tax was abolished and did not have to pay any death duties at all. I say that it should be retroactive

and I see the Minister shaking his head but I am telling you that in this respect, Mr. President, if it was retroactive to two years before, the person who died in the year immediately before 1981, which was 1980, should have paid just 25% of this original tax and the person who died in 1979 should have paid 50% and it can be made retroactive by refunding these persons.

We are all citizens of Barbados and if an Act is changed to benefit the people of the country, it should not only benefit those from the day on. It is such a serious piece of legislation. Numbers of people have had to sell their properties over the last three years and I say that this should have been introduced retroactively that in 1979 people should have been paying 50% of the tax which could be refunded, the 50% they paid up and in 1980 they only paid 25% and I think this would satisfy a great number of people because it has caused a great deal of distress because some people had not settled their estate until after this was passed but simply could not get away from paying this levy or tax as it may be called.

I am suggesting, Mr. President, that the Minister can carry this matter back to Cabinet and see if they would not consider it because I spoke to the Prime Minister about it privately after he had mentioned it and he was concerned about it because there are certain people who have got caught six months before it was introduced or eight months or ten months who are under severe strain and who have had to sell off their properties and changed their standard of living.

In other words, a Civil Servant or any other citizen who had lived in Regency Park and found themselves with a house for \$200,000 had to sell and take his children in an atmosphere in which they were not born. Not that I am saying that there is anything derogatory about this because it happens to the best of us but the point is that if had been introduced retroactively, if it had been phased out, you get my word, Mr. President, this Estate Duty should have been phased out retroactively. That is what I am getting at so that we would give the people who have died up to two years.

The Minister might be able to convince the Minister of Finance to go back three years but I am only giving an example that there have been people who have been caught a year ago that have been severely penalised who are equal citizens of Barbados, have died at a ripe old age, have served the country well but have come under the full weight of this whereas people two days after it was made law by the Minister of Finance in his pronouncement found that they did not have to pay any estate duty at all and I am suggesting to the Minister that he carry this back and ask that the Cabinet take another look at it. Thank you, Mr. President.

SENATOR E. E. GREAVES: Mr. President, the words which have been spoken by Senator Ward are

words which were expressed in another place. I remember when, I think it was in 1979 or 1980, the member for St. Michael South Central, Dr. Richie Haynes, pointed out to the Prime Minister that a Budgetary measure relating to Estate and Succession Duties had been bringing tremendous amount of hardships to the kind of people that Senator Ward referred to, and he indicated, as I think we all know, that there were a number of people who, as Senator Ward has pointed out, had to sell their properties in order to meet this particular obligation.

As Senator Barrow has pointed out, there are a number of people who do not have access to the kind of legal advice or cannot afford to pay for the situation where they could have passed on their property to their children or to their beneficiaries and consequently they were caught in this particular net.

We are happy to see that a move is being made to abolish this particular imposition. As Senator Barrow has pointed out, it was a strategy that was devised to as it were — I do not like to use the word catch — but, certainly, in any country, there would be people who would attempt to avoid the tax net and the only time that you could really hold them would be when they died, then you know for sure — well, if they have not passed on their property — you will get an idea of the amount of wealth which they have accumulated without making the corresponding contribution to the country in which they lived, by way of taxation.

Senator Barrow did indicate that there are other ways and means of dealing with this particular problem and I know that the Government is scratching all around for taxation, so that I believe that it has been acknowledged now that people have become so overburden with taxation during their life time that at least some kind of ease could be given to them in death.

But, quite seriously, I think that this particular measure that we are now debating would definitely bring some satisfaction to a large number of people and even where people might have properties below the fifty thousand or so dollars value I think that Senator Ward used — was it \$50 000 or \$200 000 that you used? — there are still a number of people who are in that kind of bracket and who, if they are required to pay — what are the rates on that, 10%? — 8% would still find — whatever the amount is there — some kind of difficulty in raising that kind of money.

So that, I would still, however, like to say that whereas, we are supportive of this measure, I think that one would want to find out the system which the Government proposes to devise to ensure that the rich — put it that way — carry their weight, as far as, their legitimate contribution to taxation is concerned in this country. We recognise that there are a whole set of ways

of avoiding taxation. All of these are methods devised by a number of people through legal channels. I, for one, am not the kind of person who would support tax evasion and whereas, this has nothing to do with tax evasion, I would still like to make the point that we have to look at this matter with some kind of care.

I recognise, as I said, what it will mean in terms of, for example, the family of the policeman in St. Peter who when he died, they had to go and sell a property which was valued at about \$70 000 or \$100 000, I think it was, in order to meet the demands of the income tax Commissioner — well, not individually, but of this particular act — and then had to turn around and go and seek a lodging elsewhere. I believe that if an imposition like this continued, then, you would have found that a number of people would have been in the very, very difficult situation because as Senator Ward has pointed out, properties are appreciating rapidly in this day and age of high inflation. So that, you would find that there would be a number of people in some problems.

But, I just say that I would just make that point and indicate that was a measure which, when the impact of it was recognised, it was pointed out that we ought to do something to alleviate this and certainly we from this Side appreciate that at least, a point though small, it was coming from the Opposition, it was taken and acted upon by the Government.

Mr. PRESIDENT: Senator McClean.

SENATOR A. W. A. McCLEAN: Mr. President in rising to express general agreement with the objectives of this particular Bill, I would like to add a few words to what Senator Ward had to say about the question of retroactivity. I, myself, would not want to suggest that the Bill be made retroactive, but, rather I suggest that Government should address itself to the hardship which Estate Duties might have brought to people in recent years and I say this against the background that Death Duties were increased about a year or so ago, and those people in particular (ASIDE: 1977) — in 1977 during the last five years — and those people in particular who would have had to pay those increased duties should especially be considered because I do believe that the repealing of this Act has been informed by an awareness of the plight of those people. The fact that it was an Act which was established to redistribute income so to speak within the country, was creating hardship for people much lower down the income scale. But, the way in which one should address that, I do not think should be by way of making it retroactive in a blanket way.

One can review all of the particular instances in which people have had to pay Death Duty since 1977 and

specific provision can be made in respect of cases of hardship.

I thank you.

Mr. PRESIDENT: Senator Howell.

SENATOR St.C. E. HOWELL: Mr. President, I also rise in support of the measure and virtually endorse all that was said by Senator Barrow and Senator Ward. I too, however, have some reservation as to retrospective action of legislation.

The Act itself, or the repeal of the Act, to my mind shows the progressive thinking of the Government because in truth and in fact, the Estate Duty Act as it now operates in this country has become an anachronism and has far outlived its usefulness. It is an Act, which when one analyses what actually happens appears to punish people who were thrifty when they are young and for no reason or fault of their own seem to be penalised when they die and to that extent, I wholeheartedly support the measure. I think it is unfortunate that it was not brought before.

I think that whenever one speaks in terms of retroactive legislation, if one extends it to one year or two years, unfortunately there will still be some unfortunate persons who will be caught, they will be outside the blanket. I think the measure as it stands is good and I support the measure as it stands.

SENATOR THE HON. N. A. BARROW: Mr. President, I take the several points which have been made by those who contributed to this debate so far. If I put my opening remarks another way, legislation which is meant to redistribute income could not be said to be successful if it is legislation that will result in imposing hardship on a wife, for example, who shared a home with a husband for 30 or 40 years and he was the only bread winner, and when he passed on the only thing of worth he had left was a house, and now she not only has to go and look for a means of support, in the event that she has not yet reached age 65, when indeed she might have got some little assistance, in addition to looking for a means of support she might have to sell the house in order to pay the tax. That really is, I believe, the best example of the inequitable nature of the effect which this legislation has been having. Hence I am not surprised to find that this legislation has enjoyed the wide support it has this afternoon.

I am sure, Mr. President, that everybody does sympathise with the view taken by Senator Ward. If we make something retroactive and it is a burden, everybody complains, and it is obvious why, and if we make

it retroactive and it is a benefit, everybody says why don't we go just that little bit much further back. It is a very very difficult thing. For example, Sir, the Prime Minister might well on the 31st March, 1981 have said that we are reducing the rate of death duties by 50% for the year 1981, 75% for the year 1982, and as of the year 1983 it will disappear completely. Then Senator Ward would have said why not just stop it now. It is difficult.

We appreciate that as long as we can say that it is just hard luck that the problem arose on the 31st March or on the 1st April, we just simply, I think, have to live with that fact. What I would hope, Sir, is that the administrators of the tax, recognising that the policymakers have seen that the tax has come to work in a way which it was never intended to work, would be lenient in making those assessments which they have to make, and later in the day when they knew that the tax would be abolished, or that the announcement had in fact been made in relation to its abolition, but I do not believe that we can reasonably go back and try to phase it in at this stage. I believe that if there were going to be any phasing in it would have to be done by way of cutting certain percentages in the current year and then make a further deduction, so that you phase in over two or three years in that way.

We have to remember that when we deal with matters of taxation that Ministers of Finance if they are going to increase the tax, or if they are going to give a tax rebate on whatever the nature of the benefit, they do it usually for that income year and not for the income year just gone. This is the general pattern in tax legislation.

There is therefore, Sir, no other point. I think in answering Senator Ward's point I was also answering Senator McClean's point, because I believe there would have to be a sympathetic attitude on the part of the administrators, and I believe, Sir, although I have not looked at it, I believe there is provision within the legislation to apply to the Minister of Finance for relief. I am speaking without actually seeing it before me now. I am looking now at sections 49 and 50 of the Act, but those are specific instances where there can be remission of estate duty. I am not just talking, Sir, about an appeal from the decision of the Commissioner, I am talking about applications for relief. I cannot find it right away, Sir, but I believe that there is within the legislation provision in section 12 for relief in certain cases. Of course under section 8 there is the big one which is probably not deemed to be passed, which is basically the escape route for *inter vivos*, transactions, but not having checked the point specifically, Sir, it would be a little difficult for me to find the precise provision, but I know that there is in there provision for relief. Exactly how narrow that provision is is what

I was trying to find, because it is probable that in some of these cases since, as you know, estate duty sometimes remains unpaid for quite some time, it is quite probable that a number of these persons would in fact have asked for some measure of relief and would have in fact received it.

That, Sir, is about all I can think of. I think those are the points raised.

The question that the Bill be read a second time was put to the Senate and agreed to.

On motion of Senator the Hon. N. A. BARROW, the Senate resolved itself into Committee on the Bill, Senator M. C. C. WARD in the Chair.

Clauses 1 to 5 inclusive were called and passed.

The Schedule was called and passed.

On motion of Senator the Hon. N. A. BARROW, the Senate was resumed and the Bill was reported as having passed the Committee without amendment, Mr. President in the Chair.

On separate motions of Senator the Hon. N. A. BARROW, the Bill was read a third time forthwith and passed.

THE BANKING (AMENDMENT) ACT, 1981

The Fifth Order of the day was called — to move the second reading of a Bill to amend the Banking Act, Cap. 322.

SENATOR THE HON. N. A. BARROW: Mr. President, the Bill before us concerns section 12(1) of the Banking Act, Cap. 322 which limits the amount the Bank may lend, guarantee or otherwise incur liabilities for in respect of any single person or body of persons to twenty-five per centum of the sum of the paid-up capital and published reserves of the bank. So there is a reason naturally for that section.

It is meant, Sir, to protect the interests of the depositors and shareholders in any bank and therefore it is a clause of general applicability. However where the Barbados National Bank Act, 1978-10 is concerned Section 6(1) of that Act provides a guarantee by the Government of both deposits and interest where the money is placed with the commercial division of the Barbados National Bank. In other words, Sir, the protection which is given to the depositors and shareholders in every bank is duplicated in respect of the Barbados National Bank by a much heavier and more serious protection, the protection of a Government guarantee. In respect therefore of the Barbados National Bank it has

been advised that Section 12(1) of the Banking Act should not apply. Either section 6(1) of the Barbados National Bank Act, 1978-10 should apply or section 12(1), but not both, and since section 6(1) of the Barbados National Bank Act would seem to be a higher form of protection, then there seems no point in having section 12(1) of the Banking Act continue to apply to the Barbados National Bank. That, Sir is all that this legislation is about.

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

SENATOR A. W. A. McCLEAN: Mr. President, my reading of section 12(1)(a) seems to be slightly different from the explanation which we just got from Senator Barrow. The actual words of 12(1)(a) reads as follows:

"A licensed bank shall not in the Island grant to any person, firm, corporation or company, or to any group of companies or of persons which group is under the control or influence of one and the same person or body of persons, any advance or credit facility or give any financial guarantee or incur any other liability on behalf of such person, firm corporation, company or group so that the total value of the advances, credit facilities, financial guarantees and other liabilities in respect of such person, firm, corporation, company or group is at any time more than twenty-five per centum of the sum of the paid-up capital and published reserves of the bank."

I think the point here is not so much the question of guaranteeing the financial integrity of the bank in the first instance, but is a question of not over-committing the bank to any one borrower. In the case of the National Bank there may be a case for exempting them from that particular provision given the special relationship between that and Government both in terms of the shareholding of the institution, and to the extent that Government is not specifically exempted from the provisions of that, there might be some point in making specific arrangements for the National Bank not to adhere to this provision with respect to certain borrowers.

But as a blanket provision I am not so sure that the Barbados National Bank should be able to act in a manner not in accordance with this in respect to any firm or company whatsoever and with such I do have that slight reservation in terms of the proposed amendment.

SENATOR THE HON. N. A. BARROW: Mr. President, perhaps I should have in addition to the point about protecting the interest of the shareholders and depositors I should have mentioned that the other reason which explains the existence for that provision is that if you have a large commercial overseas Bank in operation with local branches, you need instruments of stricter control especially where there may be attempts to operate on very small amounts of capital.

The other consideration I am advised which informs the existence of that Section, I would wish to contend, Sir, that the way of that consideration is one which I think Senator McClean was perhaps more concerned with in that that is a general protection to the economic life of the community where it would be unhealthy for any one institution to over commit itself to a single borrower, I believe, if I understood the Senator's point.

I think the close relationship which has to exist because of the very close nature of the establishment of the Barbados National Bank means that that element of control is bound to be exercised anyhow. We are dealing with a different situation. We are dealing with an indigenous Bank and not only an indigenous Bank but one which is owned by the State. Because it is owned by the State there are the devices which exist which will pretty well ensure, Sir, that no single borrower will be lent amounts of the order which are referred here to in the legislation so that both the point of the foreign bank with a branch on a shoestring and the protection of the shareholder and the depositor are met really by the fact that in a State Bank it is possible for other forms of control of the institution to exist which would prevent that kind of abuse.

The question that the Bill be read a second time was put to the Senate and agreed to.

On the motion of SENATOR THE HON. N. A. BARROW, the Senate resolved itself into Committee on the Bill, SENATOR WARD in the Chair.

Clauses 1 and 2 were called and passed.

SENATOR THE HON. N. A. BARROW: Mr. Chairman, I beg to move that the Senate do now resume and the Bill be reported as having passed Committee without amendment.

The question was put to the Senate and agreed to and Mr. President resumed the Chair and reported accordingly.

On separate motions of SENATOR THE HON. N. A. BARROW the Bill was read a third time forthwith and passed.

ADJOURNMENT

SENATOR THE HON. N. A. BARROW: Mr. President, I beg to move that the Senate do now adjourn until Wednesday, October 14, 1981 at 2.30 p.m.

The question was put to the Senate and agreed to and Mr. President adjourned the Senate accordingly. 4.35 p.m.