
THE SENATE DEBATES

(OFFICIAL REPORT)

FIRST SESSION 1986 – 91

THE SENATE

Wednesday, May 27, 1987

The Senate met in the Senate Chamber, Public Buildings on Wednesday, May 27, 1987 at 11.15 a.m.

PRESENT

His Honour Senator F. L. Walcott, O.B.E. (President)

His Honour Senator M. deL. Jordan, (Deputy President)

Senator the Hon. Sir James Tudor, K.C.M.G., (Minister of Foreign Affairs), (Leader of the Senate)

Senator A. Morrison, (Parliamentary Secretary, Prime Minister's Office)

Senator F. G. Smith, Q.C.

Senator N. W. Boxill

Senator D. A. Comissiong

Senator V. C. Fraser

Senator G. L. Eastmond

Senator A. J. N. Phillips

Senator T. A. Prescod

Senator B. A. Miller

Senator L. R. Tull, Q.C.

Senator J. C. W. Wickham, M.B.E.

Senator L. A. Ward, G.C.M.

Senator C. A. Blackman, Q.C.

Senator P. Y. Forde

Senator J. S. Goddard

Senator Dr. L. L. Shorey.

Prayers were led by Rev. Dr. Lionel Crawford.

Mr. PRESIDENT: The Senate is in session.

PRESENTATION OF PAPERS

SENATOR THE HON. SIR JAMES TUDOR: Mr. President, I am commanded to lay the following:

The Annual Report and Financial Statements of the National Cultural Foundation for the year 1985.

The Annual Report of the Child Care Board for the period April 1985 to March 1986.

Statement showing Net Customs and Excise Receipts for months ended February, 1987 and March, 1987.

Guarantee by the Minister of Finance under Section 32(1) of the Exempt Insurance Act 1983 to the following:—

1. Attorneys Insurance Mutual Ltd.
2. Bridgetown Re Insurance Company Ltd.
3. Camarin Ltd.
4. Concordia Insurance Corporation.
5. CI Insurance Company Ltd.
6. Energy Insurance Mutual Limited.
7. East River Insurance Co., Ltd.
8. Global Insurance Co., Ltd.
9. Oban Insurance Co., Ltd.
10. Primex Ltd.
11. Professional Asset Indemnity Ltd.
12. Professional Services Indemnity Co., Inc.
13. R. B. C. International Insurance Co. Ltd.
14. Richmond Insurance Co., Ltd.
15. Stella Maris Insurance Co., Ltd.
16. 1st National Life & Casualty Assurance Co., Ltd.
17. Highwood Ltd.
18. Laidlaw International Insurance Co., Ltd.
19. Transco Insurance Group Ltd.
20. XL Insurance Company Ltd.
21. Preferred Amusement Risk Ltd.

The Annual Report and Financial Statements of the National Housing Corporation for the year 1984-1985.

The Annual Report and Financial Statement of the National Petroleum Corporation for the year April, 1985 - March, 1986.

The Annual Report, Auditors' Certificate and Financial Statements of the Central Bank of Barbados for the Year 1986.

The Defence (Rate of Pay and Allowances) (Amendment) Regulations, 1987.

The Annual Report of the Commissioner of Police for the year 1985.

INTRODUCTION OF BILLS

SENATOR THE HON. SIR JAMES TUDOR: Mr. President, I beg to give notice of the following:—

A Bill to amend the Transport Levy Act, Cap. 92A.

A Bill to amend the Property Transfer Tax Act, Cap. 84A.

A Bill to amend the Stamp Duty Act, Cap. 91.

A Bill to amend the Companies Act, Cap. 308.

A Bill to amend the Judges Remuneration and Pensions Act, Cap. 115A.

A Bill to amend the Immigration Act, Cap. 190.

A Resolution to approve the guarantee by Government of a loan not exceeding U.S. \$1 300 000 to be made by the Export Development Corporation, 151 O'Connor Street, P.O. Box 655, Ottawa, Canada, K1P 5T9, to the Barbados National Oil Company Ltd. in order to finance the construction of a natural gas processing plant.

A Resolution to approve the borrowing of the sums: Bolivars (Bs) 7 500 000 and U.S. \$2 000 000 from Venezuela Investment Fund; U.S. \$7 700 000 from the Banco Central de Venezuela, functioning as administrator of Fondo de Financiamiento de las Exportaciones (Export Financing Fund); U.S. \$1 000 000 from Banco Mercantil Venezolana N.V., and U.S. \$1 170 862 from Inversiones A.B.A., C.A., for the purpose of assisting in financing the construction of 496 independent housing units of the industrial type, at Husbands, St. James.

I should like to say, Mr. President, if I may, that almost all of these Bills and Resolutions have been cir-

culated today. I do not think members, generally speaking have had a chance to look at any of them, so I believe that I should not proceed to the study of these measures today, but would suggest that we meet on Friday, the day after tomorrow, at about 2 o'clock in the afternoon. The reason for that is that some members may have business to see to in the early hours of that day and I think it more courteous and more accommodating to meet at the later hour. Members may wish to come and have lunch, and after lunch proceed to whatever business we have to dispose of on that day. At the appropriate time we will move the adjournment to meet again on Friday, so that everybody will have a chance to study all of these measures, of which notice has been given. I think that all of these measures were dealt with in the other House yesterday.

11.25 a.m.

Mr. PRESIDENT: There is no objection to the point raised by the Honourable Leader.

SENATOR THE HON. SIR JAMES TUDOR: I did omit, Mr. President, to have it recorded that the items of which I gave notice be read a first time.

PUBLIC BUSINESS

THE BARBADOS NATIONAL BANK (AMENDMENT) ACT, 1987

Order No. 1 was called - to move the second reading of a Bill to amend the Barbados National Bank Act Cap. 332A.

SENATOR THE HON. SIR JAMES TUDOR: Mr. President, the Barbados National Bank Act, Section 6(1), guarantees repayment by the Crown of all the monies deposited with the Commercial Division, together with interest, if any such accrues, payable on such monies. This provision has been instrumental in large deposits being made with the BNB by members of the community.

The management of the bank, in an effort to improve and expand the operations of both the Agricultural and Trust Divisions, have over the years been also encouraging deposits with these sections of the bank. As a result of this, fairly large deposits have been placed with the two sections, and these deposits have been of considerable help, especially in the Agricultural Division, by easing its cash flow problems and reducing its dependence on overdraft facilities with the Commercial Division, and, generally speaking, these deposits have helped to provide more funds for lending to the various clients of the bank. The Trust Division has been able to make more funds available for lending to homeowners, prospective or otherwise.

Both of these efforts are in keeping with the Government's priorities to stimulate agriculture and

provide more housing. Therefore, it has been felt that a guarantee similar to that which is provided for deposits with the Commercial Division should be provided for deposits for the Agricultural and Trust Divisions as a means of encouraging more deposits to both of these sections.

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

SENATOR C. A. BLACKMAN: Mr. President, I have a small intervention to make in this debate. The purpose of the Bill cannot be controverted, and the only thing I would want to say about it is it ought to be done at the time the initial Act was passed. The issues I wish to raise relate to the matter of banking, generally, and there are two issues I wish to revert to.

The first issue, Mr. President, is the role of the banks in Barbados vis-a-vis assistance in promoting Barbados as a place for exempt insurance companies. Earlier in this session, the Honourable Leader read a list of companies to whom guarantees had been extended under the Exempt Insurance Act, and this is an area where there has been some growth. However, it is the opinion of outside management companies, as well as practitioners in Barbados, the accountants and management of companies, that the weak link in the chain in terms of making Barbados an attractive location for exempt insurance companies is the banking sector, in that the banks do not necessarily act in a kindly fashion in placing the large sums that may be available out of the system. In fact, their charges are not designed to encourage the feeling that they are all of that welcomed.

One bank manager said to me that, really, there is no money in it for them, and I am only aware of one commercial bank which is making really any sort of effort to actively solicit the business of exempt insurance companies. This will undercut the efforts of the Government to make Barbados an attractive location, because the people in Bermuda are very anxiously waiting in the slips for any mistakes we make. I was there a couple of weeks ago, and they carried an article in the Press while I was there which referred to the superior infrastructure and the commercial expertise of Bermuda vis-a-vis other locations, and Barbados was named.

The other point I wish to make in relation to the bank is the delay by the banks in clearing cheques. I am not talking about personal cheques, but sometimes even certified cheques, what people know as bankers' drafts, managers' cheques. These delays can be up to four weeks to six weeks when it involves foreign currency transactions.

I am aware, Mr. President, that the Hotel Association negotiated an arrangement with an inter-

national accounting firm to have the cheques of tour operators certified by this international accounting firm to ensure that the hoteliers did not always suffer loss when these tour operators went out of business. Yet, when these cheques are certified by the international accounting firm of Spicer McGilvery and remitted to Barbados for the benefit of the hoteliers in Barbados, the commercial banks still take four to six weeks before they clear those cheques and permit the hotel company in Barbados to use those funds. This is not hearsay, Mr. President. I have practical experience of dealing on behalf of clients and people I have spoken to in the hotel industry. The fact is that technology is available to improve the transmission of these funds. One concern has been able to negotiate a clearing system with a London bank within eight business days to have access to the funds.

I am aware of circumstances where someone came into the island with \$100 000 bankers' draft for the purpose of buying goods for export in the furniture sector and was told by the bank that the cheque had to be cleared through and it would take them at least four to six weeks before the person would be allowed to use the funds. Because other arrangements were made, the Barbadian manufacturer did not suffer and goods were able to be shipped, but I perceive, Mr. President, almost a lack of will to move in this direction, and I would like to urge that the regulatory agencies of the banks, the Central Bank, look at this issue, because unless something is done to prod the banks into reviewing it, nothing will happen.

Very recently, within the last three or four weeks, legislation was introduced in the United States Congress requiring banks on the mainland to clear cheques within four working days — for Hawaii, five working days, or five banking days. As I said, the technology is available today to send things by courier, to get things tested by fax, and it is really only a matter of their addressing the issue if they wish really to be of service to the community and enable people to have their funds after they have paid what is good money for them. The banks may come back and say that there were incidences of fraud and the like, but they need to address the issue and find solutions and not just simply hold peoples' funds for this inordinate length of time.

I support the Bill, Sir.
11.35 p.m.

SENATOR L. R. TULL: Mr. President, I would support the initial proposal made by Senator Blackman in respect of the critical importance of the banks in the viability of the offshore section. I, only this past week, have in the course of my professional duties been talking to a management consulting company that does a lot of work for offshore companies, particularly the exempt

insurance companies, and I was asked as a legislator, not as a professional, to bring just that problem to the attention of the Administration, because there is this strong feeling that the banks are not playing their part in fostering the development of offshore companies, particularly exempt insurance companies.

I go a little further than Senator Blackman. I believe, Sir, that that is a case of the chickens coming home to roost. The Democratic Labour Party in Opposition berated the development of offshore services in this country as if it was some kind of pariah, and those who would now talk about it in very glowing terms as a developing part of the economic sector are the very ones who were very brutal in their criticism when the last Government sought to provide another prop in its diversification of the economy of this country. We were made to hear then, Sir, that all kinds of dubious, doubtful, underhanded and dirty transactions would have ensued from the development of offshore services in this country, and if you tell a man something often enough, it sinks in, and obviously the banking community and many other people in this country have a certain ambivalence about the development of offshore services in Barbados. That is why I say it is a classic case of the chickens coming home to roost.

Mr. PRESIDENT: Senator Tull, I did not want to stop you, because I gave the last honourable Member a lot of latitude, but this is a Bill to amend a specific Act, and I would like Senators to stick to what is before us and not think that they can have this wide sweep which they would like to have. The Bill which you have before you is an amending Bill which does not deal with the points with which you are dealing. Let us get back to the purpose of the Bill, which is to amend the Barbados National Bank Act.

I gave Senator Blackman a little latitude owing to his junior position as a legislator, but I cannot permit you, as a senior person, to go all that way in dealing with the matter that is not before us. Offshore banking is not before us. This is an amending Bill, so please stick to that and say what you have to say in relation to why the Bill should not be amended, or whether you support it.

SENATOR L. R. TULL: Mr. President, if I address just the amendments, I would say in one sentence that it is a good move and that anything that is done to provide security or give greater security to the depositors can only be welcomed.

I would have thought, Sir, that to discuss commercial banking in the context of this Bill would not be out of order. I will try my best, however, to haul in the kite, to leave the offshore sector and deal with the local sector.

(Aside: SENATOR B. A. MILLER: You can talk about tax on assets.)

SENATOR L. R. TULL: But I am not talking about tax on assets. I am talking about the Barbados National Bank.

Mr. PRESIDENT: Senator Miller, I object to that kind of behaviour that you are exhibiting, and you will have to stop it. This is Parliament, and I expect a better example from you.

Go ahead, Senator Tull.

SENATOR L. R. TULL: When the Barbados National Bank was set up, Sir, to deal with only that, there was a lot of criticism of that bank. It was a time when one expected that the development of an indigenous financial institution would have been absolutely necessary for self-reliance not only in Barbados but in the whole CARICOM region. We hear a lot about self-reliance now, and we hear that it is a period for all hands on deck, but that was a period when there was need for all hands to be on deck, because in Bridgetown there was only a large number of metropolitan banks, and although some effort was made by the Central Bank under the provisions of the Central Bank Act to determine the nature of their portfolios, particularly their loan portfolios in respect of long range things like mortgages, it was difficult because of the intense pressure from their headquarters overseas to do certain things that were necessary for the development of this country. I speak, Sir, not only of long term investment in terms of mortgages, but of businesses, manufacturing, tourism and agriculture. They were not doing exactly or approximately what this country would have liked to see in terms of the manipulation of their loan portfolios, and therefore the birth of the Barbados National Bank, I would have thought, would have provided an excellent opportunity for everyone in this country to have an indigenous commercial bank doing some of the things that we could not get the expatriate banks to do.

But there was criticism of it. There was a lot of criticism to the establishing of the Barbados National Bank in Barbados. I remember much of the very trenchant criticism by people who now are singing a different tune. The bank went through a period of difficulty, and the reason for that was because, I believe, we were going into an entirely new area, and therefore there were a lot of teething problems, problems of learning and so on, but the bank has become now a fairly solid institution in Barbados. I am sorry Senator Lewis is not here. A brief check this morning showed me that the bank lost \$4.2 million, I think it was in 1982, when Senator Lewis was the President, Chairman and Managing Director, and I noticed that just before the year preceding the end of the last Government, it had chalked up a fairly nice profit which is continuing.

The bank has this important role, and no partisanship should do anything to take away from that transcendental role, above the little petty considerations that are necessary, the role of a local commercial bank in a community such as ours. That is why the statement of the present Chairman in respect of loans to the agricultural community, sugar in particular, caused me a great deal of distress, just like it caused all right thinking persons in this community. That is not to say, Mr. President, that I am making out any case or holding any brief for any individual sector, but the integrity of financial resources in Barbados is such that if one sector is being affected, or starved of funds, or being victimised, or whatever is an appropriate term, it affects all sectors and, therefore, all of the people of this country. 11.45 a.m.

I also, Mr. President, know that what is often referred to by the members of the Government, particularly when they are in Opposition, as political interference into parastatals, and particularly financial ones, can cause problems, but it can also create an enormous amount of good, and we have to be very careful not to be critical of action that, quite often, has a lot of good in it. I believe that if you had left the Barbados National Bank to be run by the directors who were running it in the early 1980s without a generous amount of intervention — and I do not mean in the day-to-day running of the bank, but in general policy shifts and so on — the bank would probably have folded two or three years ago. It was because the Government at the time felt that this institution was an important adjunct to other efforts being made by other institutions in helping the productive areas of the economy that it was necessary to make a number of timely interventions to make sure that the bank did not go off the rails.

The Government at the time, Sir, invited Mr. Tony McConney, a very experienced and successful Barbadian banker, to do a study and make a number of important recommendations. That report was put in about three years ago, I think, maybe two. What I would like to know from the Honourable Leader of the House is to what extent the recommendations of Mr. Tony McConney have been implemented.

I know that one of the things that he sought to do was to professionalise the bank. We started off, for instance, with two Managers, one a Mr. Harold Russell and a Mr. Brathwaite, his first name slips me at the moment, neither of whom have had any experience in headquarters banking. They had had quite a bit of experience in working in branches both in Jamaica and in Barbados, but they had had no experience in headquarters banking, which is something essentially qualitatively different from running branch offices.

I know that the report of Mr. McConney had also advised against certain of the practices that were taking

place at the time and sought to move the bank away from inhibitions, the straight list of officialdom, because the Civil Service seemed to have had a lot to do with the bank in its first stages. Many of the senior officers of the bank were, in fact, persons who were very recently civil servants.

I do not know if the Minister is in a position today to tell us to what extent those recommendations are being adhered to.

I want to make one final point, Sir, and it is with respect to the bank's headquarters. When the Barbados National Bank bought out the Bank of America's operation here in Barbados, it gave them a good building and an operating bank on Lower Broad Street so that they could shift a lot of their administrative work to that area. But for the size of the bank, it is a little bit too disparate, broken up in little pieces around Bridgetown, and during the last Administration plans were afoot to acquire a new headquarters building for the Barbados National Bank. I have not heard anything specific about it in the last year. What I have heard, however, Sir, in a rather vague statement made by the Deputy Prime Minister, is that the Government was contemplating acquiring No. 1 Broad Street, currently Harrison's Department Store, for a number of Government offices, and from something in the statement, although I do not remember specifically how it was put, one was left with the impression that perhaps the Barbados National Bank might be headquartered there. I wonder if the Honourable Minister would indicate to the Senate whether that proposal is a valid one, if the bank will be headquartered there, and how soon.

Apart from that, to keep the debate within the four walls prescribed by Your Honour, I repeat that these amendments are in consonance with good banking practice and that any effort on the part of the Government and the bank to provide greater security for the depositors' money can only be welcomed.

We on this side support the matter before the House.

SENATOR THE HON. SIR JAMES TUDOR: Let me say first, Mr. President, in respect of the two questions to which the Senator is soliciting an answer, in respect of the McConney Report and the status of the Harrison building matter, I quite frankly do not know the answers at the moment. I think I can get them for him by Friday, and if he can wait until then, I will be able to tell him. I will see that I have them, and in the course of one of the debates which we shall have on Friday, we will be able to slip those answers in perhaps in the most relevant manner.

I want to respond to two or three points which he raised in respect of the Barbados National Bank. I would

hope, Sir, that I do not stray, but if I do stray, I would expect the same firmness from Your Honour as you have dealt to the other side.

Our understanding of the setting up of the National Bank springs from the BLP's manifesto of 1976, in which it was stated that the Party, if it came to Government, proposes to bring all the financial institutions of the state under one umbrella. On coming into Government, however, it was found that that was not a practical solution to whatever problems then obtained — and our side pointed out, both during the election campaign and in the course of the debates in Parliament, that the Central Bank was not an institution which could be accommodated under a general umbrella — and, therefore, the Central Bank was left out of that proposal.

11.55 a.m.

It is also my recollection that representations were made to the then Minister of Finance in respect of the Barbados Development Bank, and it was argued, I think quite cogently by Senator David Seale, who was then, and subsequently, the chairman of that bank, that the Barbados Development Bank by its very nature was not a suitable entity to be brought under the financial umbrella, and that was excluded from it.

So the National Bank, for the most part, was made up of the old Government Savings Bank, and I think the Agricultural Credit Bank, and maybe the Peasants Loan Bank, or some aspects of the Agricultural Credit Bank. Those formed the nucleus of it, and the Sugar Industry Agricultural Bank. I mention this so that it should not be thought that the criticisms we made were invalid.

However, a lot of the thinking did not have to be done when the concept of a National Bank was put into operation. I do not think, therefore, there is anything to quarrel about. The record has to be put straight, and it has to be emphasised that what was conceived to be the full content of a national banking system had to be severely modified upon entering office. But you are telling us that we are finding the same experiences that you have had, that how you look at things when you are in Opposition is not how they are always done when you come to the question of performance.

I listened to the matters raised by Senator Blackman, if I have your indulgence, Sir, within the confines of the debate, with great sympathy, and I am hoping that within the banking system, whether within the National Bank or the commercial sector as a whole, arrangements will be found to expedite or do away with the delays which he brought to our attention. I would have thought that computerization and all the new technologies of financial transfers should be brought to bear on these matters, and there is no reason why more than 48 or 72 hours should pass before a genuine financial

transaction is made from one country to another, or even from one bank to another within the same system or the same country. It is a matter which we should look at, and I shall draw this to the attention of the Minister of Finance, in case he has an input to make into this problem, and let him know what points were raised in this respect.

The question that this Bill be now read a second time was put and resolved in the affirmative without division.

On the motion of Senator The Hon. Sir JAMES TUDOR, Mr. PRESIDENT left the Chair and the Senate resolved itself into Committee on the Bill; Senator M. deL. JORDAN in the Chair.

Clauses 1 – 3 were called and passed.

On the motions of Senator the Hon. Sir JAMES TUDOR, the Senate was resumed and the Bill was reported as having passed the Committee without amendments, Mr. PRESIDENT in the Chair.

On separate motion of Senator the Hon. Sir JAMES TUDOR, the Bill was read a third time forthwith and passed.

BANKS (TAX ON ASSETS) (AMENDMENT) ACT, 1987

Order No. 2 was called – To move the second reading of a Bill to amend the Banks (Tax on Assets) Act, Cap. 59B.

SENATOR THE HON. SIR JAMES TUDOR: Mr. President, in January 1983 a tax of 0.2 per cent was imposed on the assets of commercial banks, and the revenue from this source in the year 1985 appears to have been \$2.7 million.

According to the original legislation, the formula used to compute the tax liability of a particular bank is the average total assets for a calendar year less the net foreign liabilities in the same year. The reason for excluding foreign liabilities from the base of the tax was that it appeared to encourage commercial banks to bring in as much money as they could from abroad for purposes consistent with Government's efforts to stimulate and develop the local economy. The emergence of the exempt insurance industry, in particular, and, of course, other offshore activities, which followed the ratification of the Barbados U.S.A. Double Taxation Treaty, all resulted in commercial banks being offered substantial foreign deposits, especially from licensed exempt insurance companies. It seems, however, that these deposits, which are held in designated foreign currency accounts, have had to be laid off in traditional money markets, where the

profit margins appear to be very small. However, the acceptance of these deposits by commercial banks poses a problem for these banks under the existing legislation, since the net foreign liabilities of the banks are decreased by these transactions and, as a result, the assets base for the tax is increased.

As a consequence of this particular difficulty, commercial banks appear to be faced with the dilemma either of refusing the deposits or increasing their margins to cover the increased tax liability. Neither alternative is the best one for any of the participating persons, and what it is proposed to do with this Bill is to change the method of calculating the assets base of the commercial banks so as to relieve them from the additional taxation whenever they accept large foreign deposits. So in consequence of this consideration, the amendment seeks to change the method of calculating the assets base for the purpose of the tax on assets, and it should be seen as another effort to facilitate increasing offshore financial activity.

12.05 p.m.

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

SENATOR L. R. TULL: Mr. President, I am thoroughly confused at the explanation given by the Minister. I do not know much about banking, but I have a certain basic common sense that tells me that what I have heard amounts to absolutely nothing.

As the Minister said, there was a tax on bank assets, both local and overseas. What this Bill is trying to do is to amend the Act to tax only local assets and not foreign assets. It is also a fact, Sir, that the total amount of savings to the Government as a result of these measures is \$400 000. That is chicken feed. If you are talking about the number of commercial banks in Bridgetown and divide the \$400 000 by the number of commercial banks, we are talking about very little money and that is why the explanation of the Minister, as the Americans say, does not wash. It does not make sense to me.

Further, he said that it would mean, by a strange bit of logic, that the banks would either have to refuse foreign deposits or increase the margins from their depositors. I do not understand that. If they increase the margin by .0001 per cent, with all of them you would cover the \$400 000 easily, because we are talking about very little money, but the first part of the alternative, Sir, that it may mean refusing foreign deposits, is staggering. I do not understand what that means, because the banks make a considerable amount of money from these deposits. We are talking about \$400 000, and we wonder what the purpose is all about.

More to the point, however, is what the Minister said at another stage, that if we are serious about offshore

investment in Barbados, we have to remove the little nuisance imposts and conditions if you want this kind of business to thrive. It is a psychological thing. If the banks adopt a policy of why should we have to pay taxes on foreign assets, we do not like it, it is a nuisance, and that is the reason, say so. If you say so, we will not quarrel with that. After all, it is the Barbados Labour Party that started all these offshore economic services. We negotiated the Double Taxation Treaty with the United States and made it possible for Barbados to get ahead of its competitors in respect of attracting to our shores offshore companies. It is our baby and we want to see it grow to maturity, so if that is the argument, get rid of all these nuisance things that really mean very little to foster a climate and a goodwill for more exempt insurance companies, foreign sales corporations, offshore banks, and more shipping companies to be registered in Barbados, we would be the proudest people if you do that.

The other thing that makes what the Minister said a little bit difficult for me to understand is this. I have just been handed a document here, The Financial Statement and Budgetary Proposals presented by the Minister of Finance on April 7, 1987. This document says, in case any of us had forgotten, that banking licences are increased with effect from January 1988 to the tune of \$442 500. That adds up, Sir, to giving up \$400 000 with one hand and collecting \$42 500 with the other hand. You have to reconcile these things. I am not an expert in these things, and maybe there is an explanation why the raising of banking licences by \$442 000 will not cause any problem and why the requiring of foreign banks to pay \$400 000 a year on their foreign assets would create a problem.

I can only repeat that we are not going to vote against it. Within reason — I do not mean we are going to give away the patrimony of Barbados to any outsiders, or we are going to let any foreign banks or foreign interests come into Barbados and dictate to us how we should run our country; not at all! — when you weigh the advantages against the disadvantages and we find a concession cannot hurt us, we on this side are all in favour of that concession. Therefore, we have no quarrel with the Bill, but would have a serious question over the reasoning given by the Minister to solicit support for the Bill.

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

On the motion of Senator the Hon. Sir JAMES TUDOR, Mr. PRESIDENT left the Chair and the Senate went into Committee on the Bill, Senator M. deL. JORDAN in the Chair.

Clauses 1 – 5 were called and passed.
12.15 p.m.

On the motion of Senator the Hon. Sir JAMES TUDOR, the Senate was resumed and the Bill reported as having been passed in Committee, and Mr. PRESIDENT resumed the Chair and reported accordingly.

On separate motions of Senator the Hon. Sir JAMES TUDOR, the Bill was read a third time and passed.

SENATOR THE HON. SIR JAMES TUDOR: Sir, I wonder if the Senate would wish to amend, but only very slightly, the undertaking which was made in respect of business on Friday. I have just noticed among the matters done in the other House, the Bill to amend the Judges Remuneration Act, and I wonder, since I imagine it not to be a controversial item, whether I might proceed with it.

Asides.

SENATOR THE HON. SIR JAMES TUDOR: Very well, we will discuss it on Friday then.

MOTION RE ADJOURNMENT

SENATOR THE HON. SIR JAMES TUDOR: Mr. President, I propose, therefore, to conclude Government's Business at this stage and to take the adjournment until 2 o'clock on Friday. Is that all right?

Sir, I beg to move that the Senate do now adjourn until 2.00 p.m. on Friday.

(Aside: Suspend!)

SENATOR THE HON. SIR JAMES TUDOR: I have asked opinions on this, and half has said suspend and half has said adjourn. Which is better for us?

Asides.

SUSPENSION OF SITTING

SENATOR THE HON. SIR JAMES TUDOR: I would like to amend that motion and move the suspension of this sitting until Friday, May 29, at 2 o'clock.

SENATOR F. G. SMITH: Mr. President, I would like to say I will be absent on Friday because I will be in another jurisdiction.

Mr. PRESIDENT: There being no objection to the suspension the Senate is suspended until Friday, May 29, 1987 at 2.00 p.m.
12.23 p.m.

ON RESUMPTION

Mr. DEPUTY PRESIDENT: The Senate is resumed.

GUARANTEE BY GOVERNMENT OF LOAN BY EXPORT DEVELOPMENT CORPORATION, CANADA, TO THE BARBADOS NATIONAL OIL COMPANY LTD.

Order No. 3 was called – To move the passing of a Resolution that Parliament approves the Guarantee by Government of a Loan not exceeding U.S. \$1 300 000 to be made by the Export Development Corporation, Canada, to the Barbados National Oil Company Limited.

SENATOR THE HON. L. V. H. LEWIS: Mr. Deputy President, mention was made in this Honourable Chamber some time ago about the proposal of Government to have its National Oil Company enter into an agreement with the Export Development Corporation of Canada for the purpose of obtaining a loan of US\$1.3 million to assist in the construction of a Liquefied Petroleum Gas Plant at the Woodbourne oil field in St. Philip.

The total cost of the construction and other facilities is estimated at US\$2.1 million, and the Barbados National Oil Company will get the additional funds \$0.8 million from other sources. The arrangements for this loan will ensure that the Government fully owns and operates the Barbados National Oil Co. Ltd. facility.

The Minister of Finance considered the possible involvement of the private sector interest in the plant, but came to the conclusion that full ownership by the BNOC was the best course of action to pursue, as has been done by other similar national oil producing companies. In fact, the construction of this plant represents one component of an overall project which is being undertaken, the other components being the installation of compressors and a new six inch pipeline, which is being financed by the Canadian International Development Agency. These three things tie in as part of the development programme for the National Oil Company.

The plant will produce a propane butane mix to be sold on the local market. It will be blended with the Woodbourne crude oil and specification gas to be delivered by BNOC into the distribution system of the National Petroleum Corporation.

You may be aware, Mr. Deputy President, that 40 per cent of the gas produced by recovery from the oil wells at Woodbourne has to be flared, and that, at the same time, this country is importing substantial quantities of LPG, hence the decision taken to establish this LPG plant. It is believed that this plant will help to strengthen our foreign exchange position hence, the commitment of Government to ensure its speedy construction for the benefits of this country.

I move, Mr. Deputy President, that the Resolution, as circulated, be now passed.

The question that the Resolution do now pass was put to the Senate and agreed to.

**BORROWING BY GOVERNMENT OF SUMS IN
VARIOUS CURRENCIES RE CONSTRUCTION OF 496 HOUSING UNITS**

Order No. 4 was called – To move the passing of a Resolution to approve the borrowing by Government of sums in various currencies to assist in the Financing of the Construction of 496 Independent Housing Units, of the industrial type, at Husbands, St. James.

SENATOR THE HON. L. V. H. LEWIS: Mr. Deputy President, the Resolution seeks to give authority for the borrowing of various sums from four agencies in Venezuela. A contract for the construction of some 496 houses is being entered into by the National Housing Corporation and Inversiones A. B. A. of Venezuela. The National Housing Corporation will act as executing agency for the project and the Barbados Government will be the borrower, financing the project from various sources.

Mr. DEPUTY PRESIDENT left the Chair and Mr. PRESIDENT assumed the Chair.

SENATOR THE HON. L. V. H. LEWIS: The total cost of the project is approximately US \$14.7 million, of which the housing component is \$13.7 million and another \$1 million for infrastructure. Of that \$14.7 million, the Government will find from local sources an amount of \$1.8 million. The balance of the funds will be provided by Venezuelan agencies to help finance the goods and services needed for the construction of these houses.

Approximately \$7.7 million, which will come from the Venezuelan Export Fund, will be directed exclusively towards the payment for value of structures and accessories applied by the contractor, Inversiones. Another \$1 million, which is being borrowed from the Banco Mercantil Venezolano, and the other funds will go towards constructing the financing of the infrastructure.

These houses which are to be constructed represent one of the steps which Government is taking to meet the needs of the people of this country for low income housing, and it is important for us, Mr. President, that support be given to this effort to meet the needs of the people. These will be houses constructed as independent housing units of an industrial type, at Husbands, in St. James, which will be sold to low income earners.

I beg to move that this Resolution do now pass.

SENATOR L. R. TULL: Mr. President, there are a number of questions that I would like the Minister to answer for me, if it is at all possible. This particular loan

was negotiated about two years ago after a series of meetings between the Government of Venezuela and the Government of Barbados. I know a little bit about it, because I was involved in the first set of discussions on the proposed loan, and it was subsequently picked up by the Ministry of Housing, officers of which, I believe, went to Venezuela on one occasion and continued these negotiations. At the time of the change of Government, the matter was still under active consideration by the then Government, but there were certain doubts that were expressed by the then Cabinet, and my first question to the Minister is directed towards those doubts.

My recollection was that we were uncertain at the time as to whether we should proceed with the loan because of the prefabricated nature of many of the materials that were being used for the construction, and we were concerned because, although we were anxious, as, indeed, the present Government, to provide housing for low income people in this country, equally we wanted to combine with any provision of housing units a certain amount of job complementarity. My recollection is that what was not particularly right about this offer was that a lot of prefab stuff was going to be coming in, and therefore there would not be the amount of job generation among carpenters, masons and other artisans.
2.15 p.m.

I also recollect, Mr. President, that there were a number of other companies in the United States, in Puerto Rico, probably in Martinique, too, and in Guyana, which made offers, and discussions were held at one level or the other to determine which of these offers was best in the circumstances. I would like the Minister to tell us, if he has the information, if there is still this list of offers who want to come into Barbados to get into housing construction and whether the terms are favourable compared to this Venezuelan one, not only in terms of the conditions of the loan, but bearing in consideration the fact, as I mentioned previously, about the provision of jobs.

I would also like to know, I do not know if the Minister gave that before I arrived, the length of the loan and the rate of interest and payment of this loan.

There is one other thing I would like to enquire of the Minister. The Prime Minister said in the Budget Debate that he was confident that the Government will build 2 000 houses a year. My knowledge of this suggests that this is an extremely tall order, and if it is possible, obviously we would be glad to support him, because if it is one area in our social development where there is a lapse, it is in the area of housing. We have done very well in developing many of our social services in this country, but there is no doubt at all that the housing stock in Barbados is at a standard below the other developments made in this country. I believe that both Governments recognise it as a pressing and critical priority before things get out of hand, so if it is possible to build 2 000 houses a year, all of us will rejoice and be glad. But I really want

to know whether the Prime Minister meant that all the housing in Barbados, private and public, would amount to 2 000 or whether he was talking about Government housing. Perhaps the Minister can explain that for us.

The other thing I want information on the fifth query, is in relation to other contracts or arrangements with the Government of Venezuela. I do not want to be critical of the Government of Venezuela on this occasion, but I know that they promised far more over the last ten years than they have delivered. Although we have been successful in some areas in getting arrangements with them that have been to the benefit of Barbados, particularly with the provision of the oil facility under the San Jose Agreement, generally there has been a wide gap between the promise of the Venezuelan Government and the performance. I know that they are also very interested in tying one contract with another, because they have also said that altruism forms no part of the national policy of any country. It is always a question of what's in it for me, and the Venezuelans work that one to the hilt. So my question relates to whether there has been a linking of this particular loan agreement with any other agreement, just as happened in the past. I do not know if it is happening now, and perhaps the Minister would be good enough to inform us of it.

SENATOR C. A. BLACKMAN: Mr. President, one small intervention. The conversion of the 7½ million Bolivars is not clear to me. I do not know what is the equivalent of that in U.S. currency, but excluding the Bolivar portion of the loan, we are talking about probably US\$ 11 million to US\$ 12 million, which is equivalent to Bds. \$24 million, and, therefore, excluding the Bolivar component, that means that these houses are going to have an average cost of about \$50 000.

My question, Sir, if the Minister can assist, is what type of level of construction is envisaged by the term "industrial type"? Is it going to offer, apart from the basic shells, a variety of designs for persons who wish to purchase? Is there going to be complementary financing to permit people to purchase these homes, or are they being built for rental?

SENATOR A. J. N. PHILLIPS: Mr. President, I should like to support this Resolution, since the construction of 496 houses would represent 25 per cent of the total number of units which this Government has promised to the people of Barbados. However, Sir, I believe the Resolution gives me some opportunity to make some observations and probably some suggestions as far as housing is concerned.

I have watched the development of the area of Husbands, Oxnards, Paradise Heights and that general area stretching across to Holders Hill, and I have observed that although the development could be considered almost as a

tremendous development, there is a lack of what I would call certain social facilities which should complement this sort of extensive housing. I refer to such things as playing areas and mini-parks where the residents can relax, the maintenance of which could possibly be undertaken by the National Conservation Commission, and also to the absence of measures of safety for the children who live in these areas.

I also refer to the absence of commercial facilities of a commensurate nature in these developments. I believe that if we address our minds to that general area which I just mentioned, the area on which there was the CARIFESTA site, it would lend itself to a total commercial development which would ideally fit that community. I believe that amenities such as pharmacies, general shopping, supermarkets, medical facilities, schools and a whole lot of other social needs should be developed on such an area to accommodate such a large development.
2.25 p.m.

I would like to also express some concern concerning the use of building materials used in houses in that area. The National Housing Corporation, both in the maintenance and construction elements of their operation, use treated lumber. However, I have observed that private contractors building for National Housing Corporation are permitted to use untreated lumber. It is to the knowledge of every Barbadian that there is a high degree of termite infestation in Barbados. In recent times, there has been the introduction of subterranean treatment, and, of course, pressure treated timber is available. Just yesterday, Sir, I was present at a secondary school and I was shown some furniture which was constructed with untreated timber, and it was all in shambles because of the presence of termites.

I feel, that a condition which should be instituted on private contractors building for Government is that all timber used should be treated timber. I am not doing any commercial, I am speaking as an observer and a person who feels that it is the Government's duty to see, where possible, that materials of a long lasting nature be used in its building programme. I feel that the time may have arisen when Government should look seriously at making it a condition that all timber used in certain areas for houses should be treated against termites. I believe that the Barbados National Standards Institute could be used in advising Government on these matters, since I think that it is of a critical nature that when we provide our housing stock, we try to ensure that our maintenance would be as small as possible within a reasonable period of time.

It is my understanding that treated lumber should last for a period of 25 years. It has been present on this island now for approximately 15 years and I have never had any experience or complaint of termite infestation in treated lumber. It is true that I cannot say what will happen in the next ten years, but I know for sure that,

after a period of ten years or less, mostly all untreated timber would have been visited by termites and would have almost decayed within a short period of time.

With those few words, Sir, I support this Resolution.

Thank you, Sir.

SENATOR B. A. MILLER: Mr. President, I am concerned, as another Senator is, about exactly what is meant by "independent housing units of the industrial type." I gather that these houses are meant to be system-built houses in three different designs. My understanding of this is that, to a large extent, these are really prefabricated units.

When the Venezuelans approached the former Government on this matter, a great deal of consideration, as Senator Tull has pointed out, was given to it, to the point where I think the Minister of Housing went to Caracas himself, I think on one occasion, to discuss and look at models. There was not sufficient there to satisfy the former Cabinet. I am concerned to know not only how far the prefabrication process goes here and from whence the materials will come, but I also want to know whether the part of the house which is going to be concrete will utilise the cement made in Barbados, because that was something that greatly concerned the former Government. We could not conceive of any housing project which would import cement into Barbados. I see now that the Arawak Cement Plant is back in favour, it is no longer in the classified ads of the world, and I want to have some kind of reassurance from the Minister as to the actual materials, prefabricated and otherwise, which would go into these 496 units.

There is another matter which greatly concerns me. I see in a newspaper report that the Minister of Finance is saying that this project is going to satisfy two needs, housing and jobs. If these system-built units are going to be prefabricated outside of Barbados, where are the jobs at the Barbadian end of the operation? Where are the Barbadian artisans going to be employed if it is going to be a screwdriver-type operation, in which they simply put system-built units up? We have construction concerns in Barbados which employ the system-built type operation, and I cannot think why they are not preferred to this Venezuelan proposal.

I am also concerned, whatever is the value of the Bolivar today — we know it is not as highly valued now as it was five years ago — that this is not cheap money. The Banco Central de Venezuela is ten year money at 8 per cent. The Banco Mercantil Venezolano is five year money at 2½ per cent plus LIBOR.

Mr. President, I think that that Senate is owed more than simply answers to a few questions. It needs, first of all, some articulation of what is this Government's policy on housing. The Minister of Housing has made it clear within the last year that this Government has no intention of increasing, to any extent, the existing stock of Government housing. No matter what the Prime Minister is now saying about 2 000 houses, he is saying every and anything, the Minister of Housing, who is expected to be the Government's major spokesman on housing, has said that it is the current intention of the present Government not to overly increase the present housing stock. His priority, as I understand it, is to go to maintenance of the present housing stock, and to considerations of selling off some of the older stock, particularly to tenants who are tenants of exceedingly long standing. I gather that consideration is being given, too, by this Government as it was by the former Government, to the possibility of units in some of the housing estates being sold off to tenants as condominiums.

Another of Government's concern, as I understand it, is that the private sector should be encouraged into more joint ventures of the West Terrace type. I need at this point to remind honourable members that the West Terrace Project is a Barbados Labour Party project and was on a very large scale, the beginning of the private and public sector joint venture type co-operation, which we were hoping would develop not only in housing but in many other sectors of the economy as well.

So I am concerned that we need to have at least the skeleton of a basic housing policy outlined to us so that we can see how this Venezuelan proposal falls into it. This is a long proposal, twice rejected by the Barbados Labour Party Government and now snatched up by the DLP Government, and the sort of introduction we had is not good enough for us as legislators in here. We need to see it in the wider context, we need to see the larger picture painted so that we can see how this fits in. Or is this simply an *ad hoc* thing so that you can come and be popular with voters by saying, 496 houses will be built? Built to put money in the pockets of the Venezuelans? To put jobs in the way of Venezuelans?

Let us be very clear on this. I want to get an idea of roughly how many jobs will be generated by this particular project. I want to get an idea, Mr. President, of how long it is expected that it is going to take for this project to come to completion. I hope it is not going to be like the Pondsides Project. The Pondsides Project has within it, instructions for us. That is a local project not funded by any outside or external organisation, and the former Government found it necessary and important to do that because it would generate jobs here, and as far as we could use local materials, they would have been used. That is one of the reasons why positive

consideration was not in the past given to this Venezuelan proposal.

2.35 p.m.

I heard Senator Phillips, Mr. President. He lives in St. Lucy, in a very wonderful location which I looked at last week from a distance. I complimented him upon it. His ranch resembles something like — I call it a ranch — what we see in "Dallas." It is not unlike "Southfork". It is beautiful, in one of the most picturesque parts of Barbados.

Asides.

SENATOR B. A. MILLER: He has good wine, Senator Tull tells me. He has good taste on the whole. He is a horseman. But he is a St. Lucy man, so I do not expect Senator Phillips to be fully aware of what the situation is at West Terrace in St. Michael. At West Terrace, there exist all of the facilities, or they were made available, that he has been describing and calling for — a drug store is there even now. There was a huge facility designed for the uses of a supermarket and all of the other support services that a housing development such as West Terrace would need, something like the growing one-stop shopping in Barbados. It included at one time a branch of the Barbados National Bank, and I will leave Senator Lewis to explain to us what happened to that branch, which fell apart there like other branches did under his jurisdiction. But there are all sorts of reasons why that little commercial centre was not viable. But I do not want to digress on that.

The other point that I want to make has now to do with housing, generally. I, like all other Senators, and I am sure that I am confidently speaking for them, am much concerned with the rising rate of house fires in Barbados, especially during the dry season. I have said in another place, and I am going to say it here in this Chamber for the first time, and I am sure I will say it many more times while I am in here, that compulsory house insurance certainly now must become a priority with the Ministry of Housing.

We can all remember in our younger days when every house in Barbados virtually was insured, even the humblest chattel house. In those days, they used to give you a little tin plaque of some kind, and you nailed it up over the door or high up upon the house. It was a way of telling other insurance people that there was no need to come to the house, and it bore the court of arms or whatever of the company. It was a subtle way of advertising as well, but the fact is that it reflected an attitude that Barbadians had to housing.

We know how the average Barbadian feels about owning his or her piece of ground and a home. I think that over many, many years, the housing policies of

successive Governments have encouraged people to believe that if their house burnt down, they would get one from the Government, and that has bred an attitude of carelessness, an attitude that it really does not matter then whether or not houses are insured. But I think that money which Government spends rehousing people who have lost their properties on account of house fires, properties which were not insured, are better invested either in the maintenance or the building of Government rental units fit for people who at a particular time in their lives find it necessary to rent.

I do not want to go into any long detail at this point on the housing policy of the Barbados Labour Party. That is to be found in our manifesto, a clearly articulated policy, understanding that there are people in this country, and there will always be people, who will need to rent — it will not be the same people all the time, and Government rental units will have to revolve from generation to generation — that there are people who would want to move on to owning their first home, a concept of the starter units, and then, of course, you move on to the other step, which is the West Terrace concept, and then the joint venture concept, which is also in the West Terrace concept, having to do with integrating the private and the public sector interests in a thrust to make decent, modern housing available to all Barbadians.

So, Mr. President, if the Minister would oblige us at least with an outline of the Government's housing policy, we would be grateful. This must be within the competence of the Ministers who sit in this Chamber. I have to assume that these matters have been discussed and articulated in the Cabinet. I have to assume that at least a guideline can be given us, that reference back to the Minister is not necessary. I want to know where within that policy does this Venezuelan proposal fit, and I want answers very much to those specific questions as to the Venezuelan proposal itself to do with the generation of jobs, to do with the use of local materials, what sort of systems they mean when they say "system-built", which is what the Minister of Finance said, that there would be three types of system-built houses, and what is the implication of "industrial type" in this context. Frankly speaking, and I am not unfamiliar with terms used in the construction business, I do not know what it means.

I also wish to know now if, in the light of the discussion that has come out in another place, the Government is changing its mind or reversing itself, as it has on other matters, of its housing policy. Is the Government now intent on increasing the present stock of Government housing?

Thank you, Mr. President.

SENATOR THE HON. L. V. H. LEWIS: Mr. President, one honourable Senator on the other side entered after I had made the introduction, and, therefore, questions were asked that had already been answered. The intention is that these 496 houses will be houses for low income persons. They will be for sale. These houses are part and parcel of the 2 000 houses which were alluded to by the Prime Minister some time ago, and they represent part of the Government's contribution towards housing development. It is well known in Government circles that private sector persons are very interested and indeed have developed plans to provide housing of a different type, and it is only a matter of time before formal approval is granted by Town Planning for a substantial project to proceed. So the target of 2 000 houses may not be anything as farfetched as some people on the other side might believe. Indeed, 2 000 might be a small number when all the projects get going, and we are talking about 2 000 which can get going within the next three to six months.

2.45 p.m.

These houses are, as members on the other side obviously heard the Minister of Finance, or are aware of what he said, to be so called "system-built." They will not be fabricated in Venezuela. They will provide a great deal of work for persons at the National Housing Corporation, and they represent part and parcel of Government's attempt to improve the existing housing stock in Barbados.

There were a number of other persons who may have approached the former Government, and indeed I believe there are a number of other persons who are in contact with the Ministry in connection with the development of other housing projects, but this is the one which the Ministry is satisfied is easier to bring on stream and is far more realistic in terms of implementation.

The project is not tied in with the other arrangements made with the Venezuelan Investment Fund for projects. The Venezuelan Investment Fund, in a remote fashion, ties in all the monies which become credits for the Government of Barbados under the San Jose Agreement for various projects. There is a linkage there, but apart from that, there is no legal connection between the Venezuelan Investment Fund, the San Jose Agreement and this project.

The funds are being raised from four different sources and it was obviously convenient to mention the ones where the interest rates are higher. The other one that was not mentioned is the case where the interest rate is 2 per cent per annum. It is a fact, therefore, that the mix of funds will substantially reduce the cost of the total borrowing.

I do not know that I can say too much more about the industrial type house, except that it is a partially fabricated building, that it is an independent unit suggests that it is not connected like other buildings and that they will be for sale at reasonable prices when constructed.

This is the first step of Government's stated intention of providing greater housing stock in the country. I think that there will always be criticism, whatever Government does. I do not think we have anything to be worried about. This is a positive step forward. We are going to stop talking and get on with the action of building houses.

The question that the Resolution do now pass was put to the Senate and agreed to.

THE TRANSPORT LEVY (AMENDMENT) ACT, 1987

Order No. 5 was called – to move the second reading of a Bill to amend the Transport Levy Act.

SENATOR A. MORRISON: Mr. President, this Bill deals with an amendment to the Transport Levy Act, to make provision that the fund may also be used to assist in defraying the operational cost of the Transport Board.

As you know, Sir, the Transport Levy Act was passed some time in March 1982, to give effect to the proposal of the Minister of Finance and Planning at the time to impose the collection of a levy on incomes to be used for the improvement of transport and roads. Section 7 of that Act, which deals with withdrawals, makes the following stipulation:

"Withdrawals may be made from the Fund for the purpose of defraying the cost of improvement of public transport and the construction and maintenance of public roads, upon the directions being issued by the Board, acting on the instruction of the Minister."

Sir, before I go further I should like to mention that it may seem very strange to Senators to hear the Government now coming to seek an amendment to this Act to make use of these funds in their present form, as we had made a commitment in the elections that all levies would be paid into the Consolidated Fund. We discovered, on coming into Government, that this was one levy which was not so easily transferred into the Consolidated Fund for various reasons. The accounting was not so easy, there were some monies that were authorised by Ministers and there were certain commitments made to that fund, so the Minister of

Finance did not feel it should go into the Consolidated Fund at this stage because of certain problems he would have experienced. As a result, the levy monies remain with the Transport Levy Fund and are still being administered from that fund.

To get on with the amendment, the Ministers of Finance and Transport have agreed among themselves, as a result of a meeting between the two Ministries, that these funds should also be used for defraying the big deficit now carried by the Transport Board, and as a result they had to see if the Act in its present form could accommodate those funds being used to pay certain operating expenses and help to deal with the deficit which the Transport Board has built up over these years.

The matter was referred to the Crown Law Office and they decided that, to use those funds, we should amend Section 7 of the Act, because in its present form it appears to be narrow and they have therefore advised that an amendment to the Act is appropriate in these circumstances. Sir, the Government, acting on the advice of the Crown Law Officers, has decided to bring this draft Bill here to carry out those amendments.

If I may give you some figures of the present position of the fund, from 1981-82 to 1985-86, the current financial year, \$57 736 238 have been collected. That has earned interest of \$1 129 236, and it is projected that, based on the current pattern of collections for the period April this year to December 1987, revenue for the last financial year would have been in the region of \$13.7 million. This would be at least \$1.649 million above the realised revenue for 1985-86, and should the current trend continue, it is expected that the revenue for the year 1987-1988 could be around \$14 million.

Mr. President, these funds have been used for various purposes in the past. Road building was financed by these funds, they have been used to buy spare parts for buses and have been used to purchase new buses, to the tune of \$23 million.

We feel that we should use the funds to help relieve the present deficit of the Transport Board, which is running at something like \$17 million, and, as a result, we have brought this amendment today.

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

SENATOR L. R. TULL: Mr. President, the Government said — I like the way Senator Morrison puts it — that they would have abolished the Transportation Levy. They also said at another point that they would

put them into the Consolidated Fund, but there was a quite categorical statement to abolish them. This was supported by the Barbados Workers Union, which said that they believed that the levy would be an unfair mechanism, as one of the officers put it.

This particular Bill represents yet one more shameful *faux pas* by the Government in its remarkable capacity to say one thing and do another. I do not know, Mr. President, what you can say about this continual flow of Government action that is so inconsistent with everything that is said with a great deal of enthusiasm. Apart from putting some of its junior members in a great deal of trouble, because they fell for these things hook, line and sinker, and keep spewing them out as if they were holy writ, it makes it difficult for the people of this country to know exactly what is the plan of Government and what to expect from day to day.

I could be more charitable and say that the converted is now more fervent in his beliefs than the proselytiser, that now the new Government has been won over to the policies of the previous Government, it pursues those policies with more enthusiasms than the previous Government. That is the history of conversion, because we know it is a classical Saul and Paul situation, so far from abolishing levies as promised, they not only keep them, they increase them, and not only have they moved from bitter criticism of the levy for operational costs, they proceed to put the exact words into the new legislation. They said they would never continue a levy for the operational cost of the Transport Board. I have heard that speech so often, Sir, that I can say it in my sleep, and now they use the very words and put them into this Act and come in here without blushing and ask for support for it.

The Transport Levy was introduced by the previous Administration as, in my view, an enlightened piece of legislation to make those who do not travel on the buses help pay for those who have to use them, because transportation is a public service. There are a lot of motor cars in Barbados, and the numbers are increasing. A lot of people do not use the buses, but it cannot be wrong in a social service to require those who are better off to help pay for those who are less well off, and that is why I have never had any difficulty with that at all, unlike the present Government, as it professed when it was in Opposition, and the Barbados Workers Union.

It is a fact, Mr. President, that if the Government does not subsidize the Transport Board — and it must run as an economic unit — that bus fares will go up to at least \$2.00. That is indisputable, and you have to make up your mind whether you are going to run a social service as a business in the strict sense, that is, it pays for itself, or whether you are going to accept that

as in health, education or any other social service, there must be an element of subsidy.

I want it to be absolutely clear, Mr. President that I am not making out any case for inefficiency, which has characterised the Transport Board from its very inception. I am not making out any case for any of the infelicitities that have plagued the Transport Board from the time it started. I believe that it has to be run efficiently, and I have always felt so, and I believe that if it is run efficiently, the subsidy required by Government could be severely cut.

I do not want to go through the long litany of complaints against the Board as responsible for all these losses. One could go on forever, Sir, but I do not want to do this at this stage. I think we have heard enough about it. What I do want to do, however, is to ask that the new Government....

Asides.

SENATOR L. R. TULL: Will the not so new Government give us a serious transportation study? I know that we have done them in the past. The last ones that have been done are now out of date for a lot of reasons, but it is difficult to plan without a proper study.

I will tell you something about the Transport Board, Sir. The Government never tells the Board at the beginning of the financial year that its subsidy for the year will be X million dollars so it can plan with a budget. That has never happened. Governments never say this is the subsidy we are going to give you for the year so that you can sit down and plan within certain figures. What happens is that they give them a certain amount of money in the Annual Estimates and then later in the year give them a subsidy that is undetermined at the time of the Estimates. So there is no proper planning as to what they are going to do during the year.

The present Administration, as if to outdo all of its predecessors, has not even put any money in the Estimates. They have not even told them what to plan for! So all like now the Transport Board is operating day-to-day without knowing exactly — not even exactly — vaguely

(*Aside:* SENATOR D. A. COMMISSIONG: Not true!)

SENATOR L. R. TULL: Senator Commissiong says that that part is not true. If it is not true, I will quickly shift, but I am under that impression. I stand to be corrected. I was under the impression that there was no provision set for the Transport Board this year.

Asides.

SENATOR L. R. TULL: Senator Commissiong is a member of the Transport Board, so I am not going to argue that one. But the basic point is that the Board is not usually given any indication as to how much money they will get from Government in the financial year, until, in many cases, towards the end of that financial year. You cannot run any business like that.

One of the problems that has plagued the Transport Board, although, as I have said, I do not want to go through the litany of them, but this is an ongoing thing and perhaps it needs the focus of our attention, is staff and staff relations. I do not know that the staff relations in any parastatal could be worse than there are at the Transport Board.

3.05 p.m.

An interesting thing happened to me recently, Sir. I went to the Transport Board to defend a man who had been served with a string of charges by the management, charges that could have resulted in his losing his job, and my presence was challenged. A man's job is on the line and the presence of his attorney is challenged because of misrepresentation of a union management arrangement. I say this because a lot of time is wasted by management and other members of the Transport Board, almost on a daily basis, in a lot of squalid bickering over minor staff problems.

I hear the Prime Minister talking about productivity, I hear the Central Bank talking about productivity, I hear the Minister of Trade talking about productivity, a very fine word, but it is almost like a catch-word, very seldom translated into meaningful action. My submission is that there can be no lower productivity than there is anywhere in Government or any of these statutory boards than there is at the Transport Board, and this, Mr. President, derives from a number of reasons, a few of which I have stated, and unless some arrangement is made for better conduct of staff relations at the Transport Board, we are, as the Guyanese say, "spinning top in mud." When the present Government finds itself talking a lot about the perceived sins of commission and omission of the previous Administration, as if that would put an additional penny in the Transport Board or cut the levy by a single cent, instead of their wasting their time on that and look into the serious and on-going problems, we will be saying the same thing in respect of the Transport Board five years from now.

I want to deal with a few matters that more directly touch the commuters. The easiest thing in the world to do to cut the subsidy to the Transport Board is to cut the services — send home people and take buses off the road instead of running buses until 11 o'clock or 12 midnight, as happened in the last few years, and stop them at six and seven o'clock, as they used to in the old

when the new black entrepreneur is getting into something like minibuses, he has to be treated like the beggar at the gate. They either do not have any social conscience or they think the people are foolish.
3.25 p.m.

I am, therefore, Sir, making my final plea in this regard. But I stress again, Mr. President, that you cannot play politics with taking people to and from work. That is nothing to play politics about. If you play politics with that, you are eroding the very basis of the industrial and commercial activity in Barbados. People have got to get to work. If they do not, we are going nowhere fast, and the Government has to be careful that its policies, and its perceived policies — because, after all, they are the greatest exponents of the principle that impressions are more important than deeds — do not serve only to alienate a mass of people who feel that they must suffer for no other reason than because they choose their mode of transportation.

SENATOR D. A. COMMISSIONG: Mr. President, I really feel obliged to respond to the contribution just made. I doubt that I have ever witnessed a greater charade in this Chamber of the erroneous, insincere, and false arguments.

Mr. PRESIDENT: I would not like you to say "insincere".

SENATOR D. A. COMMISSIONG: Mr. President, I will withdraw that remark, Sir.

Mr. PRESIDENT: Thank you.

SENATOR D. A. COMMISSIONG: That is just an indication of the strength of my reaction to the last contribution.

SENATOR B. A. MILLER: Mr. President, on a point of order.

Mr. PRESIDENT: Yes.

SENATOR B. A. MILLER: The withdrawal has to be unqualified. He cannot withdraw it and then say that he had an outburst of emotion and emulsion and that was the reason why. He is now qualifying his withdrawal. It must be an unqualified withdrawal.

Mr. PRESIDENT: Senator Miller, would you allow me to conduct the business?

SENATOR B. A. MILLER: Yes, I am drawing this to your attention, Mr. President.

Mr. PRESIDENT: That really is trying to guide me.

SENATOR B. A. MILLER: Yes, Sir, drawing it to your attention, Sir.

Mr. PRESIDENT: The matter was withdrawn by the honourable member and I accepted the withdrawal.

SENATOR B. A. MILLER: But he is now qualifying the withdrawal. I am only drawing that to your attention.

SENATOR D. A. COMMISSIONG: Mr. President, to get into the meat of what I have to say this evening I beg your pardon, Sir, I think that I am in another place.

Laughter

SENATOR D. A. COMMISSIONG: Perhaps I can deal with points raised one by one. The first point was that the Transport Board is given no intimation of the level of the subsidy that it can expect from Government so that it can engage in meaningful planning. If that was the case with the Barbados Labour Party Government, it is not the case with this Government. I am a member of the Transport Board, and I can tell you that the Chairman of the Transport Board has sat down with the Minister of Finance and the Minister of Transport and Works and we do have a working figure with which to plan the operations of the Transport Board. It is not in the Estimates, but we do have a working figure. So you are correct when you say that.

He went on, Mr. President, to speak about the inefficient operation of the Transport Board from its very inception. I beg to differ with that, because up to about 1979 or 1980, the Transport Board, even though it was operating with a deficit, had an extremely manageable deficit. Nobody expects the Transport Board to make a profit. I do not even think they even expect it to break even. We know that it is a social service that the Government is providing and we know that the Government is expected to subsidise it. Up to approximately 1979 — 1980, the deficit was manageable. From there onward, Sir, there was a downward slide in the financial fortunes of the Transport Board.

Asides

SENATOR D. A. COMMISSIONG: We have gone to the situation now where we are looking at yearly deficits — it has nothing to do with just buying buses — in the region of \$17 million to \$20 million, and a lot of people

who have witnessed that terrible slide in that five or six year period find it difficult to escape the conclusion that the Transport Board was, somewhere along the line, deliberately sabotaged. That a public corporation like that could be allowed to run itself into that type of financial state in that period of time is, quite frankly, mind-boggling. I do not want to divulge the business of the Transport Board in this Chamber, but there have been a number of strange happenings. For example, we recently discovered a number of buses that were taken out of operation after six years. The average life of a bus is some 12 – 14 years. But they were taken out of operation after six years and parked at Mangrove – with gas tanks full!

If Senator Tull wishes to talk about inefficiency at the Transport Board, he should talk about inefficiency during the last five or six years of the Barbados Labour Party's regime. We had all sorts of strange things happening. We had Boards being changed four or five times during a four or five year period, every Minister changing around the Board. In fact, things got so bad that when the Democratic Labour Party took over and the Transport Board was appointed, we found a Transport Board that was operating without a General Manager, a Chief Personnel Officer, a Financial Controller and a Chief Engineer. Can you imagine that, Mr. President? This is, I believe, the largest of Government's enterprises, and this thing was so scandalously neglected that you had a Transport Board that virtually had no management in place. So if Senator Tull wishes to talk about inefficiency, let him talk about the inefficiency that occurred particularly in that last five or six year period of the Barbados Labour Party regime, because it is in that period that we had this fantastic deficit building up.
3.35 p.m.

Senator Tull also went on to make the allegation that buses are being taken off routes and that people are now finding it difficult to get to work. I wish to categorically deny that. Sir, far from that, this Board has taken a policy decision that we will be concentrating on getting people to and from work and school. We have cut, for example, midnight buses, but we have taken a policy decision that if we cannot provide a full service right around the clock, we will be concentrating on what we see as the priority, getting people to and from work and school, and in those peak hours we will be concentrating our activity. There have been some cuts, but certainly not at times connected with taking people to and from school or work, so that cannot be true.

I am sorry, Sir. I hope that does not go beyond the bounds.

Mr. PRESIDENT: No, no, that is quite in order.

SENATOR D. A. COMMISSIONG: Mr. President, there are so many examples of the inefficiency of the

Transport Board during that five or six year period, it is truly amazing. Senator Tull talks about studies being done. There were countless studies done during that period of time. He now calls for yet another study. I do not know what another study is going to accomplish now. There were many studies during that five or six year period, and do you know the strange thing? Nothing was ever done with those studies. You just had studies commissioned after studies. A study was done and presented to the Board and there is no follow up. Absolutely nothing was done!

We had the spectacle of the last Minister of Transport and Works in the Barbados Labour Party regime introducing fare boxes. The fare boxes cost a fortune to acquire in the first place, and then some half a million dollars just to maintain per year. Generally, when one puts fare boxes in a bus, one is looking towards a one man type situation. At least that would be the logical thinking. You put in a fare box to allow the driver to take on both roles, that of collecting the fares as well as driving the bus. If that was the thinking, the things were put in badly – they are so positioned that it is impossible where they are now for the driver to perform those two functions, so even though you have the fare boxes – you had to pay a fortune for them, you have to pay a fortune to maintain them – you still cannot make that move to one man buses, and that seems to be the logical thing if you are putting in fare boxes. When we are talking about inefficiencies, one can recite a litany of mistakes, and I made the point earlier that some people cannot help but come to the conclusion that some of these things were done deliberately. I really do not have any opinion on that, but I say that some people cannot help but come to that conclusion.

Senator Tull spoke about Government wanting to starve minibuses off. Really, Mr. President, that is so far from the record of this Government! In fact, just last year this Government gave the minibus operators some of the most generous tax concessions that they could have asked for. I believe we may even have gone over and beyond what the minibus men expected.

My colleagues are referring me to the section of the manifesto of the Democratic Labour Party which deals with minibus operations, the promises being:

1. To reduce all licences and fees by 50%
2. To construct a Minibus Stand of similar standards as that which now serves the Transport Board at Fairchild Street
3. To permit a limited number of persons to stand in minibuses
4. To provide the same Duty Free concessions for replacements as those now enjoyed by taxis

5. To permit access to BT licences under certain conditions where this can be justified.

We have already, under No. 1, reduced the licences and fees by 50 per cent, and contrary to what Senator Tull says, the plan to provide the minibus stand is still very much a part of this Government's policy.

Listening to Senator Tull, one would have got the impression that he was an official spokesman for the Minibus Association. He says that the Government is attempting to starve them off the road. Mr. President, that is so contrary to the position! The facts of the matter are these. There have even been meetings between the Transport Board and the Ministry of Transport and Works and that combined grouping. We have had a working grouping on the whole broad area of transportation, not just Transport Board services, and we have accepted the permanence of minibuses in the Barbadian transportation system. So there is no doubt about the permanence of the minibuses, and we have looked at the minibuses and the Transport Board playing complementary roles. In fact, far from what Senator Tull has said, some of the suggestions canvassed have been to the opposite, that some people see the minibuses playing an even larger role than they now play in the whole transportation framework. The starving of minibuses off the road is so far from the thinking of this Government, and it is so far from the thinking of the present Minister of Transport and Works that the whole suggestion is simply preposterous.

3.45 p.m.

Senator Tull went on to make a point about the need for covered bus stops. We agree with him. There is a need for covered bus stops, and this is one of the projects that the Transport Board and the Ministry of Transport and Works have already embarked on. Very soon you will be seeing not one, but two being set up in the Oistins area. Plans are already on stream for covered bus stops all over Barbados and, in fact, even some of the service clubs in Barbados have approached the Transport Board asking to be allowed to play a role in providing covered bus stops all over Barbados.

Asides

SENATOR D. A. COMMISSIONG: The plans are already on stream, and very soon you are going to see the beginning of the construction of two at Oistins.

Asides.

SENATOR D. A. COMMISSIONG: But you were the one levelling the criticism, so I am merely giving Senator Tull an assurance that we are *ad idem* with him on this matter, that we are so *ad idem* that we have already embarked on the project.

Mr. PRESIDENT: Bring the debate forward, do not go in that corner.

SENATOR D. A. COMMISSIONG: Forward and more progressive, Sir! I agree!

The problems at the Transport Board are monumental, to say the least. I believe that this Board is coming to terms with those problems, and I believe that it is doing a very good job. It will not be easy. We came and found the Transport Board in a state of chaos, even the physical facilities at Weymouth. I cannot imagine that a Government could have sat down and allowed that place to run down like that, to allow the degree of overcrowding and chaos that we found at Weymouth. Even the main administrative building has been allowed to deteriorate to the extent where the building is almost falling down, and very soon it will.

Asides.

SENATOR D. A. COMMISSIONG: The building is about falling down. They have flats in the building where you can see from one room to the other. Plans are now afoot to have temporary accommodation built and move the staff out. It is really reaching critical proportion.

Asides.

SENATOR D. A. COMMISSIONG: But even the main administrative building! Do you see the problems that this Board has been confronted with? A building for housing your General Manager, clerical staff, and your Statistics Department, we have been faced with the headache now of even that building falling down upon us and having to find alternative accommodation!

Asides.

SENATOR D. A. COMMISSIONG: If it was falling down so long, something should have been done. You do not allow it to fall down. You do not put the health and lives of the workers in jeopardy.

I think, Mr. President, that you can well appreciate the enormity of the task that faces the Transport Board. However, we have embarked on a rehabilitation programme, and I believe that we are coming to terms with a lot of the problems that the Board currently faces. I do not want to go too much into our successes, for obvious reasons, but we are looking at things like better maintenance of buses, better training of staff and better purchasing arrangements for spare parts. We are now in the process of union negotiations and, therefore, I am not at liberty to divulge a lot of the things that are happening within the Board. I am not the chairman of the Board, I am just speaking as a Board member, and

in that type of position, one has to be careful about how one divulges the business of the Board.

I want to assure this Chamber that the Government and the Board are fully cognisant of the importance of public transportation to the developmental thrust of the people of Barbados. The Transport Board is, in fact, making some headway in the monumental task that has been assigned to it, but, really and truly, it is, indeed, an extremely monumental task.

SENATOR B. A. MILLER: Mr. President, I was extremely pleased to see that the Government has responded to a plea on my part, so Senator Morrison now has some files in front of him. I think that all members of the Senate were, indeed, pleased at the way in which Senator Morrison so ably introduced this matter, and I know that he is going to reply in as able a form. Those are the only congratulatory words I have to say on the matter, Mr. President.

I have listened to Senator Comissiong. He has left us in no doubt that he is in the board room, and that is the problem where the Senator is concerned. He is too much in the boardroom and does not know what is going on in the yard at the Transport Board. There is nothing new in anything that he has said. We came and found it in chaos, they have come and found it in chaos, and we are going to go back and find it in chaos, because that is the order of nationally run transport systems, domestic and international. They all have to be subsidised, they are always in chaos and there is always the litany of complaints, not to overwork the word in here today, which we had and have been hearing from both sides of the Chamber, so there is nothing new about it.

But I was interested to hear the way in which Senator Comissiong laboured the point to Senator Tull that his charge in respect of the Government's attitude to the minibuses, that this Government was disposed to starve the minibuses off the road, was so ludicrous, so unbelievable, so far away from what was really the Government's thrust, and he went on and on. I did not time him with my watch and that was all, and if the truth be known, Mr. President, I tend to agree with Senator Comissiong. In fact, I fully agree with him, and I do not share Senator Tull's views as what the Government's policy might be. But it has not been articulated to us, so we have to define it from what we see and what we hear.

I believe it is the Government's policy to, in the fullness of time, denationalise the public transport system of this country. I believe it is the long term objective, so all that labouring of the Government's policy now cannot be to discard the minibuses. The Government's policy is to encourage the minibuses on to the road. Do not let us forget the history of the minibuses, Mr. President!

It is the Barbados Labour Party which nationalised the public transport system of this country. Nobody is in any doubt about that.

Asides.

SENATOR B. A. MILLER: Not to the detriment of the country. It is now coming out of the mouths of — I cannot say babes and sucklings now — of seniors and formers. It is now coming out of the mouth of the former Communications Officer that it was to the detriment of this country.

We have the best public transport system in this hemisphere, I say that without fear of contradiction, and "this hemisphere" includes North America and Canada. We have the best public transport system thanks to the Barbados Labour Party. We came into Government in 1976 and found a lot of broken down buses on the road, and never mind this talk I hear now from the present Minister about the subsidy being far too high, although I see that a member of the Board here in this Chamber is not agreeing with the Minister, because he says you are always going to have a subsidy — of course you are always going to have a subsidy, and the Democratic Labour Party knows that better than most — it was there in 1975 when they dropped the bus fares to 25 cents as a prelude to a General Election in 1976, but to no avail, of course. So never mind their confusion, there is always going to be a subsidy.

3.55 p.m.

The history of the minibuses started in the time of the Democratic Labour Party, when the public transport system was allowed to run down. Senator Comissiong is talking about Weymouth. The Barbados Labour Party saw fit to take the money and buy 151 buses and to build tenantry roads and subsidiary roads for this country rather than build a new Transport Board headquarters. The plans are there, he will see them, but we put that low down on the list of priorities, and we make no apology for it. The history of the minibuses started in the time of the Democratic Labour Party, even prior to those halcyon pre-OPEC days, when the system was so bad and we still had wooden buses on the road. The transport system could not supply the public need, and the minibuses grew out of it — they supplied a need. That is the genesis of the rise of the minibus in this country, and it was the Barbados Labour Party that came into Government and sought to regularise the minibuses.

Look at the roads in the last ten years. There are no more broken down buses on the roads today. There are no old broken down cars on the roads today. There is a dearth of bicycles on the roads today. Look at the roads themselves today in this country, even though this Government will tell you that roads cannot be a priority.

This is clear — the Minister of Communications, Transport and Works is saying that this year alone the Transport Board subsidy has topped the \$25 million mark. We nationalised the system way back in the 1950s, and between then and now it is \$90 million. How the Democratic Labour Party has succeeded in having that subsidy now — this is the highest point it has ever reached in one year, this is from the mouth of the Minister, I have it before me here — at \$25 million in this year alone is easy to see. That is why I say, they cannot continue in this way. The subsidy, in the end, will spiral so fast and far out of control that it would be really quite untenable. You cannot continue to have a situation where no proper financial provision is made for the Transport Board. It cannot live out of its revenues, any more than any other nationalised transport system anywhere else in the world can do that.

The levy was not designed for the running of the Transport Board, and I do not think that any tinkering or tampering with it at this stage is going to make it possible for the levy to run the Transport Board, because the levy's function is wider than the Transport Board. If you are going to take all the money from the levy to run the Transport Board, it is going to mean a reduction in other services which the levy brought to this country. It means that work on all the tenantry roads, which have to continue to be maintained, as we started to do in the time of the Barbados Labour Party, will come to a standstill. It means that all the subsidiary roads which are under repair and maintenance will come to an end. It means that all of the bridge work, the sidewalk project, the street lighting project and all of those other matters, which are to be found in the Estimates, Mr. President, will suffer. And in the end it is not going to mean that the Transport Board is going to be any more efficient or adequate, because I am not hearing anything out of the mouth either of the Minister or the member of the Board, who is Senator Comissiong, which would lead me to believe that with this hodgepodge, this very *ad hoc* method of financing and running of the Transport Board, we are going to see an improved service. In fact, it will be to the contrary.

Already, whether Senator Comissiong likes to admit it or not, whether it is within his knowledge or not, bus services have been cut, and continue to be so. There is not one constituency, barring the City of Bridgetown, where people cannot complain of that. And I am not talking about any midnight service, I am talking about service at peak hours in the morning and peak hours in the afternoon when people are going to and from work. You may not get that great pressure like we used to have between 1976 and 1986, because there were jobs. People only go to work when they have a job to go to, Mr. President, and part of the rise and the flourishing of the minibuses came about because of an improvement in the economy, because of an improvement in the standard

of living, because there were jobs and people had somewhere to go to every morning and somewhere to go back to every night. Unemployment is rising in this country, and, perhaps, there is a little less of that, but not yet to the stage where we still do not need to have an efficient and well run Transport Board.

I hear Senator Boxill, a former Minister of Communications, still lamenting today, May 29, 1987, that the nationalising of the transport system in this country was never a good thing and is still not now a good thing. It gives me cause for concern. He is a member of the Government. I want to hear the Minister on this. I have no doubt that Senator Morrison is going to give adequate reply to all of these concerns and queries raised by Senators, including myself.

Thank you, Mr. President.

SENATOR N. W. BOXILL: Mr. President, as a former Minister of Communications and Works, which included Transport, I did not intend to say anything on this debate at all. But there are certain statements which have been made which I think I have a right to correct.

Senator Miller was just talking about the nationalisation of the Transport Board. Maybe Senator Miller was too small to understand what happened then, but I was old enough to know that when the nationalisation of the Transport Board was done in the Fifties it was done in preference to paying the bus concessionaires one cent more in bus fare. The then Premier of Barbados said they would get this one cent raise over his dead body. These are the words he used. When the Democratic Labour Party was in charge of the Transport Board, the Transport Board had one manager during almost the entire 15 years that we were in power. We had three chairmen. We came in and we found I think it was Mr. Tudor as Chairman of the Transport Board at the time, and after we came in we made Mitchie Clarke Chairman, after Mr. Clarke it was Mr. Weekes, and after Mr. Weekes it was Mr. Springer. But the problem that the Transport Board faced under the rule of the Barbados Labour Party was that they had five Ministers in less than five years, and they had five chairmen in less than five years. You cannot get anything done steadily if you keep changing your chairmen. Every Minister wanted a new chairman, and that was the problem. That was not the only problem, but there is where everything started to manifest itself tenfold not twofold.

4.15 p.m.

Do not come in here giving me any fancy talk about you did this and I was not in favour. I said so then, in the Fifties, and I still believe that you did not have any right to do it at the time. We are not going to give up the thing now, because, in any case, nobody would want it.

Do not come in here talking about we intend giving the transport services out to anybody. If anybody intended to give out Transport Service to a private concessionaire, it was the Barbados Labour Party, and the honourable Member knows very well that it was rumoured. You cannot always go by rumours, but wherever there is smoke there is, generally, fire. It was rumoured that certain people in the hierarchy of the Barbados Labour Party intended taking over the Transport Board, and the honourable Member knows quite well that if they had got back into power — God forbid — the bus fares were going up, not the service. Service was going down, but the fares were going up!

Laughter.

SENATOR N. W. BOXILL: She knows this quite well. I was not in their Government and I knew it. She was a member of Cabinet, so she must have known it. I would not believe somebody as erudite and well learnt as Senator Miller — I like that word — would not have known that these were the plans of the Barbados Labour Party. I mean, I am not talking off my head. I am giving facts, and Senator Miller knows what I am saying is true. You intended to raise bus fares, so do not give us this sort of talk and try to mislead us, because you cannot mislead me. I look at certain papers, too, and I have been around long.

As I said before, Mr. President, I have what is known as a photographic memory, so I can tell Senator Miller things that happened when she was probably still going to school. She did not even know about politics, and I have been in the political life ever since. Do not come in here trying to mislead us that the Democratic Labour Party started legalising the minibuses. As you will remember, Mr. President, I think we had about 13 minibuses on the routes. In those days we used to call them private buses. We had two in St. Thomas, two or three in St. Peter/St. Lucy, I think two up in St. Philip in Gaskins, and a few somewhere else up there. As soon as the Labour Party came into power, the situation got out of hand with the minibuses. I am not going to say that the minibuses have not contributed to this society, but do not give me the impression that because they have contributed to this society, they are above the law.

I heard Senator Tull talking about police reporting the minibuses, harassing them as such.

SENATOR L. R. TULL: On a point of order, Sir: I made no such statement. I have made no statement against the police, not yet.

SENATOR N. W. BOXILL: All right, if he did not, I beg to withdraw that. I do not mean to say anything about Senator Tull that he did not say. I will phrase it in another way. He gave the impression that the Democratic

Labour Party is giving the minibusmen a hard time. Did you not say that either? He is a lawyer, I am not a lawyer, but let me tell Senator Tull something in the law. As the law stands, the police stop the minibuses and report them for being overloaded with passengers. I do not really believe — you look it up and see that I am right — that they can report them. What they can do is to make the people get out.

What I would like the police to do on mornings, especially on Collymore Rock and those other areas coming into town, is to patrol those areas to stop the minibuses from stopping in the centre of the road to put down and pick up passengers without going to the bus stop. We have put lay-bys for them. Do you know why they do not go into the lay-bys? Because they do not want the other minibus to pass, and as a result of that they create accidents. We need the minibuses, you cannot deny this. They are part of the society now, and they belong to Barbadians. They are not Germans who come in here and run the minibuses. But the minibuses must be controlled. Not only that, Senator Tull knows as well as I do that the drivers of the minibuses drive recklessly, and the reason, Mr. President, is simply that the majority of the drivers who drive the minibuses do not own them. They are only drivers, they could not care what happened — they go and hit one bus and they go and get another bus.

Asides.

SENATOR N. W. BOXILL: The Transport Board drivers can be disciplined. We know they do not own the buses, but some of them guard the buses as though they are theirs, and they had better realise that they are theirs, because it is their money.

The main thing that we are talking about is the Levy, and it is their levy that we are using. It is levy from people like me who do not drive in any bus. I still have to pay a levy. I am not working anywhere. Do you think that it is fair that I should pay a levy for a bus that I do not drive in?

Laughter.

SENATOR N. W. BOXILL: I dealt with the Transport Board. I am the only Minister, as far as I know, who can boast that under me the Transport Board made a profit.

Aside.

Laughter.

SENATOR N. W. BOXILL: No, that is PROFIT! I did not say "had". I said "made", not had a profit. Made one!

It is true that I am one of the people who opposed the Transport Levy, too. I am not going to deny that. Just like you when you were outside, you opposed lots of things that we had done. First you ran and sold the ship, that we had to carry the cement, willy-nilly. You did lots of things that you had no right to do.

The point I am making is that I am not afraid to tell you that I opposed the Transport Levy. It is there, but what do you mean? I opposed the Central Bank, so am I not to go in it because I opposed it? I should go and knock it down? So the Transport Levy is there. What do you want me to do? Go and throw it away? Hand it back? Come on! You all are more responsible people than this. We have seen that we can make some use of it now, and this is what we are doing.

Asides.

SENATOR N. W. BOXILL: With the levy? The Minister will tell you when he gets up. But one thing I am sure is that we are not going to go to any bank and borrow money because we have the levy there. We are not going to do like certain Ministers of the Barbados Labour Party.

Asides.

SENATOR N. W. BOXILL: People who have glass windows should not go throwing stones, especially at people like me. You are asking about what are we going to do with the levy, but let me find out from you what the levy came up for, because up to now I do not know what the levy came about for. You do not know either. The Transport Board buses do not run through tenantry roads.

Asides.

4.25 p.m.

SENATOR N. W. BOXILL: They are public roads, they are not tenantry roads, subsidiary roads.

(*Aside:* SENATOR B. A. MILLER: Let me hear what you are going to do with the levy funds. That is what we want to know.)

SENATOR N. W. BOXILL: Mr. President, who is addressing you? Me or them? Will you give me some protection please, Mr. President?

Asides

Mr. PRESIDENT: Order! Senator Tull and Senator Miller, because this is Senator Boxill, it looks to me like you all want to take something out of him.

Senator Boxill, I hope you will have the floor in silence.

Senator Comissiong, I think that if you want to invite your colleagues outside, you can go to the lunch room.

SENATOR N. W. BOXILL: Sir, thank you for that.

The honourable members on the opposite side will remember — this is me again — that when I was Parliamentary Secretary in the Ministry of Transport and Works, I advocated building the buses here in Barbados to find work for Barbadians. Who stopped the buses from being built here, Mr. President? The Barbados Labour Party people!

Asides

SENATOR N. W. BOXILL: Butcher built the Mercedes? The chairman of the.....

SENATOR B. A. MILLER: Mr. President, on a point of order: The honourable member is very entertaining, but he must not mislead this Honourable Senate. There were so many buses being built in the time of the Barbados Labour Party that Butcher could not cope, so chassis were not only brought from abroad, but bus bodies had to be brought from abroad as well to satisfy the demand.

SENATOR N. W. BOXILL: Mr. President, the Chairman of the Transport Board — I cannot remember his name, I know the man quite well — Jordan — made a statement criticising the buses built by Mr. Butcher and I said that the buses that were built by Mr. Butcher were far better than the buses we were getting from England in the quality of work and the quality of the material. If I am wrong, why then did Mr. Butcher have to come out and take a full page in the newspaper to set out the facts about this? Memories short!

(*Aside:* SENATOR B. A. MILLER: You ask Don Blackman about that part, and the Mercedes, too).

Mr. PRESIDENT: Now you do not ask Don Blackman.

SENATOR N. W. BOXILL: No, no, I am not asking Don Blackman anything.

Mr. PRESIDENT: You are debating the question.....

SENATOR N. W. BOXILL: I am an old parliamentarian. They are juniors to me. You know that, too. They are Johnnies-come-lately. I have been in this thing ever since.

The point I am making is that we — and when I say “we”, I can afford to say “we” — me — I — asked Mr.

Butcher about building these buses to find work for Barbadians, and he was doing such a fine job, he was not only building buses for Barbados, but he was building buses for the other West Indian islands. After the chairman made that statement, it almost put Mr. Butcher's business into trouble, because it was a case of if your own does not want to use you, I do not see why we should be using you.

I bring out these points to show that we have always been mindful about finding work in this country for people, especially where the Transport Board was concerned, and it is not fair for the honourable members on the opposite side to accuse the DLP of trying to stagnate the transport service in this community. And it is not fair to accuse us on this side of trying to bring any undue hardship on the minibus people, but I am sure that they will all have to agree with me that the minibuses need to be controlled. They have to be controlled like anybody else.

These people themselves — and Senator Tull would know this, because his brother is Manager or Chairman or something so of the Minibus Association — asked that they be allowed to stop at the bus stops. How many of them have you ever seen stop at bus stops? You drive behind any one of them and see if they stop at bus stops. Mr. President, I counted that a minibus made — this is no exaggeration — between there by Banks, I think it was, until the next bus stop, five stops before they got to the next bus stop while setting down and picking up passengers. This cannot be fair to the travelling public who try to get to and from work when the days come.

It is true they are doing a good service. We are not denying this, and we are not going to stop them from contributing to the society, but at the same time do not give the impression that you were so nice to them and we on this side are so hard against them. It is not fair to make those statements, and I am not going to let you get away with it.

Getting back to the levy, as I said before, I was not in favour of the Transport Levy, and I believe the Transport Levy came about because the IMF told you to put the levy on. But since we came into power and we have seen the money that has been generated from it, we have seen what we can do with it, and, as I said already, you would be out of your brains to think you can call the people and say we took this from you and you can have it back.

Asides.

SENATOR N. W. BOXILL: I am not the Minister, so the Minister will tell you what we are going to do with it. Do not keep asking me what we are going to do with

it. One thing we are not going to do with it is utilise it for our own personal aggrandisement or our own personal achievement. We are not going to build any bungalows out of it, nor are we going to buy any land out of it, nor are we going to develop any land out of it.

I keep stressing this, because there are no maybes about it, we all know that the minibuses have the best routes. I think some 24 minibuses are on the Gall Hill route. I think that the minibuses need to be controlled more and that the Transport Board, under the direction of the Minister, should be able to get together with the members of the Minibus Association and regulate how the buses must run, the times they must run and the places they must run to. We know that they have certain specified places, but they run all about. You always hear of them getting reported for going this place picking up passengers and going the other place. They should be controlled to augment the Transport Board, because, whether you like it or not, I have to pay taxes to subsidise the Transport Board. You say I do not pay taxes, but you will be surprised to know I have to pay taxes, too, and it is not fair that we should be paying all these taxes to subsidise the Transport Board and the Transport Board is constantly losing money. If we get this thing regularised properly where the one will augment the other and not be in opposition to the other, you will be surprised to know that we will have undoubtedly, the best transport system in the entire Caribbean region because we cannot get one better than the U.S. and Canada, as you know, but we will have something to be proud about. As it stands right now, it is one-sided against the Transport Board, and do not let Senator Tull and Senator Miller forget, or do not let them play they do not know — they live in Barbados like me.

When Senator Tull first got up, he made it explicitly clear that he never even owned a toy bus. But nobody can deny the fact that there were rumours that the reason why these minibuses were allowed to run on the most lucrative routes was because they were owned by certain people in high offices. I am not saying that that is what is so, but you must not only do what is right, you must also do what seems to be right. Do you agree with me?

4.35 p.m.

Asides

SENATOR N. W. BOXILL: Do not blame me, blame the people! I did not throw you out!

This is how we should get together to get the Transport Board running for all of us, not for a few. It is running for all of us and, therefore, we should come together. As they say, let us put our heads together, come and let us reason together, the Transport Board and the

minibus people. Tell your brother what I say. Of course, he will read it.

Asides.

SENATOR N. W. BOXILL: We must come together to control this business, because if we do not, we will be subsidising a Transport Board constantly and there will never be any end. You do not have to subsidise the minibuses, although we gave them a great concession. You cannot deny this. Under the Barbados Labour Party, they were almost strangled with taxation. Since we came into power, we reduced it about 45 per cent or 50 per cent. We reduced the taxation which they had to pay.

Asides.

SENATOR N. W. BOXILL: The honourable Senator does not seem to be around on evenings.

Mr. PRESIDENT: She is not addressing the Chair. You are addressing the Chair.

SENATOR N. W. BOXILL: No, No! I am addressing you. I am saying 'the honourable Senator', I am not talking to her. I am talking to you, Sir. I am saying that the honourable Senator is not around between 4 and 5 o'clock in the afternoons, she is away from the hustle and bustle of the city area, so she would not see how full the minibuses are on evenings going to and from the city.

Mr. PRESIDENT: You must not be taken up by diversions.

SENATOR N. W. BOXILL: I am not going to be diverted. I am too old for that. I would not let Senator Miller or anybody take me off my stride.

The point which I have made, and will continue to make is that lately, since we came into power, we have discovered that the funds can be utilised and we are going to utilise them. Since we came into power, we have reduced taxation on the minibuses to give them a good breathing space, but I say, and I will say again, they need to be controlled and not be allowed to run in opposition to the Transport Board. They should augment the Transport Board.

Mr. President, I thank you.

SENATOR J. S. GODDARD: I should like to express a concern that this community seems to be accepting the inevitability of a subsidy to the Transport Board, and from what I have heard this afternoon, it seems to me that certain members here also accept that inevitability. I suppose that a few years ago, we accepted \$10 million. I believe that up to last year we accepted \$17 million, and now I understand from Senator Miller

that it is \$25 million, and, somehow, I find it difficult to accept that inevitability. I realise it cannot be changed overnight, but if we accept it as inevitable, it will continue to increase, and it seems to me that at some time, some effort has to be made to place a control, a ceiling, on how much this community is prepared to subsidise the Transport Board, if it is prepared to subsidise it at all.

I mention this concern because this subsidy has been rising, and if we look not too far away to Trinidad and Tobago, where for 47 years the Government of that country has been subsidising their national airline, we could possibly learn something. I realise that I am talking about a national airline and here I am talking about a national bus service and it is not on all fours, but it is the principle of the subsidy that I am addressing. They have come to the realisation that their economy cannot afford the subsidy any longer, so the Government of that country has served notice on BWIA that, within two or three years, it has to be self-supporting.

It seems to me that we cannot get there in one step, and to balance the social responsibility that the Transport Board discharges with the financial responsibility that I think is incumbent on it to discharge, we may have to allow a subsidy, but I would like to see it fixed so that, at least, it will be decreasing rather than increasing from year to year. I believe the Ministry concerned, the Transport Board and the management of that Board have to take some very hard decisions. They must have the courage to implement those decisions.

I am prepared to support this amendment, because I see no quick solution to financing that deficit, which we are doing by authorising this amendment. But I could only support this amendment, Mr. President, because built into the amendment is the accountability whereby every three months an accounting has to be made to Parliament, and to the public through the *Official Gazette*, stating how the funds are being spent.

Thank you, Mr. President.

SENATOR A. MORRISON: Mr. President, I should like to reply briefly to some points raised by the various speakers. At the outset, I would like to state that the Government has no intention of putting back the Transport Board into the hands of private concessionaires. I believe this is too important a social matter for us to allow it to go back to private enterprise, so I can assure Senator Miller that it is not our intention to put back the Transport Board in private hands.

The Board has recently made an application to the Minister to have very urgently 30 new buses bought, because the stock has been very badly eroded. The last Board had a fleet replacement policy, but, apparently,

that policy was not carried out very strictly, and as a result we have a lot of all aged buses, more or less, without proper replacements coming on in time. I think we have to very urgently approve the buying of 30 new buses.

In the meantime, we have to get the Transport Board rolling again. There were a lot of difficulties when the present Board took office. The Transport Board has been the bug bearer of different administrations ever since it was formed. I would say it has been a graveyard for the various Ministers of Transport. I do not really envy them in the discharge of the functions of Minister when it comes to the transportation policy of this island. Successive Ministers have had to go through the grind to keep pace with the multitude of problems which present themselves at that place in any one day. From the workers back to the buses there seems to be no end of problems. Even the place where they work is substandard. It is ridiculous that even the Board had to meet in conditions which are not very hygienic. All of those problems together make for a very bad transportation system. 4.45 p.m.

I believe that the present Board is trying to come to grips with the situation, and I can assure honourable Senators that bringing this amendment is a temporary measure so that we would be able to finance part of the operating deficit with some of those funds. It is not a permanent venture at all, and I would expect that the Levy Board in discharging its functions would see to it that the allocations are made in accordance with the Act and that the road building, which has been referred to, does not suffer unfairly because of the allocation to be made to the operation of the Transport Board.

I know the Prime Minister does not believe in the retention of the levies as they are, and I believe that very shortly, probably in a couple of years' time, we might see the total abolition of the levies on the people of this country. But in the meantime, we have to get certain things in shape, and it is very necessary that certain measures are carried out, and that we set about to reduce some of that deficit for this year's operation, while at the same time trying to put the fleet in some kind of shape in order to be able to provide some kind of service to the travelling public.

We have had to take buses off certain routes that were not economic, because it seems to me that the minibuses have taken over some routes in this country and people do not actually get into the Transport Board buses. That is for several reasons which you all might be aware of. The minibuses are very attractive, they are on time, they get the people to work early. As a matter of fact, my area of Gall Hill, in fact, the whole of Christ Church from Water Street back to Bridgetown could not have existed without the minibuses, because

nobody would get to work at all in that area of Gall Hill, Vauxhall, and Kendal Hill. They depend on the minibuses, because the Transport Board bus drivers take the buses to Newton Industrial Park and park there. They do not ply for hire. They would be there parked for an hour or so, and in some cases people are down the road waiting to get to work and cannot get to work.

We have lost almost all the school children to the minibuses. I think the present Board is working very feverishly to get school children travelling on the Government buses again to help raise some revenue.

There has been some turn around in the performance of the Board so far. They have managed to raise revenue above the level of wages for the first time.

As far as the fare boxes are concerned, I think those are a total disappointment, because I understand that these fare boxes have succeeded in collecting less money than the conductors collected in their time. That is a very funny situation. You put fare boxes instead of conductors and you get less money! Even with the counting machines that have been installed at the Transport Board, you get less money! When people were counting the money at the Transport Board, you got more money. These are things that happen up there. It is a very funny situation.

They have tried to restore morale and discipline at the Transport Board. There used to be a high degree of absenteeism. They have been able to get that stopped and people are now coming to work on time.

We are trying to replace some of the fleet, because we inherited 327 buses when we took over the Government last year and only 230 were operable. There were almost 98 buses that were there for one reason or another, and this stemmed from the fact that there were no spare parts available to the Transport Board. There were no parts at all, so when a bus broke down for whatever reason, it might be a slight reason, it was put there on the dump heap, and Government has lost a lot of machinery because of the non-availability of parts. I think the present Board is trying very hard to get that aspect of the work back in trim. I think they have now got an engineer who has been appointed.

There was no managerial staff, and that was a condition that even the last Minister of Finance in the last Government realised, because I see he had made the same point about the managerial staff at that place in 1985. He had said that tenders must be invited for the provision of management services, both administrative and technical, for example, the management of the workshop, and the provision of accounting and personnel services. Those things were not in place at the Transport Board for a very long time, so all hell broke loose up there, everybody was

his own boss, and in the area of spare parts, people just took away parts off buses that were left there idle in the yard. When you wanted something off a bus, you just took it up. There was no boss, there was nobody around and the mechanics just did as they liked. I think we have now got a General Manager appointed and they have got certain staff in place, and we are hoping that the Board will be able to come to grips with the situation.

I take the point from Senator Goddard that one cannot go on just financing deficits for the corporation in this manner. The Board must be able to get a turn around in the fortunes of the Transport Board. It has eluded several Ministers of Transport, but the Board is determined on this occasion to come good and to present a better service for the travelling public of this country. The last Minister of Finance in the last Government had also made the point, and he agreed with what we are doing today, that a greater portion of the transport levy even must be used to cover the deficit this year. He had also seen the need for using the funds in this way, and I do not think it was a bad suggestion.

As far as minibuses are concerned, Sir, I do not see how the Government in all its wisdom can do away with the use of minibuses in this country. I think minibuses are here to stay. They do a lot of foolish things, it is true, but they have contributed very greatly to the movement of people in this country. I do not know if they are organised in the right way, because they are supposed to have an association, but yet, when one goes to the bus stand by the Empire Theatre on evenings, you will see minibuses alongside minibuses trying to get out first. They all belong to one association and I do not understand how they could do it that way. There is all hell by the Empire Theatre; you cannot get into Jordan's Lane at all because the access to that road is completely blocked by minibuses constantly putting their front parts in front of the others, and it is a very debilitating scene to see it on evenings. I do not know how people do not get killed in that bus stand.

But we believe that the minibuses could make a contribution. They have been making a very positive contribution, and we still hold to our manifesto pledge where we said that we saw the minibus as being a very vital part of our transportation system. We have carried out one aspect of our promises, we have reduced the licence fees on minibuses, and in due course we will be able to carry out those other promises as mentioned in the manifesto.

We are carrying on the minibus operation on the same level that we found it, and the last time that the minibuses were talked about was when the last Government set rules about minibuses some time in November 1984. At that time Cabinet agreed:

- (a) That the existing operators of minibuses should not be allowed to add to their fleet of minibuses, either by transfer or otherwise.

- (b) Transfer of minibus permits should be allowed only as a legacy.

- (c) No further permission should be granted for the importation of chassis on which a body may be constructed for use as a minibus except as a replacement for an existing authorised unit.

4.55 p.m.

Cabinet also said at that time that the number of minibuses operating on the certain routes should be reduced to levels indicated by March, 1986. They talked about Eden Lodge, St. Michael, four minibuses; Cave Hill, St. Michael, four minibuses; Pine/Wilkey, St. Michael, six minibuses, Bush Hall, St. Michael, three minibuses.

Cabinet also decided in 1984 that the following routes should be operated exclusively by the Transport Board: Rendezvous, Christ Church, Britton's Hill, St. Michael and the Ivy, St. Michael.

Those are the last directives which were given on minibuses and which operates up to this day. We have no intention of forcing them out of business.

I have not heard of any proposal from the Government side to raise bus fares. That would be a question for the Minister of Transport and Works, and as far as subsidies are concerned, the Minister of Finance is the person who would be able to say whether the Transport Board would be given subsidies in the different areas or not.

I think that the Transport Board has got many good routes that it can really make money on. I believe the Oistins route, in particular from St. Christopher, is a very fertile route, with people from morning until night. There is Route 1, from Bridgetown to Speightstown, another good route. It is level road, there are no hills, there is no problem with maintenance, and I do not know why the Transport Board cannot make money at least in respect of those two routes.

Senator Tull talked about using some of the funds to provide for bus shelter in the country. I would endorse that proposal. I will draw it to the Minister's attention, because that is a very good suggestion. I think that people in the country districts should have the benefit of bus shelters more so than the ones in the city, because in the country areas where you have fields of canes and the sun is hot, there is nowhere to run when the rain comes down, and I would support that call from Senator Tull about using the funds.

I also take note of the point, as raised by both Senator Miller and Senator Tull, about buses being taken off certain routes, and I shall draw it to the Minister's attention and see what can be done to restore those

services, or to see if they were taken off for a particular reason.

I know that a report is being formulated on the Transport Board at the present. When it comes to hand, the results will be known and I will bring back the results to the Senate as raised by Senator Tull.

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

On the motion of Senator A. MORRISON, Mr. PRESIDENT left the Chair and the Senate resolved itself into Committee on the Bill, SENATOR M. deL. JORDAN in the Chair.

COMMITTEE

Clauses 1 to 3 inclusive were called and passed.

On the motion of Senator A. MORRISON, the Senate was resumed and the Bill reported as having been passed in Committee without amendment, Mr. PRESIDENT in the Chair.

On separate motions of Senator A. MORRISON, the Bill was read a third time and passed.

APPOINTMENT OF TEMPORARY CHAIRMAN

SENATOR THE HON. SIR JAMES TUDOR: Mr. President, we are sorry to hear that you have to leave us urgently. In your absence, when we do a Bill we shall need a temporary Chairman, because your deputy will be taking your place.
5.05 p.m.

I want leave of the House to nominate Senator Phillips — I am sorry that I have not consulted him yet — to be Deputy Chairman — Is he being consulted now? He has agreed — during Your Honour's absence and the assumption of the Chair by the Deputy President.

I beg to move that Senator Phillips be appointed temporary Chairman for that period.

The question that Senator Phillips be appointed as temporary Chairman during the absence of the President and the assumption of his duties by Mr. Deputy President, was put to the Senate and agreed to.

JUDGES REMUNERATION AND PENSIONS (AMENDMENT) ACT, 1987

Order No. 6 was called — To move the second reading of a Bill to amend the Judges Remuneration and Pensions Act, Cap. 115A.

SENATOR THE HON. SIR JAMES TUDOR: Sir, this is a Bill to amend an Act which was recently passed in this Parliament. Section 5 of that Act provided that where the holder of a judicial office dies while he is in office and while he is entitled to a pension under this Act, then if he leaves a widow but no entitled child, or a widow with entitled children by the said widow, there were certain provisions. After that was passed, a very interesting letter appeared in the Press drawing public attention to what was considered as an anomaly, or perhaps a contradiction, in interpreting the Act to entitle a widow of a judge to a pension at the same rate. Since the correct rate is two-thirds of what the judge would have received, the matter was referred to the Attorney General, and his advice was that in order that this section should not appear to be dubious, or in order, to make it beyond doubt, the pension should not be more than two-thirds, and we have decided to bring this amendment to put all doubtful perceptions beyond doubt so that the law should be made clear.

As to the more substantive matters of what Judges should or should not have and whether the law itself will create rapid turnover on the bench, I am not competent to argue. I should like to hear some discussion on that. If I am able to, I shall respond. But in my judgment the amendment is a factual and simple one.

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

SENATOR L. R. TULL: Mr. Deputy President, the Leader of the Senate anticipated the particular difficulties that this measure will occasion. I can spend the rest of the afternoon saying all the positive things about the judiciary and the requirement that the judiciary be so positioned in this society as to ensure that there is stability, but I do not think that I am about to make any testimony for anybody this afternoon.

What has happened is that last December, before this Chamber a Bill came that, in effect, gave the judges their full salaries as pension. As I understand it, while they are working their salaries are subject to tax. When they retire, they get the same salary as a pension, but without tax. Common deduction tells us that it is most profitable, from a purely financial point of view, not to work than to work, and there are very few of us, Mr. Deputy President, who would be mindful to work for a salary that is less than the pension one would get if one retired.

It was a situation that was pointed out at the time by Senator Blackman, as I recall, but because of the — I was just about to say generosity, but I detect a lot more than generosity in it — way things are, people are reluctant to say anything in respect of judges. Those of us who are comfortable with ourselves have no difficulty with that.

This measure today is to go a step further. It is to give two-thirds of the pension to a widow, or, to put it another way, a spouse whose husband or wife predeceases him or her. I have no quarrel at all with the generosity of provisions to any sector of the community. I believe that I have made that point absolutely clear when one talks about parliamentarians. I am not given to any game or hypocrisy in that regard, so I have no natural quarrel with these generous provisions for the judges.

What I want to ask, Sir, is why just the judges? When the first provision was passed in December, there were a number of retired Head Teachers, Matrons and people like that who had given 40-odd years of hard, efficient and conscientious service to this country, some Head Teachers who had taught some of the judges themselves and made them judges, and they raised the question — have the judges made a greater contribution to national life than I did as a Head Teacher? I cannot in good conscience say yes. Other people can say it, I certainly am not one who will say it. They say that they have pensions of \$400, \$500, and \$600 a month and they can hardly make ends meet, particularly after they pay utility bills. There are a lot of Head Teachers who are 70 years old who are living in circumstances that would make most of us ashamed. As I said, my question is, why only the judges? Why if the Government is in a position to show this kind of generosity have they not extended it to wider areas of the Public Service, or is there a special reason why the judges alone are entitled? These are some of the questions we have to answer.

I know it is a convention in the Commonwealth that judges are paid their full salaries as pension, and I have no quarrel with that. There is usually a condition, however, that the retired judge does not involve himself in the practice of law, so part of the reason for paying full salary as pension is because you do not expect a retired judge to go out there and start practising law. As I say, Sir, neither I nor my party has any quarrel with that provision, but it is a little bit difficult in all these circumstances, at a time when there are large numbers of people who have made significant contributions to the development of this country, who are living in very difficult circumstances, that the Government finds it fit to come before Parliament with one category and leave out the others. What of the teachers and the nurses and all them?

5.15 p.m.

The Leader of the Senate says he is begging the question, but give us some answers. It is not that the Government has in the past shown any particular regard for judges. The Right Honourable Prime Minister is famous for a number of aggressive broadsides on the judiciary, many of which are carefully recorded in Hansard for posterity, so it is not as if there has been any love affair between the Democratic Labour Party Government and the judiciary, and I want to know what

provokes this at this particular time and why the Government feel that other people who contribute significantly should not be included.

I believe, Sir, that the judiciary of Barbados, happily for us, has been a good one all through the years, free from taint or hint of corruption, men who have given sterling service and have done the country proud, because if there is one thing we have in this country as an institution, it is the institution of the courts where litigants do not usually leave the courts aggrieved because of any feeling of bias. That has been responsible for so much of the stability in this country, and I applaud that.

Only this morning one of the judges retired — I think he retires at the end of the month — I am referring to Mr. Justice Worrell. I think the constitutional age for retirement is 65, and from what I gather Mr. Justice Worrell is 58. I mention this because I want to make it an example of the very difficulty we are talking about, because this is the second point.

A provision such as we have made for judges in the last few months does not help us in keeping our judiciary for too long, and no one can quarrel with that. The fact that one judge may have retired at 58 may not have been related to this, it may be for personal reasons, I do not know, but one can see that this early retirement can be and will be a natural consequence of this piece of legislation.

I have extreme difficulty in supporting this. I really find that it offends against many of the stirring calls for discipline in expenditure. It also offends against certain principles of egalitarianism in this society. And although I feel a certain ambivalence about it, I believe that despite that ambivalence, I will need to come down on one side, because you cannot be ambivalent for too long in matters of this sort.

The arguments are sundry and I am sorry that, in introducing the Bill, the Leader of the Senate did not put the arguments for the Government. There must have been a reason. Normally, for these matters to come before the Chamber there must be a submission by a Minister in writing to the Cabinet, and the Minister states his reasons for a particular course of action that he is recommending, and it is discussed, and debated, by the Cabinet and agreed on. It would have done no harm at all for the Leader of the Senate to give us some insight into the reasoning behind this particular measure, and, more importantly, why it is being brought at this time.

He can also tell us whether this is the beginning of a wider dispensation in which other people who have made the contributions such as we have been talking about, significant contributions, will also benefit from this

kind of policy by the Government. If so, I would heartily support it, so I need to hear from the Minister whether that is part of the future planning of this Government.

SENATOR C. A. BLACKMAN: Mr. Deputy President, when I spoke on the amending Bill last December I did not see the difficulty that is now the subject of today's amendment, but in the course of looking at the legislation, particularly as a result of the fact that we now have the consolidated amendments up to 1985, I note that a provision that had been in this principal Act, which was passed in the mid 1960s, to permit members of the private Bar to take judicial office, has been written out of the law.

Sir, you may recall that when the late Sir Deighton Ward took office as a judge, he took office at a time when he could not, in the normal course of things, get a reasonable sort of pension, and the law was provided in 1963 that ten years, 120 months, was added to the period of judicial office so that on the occasion of leaving office, at least a basic one-third might have been achieved by that judge.

The amendment to the section we are looking at only now deals with a judge who has been in the Public Service, and the provision we are making today in respect of the widow or widower — because the law, in my respectful view, must contemplate that one day we will have a lady justice — must contemplate that someone from the private Bar will take office.

I had expressed a view last time, and I think I said it during the debate here on the Estimates, that I fear that the amendment we made might create a revolving door. Including the Chief Justice, with the exception of the latest appointment all three judges can now go home and get full pension. I know the Standing Orders prohibit any sort of criticism, but Mr. Justice Husbands may retire at full pension. When you count Judge Rocheford's previous years as Registrar, which is held as judicial office, he can go out with full pension. So we can be faced here in a very short period of time with a new Bench, because when you take a full salary as pension, and I know the point has been made that it does not take into account your housing allowance and your other allowances — I have not been able to check the definition of the pensionable emoluments to see if housing and the like are taken into account in determining what the gross pension is — even if they are not to go home with a tax free pension of \$6 300 a month for a Chief Justice and \$5 460 for a judge of the High Court, even if you discount the fact that the allowances which he is no longer getting would have been paid as PAYE, he is certainly no worse than when he was working, and this view may well be taken, why should I take the problems of a non-airconditioned court, old fashioned system of recording decisions, and all the little trials and tribulations of the

office when I can go down to Bathsheba and retire, or whatever?
5.25 p.m.

If the Government is looking at this legislation, I wish on behalf of the private Bar to ask that what was deleted in 1979, for what reason, I do not know — perhaps, that is your answer to that, it was not done by you — should be put back, because the profession feels that at some point in the future the Bench should be attracted to the private profession.

There is a Supreme Court of Judicature Act which was passed in 1981, which provides for a Court of Appeal and Judges for the High Court. This 115A is going to apply to that court as well in terms of pensionable conditions, and if you are going to look to staff a Bench, you have to tap the profession. The profession is concerned about judges coming only from Marine House, because you get a situation where there is a bias — perhaps that might be a bit strong — a view that they only see it from one side.

When a man is practising at the Bar, he acts for a plaintiff and he acts for a defendant, so he can appreciate both view-points. With the greatest respect to those at Marine House, they only see it from the Crown side. In civil matters, they may see it as a plaintiff or a defendant, but more of the matters which engage their attention are those relating to the Crown side.

This morning it was said that Mr. Justice Worrell was not regarded as a prosecutor type of judge, and that stays to his credit. I would say no more, Sir, it probably would not be right to say any more, but certainly we would want to ensure that the public at some stage of the game would feel confident that those who are coming into the judiciary are not only those who have a bias one way.

Our tradition really has been one in the common law tradition, that judges come from the Bar. In the Caribbean, it is becoming almost a career judiciary where you come up as a Principal Crown Counsel, Crown Counsel, Magistrate and you never have to take the peak of the day at the private Bar.

I am aware that the Crown Law Officer may feel that we have had the sweets out there, why should we deprive them of the honour of becoming a judge? But at the end of the day, the country needs the best talent available, and if you look at only one pool, you will be doing a disservice to the country, and I would like to ask the Leader to perhaps look at a further review of this Act. Consult with the profession in terms of putting back Section 8, which was taken out in 1979, so that people from the private Bar could at least feel assured that they can serve on the Bench. There is no point in a man going

to the Bench at 50 or 55, because he can never get two-thirds. You have to decide to go at 45 and then work for 20 years to get a full pension, and at age 45 he might not be able to make that sort of financial leap of faith when he has certain commitments to undertake.

I am not joining Senator Tull totally in terms of saying that I am against the legislation. Really, the time for that was last December. What we are doing now, Sir, is just tidying up a mistake made in December.

SENATOR THE HON. SIR JAMES TUDOR: Mr. Deputy President, I am not competent to answer the technical points raised by the two honourable members. In fact, it was only my listening to Senator Blackman just now that I realised that Section 8 of the 1979 Act had been taken out. I really did not know this, and I wonder if there was really any reason why this was done.

Aside.

SENATOR THE HON. SIR JAMES TUDOR: I am not going to be so ungenerous to point and say you did it. It was not you, but there must have been some good reason.

The point certainly made by Senator Blackman is a valid one. I cannot imagine a judiciary taken entirely from the Public Service. Some of a judiciary should come from the Public Service and some from the ranks of the practising barristers. That is only fair, and it certainly provides a tremendous amount of balance on the Bench.

I do not, quite frankly, know all the reasons for this change, but I think that there are some general principles with which, I suppose, most people would agree. You can take the argument that if you do something for a few people, you could as well have done it for many. I think that was part of the argument advanced by Senator Tull, and that you have a lot of retired school teachers and people in other categories who do not have this generous treatment. For one thing, arithmetic would not allow it. Our stronger principle is you could not have allowed all the policemen, teachers and public servants to retire on this basis. Why, therefore, do you think we have done this in respect of the judiciary? I think it has been done on the principle that a community ought to be able to bear any price and support any costs required to keep a judiciary independent and impartial. I am not saying that if this was not done judges would not be impartial, but I think it is a sensible precaution in a small community like ours to hedge the judiciary around with every sensible convenience. I really would not go over-board like who was it in the 17th century that said that judges are lions protecting the King's throne, but I think if you want an independent judiciary, if you take into account the

fact that except, perhaps, for tilling his land, there is very little else a retired judge could do with propriety

Asides.

SENATOR THE HON. SIR JAMES TUDOR: or be an ambassador, I forgot that..... you will be inclined to this point of view.
5.35 p.m.

There is another thing. My judgment is that the fact that a judge retires on a pension which is equal to the salary he was getting would not, of course, inhibit him or inhibit the country from calling upon his services in a judicial capacity out of retirement. If you had an unlikely but still possible instance in which there was a great influenza epidemic and the whole Bench went down at one time, whom would you call upon at short notice? You could call upon the private Bar, but if you had two or three retired judges, I believe you could bring back out one of them.

Asides.

SENATOR THE HON. SIR JAMES TUDOR: Would they get a pension and a salary? Why politicians, then, that are brought back out do not get a pension and a salary? Anyhow, I think it is probably not a bad thing in the case of the judiciary to hedge them around with these privileges, which, for whatever reason, cannot be extended over the whole range of the Public Service.

But I also take the point, and I wish to emphasise this, that I think very strongly that practising barristers ought to be raised to the judiciary from time to time. The last conversation I had with the late Governor-General, the late Mr. Justice Ward, was about his work on the Bench, and I was fascinated to hear him say that he never believed policemen. I thought that that was very strange, if you are weighing the evidence, because he made it clear to me that he never accepted uncorroborated evidence of the police, and that raised him in my estimation. But that, perhaps, was born of the experience of a practitioner, and I think it is a very good thing.

I think you can trust us to mix. I do not think we have done too badly so far.

Asides.

SENATOR THE HON. SIR JAMES TUDOR: I shall tell the Attorney General to bring that back in, because I accept it as a principle that no person who is fully qualified for judicial office should be excluded from it by reason of not being a civil servant.

There is nothing else I can say really, because I really do feel that one has to make an exception for

judges. However much one might feel it ought to be applied to other sections of the community, there is a special sense in which one has to protect the integrity of the Bench, and it is still in my judgment, I might be wrong, that it is still the Bench even when it is retired.

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

On motion of Senator the Hon. Sir JAMES TUDOR, Mr. DEPUTY PRESIDENT left the Chair and the Senate went into Committee on the Bill, Senator A. J. N. PHILLIPS in the Chair.

COMMITTEE

Mr. CHAIRMAN: The Senate is in Committee.

Clauses 1 and 2 were called and passed.

On the motion of Senator the Hon. Sir JAMES TUDOR, the Senate was resumed and the Bill was reported as having passed the Committee, Mr. DEPUTY PRESIDENT in the Chair.

On separate motions of Senator the Hon. Sir JAMES TUDOR, the Bill was read a third time and passed.

THE PROPERTY TRANSFER TAX (AMENDMENT) ACT, 1987

Order No. 7 was called – To move the second reading of a Bill to amend the Property Transfer Tax Act, Cap. 84A.

SENATOR THE HON. L. V. H. LEWIS: Mr. Deputy President, it is proposed to bring into existence shortly the Securities Exchange Act, 1982. In the interest of encouraging and developing a more efficient and effective Securities Exchange, it has been envisaged that certain changes will be necessary to the Property Transfer Tax Act as well as to other legislation.

The Property Transfer Tax Act provides for payment of 5 per cent by nationals on transactions where there is a sale of over \$25 000 in value, and this presents something of a disincentive to shareholders who wish to transfer those shares. It is felt that the transactions' loss would be prohibitive for short term traders and this can have a negative impact on activities of the Stock Exchange. At present, Property Transfer Tax paid by nationals for trading in shares to potentially listed companies raises very little revenue, and it is also felt that it will not raise more revenue in the future, since the very existence of the tax minimises transactions by nationals.

5.45 p.m.

At present a Property Transfer Tax of 8% is paid by non-nationals if they are vendors and 10 per cent if they are non-national purchasers of the transfer of assets or of shares. It is recognised, however, that substantial amounts of revenue is raised by this tax if it is a large transaction. Therefore, in order to preserve the revenue collecting benefit of the Property Transfer Tax, it is considered that only companies whose shares are listed on the Stock Exchange and which are trading in accordance with the rules of the Exchange should be exempt from the Property Transfer Tax. What this Bill seeks to do is to amend the Property Transfer Tax to exempt the securities of public companies which are listed on the Securities Exchange of Barbados.

With that very brief introduction, Mr. Deputy President, I beg to move that this Bill be read a second time.

SENATOR J. S. GODDARD: Mr. Deputy President, first of all I would like to say how very pleased I am to see that this Securities Exchange is, after a very long time in the gestation period, coming into being. I think it can play a very important part in the ownership of companies in this island. I, for one, would very much like to see a broader ownership and see more Barbadians encouraged to own shares in the listed public companies. I hope that all of the public companies will decide to become listed, and in due course I would like to see more of the private companies become public companies and also listed so that a much wider cross section of our community would be involved and have a shareholding stake in the economic life of this community.

Mr. Deputy President, the Minister referred to the transfer tax on the vendors. Quite rightly, he did highlight the fact that the tax is higher on non-nationals, who pay the tax on the full amount rather than a lesser percentage on the excess over \$25 000, and they also pay 10 per cent on the full value if they are the purchaser whereas a local purchaser pays nothing.

By the removal of this tax, with which I agree, it could mean that the disincentive for foreign or non-national shareholding has been removed, and that there could be the likelihood of shares in public companies suddenly being swallowed, so to speak, by non-nationals. Although I had no direct part in the formation of this Securities Exchange, it is a matter that concerned me, and I did make enquiries, and it is my understanding that shareholding by non-nationals will be subject to exchange control approval by the Central Bank before the transfer of any such shares. I think that is important so that we all are aware that, because of our limited financial resources and strengths, we are not opening the door to or running the risk of shares in local companies suddenly being bought up willy-nilly by non-nationals from abroad.

I am also advised, Mr. Deputy President, that where brokers are working for nominees, the Regulations would require them to disclose to the Exchange who those nominees are to prevent them from, by devious means, buying for non-nationals.

I just thought, Mr. Deputy President, I should bring these two measures to the attention of the Senate, in case they have any fears about the Securities Exchange causing some change of ownership in the local public companies.

Thank you.

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. Sir JAMES TUDOR, Mr. DEPUTY PRESIDENT left the Chair and the Senate resolved itself into Committee on the Bill, Senator A. J. N. PHILLIPS in the Chair.

COMMITTEE

Mr. CHAIRMAN: The Senate is now in Committee.

Clauses 1 to 3 inclusive were called and passed.

On the motion of Senator the Hon. Sir JAMES TUDOR, the Senate was resumed and the Bill reported as having been passed in Committee without amendment, Mr. DEPUTY PRESIDENT in the Chair.

On the separate motions of Senator the Hon. L. V. H. LEWIS the Bill was read a third time and passed.

COMPANIES (AMENDMENT) ACT, 1987

Order No. 8 was called – To move the second reading of a Bill to amend the Companies Act, Cap. 308.

SENATOR THE HON. L. V. H. LEWIS: Mr. Deputy President, I mentioned earlier that there were three Bill which were affected by the coming into existence of the Stock Exchange on June 1, as contemplated. This amendment to the Companies Act is required because, in accordance with Section 179 of the Companies Act, Cap. 308, and paragraph 14 (1) of the model general by-law to the Companies Regulations 1984, there is indicated an intention for a transferee not to be required to sign the instrument of transfer in regard to the transfer of shares and debentures. This would be in keeping with the need for expeditious handling of transactions through the Stock Exchange. However, Sections 182 (3) and 183 (1) both provide and require that a transferee sign the instrument of transfer in regard to the transferring of shares and debentures, and in order to remove the inconsistency between the Regulations and the principal Act, it is necessary for an amendment to be done to the principal

Act so that the requirement for a transfer to be signed by a transferee is removed.

Mr. Deputy President, I do not think there is much more I should say on the matter.

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

SENATOR L. R. TULL: Mr. Deputy President, just a few comments. I noticed that one of the problems that have been bedevilling recent transfer shares in two continents, North America and Europe, has been insider trading, and those who have been watching these things in recent times will see the flood of prosecutions both in Europe and North America. At the time of the passing of the Companies Act about three years ago, the provisions in respect of insider trading were tightened, but I recall that at the time there was some expression of concern on the part of the then Opposition, legitimately, that perhaps those conditions were not even tight enough, and that was before this spate of insider trading crimes that are causing so many problems in North America and Europe. I just throw that out as a word of caution. I have not had time really to look at the Companies Act subsequent to all of this, but I think it might be useful if the Government would take a look at the Companies Act to see whether, in spite of its recency, we might not take note of what has happened in other places and make sure that those provisions are sufficiently tight not to make a mockery of the new Securities Exchange.

Sir, I, too, would like to express my great pleasure in seeing that the Exchange is now finally becoming operational. For one year I had the responsibility of dealing with preparation for the setting up of the Securities Exchange. I believe, although you would hardly believe it, Mr. Deputy President, that I was interim Governor. Is that what you call it? I can hardly believe myself, but I was for one year a temporary Governor of this Stock Exchange.

Asides.

SENATOR L. R. TULL: Do you think that only the man over there can claim to be a Governor?

Laughter.

SENATOR L. R. TULL: Mr. Deputy President, I think that the setting up of the Exchange will go a long way in lending some authenticity in the transfer of shares. Very few people in Barbados, if anybody, knows what is the true value of any share. That is one of the problems, and all the exaltations by Government that the citizens of this country should get involved in share ownership and invest their money in shares, as stated, too, by Senator Goddard, which is a desirable thing, is almost meaningless

in the absence of the Securities Exchange, which will give some clear indication as to what are the real value of shares of companies in this country. So we on this side have no problem with this provision, but I think that in developing a new commercial law regime, we must be cognisant of these things.

The Barbados Labour Party Government can feel a tremendous amount of pride in the progress that has been made in commercial law in Barbados, because not only has the Companies Act had a period of over 20 years gestation — I heard Senator Goddard talk about the period of gestation of the Stock Exchange, but that is nothing to compare with the over 20 years work that has been done before the Companies Bill was brought to Parliament — there have been other developments in commercial law, and one that I want to refer to specifically now is the bankruptcy legislation.

The bankruptcy legislation is so outdated that it is unbelievable. Bankruptcy in the old law of Barbados was more penal in its intentions than perhaps some of the criminal laws. A bankrupt person was almost like a leper in the society. The whole purpose was to make a man who ran his business so badly as to be bankrupt somebody that you shun to the side and have no dealings with. There is a more enlightened approach to bankruptcy today. The intention of the past Administration certainly was to have the type of legislation that would allow a rehabilitation of the company or a person before they became a bankrupt, and, therefore, inputs were sought.

I should go one step further back, Sir. A committee was set up of business people, accountants, bankers, and lawyers under two years ago, at the time by the Ministry of Commerce and Industry. I was the Minister at the time, Sir, and I gave the charge to the committee to work under the chairmanship of Sir Denys Williams, then Mr. Justice Williams, to look at the bankruptcy laws and to come up with the kind of modern laws suitable for the type of thinking in modern commercial practice. At the heart of that was the charge from the then Minister, myself, that they look at the Act in such a way as to help ailing companies to become viable again before they reach the point of bankruptcy, so that we could minimise the amount of bankruptcies in Barbados and provide the kind of professional assistance to ailing companies to prevent them from slipping into oblivion.

I am sure that the Minister probably would not be in a position to give any word as to what has happened since then, but it might be useful, for future information, if the Minister could check on what progress has been made in that area. With the new developments, the enlightened ones that we see here today in respect of the Securities Exchange, it will become more pressing for the future.

Thank you, Sir.

SENATOR THE HON. L. V. H. LEWIS: Mr. Deputy President, I think that the Senate appreciates the comments which the honourable member just made concerning the problems which have surfaced within insider trading in other countries recently. It is a very valid point. We will certainly follow up and try to find out what is happening in terms of his recommendations about the Bankruptcy Act.

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. L. V. H. LEWIS, Mr. DEPUTY PRESIDENT left the Chair and the Senate went into Committee on the Bill, Senator A. J. N. PHILLIPS in the Chair.

COMMITTEE

Mr. CHAIRMAN: The Senate is now in Committee.

Clauses 1 and 2 were called and passed.

On the motion of Senator the Hon. L. V. H. LEWIS, LEWIS, the Senate was resumed and the Bill was reported as having passed the Committee without amendment, Mr. DEPUTY PRESIDENT in the Chair.

6.05 p.m.

On separate motions of Senator the Hon. L. V. H. LEWIS, the Bill was read a third time and passed and cited as the Companies (Amendment) Act, 1987.

THE STAMP DUTY (AMENDMENT) ACT, 1987

Order No. 9 was called — To move the second reading of a Bill to amend the Stamp Duty Act, Cap. 91.

SENATOR THE HON. L. V. H. LEWIS: Mr. Deputy President, this Bill seeks to amend the Stamp Duty Act. Stamp Duty, like the Property Transfer Tax, tends to inhibit the regular and free transfer of local securities. A study was done and it was pointed out that when offset against the benefits of a viable Stock Exchange the Stamp Duty collected will not warrant the retention of Stamp Duty on transactions of this nature. It is proposed, therefore, that transactions in listed securities which are done through and subject to the rules of the Stock Exchange should be exempt from Stamp Duty.

It is considered that the elimination not only of Stamp Duty, but also of Transfer Tax from exchange transactions in listed securities will tend to assist the operations of the Stock Exchange and to make it more viable. At the same time, it will leave the taxes in place

for transactions in shares of non-public companies, formerly known as private companies, or non-listed public companies, as well as for listed companies to the extent that the transactions do not take place through the Stock Exchange.

Whereas the Property Transfer Tax is going to be taken off all listed securities which are done through the Stock Exchange, and which are subject to the rules of the Stock Exchange, the responsibility for the adjudication of the Transfer Tax and Stamp Duty is being placed on the Exchange itself.

Government feels that the success of the Exchange will depend upon the public understanding of what the Exchange is and how it will function. It has continued to support the establishment of the Stock Exchange, and this is being done in harmony with private sector institutions, which are at the forefront of the establishment of the Stock Exchange.

This legislation which we are passing today will enable the Stock Exchange to be freed from certain of the burdens which would otherwise have hampered its successful operations.

I beg to move, therefore, Mr. Deputy President, that this Bill be read a second time.

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. L. V. H. LEWIS, Mr. DEPUTY PRESIDENT left the Chair and the Senate went into Committee on the Bill, Senator A. J. N. PHILLIPS in the Chair.

COMMITTEE

SENATOR A. J. N. PHILLIPS: The Senate is now in Committee.

Clauses 1 to 6 inclusive were called and passed.

On the motion of Senator the Hon. L. V. H. LEWIS, the Senate was resumed and the Bill was reported as having been passed in Committee without amendment, Mr. DEPUTY PRESIDENT in the Chair.

On the separate motions of Senator the Hon. L. V. H. LEWIS, the Bill was read a third time and passed and cited as the Stamp Duty (Amendment) Act, 1987.

ADJOURNMENT

SENATOR THE HON. SIR JAMES TUDOR: Mr. Deputy President, this concludes our business for this evening.

Honourable Senators would have noticed that when we met two days ago, we had set down the Immigration Bill. That did not pass the House, so it is not before us.

Mr. DEPUTY PRESIDENT left the Chair and Mr. PRESIDENT resumed the Chair.

SENATOR THE HON. SIR JAMES TUDOR: Oh, Mr. President is back. I see you have survived your dentist.

I wish to thank honourable members for their attention and the unremitting labours which they have put in this afternoon. We have done a considerable amount of work. Some of us on this side have other work to do a little later, as I dare say you have on Sunday night, or whatever. That is all part of it.

Aside.

SENATOR THE HON. SIR JAMES TUDOR: Yes, we have a little work to do. You know how it is, we have to get in the licks sometimes to keep our hands in.

I wish again to thank Senators for their attendance today and for their co-operation. I do not know the state of play in the other Chamber. I do not know if very much is coming to us soon from them, so I think I will move the adjournment *sine die* and see what happens.

Sir, I beg to move that the Senate do now adjourn *sine die*.

The question that the Senate do now adjourn sine die was put to the Senate and agreed to, and Mr. PRESIDENT adjourned the Senate accordingly.
6.16 p.m.

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