
THE SENATE DEBATES

(OFFICIAL REPORT)

FIRST SESSION 1994 - 99

THE SENATE

Wednesday, August 2, 1995

The Senate met in the Senate Chamber, Parliament Buildings, on Wednesday, August 2, 1995, at 11.15 a.m.

PRESENT

His Honour Senator F. W. GOLLOP (President)

His Honour Senator C. L. BOLDEN (Deputy President)

Senator the Honourable R. R. FARLEY (Minister of Industry, Commerce and Business) (Leader of the Senate)

Senator the Honourable P. C. GODDARD (Minister of State, Ministry of Foreign Affairs, Foreign Trade and International Business)

Senator the Honourable G. S. H. MURRAY (Minister of State, Prime Minister's Office)

Senator Miss C. Y. FORDE

Senator T. E. BARKER (Parliamentary Secretary, Ministry of Finance and Economic Affairs)

Senator Miss O. P. SYMONDS

Senator D. T. GILL

Senator Miss J. C. ODLE

Senator N. A. LYNCH

Senator N. P. WELCH

Senator J. A. WORKMAN

Senator Miss P. E. RICKINSON

Senator S. P. BERNSTEIN

Senator C. LeR. TROTMAN

Senator C. K. LAURIE

Senator Miss V. J. DAVIS

Senator Miss A. P. THOMPSON

Senator C. A. MASCOLL

Prayers were led by Father Errington Massiah.

Mr. PRESIDENT: The Senate is in session.

ANNOUNCEMENTS BY HIS HONOUR THE PRESIDENT

Mr. PRESIDENT: I have received a special report of the Ombudsman. I now lay that report in accordance with the provisions of Section 39 of the Ombudsman Act, Cap. 8(a).

PRESENTATION OF PAPERS

SENATOR THE HON. R. R. FARLEY: Mr. President, I am commanded to lay the following documents for the Honourable Senate:

- (1) The Report of the Public Enterprise Investment Fund for the quarter ending March 31, 1995;
- (2) Reports of the Department of Labour for the years 1984, 1985, 1986, and 1987.

MOTIONS RELATING TO THE BUSINESS OR SITTINGS OF THE SENATE AND MOVED BY A MINISTER

SENATOR THE HON. R. R. FARLEY: Mr. President, I beg to move that Standing Order No. 45(2) be suspended for the remainder of this sitting.

The question that Standing Order No. 45(2) be suspended for the remainder of today's sitting was put to the Senate and agreed to.

INTRODUCTION OF BILLS

FIRST READING OF BILLS

SENATOR THE HON. R. R. FARLEY: Mr. President, I rise to give notice of the Rural Development Commission Bill, 1995 and ask that it be read a first time.

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

PUBLIC BUSINESS

ORDER NO. 1 - TO MOVE THE PASSING OF A
RESOLUTION TO APPROVE THE VESTING
IN THE ESTATE OF DUNLOP PAYNE,
DECEASED OF LAND AT TENT BAY,
SAINT JOSEPH AS FULL AND
FINAL COMPENSATION
FROM THE CROWN
TO THAT ESTATE

SENATOR THE HON. R. R. FARLEY: Mr. President, this Resolution relates to the Tent Bay Project which involves the improvement of the landing facilities for fishermen at Tent Bay, St. Joseph. This matter, Sir, had its genesis some 10 years ago when approval was granted for the acquisition of a number of parcels of land at Tent Bay, St. Joseph including property of Mr. Dunlop Payne. At that time, Sir, the house which was on lands owned by Mr. Payne was considered for removal. However, due to the condition of the House, decision was taken to erect a new house for Mr. Payne on lands owned by the Crown which had originally been earmarked for a community centre in that immediate vicinity.

The land in question, Sir, belonging to Mr. Payne was 1 000 square metres and the Resolution today, Sir, seeks to make a simple exchange of the area owned by the Crown which is now occupied by Mr. Payne's estate for the land which was acquired from Mr. Payne previously.

Sir, that Tent Bay Project as you may well be aware has been completed for sometime. However, the estate of Mr. Payne will need to have indivisible title to the land in order to conclude the arrangements relating to that said estate. The Resolution therefore, Sir, seeks approval for the vesting of the land at Tent Bay in St. Joseph in the estate of Mr. Dunlop Payne, deceased. I am asking the Senate to grant approval to this Resolution.

I beg to move that the Resolution do now pass.

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

ORDER NO. 2 - TO MOVE THE SECOND READING
OF A BILL TO VALIDATE THE COLLECTION
OF CONSUMPTION TAX IN RELATION
TO CERTAIN GOODS

SENATOR THE HON. R. R. FARLEY: Mr. President, you will recall that in 1993 the Consumption Tax (Amendment) Act was passed by the Parliament of Barbados. The main features of that particular Act, Sir, was to give effect to the proposals made in the Budget of 1993 which were to raise the basic rate of consumption tax by 4 percentage points. For example, some items which were subject to a 17 per cent rate moved to 21 per cent, those at 20 per cent moved to 24 per cent, and those at 25 per cent moved to 29 per cent. In addition, you will recall, Sir, that certain specific rates particularly those for alcoholic beverages and tobacco were increased by some 15 per cent.

In the normal process that is required, Sir, the Schedule to the Consumption Tax Act was prepared to give effect to that intention. However, the Consumption Tax Order that was produced at that time contained a number of errors and omissions.
11.25 a.m.

Representation was made by the Department of Customs to the Ministry of Finance to have these errors and omissions corrected. Some of the types of errors and omissions included incorrect classification of goods, omission of the EX symbol preceding some tariff headings, grammatical errors and the like, but some of the more significant errors related to the omission of certain rates or the incorrect listings of those rates. I will give some of the examples to indicate the purpose of this Consumption Tax (Validation) Bill.

To give an example, Sir, Tariff Heading 2005.80, Sweet Corn, there was supposed to be a rate of zero percent for Caricom imports and 34% for non-Caricom imports. Instead, the Order as was published listed a rate of zero in both cases. There were other cases in which the tariff headings listed for certain items were inconsistent between the Consumption Tax Order and the Customs Tariff and that needed to be regularised. In the case of Item 4818, Toilet Paper, Handkerchiefs, *et cetera*, Sir, the rate for both Caricom and non-Caricom imports was listed by virtue of an omission of the rates as zero percent as opposed to 29%. In this case, even though no rate was specified, the Customs Department continued to collect taxes as per the previous Order.

It is for that reason that it is necessary to bring this Consumption Tax (Validation) Bill to the Senate to validate certain taxes that have been collected from April 1, 1991 to the present which, as I said,

represents not an increase in any taxation, but it represents one of the several errors and omissions which occurred in the new Order that was published arising out of the 1993 increase in the rates for consumption tax.

One or two other errors, just to give examples, Sir, why we needed to have a more comprehensive amendment, the Tariff Heading 2402 had to be included to correct an inconsistency between the Schedule to the Consumption Tax Act and the Customs Tariff. Item 8507.002, again, Sir, there was an inconsistency between those two headings, but we must be clear that this particular Bill, although it only relates to one item, Item 4818, represents the attempt to validate the action with respect to collection of taxes that had already been received. The correction of the other errors and omissions in terms of the missing rates, incorrect tariff headings, has been corrected by the Consumption Tax Order, 1995. That Order, which has been signed by the Minister of Finance and laid in this Senate earlier in this Session, takes care of all of the necessary adjustments other than validating the collection of taxes by the Comptroller of Customs for the period April 1, 1991 with respect to Heading 4818 and the present.

With that, Sir, I beg to move that this Consumption Tax (Validation) Bill, 1995 be read a second time.

SENATOR C. A. MASCOLL: Mr. President, it is important that we not only seek to validate the collection of consumption taxes, but that we get rid of consumption taxes in Barbados as soon as possible. It is time that there is more discussion in Barbados surrounding the whole question of the Value Added Tax system in Barbados, and the reason why errors like those made earlier would have been committed is because of the complexity of the tax system which we have in Barbados. In that particular Schedule there are no less than 20 different tax rates, a whole set of discrimination between whether or not goods come from CARICOM versus non-CARICOM. There is distinction between metals, aluminium versus zinc versus steel, a whole range of complexities that ought not to be with us at this time. In fact, I do not understand what is the delay in revamping the existing tax system in Barbados. It has outlived its usefulness, it is much too complex and it is time to educate the public in Barbados about the Value Added Tax system.

The Value Added Tax system will see the abolition of the Consumption Tax in Barbados, it will see the abolition of Stamp Duties and therefore this slight amendment is just another exercise in delay, an exercise that albeit though it is necessary is really not an important issue in the Barbados of 1995. What should be explained is the performance of the overall tax system, and in this context one would wish for the Government of the day to

explain fully to the people of Barbados, and indeed the Central Bank of Barbados to tell the people why it is that corporation taxes in Barbados increased from \$37 million in the first quarter of 1994 to \$63 in the first quarter of 1995. It is folly at this time in our economic development for an Economic Review or Report of the Central Bank of Barbados to treat an increase of 71% in corporate tax rates as if it is just a willy nilly thing, merely to suggest that it is as a consequence of higher profitability within the private sector.

I am calling on the Central Bank and, as I said earlier, the Government to explain fully why it is that corporation taxes in Barbados performed so well in the first quarter of 1995. I can well appreciate and understand the fear that the Government would have in demonstrating that the private sector of Barbados performed exceptionally well over the last two years in terms of efficiency and profitability and that that improved performance is reflected in the corporate tax take of Barbados. Indeed, I must say that I am extremely glad that it happened, because subsequent events will show that in spite of the performance of the private sector in 1994 the most recent Economic Review of the Central Bank paints a very dismal picture of the Barbados economy, an economy that has hardly grown in 1995. All this talk about expression of confidence as a result of a change in administration which occurred in September 1994, there is no evidence whatsoever contained in that document to suggest that there has been any return to confidence in Barbados within the private sector. Indeed, on the contrary, there is substantial evidence to show that the Government has not yet addressed critical issues as they relate to the economy of Barbados.

Aside.

SENATOR C. A. MASCOLL: I do not have to relate to you, I am discussing issues for the Senate. Mr. President, I will ignore the asides. This is a serious matter, and it bears relation, the whole performance of the private sector bears relation to the whole question of taxation and it is well known that the consumption tax has been a nightmare for the private sector of Barbados.
11.35 a.m.

It is also well known that the last administration in fact went so far as to put systems in place to have had a value added tax system implemented in Barbados by 1995 and all sorts of foolish reasons were given for the delay. We must stop this kind of political posturing. Having accepted that the value added tax system is appropriate for Barbados there is no reason for the political posturing at this stage to delay the introduction of the value added tax mainly because you want to demonstrate that because of a change in the Government we have reconsidered some issues within the value added tax system.

We have reconsidered how we are going to treat the hotel sector. Again, political posturing. We have reconsidered whether or not we are going to treat food in one way and yet still we have evidence that there will be increases of taxation on staples within Barbados. I am asking for us to look critically at not only validating the consumption tax. I am asking for a revamping and an abolition of the consumption tax in Barbados as quickly as possible so as to enhance economic performance. That would have been a major issue for the Democratic Labour Party in 1995 so as to give some sustenance to the Barbados economy.

The manufacturing sector, with the introduction of the value added tax system will suffer, and let me explain why it will suffer. Whereas the introduction of the value added tax system will mean lower taxes on the inputs of goods to the manufacturing sector, the introduction of a value added tax system in Barbados will mean a significant reduction of taxation on goods coming from non-CARICOM sources. That will mean additional competition for local manufacturers and this was stated comprehensively over the last year and a half. So no one can blame or can accuse any one of merely saying this because there has been a change in administration.

In addition to the introduction of value added tax system the common external tariff will be reduced. Again a reduction in the level of protection for local manufacturers. So whereas it is well known internationally that the introduction of a value added tax system is a manufacturers dream because of the treatment of inputs, I am warning that the introduction of this should be told to the manufacturers how the value added tax system will also mean increased competitiveness for goods from the local market as well as the regional market. So simply validating consumption taxes at this stage is not an issue for the Barbados economy. In fact I am tired in this Senate having to deal with petty issues all the time. I would like to see ...

SENATOR THE HON. R. R. FARLEY: On a point of order, Mr. President, I believe the Honourable Member is casting some sort of aspersion on the duty of the Senate upholding the laws of Barbados. We cannot, Sir, consider a matter which seeks to bring legality to the collection of taxes and place it in a legal framework as being a minor issue, Sir.

I would want to ask, Sir, that the Honourable Senator withdraw that statement.

SENATOR C. A. MASCOLL: I will withdraw my statement. However let me say this: It is time that significant issues be brought to the Senate in order to ensure that the Barbados economy grows and that the Barbados economy is in such a state of health as to

guarantee the creation of 30 000 jobs. There is absolutely no evidence at all and I have been in the Senate since September and I cannot recall having to deal with a serious issue.

SENATOR THE HON. P. C. GODDARD: On a point of order, Mr. President, is the Honourable Senator suggesting that items of significance have not been brought to this Chamber during this sitting that impact upon the economy of this country? We have removed the taxation on inputs for industry.

Aside.

SENATOR THE HON. P. C. GODDARD: I am just asking if the Honourable Senator seems to think that we have not brought significant bits of legislation which I dispute.

Mr. PRESIDENT: In my opinion that is not a valid point of order. The Senator is merely expressing his opinion. It is an opinion that other Senators might not agree with, but they will all have an opportunity to make their inputs. Proceed, Senator Mascoll.

SENATOR C. A. MASCOLL: Thank you, Sir. I am saying that all taxation issues should also bear relation to the performance of the Government and that only recently in this Chamber, only last week, we debated the need for an \$80 million loan out of Trinidad. Sir, I am discussing the whole question of the policy environment as it relates to taxation for the Government and I wish to suggest that this consumption tax legislation bears also some relation to the whole question of government spending debt strategy which it has stated clearly in the budget. The Government stated that in the fiscal year 1995/96 that its debt strategy at page 75 of the budget will be to borrow only to the extent of the foreign principle of the Government and stated at that page was that the foreign principle component would be \$80.9 million in 1995/96. The loan last week of \$80 million ...

Mr. PRESIDENT: Senator Mascoll I must draw your attention to section 34(2) of the Standing Orders which states clearly that it should be out of order to attempt to reconsider any specific question on which the Senate has concluded. It seems to me that you are at least making the attempt by reference to something that happened here before. And, in any event it seems to me you are straying somewhat from the Bill which is before the Senate.

SENATOR C. A. MASCOLL: Sir, I beg to differ on that issue.

Mr. PRESIDENT: You cannot differ. The Chair has ruled.

SENATOR C. A. MASCOLL: Sir, I intend to draw a nexus between consumption tax and the Government's debt strategy because I am saying that debt is only a consequence of the difference between expenditure and taxation which would give me a deficit. How I decide to finance that deficit is going to have implications also for my tax policy.

All I am saying, Sir, is that the Government is being warned at this stage that if it cannot collect the level of taxation which it is expected to collect it cannot go to any foreign capital market to get any more funds beyond \$9 million once it has guaranteed or once it has been assured of an \$80 million loan out of Trinidad. What I am saying therefore, Sir, is that this anomaly bears some relation to that because in the absence of adequate revenue over the fiscal period 1995/96 Government will not, and I repeat, will not be able to carry out its capital expenditure programme because it will not, as I said earlier, get the sort of funds that it expected from the IDB and it cannot, having stated that its debt strategy is only to borrow \$80.9 million it cannot go to any capital market whether or not it is international or regional hereafter.
11.45 a.m.

In that context, its capital expenditure programme is going to be under severe jeopardy as a result of that. The IDB Funds will not come through and its capital expenditure programme will be curtailed. I am therefore suggesting that the amendment to the consumption tax is not significant as it relates to whether or not there will be any additional collection of revenue. In fact, this has been admitted by the Leader of the Senate in suggesting that this is merely a legal issue which bears no relation to any additional revenue. I am saying that if we continue along this line without quickly amending or abolishing the consumption tax we are going to be under severe pressure in Barbados over this fiscal year. The evidence is already there to show. If this amendment was to increase additional taxation, I could well understand and appreciate the need for the amendment. But this amendment is not going to increase consumption taxes. It is merely seeking to validate the collection of taxes and, therefore, it is not going to have any implication at all for additional revenue. As a consequence of that, I am suggesting to you, Sir, that this amendment is useless within the economic arena of Barbados at this point in time.

Sir, a mere legal adjustment will not work. The evidence is there to show, Sir, that the economy is under severe pressure, that the Government of Barbados has so far failed in its economic plans or economic policies and that there will be additional pressure in this economy. It has not just started and it will via any down-turn in tourism. So if we can seek to bring amendments to the

consumption tax of Barbados in order to improve the productive sectors in tourism and manufacturing, then we can understand, Sir...

SENATOR J. A. WORKMAN: On a point of order, Mr. President. I was giving my goodly Senator friend some leeway because he is not a lawyer. The matter before the Senate is not an amendment to the Consumption Tax Act. It simply seeks to validate something that has taken place in respect of a financial year long passed and it is not relevant at all to present-day or future consumption tax. I think that the Senate is given the wrong impression if we accept the fact that this is an amendment to the Consumption Tax Act.

SENATOR C. A. MASCOLL: Sir, I would hate to think that in this stage of my life I do not understand and appreciate what validate means. I am extremely well aware, Sir.

Mr. PRESIDENT: It was not a suggestion that you did not understand what validate meant.

SENATOR THE HON. R. R. FARLEY: On a point of order, Mr. President. I am forced to conclude therefore that the Honourable Senator is trying to mislead the Senate, Sir. What was believed to have been an error in terms of his understanding of the amendment and the validation was pointed out, but he has since clearly indicated that he understands what the validation of the Bill is about. So therefore to attempt to suggest that this is an amendment to the Consumption Tax Act, I suggest is an effort to mislead the Senate.

Mr. PRESIDENT: You have made substantially the same point as Senator Workman. I think, Senator Mascoll, that the point has been made. Please proceed to deal with what is before us.

SENATOR C. A. MASCOLL: Sir, I am seeking to demonstrate that the validation in the collection of consumption tax will have no implications for further revenue.

Aside.

SENATOR C. A. MASCOLL: But, of course, I understand that. I understand only too well, Sir, that the validation does not seek to raise revenue and therefore I am suggesting that you are missing the point that at this stage the issue really in this whole debate ought to be surrounding whether or not this validation is going to have any implications for the further collection of revenue. It has nothing to do with whether or not the validation...

HIS HONOUR SENATOR C. L. BOLDEN: On a point of order. Mr. President, throughout my years in Parliament, I have always known it to be that Members must stick to the subject matter of what is before the Chamber. The Honourable Member is grandstanding for the Press to talk about the economy of Barbados. If we are to deal with what is before the Chamber, Mr. President, the question is to legalize action which was illegal and is still illegal. It does not deal with the economy of Barbados as it relates to the collection of taxes as of today. The Honourable Member, in my view, is out of order to try to rope the question of the economic development of Barbados on an Act which deals simply to get the Comptroller of Customs out of the legal difficulty he is in today. Because all it means is that everybody who has paid consumption tax is entitled to file an action against the Comptroller of Customs to recover what was illegally collected. That is all this is about.

SENATOR C. A. MASCOLL: Is that a point of order?

Mr. PRESIDENT: It is a point of order and it is a valid point of order. I think you have been quite irrelevant in your speech and I will ask you please to stick to the terms of the Bill which is before us.

SENATOR C. A. MASCOLL: Sir, I wish to suggest that indeed if Government was not in a position where it was legally collecting taxes, then it should have had implications for the level of taxes collected over the last couple of years. I am suggesting, Sir, that people could have refused on the basis of the legislation that was in vogue to pay the consumption tax. That is all I am saying. The people could have refused to pay the consumption tax and on that basis alone, Sir, it has implications for the level of revenue because there could have been some individuals who were not paying taxes...

HIS HONOUR SENATOR C. L. BOLDEN: On a point of order, Mr. President. This Chamber does not deal with theories. It deals with actualities. If the people paid the consumption tax, it is either you give them back or you validate it. So the Honourable Member cannot talk about people could have refused to pay consumption tax. If they did not pay consumption tax, you would not have to be in here on this Bill today.

Mr. PRESIDENT: Please proceed, Senator Mascoll.

SENATOR C. A. MASCOLL: Sir, I still hold to my view that if you are seeking now to validate you are suggesting that there was something wrong with the legislation in the past. On that basis and that basis alone, some individuals could have refused to pay consumption

taxes because of the loophole. As a consequence of that, it could have had implications for Government revenue collection at the port.

I am therefore suggesting and I am entitled to address the whole question of whether or not this legislation is going to have any impact on the collection of future consumption taxes in Barbados. Indeed, if it does not have any impact, I am suggesting that it is to some extent a useless exercise except that it provides some kind of legal authority. That is all I am saying. It is useless from the point of view of the revenue collection.

Sir, I am saying that in light of what I have said what is important now is not to validate the consumption tax in Barbados. The issue here is to abolish the consumption tax of Barbados in order to ensure that the economy is better placed for growth and that there is no evidence at all, according to the Central Bank's Report of the last 6 months that there has been any growth in the Barbados economy, and that merely to window-dress legislation is not the issue. There is a more pressing issue which the Government of the day has to deal with and that is ensuring that the valued tax system is implemented in Barbados as quickly as possible so as to give some hope to the Barbados economy. There is little hope out there. There is little confidence. In fact, the Governor of the Central Bank suggested that there is no confidence in terms of investment within the economy. I am saying that this legislation is not going to restore that. I am saying that we need now to have issues to address the critical issue in Barbados of how do we create growth, how do we create jobs, where do we get investment from. As I said earlier, I am tired coming to the Chamber to discuss issues that do not have very much relevance to where we are going in Barbados, and on that score I am saying, Sir, that this is really just another exercise in delay.
11.55 a.m.

SENATOR T. E. BARKER: Mr. President, I am very embarrassed. The Honourable Senator knows better but he comes in here and pretends that he does not understand the difference between validation and amendment.

Sir, this Bill highlights the sort of administration this country had to get rid of last year. They were hopelessly inefficient, totally inefficient, when they could allow this sort of thing to happen that they implemented tax changes without making sure that the necessary schedules are in good order. We are only seeking to undo some of the mess that they have done in their eight years of rule in Barbados. Sir, the Honourable Senator was the advisor to the Government at that time and this sloppy management resulted in us having today to pass a Bill to validate what they had done illegally.

Sir, the past administration has nothing but utter contempt for the law. Only last week we were in here debating an instance where they had the overdraft limit above what was legally permissible.

Mr. PRESIDENT: Senator Barker, you are out of order. You cannot reflect on a matter that has been discussed by this Senate previously. I have already referred to the relevant Standing Order.

SENATOR T. E. BARKER: Thank you, Sir, but the point is that this is another example of the last administration doing things contrary to the laws and regulations of this country. To say that it is a trivial matter is to trivialise the law. The law is there, as the saying goes, for the lawless and it seems as though that fits the last administration.

The Honourable Member made some statements about the VAT. It is well known that the date for the implementation of the VAT is next year April. The legislation is being prepared and things are on course. The Honourable Member knows that, but he just wants to get headlines to demonstrate that he is not dead weight. The point is that the Prime Minister and Minister of Finance has told the country about the timetable for VAT and everything is in place, so for the Honourable Member to come in here and make a song and dance is totally in character. Last week he made a song and dance and embarrassed himself, now today he is embarrassing himself further. I wish he would just take time to reflect on what he is saying.

Sir, he mentioned the increase in corporation tax. I do not know how he got to corporation tax, but he got there, and he mentioned that the corporation tax had increased from \$37 million to \$63 million in the first quarter of 1995. But we have not increased the rates, and the Honourable Member knows that, so it just goes to show that the level of economic activity is such that without an increase in the tax rate we are getting increased corporation tax. The rate has not changed but this means that there is a level of confidence, there is more economic activity going on, so that the companies are doing better, and as a result in 1995 we got the corporation tax increasing without an increase in the rate. I do not know how he could equate that with a lack of confidence in the economy, but then the Honourable Member is noted for coming to strange conclusions on rather straightforward matters.

When it comes to consumption tax, Sir, when we left office in 1986 the rate was 5%. In 1987 it was raised to 6%, in 1988 it was raised to 9%, then we had a massive increase in 1989. In 1990, an election year, there was no increase, but every year since that the rate has been

increased until it reached 21%, not by us but by the administration to which the Senator was advisor. He will come in here and want to convince the Press – he cannot convince us – that we have put the consumption tax rate so high that it is ruining businesses. What we have done since coming into office in September last year is to ease the manufacturers and the agriculturalists to the extent that according to the President of the Manufacturers' Association that ease has seen the creation of many more jobs in the manufacturing sector. It is an indisputable fact that the removal of taxes on the inputs for the manufacturing and the agricultural sectors has led to job creation in Barbados.

Aside.

SENATOR T. E. BARKER: If the Honourable Member wants to be honest with himself, he would look at the latest publication of the Central Bank to see that between September 1994 and March of this year, in six months, over 3,500 jobs were created. He wanted to give the impression that nothing was happening. Only a fool would expect that we will create full employment in six months. Everybody with a reasonable degree of commonsense knows it is going to take time, but we have demonstrated that we are on the way to realising our goals. If this 3,500 jobs in six months is not on the way, I would like the Honourable Senator to tell me what that represents.

We on this side are proud of our record so far. Our record can stand up. All the available evidence has shown that our measures, especially the measures relating to the tax on the inputs to the productive sectors, are bearing fruit. Since the Honourable Member spoke of consumption tax, I would have to remind him that in the Budget of this year the Minister of Finance removed the consumption tax on fuels for the manufacturing and agricultural sectors. Only in April of this year the Minister of Finance, recognising that the taxes were stifling manufacturing and agriculture, decided to remove the tax on fuels. So for the Honourable Member to get up and rant and rave about things he knows nothing about is an attempt to mislead this Honourable Chamber.

Sir, our record is clear. The Honourable Senator in my presence castigated the last administration for introducing taxes on the inputs to manufacturing and agriculture. But he was the advisor. I wonder why he did not advise the authorities then, instead of coming in here and castigating us for things we did not do. Why didn't he not advise the principals in 1991 that they were on the wrong road. Then, Sir, he has the gumption to come in here and talk about consumption tax. Sir, his very speech betrayeth him.

12.05 p.m.

Our record on consumption taxes is clear. We have said in our Manifesto and we have implied it since we came in that we are going to remove these imposts on the productive sectors. We have done that and we are proud of our achievements because as I said before, we are seeing the result of our action in only after 11 months in office resulting in more jobs, greater confidence. Confidence is extremely important, Sir. Those people who are selling insurance will know that they are selling more insurance policies and that is a sign of confidence in the economy. All around you see greater activity. You see more building going on. All around, Sir, people who before had a little bit of money but because they did not know what the Government was doing or planning to do in spite of the advisers they had, those people are now taking their money and they are investing it. As a result we are seeing improvement to the extent that as the Honourable Senator pointed out the corporation tax take is increasing. I am saying, Sir, that is a sign of renewed activity.

Sir, it is interesting to note that this activity only took place after September 6 last year when the people of this country decided that they had to make a vote for a change and, Sir, they have not been disappointed. Sir, we will ensure that by our actions we will not disappoint them.

Sir, the complexity of the consumption tax system everybody knows about that but as I said before there is a commitment that within six or seven months' time we will no longer have consumption tax. It does not make sense our going over the same thing that we have discussed time and time again.

So, Sir, I want to support the Government on seeking to uphold the law of Barbados. This must be seen, Sir, as an attempt to uphold the law of Barbados. That is all it is. The law has been twisted a little bit. There has been a breach in the law and this Government has sought to fill that breach. If we are to be castigated for it, it will have to be so. We are not going to stand by and see the law of this country not being upheld as has happened in the last administration, not only in respect to this but in respect to the overdraft limit. So, Sir, with those words I want to support Government and commend them for seeking to uphold the Laws of Barbados. I thank you.

SENATOR THE HON. G. S. H. MURRAY: Mr. President, in the past 9 months or so in this Chamber we have repeatedly seen a series of latter day, overnight conversions coming from that side, whereby policies which were policies and practices which were long held dear ...

SENATOR C. LeR. TROTMAN: On a point of order, Sir, I would wish the Minister to be clearer in his presentation otherwise he might mislead this Honourable Chamber.

SENATOR THE HON. G. S. H. MURRAY: Thank you, Sir. I am trying to avoid becoming too specific but I thank the Honourable Senator for asking me to do that.

From the Honourable Senator who just sat and his Honourable Colleague, the latest is on this whole question of consumption tax. I never thought I would live to see the day when they would seek to champion people whom they perceive or whom they would now seek to establish had suffered at the hands of consumption tax. Had his Government not been known to be so exceedingly heartless towards the manufacturers, one would therefore not be able to say that the party is now crying crocodile tears over it but they have never even been seen anywhere near having that kind of heart especially when they operate on the basic philosophy that to build you must first destroy.

Their philosophy was to destroy the manufacturing sector with consumption taxes and other impositions and now it is left to us to build. And while this would not have a direct impact on the economy we are seeking, Sir, to restore and rebuild confidence in respect to the law, in order to ensure there is good governance in Barbados.

So heartless was that party regarding consumption tax, Sir, I must remind the Honourable Senator that one official of the Central Bank, an institution with which he has had more than a passing connection and interest when all the hullabaloo was raised, when manufacturers were going out of business and jobs were being lost left, right and centre as a result of those impositions, that same official simply described it in a very esoteric manner as a mere "unfortunate oversight." That is the kind of heart they had for people who were losing their jobs, their homes and their hope for life.

Sir, that hope has begun to be restored since the 6th September last year and all the evidence points to the fact that people do not feel that their confidence in this new government has been misplaced.

The Honourable Senator made a reference to seeking to castigate the Government for not educating the public about VAT. I can only presume that he has a satellite dish and he spends his time watching satellite or video and not GIS. Because if he were to watch Channel 8, his home grown station, he would see that already there are promos coming out, information material coming out of GIS, exceedingly good work if I may say so, dealing with the whole question of VAT. Not only that, but staff is being hired to people, to man and to woman, for want of a better term, the VAT office which is going to be a separate unit.

I know for a fact, Sir, I was part of an activity that hired people whose job in public relations is to deal exclusively on a day to day basis with VAT, preparing

material of various sorts to educate the public about VAT. To say therefore that the public needs to be educated I would think, Sir, is gratuitous and undeserving of the Honourable Senator.

Sir, apart from all of that, what really bothers me most is that on a personal level, a level where the Senator and I now share something in common, is that in the three hundredth year of Combermere on our anniversary, he is merely embarrassing his *alma mater* on such an auspicious occasion by the level of his presentation today. I thank you.

HIS HONOUR SENATOR C. L. BOLDEN: Mr. President, I could never have thought that a Bill as short as this would have engaged the Chamber to such an extent by the ramblings of someone whose only occupation is to talk about economics whether the situation is right or not. What bothers me most of all is what is coming out of the members of that political party in obeying the law.

I remember, Mr. President, there was the issue of the 8% pay cut and this Government sought to amend the Constitution in such a way that it would be practically impossible to cut civil servants wages again. A statement came out from the Honourable Member's leader that you must not follow the law, ignore what the Privy Council says, and we were taught....
12.15 p.m.

Mr. PRESIDENT: I presume you rise on a point of order, Senator Mascoll.

SENATOR C. A. MASCOLL: I presume so myself, Sir.

Mr. PRESIDENT: Are you on a point of order?

SENATOR C. A. MASCOLL: On a point of order, Sir. I would wish for the Senator to suggest he provide evidence as to when the Leader of the Democratic Labour Party made those statements.

HIS HONOUR SENATOR C. L. BOLDEN: I would like to say, Mr. President, that the Honourable Member's head is either gone but that would be rude.

Mr. PRESIDENT: Senator Bolden, the Senator has raised a point. It seems to me that you are reflecting on a Member of the Other Place and it would seem to me that you should give some idea of the basis on which you made your statement.

HIS HONOUR SENATOR C. L. BOLDEN: Mr. President, in the debate in the Other House and I do not know if one can cite the Other House in this Chamber, but

if you say I must. The Attorney General said that he was following the ruling of the Privy Council when he was seeking to amend a particular section of the Constitution to deal with the issue of the powers of Government to cut the Civil Service salaries and the Leader of the Opposition in that Chamber said that we should not follow the Privy Council's ruling and the Privy Council as I know it is the highest Court to which we belong, and we have to follow the law whether the pronouncement is right or wrong in our opinion. That is the opinion that rules.

I recall when I was a student doing jurisprudence I once read a statement by a man called Jeremy Austin. He said in the beginning every man was his own judge, jury and executioner. He soon found that when he carried out his sentence against his neighbour that his neighbour carried out a sentence against him. So man decided to give up a little bit of their power to one institution called the law and agree to abide by the ruling of that one institution. If today we find Members of the Democratic Labour Party telling us that we must no longer obey the law, then we are looking for anarchy to take over the land again.

What this Bill seeks to do, Mr. President, is to correct...

SENATOR C. A. MASCOLL: Sir, I rise on a point of elucidation. I would like to know who were those members of the Democratic Labour Party.

Mr. PRESIDENT: You cannot ask questions. You are out of order. Please proceed, Senator Bolden.

HIS HONOUR SENATOR C. L. BOLDEN: Mr. President, this Bill tells us that a Consumption Act was passed...

Mr. PRESIDENT: On what do you rise?

SENATOR C. A. MASCOLL: Sir, on a point of order. I wanted to find out from the Senator in terms of his reference to the Democratic Labour Party who those members were.

Mr. PRESIDENT: I have already ruled that you cannot ask a question. You only can ask a question in a particular way under the Standing Orders and it is not a point of order. Senator Bolden, please proceed.

HIS HONOUR SENATOR C. L. BOLDEN: Mr. President, may I say that this Bill before the Chamber tells us that the Comptroller of Customs or those who were responsible for collecting consumption tax were collecting taxes for which there was no appropriate legislation and therefore the collection of that tax was illegal. What

this Bill purports to do is to validate action which was unlawful to make it valid. If the Honourable Senator wanted to be critical, he could have gone on the other point that what we are doing is passing retroactive legislation which is not favourable in any society. But rather than give back the consumption tax, rather than involve the Officers in a law suit, the Government seeks to validate what had taken place and there is nothing new about Bills of this nature. For my years in Parliament we have had to correct over and over again Bills from the Ministry of Transport and Works for collection of taxes. But I do not understand why the Honourable Member if he wants to talk about the VAT, if he wants to say that he has done it, blow his own trumpet. But he cannot use a Bill of this nature to launch off into various directions or from what I have understood of it today, Mr. President, the Bill was passed during the regime of the Democratic Labour Party of which he was a chief financial adviser. If that was done incorrectly, it is their fault. What this Government is correcting are errors which were made by his political party. But rather than admit that there were these errors under his political party, he says that there is no reason to come in here and correct it. In other words, continue to break the law but say nothing about it because you can do as you feel like. This has been a policy of the Democratic Labour Party because, while the Democratic Labour Party and their members were breaking the law, you had the other side saying bring the cat 'o nine tail for the poorly ones outside. So what you have is a fork tongue approach to law and order in this society as far as the Democratic Labour Party is concerned. Let one side do what it feels like but the other side must pay the penalty.

I am saying, Mr. President, that this Bill is to bring law and order back into the society and I support and in my view there is no reason for what is happening. The Honourable Member has today exhibited something which I believe has been haunting him for a long time. I have noticed it for a very long time. Every time he opens his mouth he says that if the Democratic Labour Party had won the election, we would have done so and so...if. But today he has revealed his thoughts and his feelings quite clearly because he said that he is tired of coming in here because there is nothing going on that he would like to hear. In other words, what he is trying to do is to tell the Government of the day how to run its business. But unfortunately my good friend they did not vote for you when you ran for a seat and did not vote for your Government, so therefore you are saddled with that position. I am saying to the Chamber that I would like the Chamber to support me when I say that I have invited him over to this side and I give him 3 months to make up his mind. Thank you.

SENATOR C. LeR. TROTMAN: Mr. President, I had not intended to speak in this debate but there are a couple of matters which I think I would need to put into the

record. The first of them is that I am a little alarmed that we should have this nature of debate of what is in fact a very natural and very usual exercise. I do not believe that any of the political parties which have formed the Government of this country would want to suggest to the public that they have not from time to time had to take action to ensure that the business of the Government was conducted as expeditiously as possible and that they had subsequently to go back to Parliament or succeeding Governments have had to go back to Parliament to validate the action. The business of validation therefore ought not to be seen by us as an exercise for doing anything other than recognizing and having the general public of Barbados recognize that it is a normal practice. I would not wish to be part of an exercise that would suggest that there is anything that is peculiar or heinous in this process.

I would wish having made that point to take note of the fact that there is every consideration that consumption taxes may not have to be addressed by us in this forum or in the Other Place in as much as we are moving towards the valued added tax, and if the Honourable Minister of State in the Ministry of Finance is to be taken at face value, then we are understanding that in about six or seven months that exercise will be before us.

12.25 p.m.

SENATOR T. E. BARKER: On a point of order. If the Honourable Member was referring to me, I am not the Minister of State, I am the Parliamentary Secretary.

SENATOR C. LeR. TROTMAN: I am sorry to have promoted him before he is ready, Sir. I apologise. So in six or seven months we will have the VAT, but I would wish in the event that the Government did not recognise it to make one point which I consider very important, which is that efforts were made in the previous administration, efforts which I thought and I still think are commendable, by the Government to involve the stake holders in the consultative process. I would believe that the private sector associations of Barbados – Chamber of Commerce for a part, employers and business houses – were involved in the exercise, and we in the Trade Union Movement were also involved in that exercise and have made certain representations to the Government. So far as I am aware, there was supposed to be continuing dialogue between us to straighten out a few important issues.

We, for example, would be very concerned about those areas where zero rating will take place and we will be very anxious that there would not be a blanket or an across the board value added tax which would apply. We are very anxious that those who are the most vulnerable in our society are protected, notwithstanding the need

that there will be for the Government to look to the question of the volume of taxation which would accrue in the new exercise. What I would wish, therefore, to do is to appeal to the relevant institutions which may have been set up recently and to the Government to ensure that the dialogue is not lessened but is heightened, and that as much as is possible we endeavour to ensure that those persons who are speaking to the issues have the opportunity to make representation which, hopefully, will be to the overall benefit of our community.

I wish to make one more point, Sir, and that is that in the matter of taxation, whereas it might be true that it is perhaps a very emotional subject, it would seem to me that there is very much we can learn from recognising that in this honourable institution our task is to ensure that we look again at what takes place in the Other Place and to ensure that where speed of action may have caused incidents to take place where sufficient maturity of judgement was not brought to bear, that we, though some of us look rather young to me, might be able from our more mature and statesmanlike position to breathe on those bits of legislation. I would like, therefore, to believe that our position is somewhat different in the way we approach these matters.

SENATOR S. P. BERNSTEIN: Mr. President, I rise to support the Bill to validate the collection of consumption taxes in respect of certain goods. The question here is why did it take so long, between 1993 and 1995, before a correction was made.

I agree with Senator Mascoll that with the introduction of the value added tax we would find the abolition of stamp duties and consumption taxes. Bearing in mind that this is going to be introduced in six or seven months and it was delayed once before, there is always the possibility of it being delayed further. When this is introduced, I want to see that Government make sure that more innovative ways are implemented into the economy to get it moving again without high taxation. Our main concern is jobs and the unemployment in the country. If the Government does not tackle it in an innovative manner, you are going to find Governments will come and Governments will go but unemployment will remain for ever.

Having said that, I have heard Senators on the Government side boast about accountability, responsibility and confidence, and that Government is sending the right signals to the private sector, and so they did when they won the Government and they reduced the duties to the manufacturers. But what concerns me – and I disagree with what Senator Murray said – is that when they did abolish the duties they did not abolish the consumption tax. The consumption tax is still affecting manufacturers in this

country. This tax affects, just to name a few, garment manufacturers, drapery manufacturers, plastic bag manufacturers and even printers, and they are asked to pay high consumption tax, 21%, 29% in some cases, and I have made an appeal before in this Honourable Chamber and apparently it has fallen on deaf ears. Why is it that manufacturers still have to pay consumption tax on goods that are invoiced to the stores as opposed to what is collected? Our economy is very slow, retail is sluggish, stores are taking as many as 90 or 120 days....

SENATOR THE HON. P. C. GODDARD: On a point of order, Mr. President. The Honourable Senator is suggesting that industry is paying consumption tax. As far as I understand it, the inputs to industry do not attract consumption tax, it is the outputs and ultimately it is the consumer that is paying the consumption tax for those goods produced in Barbados and sold to the consumer.

SENATOR S. P. BERNSTEIN: Sir, if the Honourable Senator had let me continue, he would not have had to rise on a point of order. I am saying that the economy is slow, retail is sluggish, the stores have to pay the manufacturers the consumption tax. That is true, but business being as sluggish as it is, the stores take a long time to pay the manufacturers. It could take 90 days, it could take 120 days, and the manufacturers in turn have to take their hard earned cash, which affects their cash flow, to pay the consumption tax in 30 days. That is why I am asking on this occasion that the Government would ask the manufacturers to pay on what they collect for the previous month, as opposed to what they invoice. In so doing you will ease the cash flow problem for the manufacturers and they can try to continue to expand, but if they are forced under this sort of pressure and their cash flow position is dampened, you are going to find a situation where they are likely to contract and lay off workers. I am saying that you amend the law to have consumption tax paid on what is collected on the previous month as opposed to what is invoiced. That is all, Sir.

Thank you.

SENATOR Mrs. A. P. THOMPSON: Mr. President, I had to stand today because I notice a very strange thing occurring on each occasion that we meet and there is a discussion which takes us back to the state of the economy. There is a tendency on the part of Government Senators to want to take praise for the prosperity of the economy and want to cast blame for any problems in the economy. I continue to say we have to be consistent on this. If we are measuring a particular period in an economy and there are highs and lows in that economy, and we are measuring that period, we are either going to put the highs and the lows to the managers at present, or we are going to give the highs and the lows to the managers of the past. We cannot

give the highs to the managers of the present and the lows to the managers of the past, but we continue to do that.

I believe that in Senator Mascoll's contribution the point he was making on the collection of corporation tax, he has been appealing to the Central Bank and the Government of Barbados to explain why there has been an increase from \$37 million to \$63 million. He left it there, but I believe the point he wanted to make was this. You cannot get corporation tax unless you have economic activity.

12.35 p.m.

SENATOR THE HON. R. R. FARLEY: Mr. President, on a point of order I believe we need to remind the Honourable Senator to restrict her comments to scope of the debate. I believe, Sir, the Bill is a Consumption Tax (Validation) Bill and nothing to do with corporation tax.

Mr. PRESIDENT: It is a valid point of order. I was giving the Senator an opportunity to come to the point.

SENATOR Mrs. A. P. THOMPSON: Mr. President, I realise when you wait until too late to speak what could happen so I guess I have no choice. In the discussion consumption tax was discussed as a contribution to the economy and I note that reference was made to certain sectors even though in asides from time to time.

A number of people in Barbados, especially those people in the middle income and higher middle income groups anticipated a number of things, positive adjustments in their income tax, and as a result they were planning to do a number of things. I heard people say that the insurance industry of Barbados is prospering. That is not true. A number of people have refused, because they were awaiting tax concessions which they have not got and so they have deferred purchasing. It is not true to say that there is an increase in activity in that area.

On the VAT, Sir ...

SENATOR THE HON. R. R. FARLEY: Mr. President, I am sorry, Sir, but I feel constrained to rise again. The Honourable Member has still not focussed on the Consumption Tax (Validation) Bill, Sir. I really think that in order to uphold the high standard of debate we need to focus on the matter at hand.

Mr. PRESIDENT: Senator, there is a way. I think some of the Senators have been trying to be helpful. There is a way how you can deal with the subject. If you would at least mention consumption tax it might help.

SENATOR Mrs. A. P. THOMPSON: Mr. President, thank you, Sir. We need the proposed abolition of the consumption tax and the introduction of the Value Added Tax system. I want to say, Sir, that ...

HIS HONOUR SENATOR C. L. BOLDEN: Mr. President, on a point of order. We are not abolishing consumption tax today. If the Honourable Member would look at the Bill, the Bill is here to validate action which was taken on the consumption tax and if the Honourable Senator would look at clause 1 of the Bill and it deals with Consumption Tax (Validation) Act, I think the Honourable Senator would come in line but we are not abolishing anything as yet so you are too far ahead of us. Thank you.

SENATOR Mrs. A. P. THOMPSON: Mr. President, I believe the Parliamentary Secretary in the Ministry of Finance advised us this morning that in another six or so months we will be introducing a value added tax system in Barbados. I do not believe that we are going to have consumption tax and value added tax going at the same time. The point I am making is that with the proposed introduction of the value added tax ...

HIS HONOUR SENATOR C. L. BOLDEN: On a point of order. Mr. President, we must get our procedure right within the Standing Orders. You are not entitled to begin your discussion by commenting on another Member's speech and the Honourable Member is seeking to reply to something which was said in the course of debating the validation of an Act and she cannot say she is right to do that.

Mr. PRESIDENT: Senator, please take your seat. I think I have given a fair amount of latitude, Senator Thompson, please stick to what is before us. I think we have given the maximum latitude in this debate.

SENATOR Mrs. A. P. THOMPSON: Mr. President, I am quite aware what we have here before us in this House this morning. I know that we are validating something that happened in the past. I am quite aware of that. I believe, Sir, that the VAT is to be a replacement. I sat on the Economic Consultative Council which has been advising Government on the Value Added Tax system to come to Barbados and I am a bit surprised that we are at the point of introducing it and there has not been any dialogue going between the organisations which would have made contributions in the very early stages of this system. I am not aware that there has been any meeting. The Life Underwriters Association of Barbados sat as a Member of that body and we want to know, since we interface with all kinds of Barbadians, business people especially, that we are in a position to make input on behalf of our clients in this regard.

There is not a whole lot left for me to say on this matter. It is not something that I would vote against but at the same time I want to say that we must acknowledge that the policies and programmes of the last administration contributed positively to the economic growth of this country. I want to place that on record today, Sir.

Mr. PRESIDENT: Thank you, Senator.

SENATOR THE HON. R. R. FARLEY: Mr. President, I beg to move that this Bill be read a second time.

The question was put to the Senate and agreed to.

SENATOR THE HON. R. R. FARLEY: Mr. President, I certify that this is a money Bill and I beg to move, Sir, that it be read a third time.

The question was put to the Senate and agreed to.

SENATOR THE HON. R. R. FARLEY: Mr. President, I beg to move that this Bill do now pass and be cited as the Consumption Tax (Validation) Act, 1995.

The question was put to the Senate and agreed to.

SUSPENSION

SENATOR THE HON. R. R. FARLEY: Mr. President, I beg to move that this sitting be suspended until 1.50 p.m. today.

The question was put to the Senate and agreed to and Mr. PRESIDENT, suspended the sitting accordingly.
12.45 p.m

RESUMPTION

Mr. PRESIDENT: This sitting is resumed.

RESUMPTION OF PUBLIC BUSINESS

ORDER NO. 3 - TO MOVE THE PASSING OF A RESOLUTION TO APPROVE THE ACQUISITION OF LANDS AT SIX ROADS, ST. PHILIP FOR THE PURPOSE OF THE CONSTRUCTION OF THE SIX ROADS ROUNDABOUT

SENATOR THE HON. R. R. FARLEY: Mr. President, the Resolution seeks the Senate's approval for the acquisition of some 15 parcels of land in Six Roads, St. Philip for the purpose of construction of the Six Roads Roundabout. This area as you know, Sir, derived its name

from the fact that there are six roads which converge at a point. Over the years that particular junction has been the source of some considerable worry from a road safety point of view and the project as is envisaged, Sir, would involve the widening of the area at which the roads presently converge to provide for a roundabout. Land will be required on all six roads to widen them as they converge, Sir, as well as to provide for the larger area required for the roundabout.

The area as you know, Sir, has for a long time since the Federal days been considered for some major forms of development. In fact, as I understand it, it was supposed to be the first Federal Capitol and I believe that the notions of having Six Roads become a major commercial centre in Barbados have not disappeared and of course infrastructural works such as this will be a necessary feature to enable that to happen.

I believe, Sir, that this Resolution is really a straightforward issue and I ask, Sir, that the Senate grants its approval to the Crown to acquire the 15 parcels of land described in the Schedule of the Resolution at Six Roads in St. Philip for the purpose of the construction of the Six Roads Roundabout.

I beg to move, Sir, that this Resolution do now pass.

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

PRIVATE MEMBERS' BUSINESS

SENATOR C. LeR. TROTMAN: Mr. President, this Honourable Chamber would accept I am sure that full employment is something which everyone of us would support and would even sacrifice some of our own emoluments in an effort to accomplish. Of course, that would raise the question of what is full employment and the economists who have had a field day or who normally would have field days in circumstances of this sort would argue at different levels, but I would think that by that we are talking about employment levels where no more than 4 or so per cent of our people could be considered as unemployed.

In our aim to reach that level of employment, we would also be concerned about the number of hours that those persons were employed and in Barbados we accept that a 40-hour week is the standard number of hours for work. The question then I would ask is what happens when the objective towards full employment and employment for a full week is either compromised or damaged?

The Resolution which I have the honour, Mr. President, to bring before this Chamber today and which I will seek your leave to read at a later stage but which addresses the matter of employment at the National Conservation Commission is a Resolution that seeks to have the House look at this issue, and to look at the issue not only as it may relate to the NCC but as it may relate to the Agricultural Development Corporation, as it may relate to the National Housing Corporation where also there is a reduced work week, but much more importantly to look at the principles involved in this particular issue.

What I would wish to do, Mr. President, is to seek in as non-controversial a manner as possible which may be strange for me, Sir, to invite the Chamber to address the matter of the principle underlying the Resolution. Why would I wish and why should I wish to ask Honourable Members on all sides regardless of persuasions to support the Resolution? I think that one of the reasons that I would invite you, Sir, and my colleagues to discuss the matter and to support what is before us is that the Resolution speaks to the right to certain basic entitlements. It endeavours to say to Barbados and to this Honourable Chamber that each one of us who is employed by someone else should have an entitlement to a certain established numbers of hours of work and a certain agreed level of pay which is confirmed by the parties either tacitly or in writing.

It seeks secondly, Mr. President, to speak to the right of security of tenure. By that I mean that that person on going to work under the agreement that has been worked out should have an understanding that if he or she continues to work satisfactorily that job is secure, and that that person can wake up day after day understanding that his or her family will be able to look to that job to provide for sustenance for the person and for the person's family.

It also seeks to address the matter of the right to security of emoluments and by that I mean that when the person goes to work to take care of his or her family, that that person must at the same time be able to be satisfied that he or she can take care of the needs of the family based on what the contractual arrangements were for the level of pay. In fact, Sir, the 8 per cent debate which was in Barbados in the 1991 period and the action of the current Government to amend the Civil Establishments legislation of 1948 in order to prevent there being a repeat reduction in wages and salaries, the two of these matters together testify to the importance which the electorate of Barbados, which the masses, let me add, because the masses would be larger than the electorate, attached to the security of emoluments of the individual in the same way as they would speak to the security of tenure of the individual.

Additionally, Mr. President, the Resolution would speak to the Convention, which has now become the right,

of consultation when there is consideration of the varying of contracts or agreements. Those who have got legal training would perhaps speak more importantly to the question of varying of contracts and they will do so within their own right, Mr. President, as I am sure you will tell me. Those of us who go on a slightly different plain and who speak to collective agreements would speak no less firmly and vehemently about the moral rectitude and the high importance that attaches to the need for consultation and discussion in the event that there is going to be a variation of the collective agreement. It is a Convention that Barbados has adhered to over all the years of our more recent history and from which I do not believe we would wish to resile at this time. It has to do, Sir, with the question of the morality in expropriation. We are socialists as a country. The two Governments we have had since Independence are socialist Governments, notwithstanding any debate that one may hear from time to time. Therefore, we have a certain position that says that when we speak to the matter of taking land or taking anything else whether it may be at Six Roads or elsewhere, and I am not reflecting on any decisions, that there is a level of compensation that we will attach to that decision which is in the lawyer's terms I believe commensurate with the value on the market at the time. If therefore we remove the number of hours of the individual or we remove the level of pay of the individual, then that becomes a moral subject and Barbados has debated that over and over again and therefore we will see that there is a certain crisis attached to it. You will therefore recognise, Sir, the implications which attach to matters of this sort and I will from time to time draw your attention to certain correspondence which underscores the relevance of the point I am trying to make.

2.00 p.m.

I would wish to address the matter of the history of this subject which has made it necessary for me to bring it before you, Sir. The National Conservation Commission employed at the height of its support for the environment of Barbados somewhere between 900 and 1 000 persons, and the figure got pushed down because of the 1991-1993 crisis which there was - I refer to it sometimes as the holocaust - but it was a nerve wracking experience, one that severely impacted on the purchasing power of people, impacted very significantly on the earning capacity of individuals and had implications for the numbers of persons who were able to work in the Public Service, or even in the private sector.

A number of persons took the route of laying off completely, but where employers perceived that they were able to share the workload, a number of employers both in the public sector and in the private sector went the route of sharing the number of available work hours. Coming back to the point we started from, Sir, I have no difficulty in the concept of sharing, whether it be sharing of work hours

or otherwise, because it is one way by which we are able to deal in the matter of bringing the greatest good to the greatest number. In fact, my organisation, the Barbados Workers' Union, has from time to time both in the sugar industry, in which the Deputy President would have more than a passing knowledge, and in the hotel industry we have negotiated that where there are difficulties, especially in the out-of-crop season for sugar, and in the off season, as we used to call it, for tourism, where instead of sending home workers in those two primary industries we will allow for, or we encourage, a sharing of the house so that the workers could all remain employed even though each one might have a smaller slice of the cake.

I am not putting out a case, nor would I ask colleagues to believe that I am putting out a case that says that there could not be the sharing of hours, I am talking about a specific situation which developed, which we have to understand for what it did at the level of the NCC and what it does in terms of its implication for the management of the State, whoever is to blame. It is not the purpose of this speaker to stand here and spend any time on apportioning blame. There may be blame – in fact, I would say there is blame –

Aside.

SENATOR C. LeR. TROTMAN: Well, I do not bother too much about the question of blame, I do not want the principle to be lost in the argument of the blame. That is what I would be concerned about, particularly since we are going to be speaking very much to ourselves, Sir, as a nice in-house group when we do not have to concern ourselves too much about who is blamed and who is not to blame. We have to concern ourselves much more with how we are going to deal with the problem.

Aside.

SENATOR C. LeR. TROTMAN: Yes, Sir, of course the records must always reflect how we intend to correct the problem.

When the crisis came in the early 1900s, the National Conservation workers were all receiving work according to the five-day week. Many of them were laid off – in fact, the numbers came down to somewhere in the region of 600 – and then there was an arrangement where some people worked for five days, some worked for four days but the vast majority worked for three days within that 600 or thereabout. Although the Barbados Workers' Union was not happy about the three-day week, or in fact about the four-day week, we were prepared to negotiate and to understand what was being said, because we were given an understanding that the employer could in fact go the route of a five-day week but that it would follow that more persons would have to be laid off. Our position therefore was, after consultation with the workers, that we would

agree, in the short term, to allow the three-day week to apply in the expectation that whenever there was a possibility for an upturn in the economy, the five-day week would then be re-introduced. That became the issue of the day, always excepting that it was understood and agreed that the vacation of the individuals would not be impaired, that the sick leave provisions of the individuals would not be impaired and that the pension would also be provided as though those persons were on a full five-day week. That is part of what the Coalition of Trade Unions with my colleague on my left, Senator Rickinson, and I were able to negotiate, that although we were making sacrifices we were going to take care of those who were about to retire and those who already had retired.

I am saying people were never happy, Mr. President, but we began to have a problem late in 1994 and at the beginning of 1995. We had occasion where on January 20, 1995 we had to write to the NCC – and I would be prepared to make the letter a document of the House – we wrote the General Manager and we indicated that we were concerned because new hires were enjoying the five-day week, people who had just been engaged were being engaged to work for five days in a week or for four days in a week, while those who had been there as their senior persons were having to revert to a three-day work week, and that was the beginning of the crisis.

Then we received a letter from the General Manager on 28th February, 1995 – again which I am prepared to make a document of the House – and this letter came to us after, and I wish to put it in context, the management of the NCC had moved to increase the levels from approximately 600 workers to an increase of somewhere between 250 to 300 additional workers. We have the list supplied by the NCC management, properly supplied to us by parish as they said, of the number of people who were given that additional employment and the date of that document is 6th January, 1995, and it could also be made a document of the House if that is so desired. But I have no intention, unless the House calls for it, I am not giving the names and therefore I do not have to put myself in a situation where they may be called for, because we are not dealing in footbally with the lives and livelihoods of the workers that are concerned, nor do I want to have it believed that we are putting forward on this side any proposition for those 250 to 300 persons now to be laid off from their jobs. We are saying that they have been given their jobs, we support them even if they are not members of the Barbados Workers' Union and we want them to retain those jobs, so we are speaking from the point of view of a principle and not from the point of view of any kind of political difference or any other difference except the point which relates to the morality of the issue and the way by which the Government will help us to get around the issue.

I say, Mr. President, that on 28th February of this year, having now had, not 600 persons any more, but somewhere between 850 and 900 persons on staff, we received a letter, which will be made a document of the House, from a Colin T. Thornhill, General Manager at the time, and I am sorry to say that he did not last very long and I hope that will be explained very shortly too, because I am unhappy about his termination. The letter said, and I quote, if I may, Mr. President:

"Work week for casual employees: - This is to advise you that due to the unavailability of finances those persons engaged in casual work who were currently working five days per week have now been restricted to a three-day work week. We note the increased individual hardship this measure will bring to some, but wish to advise concerning the unavailability of alternative solutions."

Now that I have read that letter I need to repeat the circumstances. It is in the circumstance where the number of the employed was moved from 600 -and the document I advised you about is dated 6th January, 1995, when we had the list by parishes, and I think we should really say by constituencies - where we have a list by constituencies and where the number is between 250 to 300 or a new total of 900 employees some of whom were working from 1995 and those who were working before were working under five days or were working four days and some three days but now we have a letter after we have increased the levels that says that everybody will be brought to a 3-day work week.

2.10 p.m.

The question before the House, Sir, and I do not wish necessarily to relate to where the persons have come from but since I am hearing of St. Joseph, and it belongs to me from birth, I would wish to make it absolutely clear that St. Joseph must not be singled out. All 28 parishes or constituencies are being addressed.

This matter was raised, Mr. President, quietly by the Barbados Workers Union and in fact we asked our colleagues in the Coalition of Trade Unions to assist us in the matter and we had no intention at the time of referring to any third party or parties or of making a public issue out of it.

The problem came when the employer, that is to say, the National Conservation Commission, refused to correct the situation. They will have to explain whether it was "refused" or "were unable to" and I would not wish to speak to that issue beyond the fact that when we raised it with them they did not give us a satisfactory answer.

A further effort by the Barbados Workers' Union to address the matter when once certain administrative

changes at the level of the National Conservation Commission had taken place in June this year also proved futile. That is to say that we thought that when the Minister had gone and there was a new Chairman of the Board that perhaps there may have been a different approach to the issue. Our fear was that in consultations with the new administrative leaders, the new Minister undertook to increase the work week from 3 days to 4 days but the condition which she wanted to attach was that she also wanted to increase the number of employees, and that cuts across the principle that I am trying to ask this Honourable Chamber to examine because we are not talking about "pork barrel politics" or giving people jobs from constituencies; we are talking about the fundamental rights of individuals in Barbados, not only at the NCC but at every Ministry in every Government Department and indeed in the private sector. Can we move to a situation where we institutionalise part-time work as part of the environment of this country without making the subject of part-time work the basis for consultation with the stake holders out of which consultations there would have to be a national consensus? Or are we supposed to maintain our position of adherence to a 40-hour week in which the people believe, and on which the hourly rate or the weekly rate or the monthly salary is based so that we arrive at at least what is called a living wage for everybody? Within the resolution of that question there has to be the ability to recognise similarity with the 8% debate and with the position some of us took on that 8% debate. I took the position of saying it was morally wrong, and those of us who took the position it was morally wrong to cut the 8%, must know that that position was correct especially since it was supported by the Government of today when that Government of today went down the road with the correction of the Civil Establishments Act.

If it was wrong to have a reduction of 8%, is it not equally wrong or more so reprehensible to have a cut in essence of 40%? From a five-day week to a three-day week without consultation, without rhyme and without reason is that not much more reprehensible? In fact, in the matter of the 8% it was done legally because it went before Parliament and people made a decision although we may disagree with it.

In the matter of the 40% it is that much worse because you cannot deal with it from a legal perspective. The lawyers will tell you that, provided you give adequate notice you may reduce the work week of a weekly paid person and start paying the person for a three-day week. So although the person morally...

Aside.

SENATOR C. LeR. TROTMAN: I do not respond to asides especially if I disagree with them because it is

not right, Mr. President, to do anything except to look directly at you and to take guidance from you.

The reprehensible part of this is when you have no legal recourse you have only to go to a position which is different and which depends on the support of like-minded people who have a social conscience and who recognise the importance of the social conscience in addressing this thing.

Now, I had a dream, Mr. President, that spoke to the matter of what do you do if you had a choice between sending home people and putting them on a reduced work week. I want to say within that, Mr. President, that I have already addressed the question of sharing time in a situation where I have explained that that is possible and that is proper provided there is consultation and provided there is an understanding of what the total number of hours may be.

I have no sympathy for, nor could I have any respect for anybody, wherever that person is, who will try to make out that it is proper for you, at one and the same time, to reduce a person's number of days of work from five to three while you are simultaneously increasing the number of people at that work place from 600 to 900. I want to make that absolutely clear without apology.

Aside.

SENATOR C. LeR. TROTMAN: Anybody who claims it is sharing up the pie has a very narrow vision of this particular issue and must deal with the morality and the truth that is before us. So, Mr. President, the Resolution which is before us is a Resolution which seeks to point to the hardship which there is on the part of the workers concerned. It seeks to have this hardship removed peacefully because it is not my intention to go the route of having any arrangement that addresses this matter by any kind of action other peaceful action. So those persons who helped me to march in 1990/91 are now not in positions where they will want to march.

At the same time, Mr. President, there are persons who did not march in 1991 ...

Mr. PRESIDENT: Order, please.

SENATOR C. LeR. TROTMAN: ...who might be interested in marching.

Mr. President, my view is that you march only as a last resort. We marched and we got what we wanted from marching though some people do not want to accept it. But I believe there are peaceful means by which this matter may be addressed and, in fact, we are even now in the

process of consultations, and it is my hope that we will be able to have some statement, very shortly, regarding a timetable for the resolution of the crisis and for the removing of what must be an embarrassment to the political directorate. But I cannot speak for the directorate on that particular issue. I can only say, Mr. President that the workers' patience has worn very thin especially when they put this matter against the 8% debate, and they realise that the 40% reduction is only five times as high as the 8% reduction and you must therefore be in a position to realise the issue that is before us.

I want, Mr. President, in the circumstances that I have described to be able to read the Resolution which I would want to be before this Honourable House. I would wish to ask again that the Resolution be understood for what is intended, that you cannot exactly stop political debate in a political institution. It would be folly to expect that that will happen.
2.20 p.m.

Aside.

I apologize to you, Sir, for hearing them. But in the circumstances of this particular exercise I want us to recognize the plight of those 900 people at the NCC as being of paramount importance and another 80 or so at the National Housing Corporation and those at the ADC. I would hope that in our efforts to put the position of our various institutions and political parties we do not lose sight of the fact that those thousand or so people are much more important than the political mileage we might get.

In short what I am saying, Mr. President, is that I would want all parties to recognize that there is a certain road along which to travel in this debate. For the record, I understand that some things have got to be put right, and I imagine therefore that we will be advised that the Government has not taken this as a position and that it might have been an aberration in the part of a certain Department of Government. But in the final analysis, Sir, whatever happens in the BWU I am responsible for, and I hope that by extension it will be recognized that if it happens in a Department of Government then it happens in the Government. I say no more than that except to read the Resolution with your kind permission and to commend it to this Honourable Chamber. The Resolution reads, Sir:

"WHEREAS workers at the National Conservation Commission have been placed on a three-day work week for sometime now;

AND WHEREAS the continuation of the three-day work week is causing considerable hardship to the workers who have planned their business on the basis of a five-day work week;

AND WHEREAS there has been an increase at the National Conservation Commission since September 1994 of approximately 250 workers which increase was immediately followed by a reduction in the work week for other workers from 5 days to 3 days;

AND WHEREAS the continuation of the three-day work week is having the effect of institutionalizing part-time work;

AND WHEREAS it is considered that part-time work is not in the best interest of these workers;

AND WHEREAS Government when in Opposition gave a commitment that those workers in the public sector who were working a three-day work week would revert to a five-day work week;

AND WHEREAS there is no indication that efforts are being made by the Government to reinstitute the five-day work week at the National Conservation Commission;

BE IT RESOLVED THAT this House calls on the Government to reintroduce the five-day work week for all workers at the National Conservation Commission."

May I commend this to you, Sir, and merely say that I hope that this could be debated fully and that a decision could be made, and I would like to believe that the agents of the administration could advise us that it is possible for

us to revert to the five-day work week sometime during the month of August this year.

I am obliged to you, Sir.

SENATOR THE HON. R. R. FARLEY: Mr. President, I beg to move that further consideration of this Resolution be postponed.

SENATOR Mrs. P. E. RICKINSON: Mr. President, I move to second further consideration of this Resolution calling on the Government to reintroduce the five-day work week for all workers at the National Conservation Commission be postponed and I reserve my right to speak.

Mr. PRESIDENT: Senator Farley has moved that further consideration of this Resolution be postponed and I think that that is acceptable to the mover of the Resolution and, if I have a consensus as I think that I have, I therefore direct that further consideration of this Resolution be postponed.

ADJOURNMENT

SENATOR The HON. R. R. FARLEY: Mr. President, I rise to move that this sitting be adjourned until Wednesday, August 16, 1995 at 11.00 a.m.

The question that the Senate do now adjourn until Wednesday, August 16, 1995 at 11.00 a.m. was put to the Senate and agreed to, and Mr. PRESIDENT adjourned the sitting accordingly.
2.28 p.m.

CONTENTS

ANNOUNCEMENTS BY HIS HONOUR THE PRESIDENT

Mr. PRESIDENT 467

Receipt of the Special Report of the
Ombudsman of Barbados for June, 1995. Report
laid.

PRESENTATION OF PAPERS

SENATOR THE HON. R. R. FARLEY 467

1. A Report of the Public Enterprise
Investment Fund for the quarter ending
March 31, 1995.
2. Reports of the Department of Labour for
the years 1984, 1985, 1986 and 1987.

SUSPENSION OF STANDING ORDER

SENATOR THE HON. R. R. FARLEY 467

Suspension of Standing Order 45(2) for the
remainder of the Sitting

INTRODUCTION OF BILLS

SENATOR THE HON. R. R. FARLEY 468

The Rural Development Commission Bill, 1995.

PUBLIC BUSINESS

ORDER NO. 1 – RESOLUTION TO APPROVE THE VESTING IN THE ESTATE OF DUNLOP PAYNE OF LAND AT TENT BAY, ST. JOSEPH 468

Senator the Hon. R. R. Farley, 468.

ORDER NO. 2 – THE CONSUMPTION TAX (VALIDATION) BILL, 1995 468

Senator the Hon. R. R. Farley, 468; Senator C.
A. Mascoll, 469, 470; Senator the Hon. P. C.
Goddard, 470; Senator J. A. Workman, 471; His
Honour Senator C. L. Bolden, 472, 475; Senator
T. E. Barker, 472; Senator the Hon. G. S. H.
Murray, 474; Senator C. LeR. Trotman, 476;
Senator S. P. Bernstein, 477; Senator Mrs. A. P.
Thompson, 478.

ORDER NO. 3 – RESOLUTION TO APPROVE THE COMPULSORY ACQUISITION OF LAND AT SIX ROADS, ST. PHILIP 479

Senator the Hon. R. R. Farley, 479.

PRIVATE MEMBERS' BUSINESS

RESOLUTION CALLING ON GOVERNMENT TO REINTRODUCE THE FIVE-DAY WORK WEEK FOR ALL WORKERS AT THE NATIONAL CONSERVATION COMMIS- SION 479

Senator C. LeR. Trotman, 479; Senator Mrs. P.
E. Rickinson, 484.

SUSPENSION 479

ADJOURNMENT 484

Senator the Hon. R. R. Farley, 484.

SPEAKERS IN THIS ISSUE

BARKER, Senator T. E.
BERNSTEIN, Senator S. P.
BOLDEN, His Honour Senator C. L.
FARLEY, Senator the Hon. R. R.
GODDARD, Senator the Hon. P. C.
MASCOLL, Senator C. A.
MURRAY, Senator the Hon. G. S. H.
RICKINSON, Senator Mrs. P. E.
THOMPSON, Senator Mrs. A. P.
TROTMAN, Senator C. LeR.
WORKMAN, Senator J. A.