THE

SENATE DEBATES

(OFFICIAL REPORT)

FIRST SESSION 1994 – 99

THE SENATE

Monday, December 23, 1996

The Senate met in the Senate Chamber, Parliament Buildings, on Monday, December 23, 1996 at 11.25 a.m.

PRESENT

His Honour Senator Sir FRED GOLLOP (President)
His Honour Senator C. L. BOLDEN (Deputy President)
Senator the Honourable R. R. FARLEY (Minister of Industry, Commerce and Business Development) (Leader of the Senate)
Senator the Honourable P. C. GODDARD (Minister of Foreign Trade and International Business)
Senator the Honourable G. S. H. MURRAY (Minister of State, Prime Minister's Office)
Senator Miss C. Y. FORDE (Parliamentary Secretary, Ministry of Education, Youth Affairs and Culture)
Senator T. E. BARKER (Parliamentary Secretary, Ministry of Finance and Economic Affairs)
Senator Miss O. P. SYMMONDS, G.C.M.
Senator J. A. WORKMAN
Senator Mrs. P. E. RICKINSON
Senator C. K. LAURIE
Senator Mrs. V. J. DAVIS
Senator Mrs. A. P. THOMPSON.

Prayers were led by Rev. Father Errington Massiah.

Mr. PRESIDENT: This Senate is now in session.

PRESENTATION OF PAPERS

SENATOR THE HON. R. R. FARLEY: Mr. President, I am commanded to lay the following document before this Honourable Senate:–

The Value Added Tax Regulations, 1996.

SUSPENSION OF STANDING ORDERS

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 was put to the Senate and agreed to.

FIRST READING OF BILLS

On the motion of SENATOR THE HON. R. R. FARLEY, the following Bills were read a first time:

1. *The Property Transfer Tax (Amendment) Bill, 1996.*
2. *The Income Tax (Amendment) Bill, 1996*
3. *The Excise Tax Bill, 1996; and*
4. *The Road Traffic (Licensing Authority) (Validation) Bill, 1996.*

OBITUARY SPEECHES

SENATOR THE HON. R. R. FARLEY: Mr. President, it is often said that in the midst of life there is death. I believe that the truth in that statement makes it almost unlogical. The dualism that is captured in that statement is a basic feature of the human condition. Throughout various aspects of human existence one will see this duality reflected in very stark contrast in

several areas. There is love and hate, war and peace, light and dark and, of course, life and death.

Last week, Sir, we had the pleasure of celebrating life achievements when we had the opportunity and privilege of celebrating with you the honour that was conferred on you when you were elevated to the high honour of the Knight of St. Andrew. Today, it is our responsibility, our duty, to share our moment of grief as we mark with sadness the passing of your father, Emmanuel Thorne Gollop. He was interred yesterday at the St. John's Parish Church Cemetery, a parish and a church which were near and dear to him in all senses of the word. Having been born and spent most of his life in St. John, his work and contribution to the church of St. John has been recognised by the fact that a few short years ago, 1993, a building in the churchyard was named in honour of himself and another hard worker, a certain Mr. Gill.

As I listened yesterday to the Eulogy which was so wonderfully presented by Sir Clyde Gollop, I began to understand substantially more about you, Sir. It again made me reflect on the fact that in the midst of life there is death and arising out of death life can be even better for us if we are able to reflect on the life's work of the departed.

Emmanuel Thorne Gollop spent his life in service to his fellowman. That service was both in terms of his chosen career as well as his private avocations. He was a Public Health Inspector for many years. I believe his total length of service in the Government of Barbados spans some 40 years. Having retired in 1970, he was still able to devote the next 26 years to various forms of public service. He was, during the period of his retirement, for example, an Assessor for the Land Tax Department for the parish of St. John. Of course, in his retirement, he was able to devote even more time to the work which he had already long started working with the St. John's Parish Church where he served as a member of the Church Council for many, many years.

Psychologists have, for a very long time, in fact, for as long as there has been psychology recognised as a discipline, argued about the relative weights which should be attached to nature versus nurture in determination of personality and character of individuals. As I listened to the Eulogy yesterday, Sir, I began to understand the nature of some of the tributes which would have been given on your behalf, Sir, at our session last week because I recognise that you have benefitted both from nature and nurture. You have benefitted, Sir, by inheriting some of the personality traits of your father, his quiet dedication, his commitment to service, his loyalty, all of the other virtues and I trust that time will also reflect that you inherited another one of his virtues and that is only of longevity. Members will probably be interested to note that in the context of the Gollop family, E. T. Gollop died at a young 91 because there are other siblings who have numbers like 98, 95 and so on. So that, Sir, I anticipate being able to celebrate with you in fine style your one hundredth and counting. But, Sir, you were also able to benefit from nurture. I am sure, Sir, that your departed father, based on the reflections as given yesterday, provided the kind of warm and nurturing environment which would have seen the type of characteristics which he exhibited day by day being reflected in your own long service to this community which has spanned many, many years.

11.35 a.m.

So, Sir, we give thanks to Mr. E. T. Gollop for his life of service to this community of Barbados, particularly in the parish of St. John. We also give thanks to him for the fact, Sir, that he would have had a major hand in moulding the character and ensuring your education, in ensuring that the type of preparation you would have had would have given us the pleasure of being able to serve in this Honourable Chamber with you as our President. Unfortunately, although I have not had the pleasure of meeting Emmanuel Thorne Gollop personally, I take my assessment of him on the basis of the fine relationship which I have built with you, Sir, in your capacity as President of the Senate, as well as several of your other public offices and your various other private avocations. So on behalf of Members of this Chamber, Sir, I would want to extend to you and your family our very deepest sympathy on the passing of your father. I also want to ask that an appropriate Resolution be drafted and sent to the immediate family of the late Emmanuel Thorne Gollop.

SENATOR J. A. WORKMAN: Mr. President, much of what Senator Farley has said were thoughts that were running through my mind and I believe we can encapsulate what he has said in other words of wisdom. In fact the writer of the book of wisdom himself, the book of Ecclesiastes, who says to everything there is a season and time to every purpose under the heaven. He goes on to say there is a time to be born and a time to die. A time to weep and a time to laugh. A time to mourn and a time to dance. He was of course referring to the changing scenes of life which we all encounter as we go along life's pilgrimage and as was pointed out by Senator Farley last week we laughed with you, we danced with you. This week we are here to support you, to weep with you and to mourn with you as we together share the loss of your father. But, is it that we share the loss or is it that we had time to reflect and share on a life which God has given and has taken again to himself. I would prefer to think, Sir, that although there is that loss in terms of human understanding, in terms of things divine we see a continuity of Emmanuel Thorne Gollop in yourself and your two sisters, the children of the marriage who have continued what

he begun in their various fields of endeavour of life. And so while we mourn his passing we rejoice that the good in him has continued and will continue, not only in yourselves but in your children and their children after them.

His was a life well lived with dignity and decorum. It was lived with great courage. He was blessed with the challenge of little money and I think it is important in today's world that we understand that that can be a great blessing for us for indeed for those who have little it is always that opportunity to look inwardly and to develop the talents that lie within us and to discover that there are greater values to life than financial success. The success your father gained in life has been emulated by you and your family and we in Barbados need to emulate that in our lifetime today.

His was a happy life and we today, in life also need to strive for happiness to pursue the common things of life, to pursue those things which make for good. To pursue those things which make for building strong and effective communities and nations and families. So we are blessed because there was in this country such a man as Emmanuel Thorne Gollop. We are further blessed because his qualities live on in his children. So we thank God for his life and for his living, for his witness, for his example, for his courage and dedication and commitment to service.

I myself, Mr. President, as you know recently lost my brother-in-law in rather sudden circumstances and his passing caused me to give some reflection, which I think all of us need to reflect on whenever a loved one passes, caused me to reflect on the swiftness with which we emerge from the womb and to reflect on the swiftness with which we go to the tomb. But more so, Mr. President, it caused me to reflect on the intervening period between the womb and the tomb and to recognise that the important thing in life is not necessarily the quantity of years but the quality of those years and to recognise that we cannot and should not seek to live a world alone but we need to be our brother's keeper and that service to humanity is the best work of life.

Emmanuel Thorne Gollop chose that best part by serving his fellowmen and women, by serving his children, by serving his God. We thank God for the life he gave, for the life he has taken again to himself. We are sure that we who are left, as we follow his good example, will be reunited with him in years to come. All that is left for us, Mr. President, is for us to extend to you and your entire family our sincere condolences, to assure you of our support and the strength and comfort at this time. To assure you that God's grace is sufficient for you in this hour of loss and we can further assure ourselves that his soul together with all the souls of the departed will rest in peace.

SENATOR Mrs. P. E. RICKINSON: Mr. President, I would like to endorse all the comments made by Senator Workman on behalf of the independent Senators but I, myself, would like to say a few words on behalf of the public inspectorate of Barbados of which your Dad was one of the members who did quite a lot of hard work in those days when infectious diseases were the major killers in Barbados and much of the work was done by public health inspectors and nurses to prevent these diseases.
11.45 p.m.

Now, public health inspectors have learnt quite a lot from him and since his retirement the public health inspectorate has mushroomed and entered into an area of commercialism, for example, in the area of meat and foods. Some of his wisdom and attitudes are still worthwhile and they are there for many of the present members of the public health inspectors to follow. Because of his life's work in the area of public health inspection, I think it is befitting that the St. John Out-patients' Polyclinic, if it is built, or the Out-patients' Clinic, the polyclinic is not being built at the moment, could be named after him, as a tribute to his work in that area.

I would also like to extend sympathy on behalf of my family. As you know, I myself, have had a recent loss and to give you comfort I would like to say that time heals all wounds and gradually the pain is replaced by lovely memories. I wish both you and your family and all your relatives peace of mind and tranquility. May he rest in peace.

SENATOR Mrs. A. P. THOMPSON: Mr. President, these are the occasions when one hates to rise in the Senate because those of us who have experienced the loss of a loved one, especially someone close to you, we know what it is like and condolences and expressions of sympathy from friends and well wishers – they play their part but only those experiencing the pain of the loss really know what it is like.

Mr. President, today as I rise and join my other colleagues in extending heartfelt sympathy to you and your family, I never met your father and I have been caught up in the midst of my own very personal problems recently, I can say that one of the people closest to me in my life is departing. I would like at this time only to say that your life, the kind of person you have been, the examples you have set, I must determine that your father must have been a very good man. When one is not aware of the quality and lifestyle of parents, one tends from time to time to look at their children and by their children's lives they find the good examples which parents have set and in your life, Sir, one can surely say your father is alive. I hope that over the next number of days, months and maybe even

years, because only time will determine how soon you will recover from this loss but I hope you will find comfort as you reflect on the quality of life which he has lived and the many values which he managed, during his lifetime, to impart to you and which you would have, in your own way, passed on to your own children.

To you and to your mourning relatives I extend on my behalf and on behalf of the family of the Democratic Labour Party, sincere condolences and may he, Sir, rest in peace. Thank you.

Mr. PRESIDENT: As Senator Farley and Senator Workman reminded us one week ago, under the same heading on the Order Paper, I listened to your congratulations. Today it finds me listening to your commiserations on my father's passing. I thank Honourable Members of the Senate for their kind tributes and those of you who, at a busy time of year, were able to make it to the historic St. John's Church yesterday.

My father lived a long and useful life. He was born when this century was new and left it as it was itself taking its leave. He is at rest. I thank you all on behalf of my family and myself.

Members of the Senate stood in silence for one minute.

PUBLIC BUSINESS

ORDER NO. 13 – RESOLUTION TO APPROVE THE GUARANTEE BY THE MINISTER OF FINANCE OF THE PAYMENT OF PRINCIPAL AND INTEREST IN RESPECT OF A BOND ISSUE OF $12 MILLION PROPOSED BY THE BIDC FOR FINANCING ITS CAPITAL WORKS PROGRAMME

SENATOR THE HON. R. R. FARLEY: Mr. President, approval of the Honourable Senate is sought for Government's guarantee of a bond issue by the Barbados Investment and Development Corporation. This guarantee is being sought in accordance with Section 13 of BIDC Act which indicates under section 13 that the corporation may, with the approval of the Minister of Finance, raise funds by means of loans etc. It also indicates under section 14 that the Minister may accept such provisions as Parliament may approve for the guarantee of such loans. It is therefore, Sir, in accordance with that particular section of the BIDC Act that the approval of the Senate is being sought.
11.55 a.m.

As you know, Sir, the Barbados Investment and Development Corporation assumed the functions of the former Barbados Industrial Development Corporation and the Barbados Export Promotion Corporation with effect from December 1, 1992 and its principal responsibility is the encouragement and promotion of the development of investment, both local and foreign.

The business of the Corporation, in terms of its functions, in more detail include the promotion of exports of products and services, taking steps to establish, expand, encourage the establishment of enterprises in Barbados involved in manufacturing and other services; to provide technical and other assistance to enterprises engaged in manufacturing and other services, particularly the exports of goods and services; to encourage the development, particularly of the indigenous manufacturing sector, and of course facilitating the growth and development of the small business sector.

At present the Corporation is staffed by some 88 persons, including some 15 who are in overseas offices in New York, Miami, London and Toronto. The current budget of the Corporation is a total of just under $14 million, of which the Government typically in terms of its recurrent budget would provide some 50% or so of that figure. Rental income of the Corporation from buildings which have been constructed over the years is in the region of $8 million per year.

The need for this bond issue, Sir, is to facilitate the continued provision of production facilities for manufacturing and services in Barbados. At present we have pretty much exhausted the current stock of buildings and I want to explain to the Honourable Senate that it is an important part of Barbados' investment promotion strategy that not only must we market the fact of investment opportunities in Barbados, but that we must also provide facilities which can be used to effect a quick start up. We also take the view that it is important that those facilities be available in a cost effective and competitive manner, because the reality of the situation is that Barbados is not only competing with St. Lucia, Jamaica and Trinidad, but Barbados is competing with the rest of the world.

We are living very much in a globalised trading and investment environment and the limitations of geography are no longer as much of an issue as they used to be, if at all. Barbados, therefore, when it is seeking to attract investment, must be able to position itself so that it is able to compete with Ireland, Russia, France, the United States, wherever. It is not known, for example, in terms of the competitive environment in which Barbados operates, that there are States within the United States and Canada – for example, Iowa in the United States and Nova Scotia in Canada – which have very attractive investment incentives, including some cash grants and some other benefits,

to encourage persons from the east and west coasts of the United States where much of the investment is already located to come to what are some of the more depressed and under developed areas, so that Barbados must continue to position itself if it is to be able to attract investment to its shores.

The Corporation currently manages some nine industrial parks. These nine industrial parks contain buildings and lands with a value somewhere in the region of $75 million. It is on the basis of the buildings that are there that the Corporation is able to derive, as indicated earlier, rental income which is somewhere in the region of just under $8 million per year. You can therefore see, Sir, that the capacity to service a $12 million bond issue is not an issue. What is the issue is that given the current level of demand facing the Corporation, which in the last three years has averaged around 85 000 square feet of space demanded per year, the challenge really would be to keep ahead of the demand.

Just to give an example of how the best made plans with respect to industrial development and promoting investment can be laid to waste sometimes by virtue of succeeding too well, we had a situation where planning ahead a building was designed for the information services industry at the Harbour Industrial Park. It is a 52 000 square foot facility which was planned to be built ahead of demand and to be made available to clients who would come over an 18-month or two-year period. It was anticipated that at an average size that would go between 2 000 and 10 000 square feet there could be anywhere between five and 10 clients operating in this particular facility. As it turned out, however, we were able to attract a major software engineering company, which required the entire 52 000 square foot, building which, like I said, was intended for between five and 10 other clients. At present, because of the increase in investment over the past few years, there is really a bit of a shortage of space in that industrial park, particularly a shortage of space for office type facilities in the information services area.

The other constraining factor as far as being able to provide factory space ahead of demand is that one can never accurately anticipate the size of the establishment which is going to be set up in the space, or the particular configuration of space which might be required, so that for example in IDC's current inventory of available space one would find there could be an 8 000 square foot unit with a high roof of some 20 to 25 feet, which obviously would be required for heavier type manufacturing operations where that level of head clearance is required for storage and for certain types of equipment, and so on. The IDC is also required, however, to provide smaller production facilities of 1 000 or 2 000 square feet which can be on multiple floor levels for smaller manufacturing or service type operations, so that from time to time depending on the level of demand in either of those areas strategies will have to be changed.

As it currently stands, the demand is primarily for office type facilities for information services, for facilities for use by the small business sector and for general manufacturing type facilities. So we are faced on the one hand with a request by an electronics assembler in one of our industrial parks who is currently operating in 10 000 square feet for an additional 30 000 square feet to accommodate an expansion which is proposed. That is one type of production facility which is required. We are also faced, as I indicated, with the need for office type facilities with special lighting, with raised floors to accommodate telecommunications infrastructure and with air-conditioning to accommodate expansion in the information services industry.

12.05 p.m.

We are also faced with the demand to do things like the refurbishment of the Pelican Village area to provide additional opportunities for small business persons, particularly those involved in those crafts. It is to satisfy that type of demand that this issue of bonds in the sum of $12 million is to be undertaken.

What have been some of the results of the operation of the IDC over the recent past and what are some of the strategies which it has adopted in being able to attain these results? As you know, Sir, the activities of the IDC have resulted in a contribution of a number of new jobs. In 1995, for example, through the companies that have been directly facilitated or otherwise assisted by the IDC, some 3 214 jobs were created. Up to September this year, 1996 again directly through the efforts of the IDC and the companies that it has worked with some 2 404 jobs have been created. Those were created when 11 foreign owned companies were established in Barbados during 1996 so far. In addition there have been some 30 or so new small businesses that have worked with the IDC in their formation.

In terms of exports, exports have continued to be encouraging. Exports have risen over the 1995 period. Up to the end of August, 1996, Barbados has exported just around $305 million in goods and that was a $78 million increase over the same period for 1995. Interestingly enough, the areas in which there has been significant growth in the exports has been in some of the non-traditional export areas. For example, exports to Suriname and to Venezuela have been significant contributors to that export performance and some of the major products involved a number of food products, particularly drink concentrates, powdered detergents, packaging materials, snack foods among other products.

In this area of export, Sir, and the number of interesting activities that are being undertaken with respect to exports we recognise that although the traditional exporters continue to contribute heavily to the successful performance that there is a need to encourage on an annual basis the entry of new firms into the export markets so that this year, 1996 we are continuing a programme which we started in 1995.

In 1995, we had a programme at the Barbados Industrial Development Corporation in which 10 new firms were given assistance ranging from what is called a corporate identification. There are logos and letterheads. All the items which are used to identify the company were redesigned. They were given direct technical assistance in general management and management of inventory, in export marketing. Their products were market tested in a number of overseas markets and they were assisted in visiting those markets to lobby for business. That was successful.

In 1996, there are 12 such firms which have been selected and the main criteria for those firms being selected is that they must be firms that have never exported before, so that at the end of the year, one can see that new persons are being added to the list of exporters. We believe that this is one of the more positive aspects of the work and it recognises the fact that a country or firm can market its products in the export markets but at the end of the day the firm, in terms of its production capacity, must be able to satisfy quantity, quality, delivery time, reliability and all of the various other issues.

We believe that not only is it important for us to push Barbadian products abroad, but that we must work with Barbadian firms in bringing them to the stage of readiness for export markets.

In the area of information services, this continues to be a major growth area of those areas that are administered by the IDC. The major point of note is that it has been the shift into higher value added areas in the information services industry. As you know, Sir, Barbados has been able to establish itself since the 1980s particularly, and the 70s, in terms of some of the lower value added aspects of its information services industry, particularly data entry.

It is recognised, however, by this Government and certainly it has given the appropriate policy directions to the IDC that we need to move toward the higher value added areas in the information services industry. We need to make further use of our skills, our telecommunications capability, our infrastructure, and the IDC has consistently and steadily worked on developing and marketing Barbados for areas such as insurance claims processing, software development, telemarketing, GIS and CANA applications and the like.

The establishment of a major international software development company in Barbados which does work for Fortune 100 companies is a major achievement. What is the notable aspect of that particular achievement is that it gives Barbados the opportunity to build an industry. The fact of the matter is that there are at present not enough programmers in Barbados with the requisite level of skills in some of the new international languages and applications which would allow Barbados to position itself properly in this area.

The firm in question, therefore, is using Barbados as a location, but it is also working closely with the University of the West Indies and the Barbados Community College and throughout the secondary school system to help Barbados build its information technology capabilities, particularly in the area of software engineering and telecommunications. That is a positive step for Barbados because it means that by developing the skills of our people in these areas we are not just developing persons to work for any given company but we are developing a knowledge base which will be used to attract other firms as well as to increase the level of efficiency and productivity in Barbadian enterprises which are involved in the export of services and goods or just simply doing business locally.

You will find that in this area of information technology as well that as we work on building the industry that there will be a need for overseas professionals to be involved. I just want to speak on that briefly. If you were to trace the history of the development of any industry anywhere in the world you will find that at the front end of the development of that industry it is very often necessary to import some of your talent. The responsibility, of course, is to ensure that you are able to so develop your local talent that in the shortest possible time the need to import that talent evaporates. It is in your best interest, as a country, as well as in the firm's best interest because the reality is this. If a firm brings any individual from his home to place him in another country to work, it costs that firm more than if they were able to hire talent in the locality because you pay transportation costs, housing and you pay most expenses which are not usually paid.
12.15 p.m.

For example, Sir, if a Barbadian working for any company, Government or the private sector, is posted by that company to another location, the company has then to pick up the cost of housing, various other allowances, not only for the individual but for relatives, in a way that it does not do when the individual is working here in Barbados. The reality is that companies are

extremely reluctant to have to move persons across international borders. The reality of the situation, like I said, is that not only is there a shortage of competent programmers in Barbados but if you were to check the numbers graduating from the University of the West Indies over the past five years you will find that you would not be able to find 200 who have graduated with majors in computer science.

The problem is not unique to Barbados. In the United States of America a study was done by one of the major consulting companies. A high hunt was done. They, on the basis of requests from their clients, had vacancies opened for some 40 000 programmers in the United States. The result of their high hunt showed that if they were to take all of the persons graduating from all the universities and colleges in the United States with Computer Science Bachelor Degrees, they would not be able to get the 40 000 they required, so there is a shortage of this particular talent worldwide. As a result, there are two countries that have specifically 10 years ago targeted this area as an area in which they will train their people, that attract major software engineering business right now and those two countries are Ireland and India because they have had specialised institutions which have specifically trained persons in those areas. We believe the potential exists for Barbados to establish the same level of recognition in the area of software engineering as it has been able to attract in the lower value added areas of data entry and other forms of transactions processing.

Sir, this area of information technology is one which the IDC is aggressively targeting, not only from the point of view of the promotion of investment in the sector, but also working with the educational and training institutions to ensure that our training and education policy is such that it recognises where the opportunities are today as well as where there will be as we move into the 21st century and that we put appropriate training into place. This capital works programme, Sir, which is to be financed by this $12 million bond issue, is all part of that process.

In the area, Sir, of small business, the IDC continues to provide a wide range of services to the small business sector. It provides an all important but, unfortunately, missing component in the entrepreneurs' repertoire of skills. Very often entrepreneurs have ideas, there are good ideas, but the entrepreneur is not in a position to obtain financing, very often because he is not able to express his project idea in which can be described as a bank literate format. He does not know about business plans, and making projections and other areas which banks consider to be necessary if they are to finance. Provision of those advisory services, assistance and formulating business plans, assistance at identifying production space, assistance in marketing, assistance through the design centre in product design, designing letterheads and other means of corporate identification are also an important factor in the work which is performed.

In terms of investment promotion, a wide range of strategies are utilised. As indicated earlier, overseas offices are located in London, Miami, New York and Toronto. Through those offices a number of trade shows and trade fairs are attended and a number of specific Barbados investment promotions, seminars, and symposia are held. For example, during the course of the year so far, 1996, some 25 of those types of promotional events were undertaken. This, of course, would be in addition to the usual mail-outs of information. It is also in addition to the IDC having its own Website @ BIDC.com so that by use of modern media through the Internet we are able to promote Barbados as an investment location.

Now, Sir, in terms of the bond issue, this issue, subject to the Senate's approval, is going to be guaranteed by the Government of Barbados. The sum to be raised is some $12 million which, together with financing from the Government, though its annual subvention to the IDC as well as IDC's own contribution from the sale of some property, and as well an additional loan that had been previously raised will result in a capital works programme for 1996/97/98 of some $25 million. The $12 million bond issue at 8.75 per cent interest rate will have a maturity of 10 years and, as is normal in these circumstances, a sinking fund will be established into which half-yearly contributions are to be paid so that the bonds can be redeemed at maturity in 10 years' time.

Among the projects which are to be undertaken with this financing include a small business centre which is planned for Fontabelle, a new information services building, which is to be constructed on the last available open lot in the Harbour Industrial Park and that is adjacent to the second entrance to the Bridgetown Port in the region of the molasses terminal, next to the Barbados Cosmetics Products. That building is to be a 60 000 sq.ft. building with state of the art facilities for information technology. I should just indicate to Members of the Honourable Senate that one of the reasons why the Harbour Industrial Park is being targetted for full development in respect of information services is that one of the challenges which we face in managing many industrial parks through the IDC is the issue of compatibility of operations. They are required to provide space for operations as diverse as furniture manufacturing, food processing, garments, cigar manufacturing, electronics assembly, information technology. Clearly having a furniture manufacturing plant sending sawdust around the place would not be compatible with food processing or with information technology.

12.25 p.m.

So that over the years we have had to make an effort to streamline the use of the various facilities so that Newton Industrial Park has by and large evolved as the centre for electronics assembly. The Harbour Industrial Park has been converted to the Harbour Business Park where the facilities there are office type facilities for information technology. In addition to that we have been able to work with BARTEL and BET to ensure that the pace of development of infrastructure in that area was now in advance of the infrastructural work which is presently going on. So that, that was the first area in Barbados where offices could have fibre optic cabling facilities right up to their PBX in addition to which there is also a special high speed microwave link to BET's office at Wildey which provides for dual capacity and obvious reliability of supply as far as telecommunications services are concerned. So that after use is made of the last available lot in the Harbour Industrial Park then we would have to look at further reconversion of buildings there. Also included in our long-term plan is the conversion of what is known as the Cluster Block at the Harbour Industrial Park which is that multi-used facility next to Chefette on the Princess Alice Highway in the Harbour Industrial Park.

Also included in this particular issue in terms of the way the money is going to be used is the redevelopment of Pelican Village which all would agree has not kept pace in terms of its ambiance and the facilities that are available with what are the expectations of modern shoppers. That in addition to other factors has resulted in the complex not being a good source of income for the persons who occupy them which are some of our small craftsmen and so on. We are proposing to redevelop the facility in such a way that it would once again become an attractive centre for shopping. It would once again become a hive of activity and thereby provide opportunities for small entrepreneurs and craftsmen to make a living which is befitting the quality of work which they are able to do and the expectations which they should rightly have of being able to have a proper stake in Barbados' development. In addition to that there are a number of other buildings which are in need of major refurbishment. There is one building in Wildey, for example, which has not been able to be utilized for several years because the electricity, plumbing and other infrastructure needs to be re-worked in order to improve its safety, reliability and the like. That is what the money would be used for.

I also want to take the opportunity to indicate that in terms of the longer term development with respect to the availability of production facilities for manufacturing and services that the IDC is currently doing the design work on the new industrial park for Newton. We are now in possession of some 32 acres of land east of the existing Newton Industrial Park which we hope to develop over the next several years and we are currently having discussions with the private sector in terms of exploring some of the newer means of financing infrastructural development, areas such as build/operate/transfer arrangements which would allow Government to be able to have the infrastructural developments which are required but without having the added burden and the finances of central government. So that we look forward, Sir, to being able to continue to meet the demand which is currently there for factory and office space for manufacturing and services.

We look forward, Sir, to continuing to implement policies which would support the development of new businesses and the expansion of existing businesses in Barbados. We hope to continue working particularly to assist the small business sector in its growth and development and we will also continue to assist more and more indigenous businesses in entering the export sectors of the economy.

With that, Sir, I beg to move that this Government guarantee of $12 million bond issue of the Barbados Investment and Development Corporation do now pass.

The question was put to the Senate and agreed to.

ORDER NO. 8 – THE EXCISE TAX BILL, 1996

SENATOR THE HON. R. R. FARLEY: Mr. President, the Excise Tax Bill 1996, basically seeks to bring a new regime in place which takes account of the changes which have occurred in the indirect tax system of Barbados. As you know, Sir, there is an existing excise tax regime in which a special excise tax is levied on a range of products. As you are also aware, Sir, this Honourable Chamber did pass the Value Added Tax Act, 1996 which Act replaced some 11 taxes which were previously collected under a number of enactments including the Consumption Tax Act and the Stamp Duty Act. There was also a luxury tax on goods, entertainment tax, hotel and restaurant sales tax, service tax on pleasure cruises, tax on quarriables, travel ticket tax, airline business tax, tax on overseas telephone calls and a surcharge on rental income. The abolition, Sir, of those 11 taxes means the giving up of revenue in the sum of some $420 million. The VAT, Sir, as designed is not intended by itself to replace that $420 million of revenue and it was therefore decided that in order to maintain the integrity of the indirect tax system and to achieve the goal of revenue neutrality in the tax yield with the introduction of the new tax system a number of products would be subject to an excise tax, particularly motor vehicles, alcoholic beverages, tobacco and petroleum products.

12.23 p.m.

Now, Sir, as you would recall, those products are now themselves subject either to special excise tax rates

and/or special high consumption tax rates. In several cases, Sir, if the value added tax were to be applied to those products under the existing excise arrangements the taxation level on some of the commodities would increase. In other cases, with the abolition of consumption tax, whereas the consumption tax take would have been a major component on the product, the tax level would have fallen and therefore revenue neutrality would not have been achieved.

Consultation of course was held on a number of these issues in terms of insuring that the most equitable arrangement was put in place and to give effect to the revenue neutrality that was desired and therefore this Excise Tax Act is before us.

The Excise Tax Act, Sir, basically imposes this tax on taxable goods manufactured in Barbados. It also imposes the excise on spirits manufactured or produced in Barbados and removed from the warehouse, and taxable goods imported into Barbados. It is the Schedule to the Bill, Sir, that provides the details of the taxation. The First Schedule, for example, Sir, gives a description of items and the rate of excise tax which is to be levied and like I said, Sir, the products there are alcoholic beverages ranging from beer and wine to other spirits. Then of course, Sir, there are the tobacco and the tobacco substitutes as well as petroleum oil and other oils as well as motor vehicles.

The Second Schedule to the Bill, Sir, provides a list of goods which are exempt from excise tax and these are certain goods which fall under the general description of tobacco, wines, motor vehicles, falling under the Excise Act, Sir, but under several customs enactments, Sir, are exempted otherwise. The general principle behind this Bill is that it seeks to achieve the goal of revenue neutrality with respect to the introduction of the value added tax. So that in cases where the introduction of the value added tax and the abolition of consumption tax would have changed the level of tax on the commodities in the areas of motor vehicles, petroleum products, alcohol and tobacco, the level of excise has been adjusted so that when added to the value added tax, the tax yield remains the same. That basically, Sir, is what this Excise Tax Act attempts to achieve.

I beg to move, Sir, that the Excise Tax Act, 1996 be now read a second time.

SENATOR Mrs. P. E. RICKINSON: Mr. President, I do support this Act but I would like to make one comment with regard to the excise tax on tobacco and tobacco substitutes. I personally, Mr. President, would really like to see a bit more increased tax on tobacco and tobacco substitutes which could be used in order to help pay for the illnesses arising from tobacco, in particular cancer and other respiratory illnesses which could place a very heavy strain on our very limited resources and of course on our nurses as well in the area of nursing care.

Mr. President, I would also like to see an increase in the excise tax on tobacco in order to counteract some of the advertisements which I have recently heard in the morning when the children are listening to the radio. I will tell you why I am saying this. I thought that there was an understanding that advertisements about tobacco would be done later in the evening and not in the day time and the type of advertisements, telling you about the satisfying taste, is not good for our young children. Our adults can make a choice and smoke if they so desire but we must look after our young children who are at an impressionable age. I do not think that the children should be listening to any form of tobacco advertisement that gives them any form of satisfying taste when we know of the health hazards brought about by tobacco. There are people in the Ministry of Health who should be listening to these ads and who should challenge the company about the factual matter of the ad.

I have become more and more concerned about it. I myself was a chain smoker, 40 cigarettes a day, and in order to stop smoking, Mr. President, one has to go through a withdrawal period and become very sick. Although I myself did find it satisfying that is only half the story the other half is, it is addictive and in order to get off that addiction it takes all sorts of changes in attitudes and so on. That is my main concern.

I have not heard about the spirits being advertised when our children are listening. If that is so, I think the same thing should happen in relation to alcohol. Adults can do as they please but we must, I repeat, protect our children.

I 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. R. R. FARLEY, the Senate resolved itself into Committee, His HONOUR SENATOR C. L. BOLDEN in the Chair.
12.45 p.m.

Mr. CHAIRMAN: The Senate is in Committee.

Clauses 1 to 22 inclusive were called and passed.

The First Schedule was called.

SENATOR THE HON. R. R. FARLEY: Mr. Chairman, I beg to move that the First Schedule become the First Schedule to the Bill.

The question was put to the Senate and agreed to.

The Second Schedule was called.

SENATOR THE HON. R. R. FARLEY: I beg to move, Mr. Chairman, that the Second Schedule become the Second Schedule to the Bill.

The question was put to the Senate and agreed to.

On the motion of SENATOR THE HON. R. R. FARLEY, Mr. CHAIRMAN reported the passing of one Bill in Committee and Mr. PRESIDENT resumed the Chair and reported accordingly.

On the separate motions of SENATOR THE HON. R. R. FARLEY, the Bill was read a third time and passed.

SUSPENSION OF SITTING

SENATOR THE HON. R. R. FARLEY: Mr. President, I beg to move that the sitting be suspended until 2.00 p.m. today.

The question was put to the Senate and agreed to, and Mr. PRESIDENT suspended the sitting accordingly. 12.55 p.m.

RESUMPTION

Mr. PRESIDENT: This sitting is resumed.

ORDER NO. 4 – THE INSURANCE BILL, 1996

SENATOR THE HON. R. R. FARLEY: Mr. President, I rise to move the second reading of the Insurance Bill, 1996. This Bill, Sir, is designed to create a new framework within which insurance business is conducted in Barbados. Specifically, Sir, it is designed to strengthen the protection for policy holders in the insurance industry, insurance being a major sector within the financial sector. It is designed to increase the capital and solvency requirements of the insurance companies and it is also designed to expand the regulatory framework to include the regulating of all intermediaries, insurance brokers and agents and the like to give effect to other matters relating thereto. This Bill therefore in effect will replace the existing legislation. The existing Insurance Act is to be repealed and the new Insurance Act will replace it.

This Bill as you know, Sir, was referred to a Select Committee of the Senate and House of Assembly. In fact on February 20, 1996 the House of Assembly which referred this matter to the Select Committee in the Other Place on that occasion chose its members and on February 21, 1996 this Honourable Senate appointed its own in the persons of Senator Barker, Senator Thompson and Senator Workman to be the Senate's representatives on that Joint Select Committee.

Meetings were subsequently held in June and November and submissions were received from a number of parties. For example, Sir, there was a joint submission from the Life Insurance Companies Association of Barbados, Life Underwriters Association of Barbados and the Life Insurance Field Managers Association of Barbados and separate submissions from the Insurance Brokers Association, the General Insurance Association of Barbados and so on. In addition to which, personal appearances were entered by a number of persons.

The Committee's report was submitted to this Honourable Senate and adopted by it at its last sitting. The work of the Committee involved a review of the Bill in its entirety, clause by clause and to receive submissions to make amendments and so on in relation to various aspects of the Bill. The main items of the report that I specifically want to make mention of as indicated by the Committee in its report is that the Committee was of the opinion that the definition of insurance business should be widened to include pensions business, and an amendment was made to that effect.

Also the Committee had some difference of opinion on the matter of irrevocable designations and specifically whether the policy holder should have a choice to name a spouse as irrevocable or revocable beneficiary or whether once a spouse is named as a beneficiary the designation should be irrevocable. Generally the Committee noted that the Bill should not deal with annuities and also expressed some concern about the voting rights of policy holders in stock companies.

Sir, the general features of the Bill will incorporate many of the basic features of the previous legislation but with improvements in, as I said earlier, strengthening the protection for the policy holder which is the principal responsibility of the State in these matters. Policy holders will never ever be in a position to have access to be able to properly analyse all relevant information which must be required in making decisions with respect to insurance and the State, through the office of the Supervisor of Insurance has to act in the public's interest to ensure that companies have sufficient financial strength and companies operate so much within the 4 walls of propriety as will not cause alarm to any consumer who might purchase products or services from the company.

The Bill takes the opportunity to indicate what class of insurance business would be caught within the ambit

of the Act and includes the typical things like insurance business, industrial life insurance, property insurance, accident and sickness insurance, liability insurance, motor vehicle insurance, marine, aviation and transit insurance and generally other classes of insurance which might be specified from time to time by the Supervisor.

It speaks to the power of the Supervisor of the Insurance as well as his responsibility including things of his acting as the regulator and arbitrator in a number of these matters. The Bill is pretty much clear on the qualifications for registration. I believe that in the case of registration it is important to note that the Bill also requires that insurance intermediaries be registered and again the criteria for registration, the requirements for registration as well as the circumstances and procedures for issuance of certificates or for denying registration, are pretty clearly spelt out.

One other interesting feature is to note that persons who claim to be insurance intermediaries by using the word "insurance" to say they are an insurance agent or insurance broker without being properly registered are guilty of an offence and can be subject to penalty because the public must be protected in these matters. The public would generally assume that if someone is bold enough to advertise that they are of a particular trade, calling or profession that generally they are. Unfortunately, in a business like insurance, you only know that you have been hurt after many years of paying premiums and then at the point when you seek to draw benefits then if you discover that you are hurt that is it. It is not a simple case of buying a pair of shoes and you discover that the heels were badly constructed and you might only suffer the loss of the cost of a single pair of shoes.

The Bill, also, Sir, speaks to new capital requirements recognising the multi-million dollar nature of the industry which I believe has assets somewhere in the region of $700 million or thereabouts. It requires, for example, that for long-term insurance business a deposit should be $1 million and for general insurance either 40% of the premium income or $250 000 whichever is less and not more than $1 million.

It also has requirements for the establishment of a statutory fund and generally several other safeguards which have been put in place to achieve the objects of the Bill. There has been some clarification of the section which deals with the investigations by the Supervisor. You will recall that even in recent times there have been some questions as to the powers of the Supervisor in terms of demanding information from companies that it believes might be worthy of investigation. This new Act seeks to make that clear.

The Act also provides for making of regulations by the Minister to give effect to the objects and purposes of the Act as well as to provide for certain exemptions. Basically, Sir, this Insurance Bill, 1996 which has been fully and properly signed by the Joint Select Committee of the Senate and the House of Assembly is here for our consideration and I beg to move that this Insurance Bill, 1996 be read a second time.

SENATOR Mrs. A. P. THOMPSON: Mr. President, the matter before the Senate today deals with the insurance industry in general in Barbados. Not only does it address an area which is of very great concern to me, that of life insurance, but it deals with general insurance.

As we look at insurance as it stands today in Barbados I think we need to reflect a bit on the history of insurance because I am sure there are still many among us who take it for granted and who see insurance people going around trying to convince their brothers and sisters of the importance of their involvement in such a programme and there are many who still see us only for the commissions we earn for such very hard labour.

I would like to add to this debate by bringing to the Chamber a quotation from Life Insurance Annuities in Canada, First Edition. This is the First Edition in 1757 that was presented to the British Parliament. That edition stated, and I quote:

> "That great numbers of His Majesty's subjects, whose subsistence principally depends on the salaries, stipends, and other incomes payable to them, during their natural lives, or on the profits arising from several trades, occupation, labour and industry, are very desirous of entering into a society for insuring the lives of each other, in order to extend after their decease the benefits of their present incomes to their families and relations, who may otherwise be reduced to extreme poverty and distress, by the premature death of their several husbands, fathers and friends, which humane intention the petitioners humbly apprehend cannot be effectively carried into execution without His Majesty's royal authority to incorporate them for that purpose."

2.20 p.m.

That is how this great industry began. Of course, the first insurance company did not come into being in Great Britain until 1762 when there was an experiment carried out there under the Society for Equitable Assurances on Lives and Survivors. It is out of this petition that the first life insurance company, as we understand it today was formed.

As we look at the insurance industry in Barbados, I do not think many people realise that life insurance started in 1840 when the Barbados Mutual Assurance Society was formed. The Mutual started in 1840. It was incorporated under an Act of Parliament in 1851. Barbados has the oldest life insurance company in the Americas. The only insurance companies older than Barbados Mutual are in Great Britain. The Barbados Mutual was founded by a British actuary who was doing some work in Barbados at the time.

We do have a very rich and proud history in the life insurance industry. The first North American insurance company was founded in 1847 in Canada. Then we have North American Life, 1881, and Canada has a rich association with politics and insurance. In 1881, the second Prime Minister in the Dominion of Canada formed North American Life. In 1887 the first Prime Minister, John McDonald, formed the Manufacturers Life Insurance company, so there has been a very close marriage between politics and the insurance industry. We need to look at that closely.

I hope that our debate today could focus somewhat on the insurance industry, not only on its capacity to bring together investors or individuals who have sums of money and who are looking for returns on their monies, but we can look at life insurance as an empowerment mechanism. That is what I am hoping that as a Parliament we can focus on. I think the two major political parties in Barbados have set at the centre of their forward-looking development the economic empowerment of our people. What that statement has accepted is that among us there are still a large percentage of our populace who are down the ladder and who are desirous and deserve to be brought up. As we look around for these instruments which can facilitate such upward mobility, we need to look in a bit at the life insurance industry because over the years in major and more developed economies, life insurance has been that mechanism for the improvement of the livelihood and lifestyle of citizens of countries. How is it that the health and life insurance industry, as it is now referred to worldwide, can contribute to the empowerment of our people?

In recent times we have focussed quite a bit on our aging population and the importance of making sure that people who have worked and given of their years during their youth can continue to enjoy some decent standard of living even in their old age when they can no longer go out there. I think it is accepted that this can only be possible if they are encouraged from their first working to reserve some percentage of income earned for the future when they are no longer earning but yearning and they still have the necessity to eat, drink and be merry.

The life insurance instrument by way of life insurance policy or, as I stated earlier, of the private pension plan, assists individuals in making such provisions. These benefits redound not only to individuals and their families but to the State at the national level because I think we must accept that individuals who have provided for themselves pose no liability to the state, hence the importance of a Government making sure that at all times measures are put in place and inducements, incentives, rebates, allowances, whatever are made available for individuals to do such.

As we look at the life insurance industry in Barbados today, and I am not going to ignore the other industry, we see that as at 1993, those are the most recent statistics available, the life insurance industry has invested in Barbados on behalf of life insurance of Barbadians in excess of half a billion dollars. These monies have been invested mainly in Government bonds, debentures and Treasury Bills. Again, we see the life insurance industry playing its part in making sure that our State is stabilised.

With these funds, I am sure we are all aware that Government has been placed in a position that it can carry out its social welfare and other programmes for the total improvement and enhancement of the livelihood of its citizens. Here we see the insurance industry making its contribution in that area hence we can see how it is assisting in the empowerment of our people because once our people have some financial independence, as that independence grows, they strengthen and as they strengthen they begin to feel comfortable and start to take risks and then we get them into the other areas of development which would help to empower them.

The life insurance industry has contributed significantly to the housing of Barbadians. I do not think many people realise that there are over $100 million out there invested in residential mortgages. A significant contributor to our housing stock in Barbados is the life insurance industry and we know how near and dear a home is to a Barbadian. Culturally, we can say that is one of the things which we cherish most, our ability to own our own little piece somewhere there in Barbados and the industry contributes in that regard. Again, another form of empowerment of our people. The industry invests also in commercial mortgages, but to a lesser extent the largest source of funds is allocated to residential mortgages.

I think we need to make this point because from time to time there is a lot of discussion about whether the life insurance industry contributes anything at all to people's lives. The belief is that we collect premiums only, then somebody has to die, then money is paid out and not many of us look around. Maybe the industry is at fault in this regard. Maybe we do not shout our praises as much as

we should and we do not allow Barbadians to know how much we contribute in that area of housing.
2.30 p.m.

Insurance companies have been conservative in their investments but there is a reason for that. When we consider that they take people's money for very long periods of time, you can be in an insurance policy from age 18 and you expect that at age 65 you must get your money back. So I am hoping you can understand why insurance companies have not been able to get into a number of very high risk areas and for that reason worldwide insurance companies come under very heavy regulation and government and that is to make sure they fulfil their contractual obligations towards individuals who are signed up with them for insurance policies.

I am happy that we have this legislation before us today. This is something for which the Life Underwriters Association of Barbados has lobbied over the last 10 to 12 years and I know a lot of work was done by that Association – and I know that this Bill is a carry over from the last administration – which has made a number of recommendations which we are pleased to see in the new Bill. We recognise that we are dealing with a very educated and sophisticated public and the importance of making sure that our industry becomes more transparent and that that transparency is obvious because there is still reference in Barbados to fine print in insurance. I do not know why after so many years there is so much talk about the fine print in insurance, hence the importance of assuring the insurance public that there are regulations to protect their interest. I am happy that the Government has insisted that insurance companies put larger sums out to secure the deposits of life insured individuals with insurance companies. The figure which we have on our books for $200 000 dates back to 1973. The industry has grown significantly since then and we welcome that.

We are also glad that the Supervisor of Insurance has been granted teeth because I think he had only gums in the past and therefore could not bite the hard stuff. He needed the protection because as a life insurance person, I would like to think that after I have done my job, and there is somebody who is dissatisfied, that that person has someone to go to and could come away feeling that his or her interest has been competently looked after. I believe it helps to keep those unscrupulous ones from among us because, as in all professions, there are individuals who from time to time would want to do things their own way and bypass and ignore even the code of ethics which is there under the Life Underwriters Association of Barbados. I am happy that we are strengthening the laws in those areas that such individuals can be dealt with although I know we cannot legislate morality but we need to be able to keep those individuals out and when they are in we need to deal with them harshly that they can begot out before they do too much damage.

There is a new area in our legislation about beneficiary designation. This particular area is of very great importance to us. I am not sure that we in Barbados have paid enough attention to this area and the designation of a beneficiary irrevocably. If insurance is to be deemed as property and if it is accepted as property then I believe that individuals ought to be given a free hand to do whatever they choose to do from time to time with such property. The ability to determine who now would want to be a beneficiary in the equity of a life insurance policy to me is one that is long overdue. We really need to deal with this matter and I am happy that it has been dealt with in this new Bill although I am not sure since the Select Committee left one or two areas hanging for debate in the Lower House. I am not sure that we have settled that area since this Bill was not debated really in the Lower House and I have a little concern in the area of beneficiary designation. But if life insurance is to serve its purpose of creating, conserving and distributing an estate then the life insured ought to have the power to do such after having created and conserved the power to distribute that estate and this designation assists in that regard.

The concern about annuities is my concern and it is the concern of the Life Underwriters Association of Barbados because a number of individuals from time to time would want to be able to purchase on their own behalf an individual instrument for retirement planning and the annuity is such and that is an area which we hope that an amendment in the not too distant future would allow us to incorporate into this Act in order to give it its full meaning. Today in the wider insurance world we do not discuss life and health insurance unless we discuss annuities since life insurance policies are used mainly for annuities and we would hope that the Government would look at that area very soon.

There is another area which concerns me and which I would like to touch on and that is the mutual life insurance company, not the Barbados Mutual. I do not believe we pay enough attention to that in Barbados. Some years ago, not too many years ago, there was a big debate in this country when the Barbados Mutual attempted to make certain changes to its deed of covenant. And coming out of that debate, at the time I thought a number of Barbadians had arisen from a very deep sleep and were now recognising the importance of their involvement in the Mutual Insurance Company. Unfortunately, and sad to say, I was wrong because today the Barbados Mutual can now convene its annual general meeting again in its private office at Collymore Rock. At that time when the issue was controversial many Barbadians rushed

to Dover Convention Centre and elsewhere to cast their ballots as shareholders in the mutual company. The matter has died down and like everything else they say about Barbadians, short-lived and they are not doing that. This is an appeal to Barbadians again. All policy holders of the Mutual Insurance Company are shareholders and they should come out and make sure that they help to determine the future of their insurance company, that they ask for the changes they want to see in such companies and seeing that the only mutual company in Barbados is the oldest insurance company in the Caribbean and the Americas that we make sure that that company is at the forefront of changes which should be brought about in the insurance industry. I am not happy that Barbadians are fully utilising that mutualism and I think they need to do so. I do not believe my employer would be angry at me for saying that. One of my functions is to make sure that I educate people and I believe the House of Parliament should be used to make people fully aware of their rights and their privileges and the onus is on us to say to Barbadians that as policy holders of the only mutual insurance in Barbados they need to come out and participate at that Annual General Meeting.

Around the world there is a lot of talk about demutualisation. I am going to touch on it because it is not a good thing for Barbados. If we demutualise the only mutual company in Barbados what we would have done effectively is push our people back and if we are talking about empowering our people and we demutualise this company the same people who are out there saying we want to be shareholders and we want to be participants in the wealth and so on, what we would have done is throw everything out because – tell me something – if the shares of the strongest mutual company were on the market, and its shares were up, do you believe Senator Goddard was going to let me get there before him to buy some shares? The truth is that those individuals who can afford it and who understand the importance of participation in a strong company would get there first so that individuals who own life policies and who are now shareholders would find that they will have no part in that company other than as policy holders. I would hate to see the day when we reach the stage of demutualisation of the only mutual company in Barbados.
2.40 p.m.

I am pleased that we have addressed certain areas in the general insurance legislation because for a number of years there have been concerns in those areas and this modern piece of legislation seeks to address them. I hope that some of those concerns – I am not a general insurance agent but I know of some of the concerns because I have properties and we try as much as possible in the select committee to make sure that we have those areas addressed, I believe, to the satisfaction of the representatives of the general insurance industry.

Mr. President, I would not like to delay the debate much longer other than to say that I would like to close with the words of the late Sir Winston Churchill as he tried to convince his people of the importance of insurance and he said, "If I had my way I would write the word insure over the door of every cottage and upon the blotting book of every common man for I am convinced that for sacrifices that are inconceivably small, families can be protected against catastrophes which otherwise would smash them up forever". So to all Members of the Senate I encourage you, get insured. Thank you.

Mr. PRESIDENT: I think that was a freak commercial, Senator.

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

The question was put to the Senate and agreed to.

On the motion of Senator the Hon. R. R. FARLEY, the Senate went into Committee on the Bill, SENATOR Miss O. P. SYMMONDS in the Chair.

MADAM CHAIRMAN: The Senate is in Committee.

Part 1, Clauses 1 to 6 was called and passed.

Part 2, Clauses 7 – 70 was called and passed.

Part 3, Clauses 71 to 79 was called and passed.

Part 4, Clauses 80 to 99 was called and passed.

Part 5, Clauses 100 to 147 was called.

SENATOR Mrs. A. P. THOMPSON: Madam Chairman, Clause 112, the section which deals with group insurance, that should be group life insurance.

MADAM CHAIRMAN: Thank you, that will be corrected.

The question that Part 5, clauses 100 to 147 as amended do now pass was put to the Senate and agreed to.

Part 6, Clauses 148 to 157 was called and passed.

Part 7, Clauses 158 to 189 was called and passed.

SENATOR THE HON. R. R. FARLEY: I beg to move that the First Schedule becomes the First Schedule to the Bill.

The question was put to the Senate and agreed to.

SENATOR THE HON. R. R. FARLEY: I beg to move that the Second Schedule becomes the Second Schedule to the Bill.

The question was put to the Senate and agreed to.

SENATOR THE HON. R. R. FARLEY: I beg to move that the Third Schedule becomes the Third Schedule to the Bill.

The question was put to the Senate and agreed to.

On the motion of SENATOR THE HON. R. R. FARLEY, MADAM CHAIRMAN reported the passing of one Bill in Committee to Mr. PRESIDENT and Mr. PRESIDENT resumed the Chair and reported accordingly.

On the motion of SENATOR THE HON. R. R. FARLEY, the Bill was read a third time and passed and cited as the Insurance Act, 1996.

ORDER NO. 7 – INCOME TAX (AMENDMENT) BILL, 1996

SENATOR THE HON. R. R. FARLEY: Mr. President, I rise to move the second reading of the Income Tax (Amendment) Bill, 1996.

Mr. President, this matter seeks to put into the legal framework, that is, the Income Tax Act, a number of proposals which formed part of the budgetary proposals of the Minister of Finance for 1996. Generally, Sir, they revolved around one of the key themes of the Budget of 1996 and that particular theme was the matter of the encouragement of savings and investments. As it was noted, Sir, by the Honourable Prime Minister and Minister of Finance when one makes a comparison of the rates of savings in various economies around the world Barbados' savings rate is at the lower threshold and given the nexus between savings and investment one can clearly see that if you really hope to be able to stimulate investments then you first of all need to mobilise savings and therefore a number of initiatives were taken to encourage savings as well as to mobilise those savings in the direction of investors activities.
2.50 p.m.

For investment in shares, for example, the Minister of Finance noted that the proposal for an income tax deduction up to $10 000 per annum, subject to certain conditions, will be allowed. Investment in mutual funds, similar tax allowance; investment in shares in a public company as well. In fact, the two of these were linked together in an either/or situation where one could have shares in a public company or in a mutual fund, and these could be held for at least five years, since disposal under five years would expose one to a liability for taxation and, of course, the tax allowance is being given on the investment and therefore the dividends and interest will be subject to the usual withholding tax. But one can claim $10 000 for a combination of new shares in a public company or mutual funds, but not $10 000 for both. In other words, one could have $10 000 for either one but if one has both then the combined benefit at this point in terms of the protection of revenue would be $10 000.

The matter of Credit Unions was also raised at that point in the proposal. Credit Unions have been one of the most spectacular successes in terms of working class organisations being able to mobilise the savings of their members and directing those savings toward provident and productive purposes. I would want at this point to indicate that contrary to what some persons may want to suggest, Credit Unions have been quietly playing their part in terms of assisting their members to invest, whether in shares or in business activities and the like. There is somewhat of a clarion call, for example, for Credit Unions themselves to invest in a number of speculative ventures. That is not the proper role for the Credit Union. The Credit Union should maintain its focus on being the most efficient financial intermediary that it can be, and what it needs to do in order to advance the social cause of its members is to educate, guide and facilitate its members in making the right choices in terms of what they will do with the funds which they are able to gain from the Credit Union, so that through education and guidance, members are able to choose to use the funds mobilised through the Credit Union to buy shares in enterprises or to finance the start up of businesses and things along those lines. It is really not for the Credit Union as the entity to be buying into these businesses.

We recognise the Credit Union has been able to be a major source of small business finance in Barbados. One of the unfortunate things is that many people who are able to come out in Barbados, mobilise some funds and succeed, subsequently hide. They never come out to say "I have been able to do it this way". I am pleased to see that although the individuals are hiding, a number of Credit Unions are now coming out to say that in terms of our loan policy we have compartmentalised some funds. One Credit Union, for example, announced that it had set aside $1.3 million for small business investment by its members, obviously for eligible projects. Another Credit Union was able to announce that for a particular share issue that was going on the market it had set aside $300 000 and it had waived some of the other regular loan conditions to facilitate members being able to use the funds. Even if the individuals themselves are not coming out to give encouragement to new fledgling and aspiring

entrepreneurs, at least institutions are coming out to let it be known that this is what they are doing.

In the spirit of the good work which Credit Unions are doing for the social and economic advancement of working class Barbadians, the Right Honourable Prime Minister proposed to increase the income tax allowance for savings in a Credit Union from $1800 a year to $3000 a year, and effect is given to that in the Income Tax (Amendment) Bill we are considering.

In terms of registered retirement plans, the amount which can be claimed as a deduction was increased from $1500 to $4000, and that again is a very important stimulus to encourage the development of this area of registered retirement plans.

The matter of insurance, as our comrade Senator who is in insurance business would want me to say, is one of tremendous importance, because we are speaking really of taking actions today which will ensure that in the medium to long run our financial security is maintained, and of course that has two components. It is not only the financial security of the individual, but the cumulative effect of either financial security or financial disaster has a ripple effect on the society, so you either have a society which is strong and stable because all the individuals have adequately made provision to look after themselves in the long run, or a society which goes into some level of disintegration because too many people fall below the poverty line for failure to adequately make provision for their sustenance in the years ahead so that self-employed persons would be able to benefit from this provision in the Income Tax with respect to registered retirement plans.
3.00 p.m.

A proposal was made as well in the Budget with respect to reinvestment of dividends and an effort was made to encourage that and as a particular incentive there was the exemption from the final withholding tax of 12.5% on dividends provided that those are reinvested and held for a minimum of 5 years. Basically, the net effect of that is this. There are too many businesses in Barbados that depend on loan financing for expansion. Not enough emphasis is placed on reinvestment of dividends, also retained earnings for financing investment, to build a base for the future.

What we are hoping to do is that by using this incentive to enable us to have stronger companies, companies with a financially robust structure which would allow them to ride out any short term shocks which there might be in the economy as well as to be in a financially strong position to tackle the increasing competition which would result over time as a result of the new paradigm of international regularisation of trade and investment in all areas. We hope, Sir, that this will help.

The other secondary benefit of that, Sir, is that if companies can be encouraged to reinvest more of their own funds then it means that the funds which are available in the marketplace would be more readily available to start up enterprises and therefore would be able to finance more operations for new businesses than to be constantly using those funds in the marketplace for the expansion of existing companies.

The matter of venture capital funds was also addressed to encourage investments in venture capital funds. An income tax deduction of up to $10 000 was also provided for. On that score, this matter of venture capital funds and other types of financing mechanisms is important. One of the features which characterises the financial market in Barbados is that it is under developed. There are too few institutions and they operate in too restricted and narrow a part of the spectrum of financial institutions. The major financial institutions in Barbados would be the commercial banks, finance companies, credit unions. In Barbados, there is no abundance of merchant banks or venture capital institutions and the many other types of institutions.

At the end of the day, whilst we all want our banks to be more responsive to our financing needs a commercial bank can only act as a commercial bank should and a commercial bank which depends for its funds on typically short-term funds and savings accounts, short to medium term fixed deposits and so on obviously cannot get into the longer term more speculative type of financing that a merchant bank or another type of financial institution would because those institutions are not subject to the vagaries of day by day withdrawals from accounts as commercial banks would be.

Whilst we can lambaste the commercial banks for not being responsive in certain circumstances the facts of the matter is that they can only do what they decide to do. I am sure that like me, Sir, the day that you go to your commercial bank to get your $30 – in this case my $30 as I am sure that you wouldn't have a problem with those small numbers – and they tell me that they are sorry that I have to come back next week because they have loaned the funds out to some new and developing enterprise I would not be amused. So the fact of the matter is that while we have pushed the commercial banks to be more responsive in terms of pushing the limit of possibilities as to what they can do, our responsibility is in recognising their limitations to create the financial infrastructure which would see the birth of new alternative financial institutions so that the capital market of Barbados develops the

profile of the capital market of any of the developed industrialised countries. People are able to go to different financial institutions for different types of financing situations.

If we continue this excessive dependence on commercial banks it really won't get us too far. So we are seeking to encourage corporate entities and individuals with investible funds to invest in our institutions such as venture capital institutions and thereby provide alternative funding arrangements for the support of business development in this country.

These proposals as contained in the Income Tax (Amendment) Act, 1996 give effect to those statements which were made by the Minister of Finance in the 1996 Budget. So I beg to move, Sir, that this Income Tax (Amendment) Bill, 1996 be now read a second time.

SENATOR J. A. WORKMAN: Mr. President, I just want to make an observation that in section 7, Division O where there is mention of an innovation fund and also venture capital fund there is indeed a definition of venture capital fund but no definition of innovation fund. Perhaps this would have to be tidied up at some other time.

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

The question was put and agreed to.

On separate motions of SENATOR THE HON. R. R. FARLEY the Bill was read a third time and passed.

ORDER NO. 6 – A BILL TO AMEND THE PROPERTY TRANSFER TAX ACT

SENATOR THE HON. R. R. FARLEY: Sir, the need for this amendment probably arises out of a previous item which was the budgetary proposals in which the emphasis on the development mobilisation of savings and the encouragement of investment were major focal points.
3.10 p.m.

You will recall, Sir, it was indicated that efforts would be made to encourage the holding of these shares and investments which were the beneficiaries of generous tax allowances for a period of 5 years. Also, you will recall that in terms of shares, these share the definition of property with respect to the Property Transfer Act. Therefore, some amendments were required to give effect to the exemption of the transfer of these shares from the property transfer tax for movements of certain kinds.

The amendments are really quite simple. They relate not only to shares but clarification of the exemption of parties to a marriage from the payment of property transfer tax where the interest in the matrimonial property is transferred from one party in the marriage to the other as a result of a court order. That is a particular provision that has worked some hardship on a number of people who were already obviously suffering the pains which would be associated with having to have the property of the marriage become the subject of a court order because typically that only happens in the least happy marital circumstances and the State would not want to be inflicting additional pain in such circumstances on parties who are already very strained and have their cup full and running over with troubles.

Basically, then, Sir, the Property Transfer Tax Act amendment would seek to exempt the transfer of the property. For example, the court may order that the ownership of the matrimonial home be transferred to one spouse or another and the children. In the present arrangement, the property would be subject to the tax as per any other transfer. Basically this amendment would seek to exempt that particular type of transaction, as well as I mentioned previously, Sir, the matter of transfer of shares within a specified limit from property transfer tax.

I beg to move, Sir, that this Bill be now read a second 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 be now read a third time and certify that it is a money Bill.

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

ORDER NO. 9 – RESOLUTION TO APPROVE THE GUARANTEE BY THE MINISTER OF FINANCE OF THE PAYMENT OF A LOAN OF U.S. $15 MILLION FROM THE CITIBANK OF TRINIDAD AND TOBAGO LTD. FOR THE TRANS-PORT BOARD

SENATOR THE HON. R. R. FARLEY: Mr. President, approval is being sought for the Government to provide a guarantee on a transaction between the Transport Board and Citicorp Merchant Bank. The loan is to be raised in the sum of U.S. $15 million to allow the Board to reorganise and restructure its operations. The approval is being sought under the relevant legislation in respect of the Transport Board Act.

Sir, the Transport Board, as you are probably aware, Sir, has become an entity which is no longer able to provide the level of services to satisfy the demand of the travelling public. Much of the difficulty in meeting that service demand springs from the absence of adequate

rolling stock. There are simply not enough buses to provide the level of service that is required.

As you will recall, Sir, the public transportation system of Barbados at this point is structured in that the Barbados Transport Board, which is a Government-owned service, is providing service on a number of routes, but there are also a number of private operators who run vehicle fleets ranging from 1 – maybe 10. They vary in size but there are typically a large number of small units which are given permits to operate on a number of routes.

The types of vehicles owned by private operators also vary. There are larger buses which seat perhaps about 30 passengers which are registered as the B buses. Then there are the ZM buses which are an intermediate sized unit transporting 12 to 15 persons. There are also then the ZR units which are micro sized units which transport 4 to 6 persons. Those different sizes and different types of entities are licensed to provide public service transportation at the same rate in terms of its fares as the Transport Board, but on prescribed routes.
3.20 p.m.

The situation is however, in terms of the way that the permits have been distributed over a number of years the Transport Board has faced two situations. In the early days when it still had a larger rolling stock than it does now, in 1996 they are providing an average of less than 120 buses per day compared to the late nineteen eighties to something in the region, I believe, of about 240 buses per day. The Transport Board has been removed off a number of routes which it has serviced over the years to the extent that pensioners are not able to benefit, for example, from free bus rides on the Wanstead and other short routes. In addition of course is the fact that consumers are now complaining that they are not able to get to church on a Sunday or get to work or get around on weekends or outside of peak hours because the individual operators only operate at peak hours so there is no problem of transportation on the routes at peak hours when everyone is working but on Sundays and at off hours, all the services stop. In fact it has reached the stage where persons living in the wider urban areas have been reduced to what persons who go up in the country like me had to put up with for many years.

For many years when I was a teenager, if you played hockey at school, if you were into athletics, if you were into swimming, you had to curtail your activities in time to catch the 8.00 o'clock bus from Bridgetown. If you missed that 8.00 o'clock bus you would walk, slam some tar, is the appropriate expression, I am reminded, up to the country. It is happening now that persons who live in the country and who catch the transport board buses can get up to midnight service but persons who live in the wider urban areas, serviced by some private operators have now to curtail their activities by 8.00 o'clock or they slam tar too.

The public transportation system of Barbados has gone through a number of convulsions and eruptions over time and we are at the point where a number of consumers, right across the island, are demanding of the Transport Board that it needs to provide service on a larger number of routes and that it also needs to provide a more reliable and a more frequent service on the existing routes which it services. But the fact of the matter is that there are not enough buses to meet the demand. What this of course does as well is that for those buses that are currently in service, they will obviously be made to work harder and the time that should be made available for maintenance would obviously be reduced because they have to be pressed into service and therefore you are increasing the rate of deterioration of those units. So that these finances, for example, will be used to purchase approximately 100 buses. These 100 buses would be purchased over a 5-year period, an average of 20 buses per year. That would work out to over US$2 million a year in purchases.

Because of the periodic nature of the purchases the $15 million loan would be released as a series of bonds, separated into 5 individual tranches. Each one would carry a face value of $2 million and every year one would be released. In fact the final year would be for $7 million to bring up the $15 million. So that the first set of bonds would be issued in 1996 and the last in the year 2000. So that the method of raising financing is being matched to the rate at which it would be spent. Basically the funds would also be used for the reorganising of the Transport Board. The workshop area needs to be reorganised to ensure that adequate maintenance is performed and in a timely manner. It is important as well for there to be increased training especially with new vehicles in hand, increased training for drivers on areas ranging from driving in such a way as to conserve energy as well as defensive driving techniques and just generally driving in such a manner as would enhance the longevity of the vehicles that are to be purchased. Of course driving in such a way as to enhance the longevity of their passengers as well. So, Sir, the Transport Board would use the availability of these funds to have a reorganisation and a restructuring which would see the purchase of additional buses.

It is also proposed that during this time the Ministry of Public Works would undertake a route rationalisation programme which would see some sense of order being brought to bear on the transport system. Clearly the Transport Board cannot do it itself. The Transport Board is now just one of the players in public transportation so a third party, in terms of the interim Barbados Transport Authority which has been established will have to see after the route rationalisation plan. That route rationalisation will question all of the basic assumptions about who should provide service and what should be the nature of service. For example it is pleasing to see that the Transport Board has not waited for that rationalisation to take innovative

steps. The Transport Board has introduced two city circle services, one was started two or so years ago, I believe, and the other was started a month or two ago. One runs in the opposite direction to the other so that persons who work around Bridgetown, I believe the service goes through Broad Street, up towards the Garrison, around Eagle Hall, through Bank Hall and Welches and so on. It allows persons who previously had to take 2 buses to be able to take one bus to get around. That of course has implications for persons operating on limited incomes. Also there are other innovations that have been taken over the years. The Silver Sands to St. Judes, St. George bus which provides a cross country service to persons who live in St. George but work in Christ Church. Persons working in Newton Industrial Park can take one bus to get to work coming from St. George. I believe that over time we will see quite a bit more non-traditional routing of buses. The areas that have to be considered, for example, are the demographic changes in the community.

There is no reason why in 1996 all buses should be seeking to terminate in Bridgetown. And these are things which I have been considering and I am just giving an indication of the kind of self-questioning which is being undertaken in this rationalisation plan. Why could there not be, for example, other areas throughout the country where there are bus depots where in the case of St. Philip, for example, buses running through the various districts in St. Philip could terminate at a central point from which buses then go by express to Bridgetown and so on which is one of the ways in which, for example, the rationalisation between the use of the larger buses and the smaller buses can be achieved. Those are just illustrations, Sir, of the kind of work which is currently being done by the Ministry of Transport and Public Works to question the very assumptions that have previously been made in terms of provision of public transportation. There is also, Sir, the need for the Board to relocate itself to facilities which would make for improved efficiency and security of operations. The current locations at Weymouth are woefully inadequate and certainly with increased rolling stock they would be even more inadequate so that funds are also included in this refinancing package to address the question of new workshop and administration facilities for the Board.

There are also plans in the restructuring, Sir, short of bringing attention to be paid to marketing. The Board is encouraging persons to ride the bus more often and in fact I have been pleased to listen to CBC radio on mornings to hear the Transport Board providing an update every morning on the services. They let you know which services have been on time, if there are any services on which there are delays and therefore one should obviously bum a lift rather than waiting for the bus. But generally they have been trying to let the public know exactly what is happening. They have been responding to specific questions by the public and I believe that they recognise that as far as the provision of private transportation in Barbados is concerned that it cannot be and it must not be business as usual. So, Sir, this U.S. $15 million for which a Government guarantee is required, and therefore the support of the Senate is being requested, must also be recognised as being part of a wider developmental method.
3.30 p.m.

We take so much for granted that we sometimes do not stop to think of the pivotal role which public transportation has played in economic development in Barbados. Barbados is able to provide employment opportunities for all of its people irrespective of where they live for the simple reason that there is public transportation. There are persons who live in St. Lucy who work in Christ Church and *vice versa*. There are other Caribbean Islands, not necessarily bigger than Barbados, but because of their topography on the one hand and the absence of a public transportation system like we have, job opportunities are limited to the areas where they live and in order to benefit from job opportunities in the city, for example, persons have to move to those cities so rural life suffers and urban life worsens.

We are able in Barbados to allow people to remain in their own communities to benefit from the shared expenses of running a home by having extended family operations kept going but they are then able to either take work in any part of the island with the assurance that they will be able to get there and get back. Unfortunately in recent years that has come under threat but we are adamant that that situation must go back to what it used to be where persons would be able to live in their communities and build their communities with the assurance that their job opportunities would not suffer as a result.

We must therefore support this proposal for the restructuring of the Transport Board so that the Board would be able to provide proper transportation of a quality and reliability that all of us can be proud of. The support which we give to this Resolution today, Sir, will not just be providing buses and providing public transportation in a narrow way, Sir, but is really all about ensuring that Barbados does not have to get into issues of rural/urban drift, that persons do not end up living in communities where they are isolated, that they are able to ensure a fairly even and constant and harmonious development of all areas of our society through the availability of more cost efficient public transportation.

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

SENATOR Mrs. P. E. RICKINSON: Mr. President, I rise to support this Resolution to approve the loan

of US $15 million to the Transport Board but there are few comments that I would like to make. I do recognise that the key to any development is an efficient transport system to take people to and from work and our children to and from school. Because of this I would happily support this Resolution. However what I would like to see is that some of these buses be allocated to some of the schools, Mr. President. I am saying this because sometimes these buses pass me and the children are packed into the buses like sardines and I say a prayer that I hope nothing happens to that bus because if there is an accident so many innocent children will be injured and we really do not want to see that. I would really like to see an extra effort made to allocate some of the buses to our school children.

I congratulate you for starting the marketing process and speaking about continuing it but I would also like to see a little leaflet or booklet, and it would not take very much to produce, which says which bus is available on which route and at what time. I will tell you why I am saying that, Mr. President.

As leader of Government Business, you did recognise that there is difficulty sometimes in getting a bus in the off times and when you have people like nurses who have to go on shift work they find it very difficult to get to work and some of the excuses for lateness is that they could not get the bus. Well we really do not want to tolerate that because we need them there on time to take care of the patients.

Mr. President, I would also like to make a plea that we make sure that we purchase buses that are not too big or too tall that they hook down the lines and are able to negotiate our roads and they do not fly out of gear. I do not know how one is going to make sure that one gets those buses but we need adequate buses and if necessary we should insist on a guarantee for such buses so that we would not have them bought and then they are in the workshop.

Apart from that I do not think I have anything else to say and I wish you well in the reorganisation of the Transport Board.

SENATOR C. K. LAURIE: Mr. President, I just wish to make a couple comments. I am not at all in favour of our loaning money to these statutory corporations that are continually going down the drain. I spoke about that in the case of the BADMC last week and I think that this one is a similar situation. The Transport Board has for many, many years lost money. Now the question is this, privatisation has occurred and the private people are able to make a profit presumably because they are there. Why are they making a profit and the Government cannot make a profit? I do not see why we should be here to encourage inefficiencies that occur in Government Departments. I would like to know that the Transport Board was organised so that it has a business plan that shows it is going to get somewhere, that it is not going to come back to Parliament for these things. Now, if you are going to saddle them with the interest and the repayment of a loan like this, it is going to put them under more financial duress, so I am not at all in favour of granting loans to these statutory corporations.

3.40 p.m.

SENATOR Mrs. V. J. DAVIS: Mr. President, I really did not intend to speak on this, but just a short intervention. I tend to disagree with my colleague, because there is a responsibility that Government has towards its citizens and the only reason why the private transportation is making money is because they are taking the best routes and they are running the short routes. At our stage of development it is a disgrace for people to be standing around for hours without buses, without transportation out in the country.

I want to see a return to the public transportation which was the pride of Barbados and the Caribbean. I have friends who are pensioners who had the bus passing right in front there on Dayrells Road, now this poor old lady has to walk down to Highway 7 to get a bus. I think it is unfair to people who have given so much to this country to be treated like that. Pensioners have a right to be travelling free on the buses and we have a responsibility, and Government has a responsibility, so I take the greatest pleasure in supporting this Resolution.

Thank you.

SENATOR THE HON. R. R. FARLEY: Mr. President, I beg to move that this Resolution do now pass.

The question was put to the Senate and agreed to.

ORDER NO. 10 – THE ROAD TRAFFIC (LICENSING AUTHORITY) (VALIDATION) BILL, 1996

SENATOR THE HON. R. R. FARLEY: Mr. President, I rise to move the Second Reading of this Road Traffic (Licensing Authority) (Validation) Bill, 1996.

This legislation seeks to validate the acts of the Chief Licensing Officer in the performance of the functions of the Licensing Authority. Basically it is a technical action which would seek to legalise certain actions taken on or after June 1, 1981 in the performance of the functions of the Licensing Authority for the purposes of Parts IV, VIII and IX of the Road Traffic Act. What was required there was that the Chief Technical Officer needed to

be appropriately appointed as the Barbados Licensing Authority for the purpose of the Road Traffic Act.

In many of these bits of legislation, Sir, there is a requirement for a particular office or officer to be named as being the competent authority for the purposes of various sections, so that this legislation basically seeks to correct that technical deficiency in the legislation and, recognising the error, it is also important that appropriate coverage be effected with respect to those actions which would have been taken on the basis of the error during the period June 1, 1981, which is when the Barbados Licensing Authority would have been established, to the present.

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

The question was put to the Senate and agreed to.

On the motion of SENATOR THE HON. R. R. FARLEY, the Senate resolved itself into a Committee for further consideration of the Bill.

Mr. PRESIDENT: Senator Symmonds will preside in Committee.

SENATOR Miss O. P. SYMMONDS took the Chair.

MADAM CHAIRMAN: The Senate is in Committee.

Clauses 1 and 2 were called and passed.

On the motion of SENATOR THE HON. R. R. FARLEY, MADAM CHAIRMAN reported the passing of one Bill in Committee, and Mr. PRESIDENT resumed the Chair and reported accordingly.

On the separate motions of SENATOR THE HON. R. R. FARLEY, the Bill was read a third time and passed.

THE MAGISTRATES COURTS BILL, 1996

SENATOR THE HON. R. R. FARLEY: Mr. President, I rise to move the Second Reading of this Bill, the Magistrates Courts Bill, 1996. This is a Bill which is designed to provide for certain procedural reforms in the jurisdiction of Magistrates in civil and criminal proceedings and in the practice and procedure before Magistrates Courts, as well as to facilitate enactments relating to Magistrates Courts and to provide for associated matters.

Basically, Sir, this Bill is going to replace the Magistrates Jurisdiction and Procedure Act, as well as the Petty Debt Act. The Bill contains, however, a number of amplifications and a number of new provisions. Members will recall that certain amendments were made in late 1994 to the Magistrates Jurisdiction and Procedure Act with respect to petty theft and one or two other areas and that it was indicated at that time that a new Magistrates Court act was in the process of being prepared and would be ready for introduction at some date soon.
3.50 p.m.

This Bill basically seeks to modernise the very important area of the operation of our legal system. The magistrate's court is an important pillar in the legal structure. It is perhaps the section of the judiciary which handles the majority of matters which come before the courts. Magistrates' courts deal with a range of offences and other matters ranging from adjudication in severance payments disputes to initial hearings to determine whether a *prima facie* case exists in matters of murder. It deals with wounding and theft. So the magistrates in Barbados really must be applauded for the excellent work that they continue to do under what are obviously trying and stressful circumstances.

What this Bill therefore seeks to do is to draw together a number of amendments that have been made from time to time. It seeks to streamline or bring into one document the whole range of matters that would have been located in several places in various bits of legislation and, as I said, generally bring the operation of this vital area of the justice system into modern time.

Going through the Bill, clause 9, for example, extends the discretion of the magistrate to determine the places and time of sittings of magistrates' courts. Another clause further amplifies certain procedures relating to committal proceedings and speak to the manner in which magistrates can allow evidence and so on.

Another important addition concerns the section dealing with written reports of committal proceedings and it gives definitions of "broadcast" and "publish" in the context of the broadcasting and the publishing of reports and the need to obtain the consent of the Director of Public Prosecutions before certain aspects of broadcasting or publishing of reports of committal proceedings can be undertaken.

Clarifications are provided in the Act in terms of details of procedure used in certain types of proceedings, for example, in respect of the trial of an offence that is triable either way. It makes provision for summary offences. It empowers magistrates to change from summary proceedings to committal proceedings and *vice versa* during the course of a trial. It speaks to the procedures for handling juveniles in the court and it seeks to make a tie in with the Juvenile Offenders Act with respect to persons who are under the age of 16 but who are jointly charged with persons who are over 16.

It also seeks to make provision with respect to sentencing and the practices and procedures that are to be employed therein. Limits are also placed on the matter of award when judgments are made with respect to payment of compensation for personal injury, loss or damage and some clarifications are given in that area.

Clause 77, for example, ties in with another matter which is before us later this year and that is the matter of bail. One of the important procedural matters which fall to magistrates is the determination of bail. As I said, I don't want to anticipate debate. That is outside of the Standing Orders, but clause 77 of this Magistrates Courts Bill makes provision for bail to be granted where a person is taken into custody and the enquiry cannot be completed immediately.

It provides amplification in matters of dismissal of cases and the like. It speaks to the matter of the procedures used by the magistrates in instituting involvement in domestic proceedings. It broadens the rules in that regard in several ways.

It also speaks to various matters in which the magistrate has jurisdiction in terms of the payment of sums where there is a default in those payments. It speaks to the collection of arrears. It speaks to the magistrate being able to obtain statements from the employers in respect to wages paid to an employee and therefore making that admissible as evidence for the purpose of enforcing payment order which can be made by the magistrates.

Basically, Sir, this Bill if you go through it clause by clause seeks to give guidance to magistrates in terms of the discharge of their functions. It seeks to bring into one Bill a number of enactments which have been made in several other bits of legislation and there are a number of Schedules to the Bill which are also an important aspect of the Bill and it is important that we recognise, as has been noted already, that this Magistrates Courts Bill, 1996 would also seek to repeal the Magistrates Jurisdiction and Procedure Act, Cap. 116 and the Petty Debt Act, Cap. 209.

The Third Schedule sets out the summary for the purpose of offences in clause 49 and makes provision for valuation of property in respect of criminal damage. That is an important area.

The Seventh Schedule lists enactments in respect of which a magistrate may issue a warrant to commit a person to prison who defaults on payments and among those, for example, in the Seventh Schedule would be arrears under the Income Tax Act, fees and penalties for the National Insurance Fund, for legal services under the Community Legal Services Act, maintenance orders under the Family Law Act, maintenance orders under the Maintenance Orders (Reciprocal Enforcement) Act, matters related to the Minors Act, Prevention of Cruelty to Children Act, Reformatory and Industrial Schools Act and the Adoption Act.

The Eighth Schedule contains a number of transitional provisions and saves the application of certain enactments.

This Bill, Sir, seeks to bring some clarity to the operations. It is a legal framework governing the procedure of operations within the magistrates' courts and we are satisfied that it will go a long way towards the general improvement of the judicial process as it operates within the framework of the magistrates' courts.

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

SENATOR Mrs. A. P. THOMPSON: Mr. President, I believe the Bill before us this afternoon is one which started under the former administration and as a result the Opposition will support the Bill.
4.00 p.m.

There is an area in the Bill which is of concern to me since we are dealing with modernisation of our legislation and it is section 71(1), which is not too modern at all. I do not see how we are thinking about modernising legislation and we have embodied in this piece of legislation the whipping of young people and mention of the tamarind rod. I am not in favour of this, Sir. I believe there are other forms of punishment which one may use from time to time in order to make individuals aware that the State is not in favour of their conduct.

I do not want to think that at a time when we have such major concerns about violence in our society that we would, by way of legislation, be committing violent acts ourselves and against our citizens. The area of this Bill which I would not be supporting is section 71(1). I would like to make that quite clear. It is not in keeping with a forward looking administration as this Government claims to be that is interested in making sure that we change some of those archaic things which no longer serve to assist us as we seek to manage our affairs.

There are one or two other areas not mentioned in the Bill. I am not a legal person but I have very close contact with people in law. I have quite a few clients who are lawyers and a couple of magistrates too. From time to time I have heard magistrates complain about the discomfort which they experience as they seek to perform their work in the magistrates' courts in Barbados under very cramped conditions. That is an area which I hope we will address. It is an area in which there have been complaints for many years.

Let me set the other Senators at rest. I am not saying that this is something that has popped up suddenly. It does not mean it must continue forever and it does not mean there are not concerns. It does not mean that I will not mention that there are concerns. There is concern among the magistrates in Barbados, very young people who are operating under trying circumstances. If we want people to sit in a magistrate court for a whole day and listen and properly analyse information which is given in evidence, and we want them to pass judgment in a fair manner, then we have to make their environment conducive to such. It is all right to sit and talk all kinds of nonsense. If we make the magistrates' courts more comfortable for the magistrates, here is another area in which we will be contributing to the law and order process in a very positive way.

I am also concerned too that I do not think they are very well paid. Magistrates may need to be paid better salaries. They are not paid at the level of judges, I do not expect that, but, at the same time, they should be compensated at a much higher level than they are at present. It is a very responsible job which they are performing and I do not believe they should be at the level of just above senior clerk in the public service in terms of their incomes which they are paid.

In addition, Mr. President, I believe if we really want to assist in making sure that individuals get the legal representation which they deserve, that there must be a proper form of – I do not know if you can call it zoning. But I understand that a lawyer can have his case called in four magistrates' courts in Barbados at the same time, or the same day. As a result, individuals stand the risk of not having legal representation because I understand sometimes they are threatened by the magistrates that the case will go on without the presence of the legal representative. I think it is because there has been adjournment after adjournment because it is not possible for one legal person to be in four magistrates' courts at the same time on the same day. Maybe there is a need. I do not know if you can centralise it, but zone them in such a way that these individuals can perform their functions to represent the people in a proper manner. If we want to make sure there is justice in the system surely that is one of the areas which we must address.

Mr. President, I am not a legal person, as I have said, but these are the areas which I have heard come up from time to time. I believe as we seek to modernise our legislation and as we seek to bring about changes to ameliorate any conditions which are not conducive to labour and good work, that we should make the changes necessary.

Thank you, Sir.

SENATOR Mrs. V. J. DAVIS: Mr. President, as I rise to speak on the second reading of the Magistrates' Courts Bill, I must say that I did not have the time and, as a matter of fact, I am afraid that I really did not even get a copy of this but I was alarmed when I read section 71 (1) in this document here:

> "Where any male person who, in the opinion of the magistrate, is under the age of 16 years but over the age of 7 years and of sufficient capacity to commit crime, is convicted of an offence punishable upon summary conviction, the magistrate may, in his discretion, in lieu of or in addition to any punishment to which he may be subject, sentence him to be privately whipped at the police station in the district to which the magistrate's court is situate on one occasion only by a member of the Police Force in the presence of a registered medical practitioner and a sergeant of police with a tamarind or other similar rod, with not more than twelve strokes."

Now, I am alarmed when I see this, under the age of 16, when in my hand here I have the United Nations document on Children's Rights. I am quoting from this document in terms of children's rights. These are children and I know Barbados is a signatory to this:

> "The most perverse form of denial of child rights is poverty because poverty makes it impossible to satisfy those needs and the basic rights."

I am not saying that because a child is poor the child is going to be a criminal but I am saying that the people who are going to be caught up in this are the very poor. One of the things we have signed in this document, and it says this over and over:

> "There is no way to enumerate thoroughly the various ways in which children around the world are not only economically exploited and physically mistreated..."

4.10 p.m.

Now this is mistreatment of children but the numbers are great and the suffering is widespread. So we have a situation in Barbados where we are signatories to the United Nations Rights and Children's Rights and yet we are saying here that we are going to be whipping children with tamarind rods, I have said time and time again in this Honourable Chamber that I do not believe this type of physical violence is going to do any good in this community. The children who will be caught up in this are the very children that we have signed to say that we are going to protect their rights and protect them, we as powerless people.

How can I support something that says in the twenty-first century that I can use a tamarind rod? When I think about it we have been so dehumanised because we have been descendants of people – I do not care what anybody says, we have been so dehumanised and desensitized to the problems of physical violence that we believe that we can talk on the one hand about conflict resolution, some nice little thing put as a subject out there for our school children, and on the other hand adults, policemen, teachers, parents are going to be with these children out there. It all goes to show that we believe in violence. It only goes to show that we really do not believe that there is another way in which we can resolve things. I feel absolutely offended by this that a 7-year old and over is going to be whipped by a tamarind rod in Barbados? I am not going to support anything that talks about this kind of violence. All we are doing is perpetuating violence when we say that we are going to whip our children. What is the point of pretending you are dealing with conflict resolution when you are talking about stopping people with violence? We are not perfect. It is do as I say and not as I do. I do not want to see any child in Barbados whipped.

I think we have lost a certain kind of sensitivity and I was so happy to see in yesterday's papers where there was a man who was talking to people about his understanding of discipline without flogging. I believe that people believe that the only thing they understand by discipline is beating. When are we going to move out of the mind set? I want to say it on the housetop and everywhere, we must stop this form of violence. It is sheer bullying and I will support the Bill but I will not support this thing that talks about whipping children.

SENATOR Miss O. P. SYMMONDS: Mr. President, I think we have to be very careful not to equate violence with whipping or to say that the two are synonymous. I thought too that the significant word here is "may". The magistrate may in his discretion. I was sitting here trying to remember. I am sure that I have been whipped with a tamarind rod when I was a child. I think that children of yesteryears were more obedient and on a whole better disciplined and yet they were flogged. You can flog a child without brutalising that child. There are still children to whom you can appeal and reason. There are others who can only respond if they feel a good whipping. It depends very much on the child and I think that in today's world, spare the rod and spoil the child still has some relevance. I think that this society would be far better off if more children had been spanked or chastised in that manner and it is not always progress to discard old methods as we have been inclined to do or to feel that psychology is the answer to everything. As Senator Forde is saying, there are children who are...

Mr. PRESIDENT: Senator Forde has not spoken in this debate.

SENATOR Miss O. P. SYMMONDS: I am sorry, Mr. President. It is a fact that there are many children who in later years will say that they owe their teachers and their parents a great debt of gratitude for being punished in this manner. I do not think that we should get emotional about this because I am sure that the fact that it was left to the magistrate's discretion is proof of the reasonableness of this section. And I personally, from my experience in dealing with children, feel that there is nothing at all in inhuman or inhumane about it. I have much pleasure in supporting it.

There are some children who even at an early age, as we know, have criminal tendencies and each case will have to be judged on its own merits. I have every confidence that this will not be abused in any way and that the society may perhaps be better off if we go back to giving some children in our society what we used to term a good flogging. I have much pleasure in supporting this Bill in its entirety.

SENATOR Mrs. P. E. RICKINSON: Mr. President, I would like to add to this debate. Listening to the various debate about different forms of child abuse, including what is alluded to as child abuse, whipping and violence. I would like to add to this debate that I think that more harm is done to our children in the form of verbal abuse – you are an idiot, you are stupid – I think that does far more damage to a child than giving them a whipping. I am not saying that one should be whipping a child every month or so but once a year or so does not do very much harm. It does quite a lot of good to bring them back in line. I do support it. I think that this clause needs to be left in, it is necessary because today, with this litigation society, if one does not put a clause like this and someone has to do it the next thing one will be before the law courts.

I think we have to start educational programmes and try to educate our parents in parenting to use harmonious, loving words and not the harsh words that turn our children to violence. It has been proven that the harsh words used to children innocently, you are stupid, you will never learn, you will never this and that, eventually the child turns into that same person that they have been told that they are.

My main contribution, Mr. President, to this Bill which I support is in the area of not having enough magistrates to cope with the number of cases that come before them and I do not think in the foreseeable future that we will be able to employ enough because of limited funds. I have a suggestion to make, Mr. President, that we think in terms of the modernisation of our legal system, that we think in terms of a people's court whereby people can go before a judge and put certain cases and do not have to wait to go before a magistrate to get some form of resolution speedily. I have seen it and it seems to

work quite well and I hope that we can look forward to one of those methods of trying to solve some of the problems in our society.

I know there is another Bill coming which I would like to say a few words on but I think I will stop at this point.

SENATOR J. A. WORKMAN: Mr. President, I rise to support this Bill. It is an area of law which I do not practise but I understand the problems which confront the legal profession on both sides of the Bench. Therefore this Bill will go a long way in alleviating many of the problems which have arisen in the past and will set the stage for more efficient and effective judgments and the pursuit of justice for all. Much has been said concerning the apparently controversial section 71 on the question of whipping. I would like to make a few comments on it, Sir.
4.20 p.m.

First of all, Mr. President, the section is discretionary on the magistrate to order the flogging and we need to believe that we place on the Bench, men and women who exercise the utmost discretion in passing sentence of whatever kind. We also need to understand whether this section is meant to be punitive or remedial. If it is meant to be remedial *per se* then one may argue, and have a good base on which to argue, that a flogging may not necessarily be remedial. But I say that there must be in life measures which are punitive.

For the second time today in this Chamber I will speak about the passing of my brother in law recently but I just want to say here that he was at one time Deputy Head of Harrison College and also Headmaster of Foundation School and after his death, in one day, I met two bankers, both of whom said, "Your brother in law gave me a flogging at school but I thank him for it because it turned the direction in which I was going and put me in the position in which I am today". One is at a commercial bank in Bridgetown and he is a Manager. The other is at the Caribbean Development Bank. That whipping they tell me, did them no harm it did them all good.

What I am concerned about is why the section is discriminatory and says that the whipping is for males only. Why I say this is because we have females who are as devious in behaviour as males and we must never forget that the female of the species is more deadly than the male. The point is, Sir, that if we want to take a leaf out of the good book, the Good Book says that foolishness is bound up in the heart of a child. It did not say of a male child. It goes on to say, but the rod of correction driveth it far from him. I believe, Sir, that this section is well intentioned and that if the discretion is exercised it will be exercised with the utmost of discretion.

The section makes provision for the flogging to take place in the presence of a medical officer. We have to believe that that medical officer is there, not just to stand and say, I am physically present, but has an obligation to say whether he or she believes this child is capable of taking the punishment which is to be meted out. So I have no difficulty in supporting this section.

The other thing, Sir, is the section that deals with those who are convicted of an offence punishable upon summary conviction and section 49 of the Bill sets out what the summary offences are. These go not to murder and those kinds of crimes but to those things that we as boys and girls are mischievous about. The little petty thefts, the things that start to catch our imagination and cause us to do them, not really in terms of wicked things, if you do not get caught but as soon as you are caught it is a crime and so that flogging takes the place of what parents ought to be doing at home. The court here is standing in *loco parentis* and we must admit that in our society many of those who come before the courts for these misdemeanours are young boys and young girls who need that rod of correction, who need someone to show them that a little chastisement can go a long way in putting you on the right paths.

I have every reason to believe, Sir, that this provision is well intentioned and it will go a long way in bringing many young people within the correct paths of life.

SENATOR T. E. BARKER: Mr. President, I just rise to add my support for this Bill and to make one or two observations. The point about the physical conditions of the magistrates courts was mentioned by an earlier speaker but that matter is being addressed. Some work has been done on the Station so far and work is continuing apace but the point is that there were 8 years of total neglect and it is difficult to undo in 2 years what took a long time to do but this Government is well on the way to improving the physical conditions under which these important members of the judiciary work. The magistrates court is situated within the compound of the police station.

The Attorney General is to be complimented for the manner in which he is exercising his portfolio. He has been very vociferous in his support for the police force and it is demonstrated by the fact that 3 or 4 of the stations have already been worked on and right now the Central Police Station and District "C" are in the process of being remodelled and brought up to a modern state. So, Sir, we do not take lightly the criticism that we are doing nothing to improve the physical situation at the court because the opposite is true. We are making progress. As I said before, Sir, there were many years of neglect while the last Government was building monuments of stupidity

and leaving these important things undone and we found that we had to move quickly because the situation was almost scandalous, so we had to get it worked on.

Sir, I would also like to compliment the magistrates in their new approaches to punishment. The idea of community service is a very good idea and it will go a long way to improving the judicial system and also getting the message over and at the same time dealing with the overcrowding situation at the prison. The message is being sent and the criminals are understanding the new thinking and at the same time we are relieving the already cramped conditions at the lone prison.

The magistrates, Sir, need to know that we support them in their efforts and that in the future the judicious use of these types of punishment would go a long way towards helping in the crime situation.

Sir, for the past 20 to 30 years a liberal approach to child rearing crept into our system and the feeling was that we should be showing more love and more tenderness, especially to our boy children and cuddling them when they get into trouble and hug them when they misbehave and forget to use the important instrument of fear because, Sir, we all know that if it were not for the fear of a mother's whip a lot of us would have done a lot more foolishness in our younger days. I myself feared my mother's whip. She hardly ever had to use it on me, because I feared it.
4.30 p.m.

Asides.

SENATOR T. E. BARKER: In spite of what the fellow Senators are saying, Sir, I was a well brought up and well behaved child. But the point I want to make is that the fear of that tamarind rod caused me to moderate my behaviour, so that even although my parents did not have to use it much on me it was there and it was a constant reminder that any time I stepped out of line there was something there to bring me back. I want to publicly thank my mother and father for keeping the whip there. My parents were a bit fortunate, Sir, in that the tamarind tree was just in front our house and whenever you opened the door or the window the punishment was there in front of you, and it did a lot of good for me.

I remember when I was at Harrison College I got flogged on one occasion in my nine years there, and at that time, I must confess I was not doing anything worthy of punishment. The point is that I was not caught then but probably I may have been doing things on other occasions which may have warranted punishment. The point I want to make is that if the rod was not there and used by the Headmaster and the Deputy, we boys would have run wild about the place. We would have done a number, but the fact is that we knew that if we stepped out of line there was something there to rein us back in. Unlike what other people are saying, we never thought about it as violence.

The idea of punishment as violence is a new thinking which is creeping into the vernacular. People who want to show off that they are more liberated than others like to use the word "violence" as opposed to punishing children. In the new liberal thinking "I am a 90s mother or a 90s father. I am not going to be violent to my child" and the result is that they are doing an even greater violence to the child. In this so called desire to appease the child, they are playing to the child's emotions. They want to be loved by the child, so they will withhold the punishment in order to be elevated in the eyes of the child, and the result is that that child knows how to manipulate the parents and how to wrap the parent around the finger, because it knows that the parent has such a mindset that the thing they fear most will never be used against them, and they are doing the child a terrible injustice, especially the male child. It is about time that modern parents see the error of their ways.

Sir, I will never be one to advocate abusing children, whether verbally, physically or mentally, which is just as bad, but I want to say that we do our children a great disservice when we tell them by word or by action that to give them a little slap when they are misbehaving is violence. I remember very, very, vividly when my daughter was under two years old. We were in Church and she was getting a little restless and agitated and I just whispered in her ear that if she did not behave I would give her one slap. I did not have to slap her. For the rest of the Church service there was not a whimper. I do not think it made her hate me, but she understood at that early age that there are actions and there are consequences to actions. If you step out of line, there are ways of reining you back in.

Sir, this modern philosophy has got us nowhere and it is to a large extent responsible for the fact that we have a generation today who knows nothing about what is called punishment. The are not made to pay for their actions and it is important that a child must learn from the womb up that when they act a certain way there are going to be consequences for that action.

I have no difficulty, Sir, in supporting section 71(1). The safeguards are there. We are not known in Barbados to have magistrates or Judges who show sadistic tendencies. It is not known in Barbados, but in any case we have made the provision in the amendment that the Medical Officer is there and he has the power to stop the action if he considers it injurious to the child's welfare. Again, Sir, I repeat we do not have a history in Barbados where magistrates show sadistic tendencies, so I do not understand what the fuss is all about.

It seems as though anything this present Government puts forward the Opposition DLP, who historically are soft on crime, are going to just look at one little iota to amplify it, not realising the safeguard we have put in there, and seek to make political points in order to get cheap publicity. But that is not going to work, because the public understands that in any society there has to be laws and it does not make sense having laws if there are not penalties applied when these laws are broken.

Sir, with those few remarks, I support this Bill and I urge Members of this Honourable Chamber to do the same, because it is a wide ranging Bill which is going to revolutionise the way how magistrates operate in our society. They are the first line, so to speak, in the judicial system and by bringing this Bill we are making their work easier and the dispensation of justice will be improved by this Bill, so we urge the members to support this measure.

Thank you very much, Sir.

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

The question was put to the Senate and agreed to.

On the motion of SENATOR THE HON R. R. FARLEY, the Senate resolved itself into Committee on the Bill.

Mr. PRESIDENT: Senator Symmonds will preside in Committee.

SENATOR Miss O. P. SYMMONDS took the Chair.

MADAM CHAIRMAN: The Senate is in Committee.

Clauses 1 and 2 were called and passed.

Part I, Clauses 3 to 11, was called and passed.

Parts II – III, Clauses 12 to 30, were called and passed.

Part IV, Clauses 31 to 85, was called and passed.
4.40 p.m.

SENATOR Mrs. A. P. THOMPSON: Madam Chairman, I would like the Chamber to take note that I am not supporting clause 71(7) in that section of the Bill.

Parts V – XIII, Clauses 86 – 270, inclusive were called and passed.

SENATOR THE HON. R. R. FARLEY: I beg to move that the Schedules 1 to 8 become Schedules to the Bill.

On the motion of SENATOR THE HON. R. R. FARLEY, Madam CHAIRMAN reported the passing of one Bill in Committee and Mr. PRESIDENT resumed the Chair and reported accordingly.

On separate motions of SENATOR THE HON. R. R. FARLEY, the Bill was read a third time and passed.

ORDER NO. 1 – SECOND READING OF THE BAIL BILL, 1996

SENATOR THE HON. R. R. FARLEY: Mr. President, I rise to move the Second Reading of the Bail Bill, 1996. This Bill seeks to give further effect to a fundamental principle of common law and justice that a person is innocent until proven guilty. The matter of bail is important because it strikes at the liberty of an individual and the Constitution of Barbados has enshrined therein the fact that under Barbados law a person is innocent until proven guilty. It is therefore important that our approach to bail should be from the perspective where bail is an entitlement unless the prosecuting officers can prove otherwise or except there is certain specific enactment which denies bail.

Over time, in some cases, the situation was more viewed from the other perspective where persons may perhaps have to prove why they should get bail. The important principle which has to be borne in mind in preparation of a bail bill is balancing the twin requirements of ensuring the liberty of the individual whilst, of course, ensuring that an individual who has not been found guilty but has been charged would still be brought before the courts for trial and that the public is adequately protected.

I am sure that I do not have to spell out for members the difficulties which the inability to obtain bail can create. Certainly, for an accused person who in our law is presumed innocent until proven guilty it can result in loss of employment, unnecessary hardship and deprivation and, of course, in the context of Barbadian society, once you are remanded, people assume that you must be guilty otherwise you would not be remanded. So it is really important that we recognise those difficulties and seek to put in place a legal mechanism which would ensure the rights of individuals are protected but, also, as I said, ensuring that justice and security are paramount.

We are satisfied that the Bill before us is one which would satisfy those twin objectives. In outlining the procedural matters relating to the granting of bail a number of other features have been either incorporated or clarified.
4.50 p.m.

For example, this Bail Bill seeks to put into one section of law the matter of granting of bail whether by the High Court, the Magistrate's Court or by a police officer of appropriate rank.

In going through the Bill, therefore, definitions are given in terms of what is bail, conviction and the like, the usual offences, but the right to bail is specifically identified. It says at section 4(1) "Subject to this Act, a defendant shall be entitled to bail." Of course, as I indicated, this is a fundamental right unless there are specific conditions which will eliminate those rights because as you recognise throughout our Constitution, although the right of an individual is guaranteed, also the fundamental principle is that his rights must not go so far as to infringe on the rights of others. Therefore, there are specific enactments which, taken literally and taken in the narrow confines of thought, are seen to be taking away some of those individual rights. Again, like I said, it is well recognised that good governance requires the reduction of some aspects of individual rights in order for the greater right and freedom of the greater number to be protected.

Circumstances in which bail may be denied are also identified, for example, where the court is satisfied that there is substantial ground to believe that the individual would fail to surrender to custody at the end of the period, or he would commit an offence, or very importantly, interfere with witnesses. The commission of offences and interfering with witnesses are perhaps two of the major areas in which there is some concern for bail.

In fact, there is a situation in which a pattern seems to develop in some cases where individuals who have been charged for a particular offence knowing that generally in terms of sentencing policy many sentences are set to run concurrently, seek to make the most of whatever might be the sentence for the category of offence. Casual observation suggests in cases where individuals who have been charged for theft, for example, and who are out on bail will also commit, if they are serious about their particular direction, additional offences which, given the way how sentencing is carried out, would basically carry the same 18 months, or 2 years or 1 year's sentence. As they run concurrently, if you have 25 of those, it is only still 1 year. If you have one of those, it is still the 1 year. That is the one area of concern, but given the fact that it can be corrected by means of greater policing capability, unless it can be specifically proven that this individual is one of those who will do that, you cannot by law deny an entire group of people their particular opportunity to argue their case. In any case, it will be up to the prosecutors to submit enough evidence to convince the court that that would be the case.

Also, where a defendant is in custody in pursuance of a sentence of the court acting under the authority of the Defence Act, bail can be denied. Of course, in cases where persons are charged for murder, bail is still not available. Other procedures are spelt out in terms of the grant of bail by police officers and the types of conditions which the courts can impose. Provision is made for hearings to vary the conditions which are set and the like.

Sir, without getting into all the technical aspects of the Bill, I would want to suggest that the Bail Bill, 1996 sets out at least one important principle and that is that an individual has a right to bail subject to specific exemptions and qualifications that are made in the Act. It really puts the burden on the arresting and prosecuting officers and the court to seek to establish a reason why bail should not be granted in the normal scheme of things except, like I said, in those cases where the court is specifically prohibited from the grant of bail.

There are several Schedules to the Act which are required as far as consequential amendments which are required. The nature of the amendment in many cases makes the change of words from "release him on bail" to the words "admit him to bail" given that there is a difference in one's level of entitlement. Consequential amendments are to be made in the Interpretation Act, the Criminal Procedure Act, the Indictments Act, the Perjury Act, the Prevention of Cruelty to Children Act and the Supreme Court of Judicature Act. Then there are transitional procedures outlined in the Second Schedule which shall have regard to the giving of effect of provisions in the Act.

Sir, with those few words of explanation and introduction, I beg to move that this Bill be now read a second time.

SENATOR Mrs. A. P. THOMPSON: Mr. President, I just want to make a brief intervention. I support any legislation which grants to people their rights. I believe that bail ought to be an entitlement. I believe the reason given for not allowing people to go on bail is that they would abscond. As we look at our history in Barbados we would note that most of the individuals who appear in our law courts are very poor people and I think we admit would not have the means to abscond. Those individuals who have been granted bail and who have the means are the ones who fled and were not there to stand their trial. Therefore I am glad that it is now possible for people who do not have the means, but who have to stand trial, to be granted bail in order that they may assist in the preparation of information for their case and at the same time they will be able to continue their employment and help to maintain their families since that could be the only income in that family and that their family life can continue until the case has actually been called for them to stand trial.

5.00 p.m.

I agree it is a point of law that we have accepted that you are innocent until proven guilty. Sometimes individuals have been held by the law for lengthy periods before trial and I have heard of more than one situation in which exposure to that kind of environment has done much harm as to how that person feels about whether there is equity in the society and that that has in some way contributed to such individuals actually becoming antisocial and have lashed out at the society because they believe that they were not granted the right to remain and conduct a normal life until trial, especially when they are proven to be innocent. I think that would also make them feel bitter that they would have been held prior to trial. So I support the legislation that grants individuals the right to bail.

SENATOR Mrs. V. J. DAVIS: Mr. President, I support this Bill because of course it is a Bill that deals with human rights. It takes out the arbitrariness out of the whole question of bail. It makes people accountable. They have to give reasons why and there is also a High Court of Appeal. Sir, I think this is a good Bill and I support it. Thank you.

SENATOR THE HON. G. S. H. MURRAY: Mr. President, I will not be very long but I thought that I had to get into this debate because I am linking it with the previous Bill that dealt with the magistrates.

Mr. PRESIDENT: Senator, we have already dealt with the Magistrates Bill.

SENATOR THE HON. G. S. H. MURRAY: I mean conceptually, Sir. I am saying when one links it with other measures that it seeks to show the importance of the Bill. I know we are at the end of a long sitting and a long hard year and we are all anxious to get home and do our Christmas thing. I do not think we should let the doing of other important things overshadow the importance of this Bill because it underlines the important work that the Attorney General does and has been doing, where he is seeking not only to improve the material standards associated with the administration of justice but also the qualitative aspect of the whole concept and management of justice in the country and that is the context in which I see this Bill.

I would also like to commend him for the high level of adaptivity which has come out of his Chambers and his department. Sometimes because of the high productive nature of himself and his officers I sometimes find it very difficult to remember who was the previous Attorney General. That is another subject, Sir. I think we now have to understand that we have an Attorney General who is very productive and very hard at work. We are all familiar with the work that has been done such as the repair to police stations, police headquarters, fire stations, training firemen, promoting firemen. A whole batch of firemen were just promoted. Also the Prisons which would have an association with this Bill. At the Prisons we see a higher level of recruitment of staff where they now have to have certain 'O' levels or take an examination and then for the first time when they are recruited they are actually trained for their jobs and are not just taken off the street and put straight to manage people who are incarcerated. So that is all part of the qualitative improvement in the administration of justice and at the prisons some 37 people were promoted in circumstances which were long overdue.

Sir, I would like to take this opportunity also to warn some of my fellow Senators not to always take the path of least resistance. I seek to appeal to the late common denominator in human affairs whereby in order to demonstrate that a party is looking after the small man or the common man, he always seeks to make a society more permissive and more indulgent. We have already seen one of the most indulgent and permissive societies in the world, all in the name of being progressive and coming out of the tutoring and teachings of people like Dr. Spock who has admitted that at long last that he made a mistake and therefore has turned on its head a whole generation of feelings and practices.

We do not have to abandon all that has been proven to be good in the past in Barbados just to prove that we are modern and advancing, or that we have become a developed society and no longer a Third World Country. Because in all societies, whether it is human or animal there is a question of reward and punishment and we cannot afford to bring up people making them to believe that all you are going to do is reward them. Be permissive, be indulgent, instant gratification and they do not have to live on the consequences of their ways. Sir, I do not think you have to molly coddle people and to mislead them and make them believe that they have no obligations and no rights to make them believe that we are being democratic or we are being humane or that we are giving them their full rights. I thank you, Sir.

SENATOR Mrs. P. E. RICKINSON: Mr. President, I just have a few comments to make about this Bill. I support the Bill and I would also like to support that you get nurses in the penal system to help with counselling. That is not why I stood up, Mr. President. I stood up mainly to say that I understand how some people, the side that feels wronged, might feel where they brought a case against someone and then the person is out on bail and here again I see where the people's court could come in so that you can have a speedy resolution to these matters and people will not have to be in prison for a long time waiting to get bail. Mr. President, it really has done quite a lot of harm to quite a lot of people. For example if one owes money and one has to go to jail, people do not see it

in that light. Once you go to jail it is a red mark on your character and people equate you with a criminal or a thief or something like that. So I am really very glad to see this progressive bit of legislation.

What I would like to lobby for, Mr. President, is for a series of in service educational programmes, both for the magistrates, the persons who are going to oversee this Bill, and also for the police so that we will all be speaking with one voice. It can be done by a series of seminars. There could be inter-disciplinary seminars whereby the police and magistrates and those other persons concerned could come together for seminars over a period of time. It could be given full publicity. I think you are doing a lot of work but it is not getting through to the public what you are trying to do. I still feel that there is a need for more education and much more publicity about why you are bringing these bits of legislation, why they are being passed and the advantages of them not only to the development of the judicial system but also of our society in general. I support this Bill.

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.

On the motion of SENATOR THE HON. R. R. FARLEY, Mr. PRESIDENT left the Chair and the Senate went into Committee on the Bill, SENATOR Miss O. P. SYMMONDS in the Chair.
5.10 p.m.

COMMITTEE

MADAM CHAIRMAN: The Senate is in Committee.

Clauses 1, 2 and 3 inclusive were called and passed.

Part I, Clauses 4 to 6, was called and passed.

Part II, Clauses 7 to 11, was called and passed.

Part III, Clauses 12 to 15, was called and passed.

Part IV, Clauses 16 to 22, was called and passed.

SENATOR THE HON. R. R. FARLEY: I beg to move that the First and Second Schedules become the First and Second Schedules to the Bill.

The question was put to the Senate and agreed to.

On the motion of SENATOR THE HON. R. R. FARLEY, Madam CHAIRMAN reported the passing of one Bill in Committee to Mr. PRESIDENT and Mr. PRESIDENT resumed the Chair and reported accordingly.

On the motion of SENATOR THE HON. R. R. FARLEY, the Bill was read a third time and passed and cited as the Bail Act, 1996.

RESOLUTION TO APPROVE THE SALE OF PARCEL OF LAND TOGETHER WITH THE BUILDINGS THEREON AT SOUTH DISTRICT, ST. GEORGE TO HADRIAN WENT

SENATOR THE HON. R. R. FARLEY: Mr. President, approval of this Resolution is being sought under the Crown Lands (Vesting and Disposal) Act, Cap. 225. This property at South District, consisting of some 179.09 square metres is the property on which stands a disused public bath and public convenience. In 1995 a number of properties consisting of disused public conveniences were advertised for sale and this is one of them, Sir. Two tenders were received, one for $2 200, the other for $10 000. Mr. Went was the highest tender and the Tenders Committee accordingly indicated its willingness to accept the tender. Accordingly therefore the Resolution is before the Honourable Senate for approval so that this property can be sold to Hadrian Went. I beg to move, Sir, that this Resolution do now pass.

The question was put to the Senate and agreed to.

ORDER NO. 11 – RESOLUTION TO APPROVE THE SALE OF LAND AT CRAB HILL, ST. LUCY TO MR. NATHANIEL GRIFFITH

SENATOR THE HON. R. R. FARLEY: Mr. President, this matter is quite similar in nature. This is part of the list of properties that were advertised in the newspapers on the 30th August, 1996 which included this property at Crab Hill of approximately 1000 square feet which is around 93.2 square metres and this is another disused convenience. Tenders were received on the basis of the advertisement and Mr. Nathaniel Griffith tendered the sum of $3 000. The Tenders Committee has proposed to accept the tender and the Resolution is before the Honourable Senate seeking approval for the Crown to accept the tender which has been duly submitted and accepted by the Tenders Committee for the sale of this disused convenience at Crab Hill in St. Lucy to Mr. Nathaniel Griffith for the sum of $3 000.

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

The question was put to the Senate and agreed to.

ORDER NO. 12 – RESOLUTION TO APPROVE THE SALE OF LAND AT MAJOR WALK, SPEIGHTSTOWN, ST. PETER TO HARRIET SCANTLEBURY-RUSSELL, ANGELA SCANTLEBURY AND AUSTIN HUSBANDS FOR HOUSING PURPOSES

SENATOR THE HON. R. R. FARLEY: Mr. President, this Resolution seeks our approval for the disposal of three parcels of Government owned land at Major Walk, Speightstown, St. Peter by way of sale. Some time ago, in order to facilitate the construction of the bus terminal at Speightstown, St. Peter, four tenants, namely Harriet Scantlebury-Russell, Angela Scantlebury and Austin Husbands who occupied land in the area, the location on which the bus terminal was constructed were relocated to Major Walk, St. Peter. At the time the cost to the Government was $80 450. It was agreed that these persons who were relocated would be given permission to rent the lots in the sum of $240.00 per annum with the option to buy the lots at $4.00 per square foot. The tenants, with the exception of one have opted to purchase the lots. The Resolution before the Honourable Senate therefore is in respect of those three who have opted. Angela Scantlebury who will be seeking to purchase 359 square metres, Harriet Scantlebury-Russell, 370.9 square metres and Austin Husbands, 374.8 square metres. The other individual, Louis Scantlebury, continues to pay rent for the spot and can still at some future time exercise the option to purchase.
5.20 p.m.

It is therefore proposed, subject to the Senate's approval, to dispose of this land by way of sale under section 5 of the Crown Lands (Vesting and Disposal) Act, Cap. 225.

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

The question was put to the Senate and agreed to.

ADJOURNMENT

SENATOR THE HON. R. R. FARLEY: Mr. President, before I move the adjournment of this sitting for the day, this being the last sitting for the year, I just want to formally on the Floor of the Chamber thank you, Sir, for your guidance and direction throughout the year. I believe we had an interesting, busy and fairly successful year and we know that from time to time we would have tried and tested your patience in the Chair and we certainly are impressed with the way you have withstood your trials and tribulations. We look forward working once again under your direction as President of the Senate.

I also want to have the records reflect our thanks to the staff of Parliament, to our Clerk, Mr. George Brancker, to our Deputy Clerks, Nigel Jones and Keith Roberts, and certainly to our team of Reporters and our new Deputy Marshal. I also want to record as well, although we did it already, but the fact that we remember our former Deputy Marshal, Mr. Best, who spent part of the year with us. I also want to thank the ladies and gentlemen of the Press and I hope that Mr. Brandford will convey to them our appreciation for the times they spent with us during the course of the year and the coverage they have given. I think they have been reasonably fair and dispassionate and the accuracy level was fairly high this year. I certainly want to thank the Press for continual attendance at these sessions and I hope that the gentleman from the Press who may happen to be able to hear me will convey that response, because I am only speaking to you, Sir.

I think we have had a very good year and I want to take this opportunity to wish you, Sir, my colleagues in the Senate, our staff, the Press and all those other persons who are associated with our important work in this Chamber, all the very best for this festive season and certainly all the best for 1997.

We have completed all of the matters which have come to us from the Other Place. The Other Place has taken a short recess until January 14, 1997 and I therefore do not anticipate, barring of course any major matter of urgent public importance, that we will need to meet before, but Members will be given proper notice of our next meeting. I just wanted to give you some idea of when that notice for our next meeting would be likely to arrive, so we probably would not meet, barring something urgent, before the week after January 21, Errol Barrow Day.

Once again, all the best for the holiday season and, Mr. President, I beg to move that the Honourable Senate do now adjourn *sine die.*

Mr. PRESIDENT: As you say, Senator Farley, this is indeed the last meeting for the year. While other citizens are busily engaged in the usual seasonal activity, Honourable Senators and the staff of Parliament have been doing the people's business. As you say, we have cleared the Order Paper and our labours are now at an end.

I would like to thank you for your very able leadership of the Senate. I would like to thank Honourable Senators for their co-operation over the year. I would like as well to thank the staff. You have mentioned them all, the Clerks at the Table, the reportorial staff, our new Deputy Marshal. You have done well. We thank you. It remains for me only to extend the compliments of the season to all Honourable Senators, members of staff and the Press. A Blessed Christmas and a Happy New Year.

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.
5.25 p.m.

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