
THE SENATE DEBATES

(OFFICIAL REPORT)

FIRST SESSION 1994 – 99

THE SENATE

Wednesday, August 13, 1997

The Senate met in the Senate Chamber, Parliament Buildings, on Wednesday, August 13, 1997, at 11.20 a.m.

PRESENT

His Honour Senator Sir Fred GOLLOP, K.A.
(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 the Hon. Miss O. P. SYMMONDS, G.C.M.

Senator D. T. GILL

Senator Miss J. C. ODLE

Senator N. A. LYNCH

Senator N. P. WELCH

Senator J. A. WORKMAN

Senator Mrs. P. E. RICKINSON

Senator S. P. BERNSTEIN

Senator C. LeR. TROTMAN

Senator the Venerable Archdeacon J. L. SPRINGER,
G.C.M.

Senator C. K. LAURIE

Senator Mrs. V. J. DAVIS

Senator Mrs. A. P. THOMPSON

Senator J. D. E. BOYCE

*Prayers were led by Senator the Venerable
Archdeacon J. L. Springer.*

Mr. PRESIDENT: The Senate is in session.

PRESENTATION OF PAPERS

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

1. The Duties, Taxes and Other Payments
(Exemption) (No. 13) Order, 1997.
2. The Annual Report and Financial Statement
of Accounts for the Barbados National Bank
for the year 1996.
3. The Annual Report of the National Housing
Corporation for the financial year 1996-1997.

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.

BILLS READ A FIRST TIME

SENATOR THE HON. R. R. FARLEY: Mr.
President, I beg to move that the following Bills be read a
first time:

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

2. The Final Appropriation Bill, 1996/97.
3. The Barbados Water Authority (Validation of Water and Sewerage Rates) Bill, 1997.

PUBLIC BUSINESS

Mr. PRESIDENT: Public Business is the order of the day.

ORDER NO. 2 – BILL TO AMEND THE COMPANIES ACT, CAP. 308

SENATOR THE HON. R. R. FARLEY: Mr. President, I rise to move the second reading of this Bill, the Companies (Amendment) Bill, 1997. This Bill which seeks to amend Cap. 308 is designed to make some inroads in some very important aspects of matters relating to companies in Barbados. This aspect relates to the trading of shares of public companies. It seeks, Sir, to improve the level of regulation to ensure that the integrity of the market is protected and that the interest of the wider investor public is protected.

Specifically, Sir, this Bill would seek to amend the definition of a take-over bid which is currently stated in Cap. 308 under the section on take-overs defining such in the context of a take-over of all of the shares. The amendment would seek to reduce that percentage. I will discuss that further in more detail.

It also seeks to make amendment to section 186 to clarify the difference between a take-over bid at a lower percentage and the provisions for a force out of persons in the minority in the event of an offer for all of the shares.

The amendment also, Sir, makes direct provision for an application to the court in the event of there being either non-compliance with the take-over bid regulations or for interested persons seeking recourse because they have been disadvantaged by the action involved in the take-over bid.

It also provides for the Minister, after consultation with the Securities Exchange to make regulations with respect to the Act. The Regulations in the form of Take-Over Bid Regulations, 1997 which are being made to the Companies Act are an extremely important and progressive step in the whole process of ensuring that adequate regulations are in place to govern the activities of persons who would trade in securities on the Exchange.

Sir, these proposed amendments to the Companies Act are really all related to the matter of how do we ensure that we are able to adequately spread the opportunities for the ownership and the production of wealth in this country through the ownership of shares while ensuring that minority interests are protected; while ensuring that persons who are in a position of privilege primarily because of their

possession of information or because of the positions they hold within companies are not in a position to use that advantage of information to the disadvantage of other shareholders who are not so privileged.

Sir, it is well recognised that the drive towards an expansion of the economy in general is tied up with our capacity to expand, strengthen and deepen our capital market. In fact, it can be said that this effort is perhaps one of the greatest quests of our times.

Barbados, as you know, Sir, has a small emerging capital market. It is the intention of this Government to ensure that that market expands in a way not only that it provides increased opportunities for a wider range of persons but also that equity, fairness and justice will prevail. Whilst we recognise the move towards a free and open market in all sectors of the economy, it is also true to say that in the freest and most open economy in the world, and I am referring to the United States in terms of focus on the forces of free competition and so on, they have recognised over the 200 years of the New York Stock Exchange, which is the oldest one working in their Exchange, that they have had to put increasing regulations in place over the years to ensure that openness and freedom do not become a licence to rob, gouge and defraud.

You will know, Sir, that even in spite of having various regulations in place, those markets have been robbed by scandals of the proportions of the Ivan Boeski, insider trading scandals and the like. That has prompted an increasing dependence and amendments to the regulations governing those Exchanges to ensure that the securities and the diabolical acts associated with insider trading are as much as possible reduced. If they do occur that they are detected at an early stage and also that adequate punishments are in place for persons who are involved.

11.30 a.m.

Sir, there is the recognition of the fact that Barbados and countries in the Caribbean region will not overcome the problems of underdevelopment until they are able to grow and to facilitate the evolution of a number of companies of local and regional magnitude, which are well capitalized and therefore depend less on loan financing for their continued operations, companies that are capable of issuing shares to a wider range of persons and that are able to meet the rigorous requirements which are associated with being listed on an Exchange and also companies that are able to generate a satisfactory earnings profile for their shareholders. In fact, they can easily be submitted and readily accepted that if more companies would submit themselves to the rigours associated with listing on the Exchange, that it would do the companies themselves much good because then companies would be forced on the basis of the rules of the Exchange and the rules for listing to ensure that they have adequate financial reporting systems in place to ensure that there is adequate planning

and forecasting and to ensure that they are able to generate a steady and sufficient flow of earning for their shareholders and all of the good and positive things which are associated with being listed on the Exchange.

Sir, part of the problem that plagues Exchanges such as ours – and we must remember that our Exchange is but a mere ten years old even though the Act was passed in 1982 to establish the Securities Exchange. You will recall, Sir, that in the Debates associated with the passage of the Securities Exchange Act that Mr. Tom Adams, whose foresight and vision in the creation of the emerging capital markets and who was at the forefront of the development of the Securities Exchange legislation in Barbados, stated that the intention of the establishment of the Exchange and that his most fervent wish and desire was that the Exchange would provide for a wider ownership of shares by persons at the bottom of the economic ladder.

Sir, that continued to be the focus of the work of the Exchange. What we are doing today is ensuring that the regulations required for the smooth operations of the Exchange and for the markets in general are put in place so that persons at the bottom of the economic ladder, who on the basis of our educational programmes and our encouragement are convinced to make those first tentative steps into the ownership of shares will not have their confidence rocked by unfortunate occurrences which unfortunately can be associated with trading and ownership of shares.

Over that ten years, Sir, of the operations of the Exchange in Barbados, you will recall that when the Exchange was started in 1987 that only two companies had put their shares up right away. To put it another way, only two companies had a reasonably broad base of share ownership which was indicative of the type of direction in which we would want to go. In those days, in 1987, only Banks Breweries Limited and at the time, Barbados Light & Power Company had a share ownership of more than 2 000 persons. In fact, one company which was a public company, had as few as 326 shareholders and one at that stage could question how public that public company in fact was.

Over the years, trading on the Exchange has increased. Whereas in 1987, there were 13 companies listed, at the end of 1996 there were 19 companies listed. In terms of the number of shares listed, the number has grown from 157.4 million in 1987 to 740.1 million in 1996. The number of shares traded, which is perhaps an even more important indicator, has grown somewhat even though not as much as I personally would like to see but there was some 1.5 million shares traded in 1987 compared to 5.48 million traded in 1996. I would certainly want to see quite a bit more trading going on in Securities because the whole purpose of having the Exchange established is that they

would be an institutional framework, a readily available and accessible mechanism by which persons who wanted to cash in on their shareholding in order to use the funds for other purposes would be able to do that in a structured way as well as persons who wanted to be able to invest.

I think, however, that many Barbadians still, in my assessment, tend to hold shares more for a store of wealth and to seek to live off the dividends earnings rather than a situation in other Exchanges where there is a component of shareholders which would tend to trade in shares for the capital gains, the change in price, but those are factors which are influenced by the fact that there is little fluctuation in the prices of the shares in Barbados which is due to other factors.

Now, Sir, in terms of the value of shares traded, some \$3.6 million worth in shares were traded in 1987 compared to \$12.4 million in 1996. As for the market capitalisation of the companies listed, that has grown from \$450 million in 1987 to \$1.54 billion in 1996. You can see that there has been steady, even if when a full assessment is made not necessarily spectacular growth in the Exchange over that period of time.

What is important for all of us to note and I am sure that all of us recognise that without proper and effective regulations the confidence will not be there in the Securities Exchange and without that confidence and credibility that they will not be able to attract new shareholders, new persons to purchase shares on the market and that in turn will be defeating one of the major purposes for which the Exchange would have been established.

Sir, we have been able to benefit over a time apart from the ten years of experience which we have had in reviewing the operations of the Securities Exchange and the manner in which companies have been listed or de-listed, the way in which trading has been done as well as some of the activities which have occurred, we recognise that the matter of take-overs is one which is not adequately addressed by the legislation as it stood. They are other matters which we are currently seeking to address and this amendment to the Companies Act and the making of the regulations under the Act with respect to take-over bids is but one of a series of steps that are being taken.

We also recognise for example that self-regulating Exchanges are not the most effective in ensuring the widest possible protection of the interest of all parties particularly the very argument that persons in regulated Exchanges would use in terms of the smallness where they say that for a small market with a single Exchange there is no reason for a secondary level in terms of a Securities Exchange Commission. I should just depart slightly to say, Sir, by way of explanation, that in a market like the United States, for example, where there are many exchanges,

New York Stock Exchange and on and on and on there is a Securities Exchange Commission which is the governmental entity that is there to supervise the activities of exchanges and other institutional entities involved in trading.

11.40 a.m.

The argument which is used by some persons is that in a small market like Barbados, with a single exchange, there is no need for a secondary body. However, that same argument when turned on its head will reveal that the fact of smallness will mean that you will have several persons wearing different hats, sometimes on the same matter and without any malice being intended, one can have a situation where, because of the closely knit nature of the society and the closely knit nature of the economic machinery, you will have significant opportunities for conflicts of interest.

Sometimes the conflict of interest may play itself out, not by way of any malicious intent, but on other occasions the smallness would of course provide tremendous opportunities for insider trading and other fraudulent activities to be perpetrated on the exchange. So the Government is obviously very concerned that we should move hastily to have in place a secondary level monitoring mechanism.

Again there are other features which we are currently working on and I would not go into full details on those. I will just make the point that we are not necessarily satisfied that a self-regulating exchange provides the best solution for the interest of shareholders or for the interest of the integrity of the exchange and so on. We are satisfied that one of the subsequent steps that need to be taken is to have some appropriate oversight mechanism put in place.

On the question, Sir, of insider trading which is one of the issues which arises in all exchanges that is referred to in the Companies Act in Sections 308-311, definitions are given with respect to insiders. The types of activities that we consider insider trading is spelt out and the fact that persons who are disadvantaged, who suffer loss as a result of insider trading, is also spelt out in Section 310 where persons have recourse to compensation for any loss which is suffered. But this is one of the greatest problems in building confidence in any exchange and it is one which the Government will certainly move to stamp out.

In fact the Take Over Bids Regulations, 1997, because of the information requirement, some of the disclosures which are required to be made in terms of the nature of contracts, if any, between officers and associates and affiliates of the offeror company and the offeree in the bids and the several other pieces of information that are required, are going to be very effective in seeking to ensure that where there is any business of people wearing several

hats in the same deal that it is required to be disclosed and therefore would be a major deterrent in this regard.

But insider trading basically can occur and the definition speaks to it where a person who possesses material, non-public information, and it is material in relation to the fact that it would have an impact on the value of the shares when traded that that person who possesses that material, non-public information, trades in securities or communicates that information to persons who trade. If you refer, Sir, to Sections 308 to 311 of the Companies Act, Cap. 308 you would see it clearly spelt out, Sir. Who are these persons who are insiders and who are these persons who are deemed insiders? The list is fairly exhaustive and offers considerable scope for prevention, but we were not satisfied to stop there.

We also went on to ensure that in the take over bids regulations that those relationships are further required to be exposed by way of the level of information which is required, and I will speak more to that. I just want to say on this matter of insider trading that it is one of the cancerous growths that can slowly creep into and slowly eat away the confidence of persons in an exchange.

Indeed the confidence of persons in financial institutions generally, but more particularly in an exchange, where the fundamental principle in being able to trade on an exchange is that all shareholders possess the same information and it is based on that equality of information one uses one's judgement and financial skills to make decisions on when to buy and when to sell and the like. Where the information is unevenly spread between shareholders then persons are able to obtain illgotten gains.

Take the example of the United States. The Securities Exchange Commission has over time charged a number of persons with insider trading related offences and this is not related just to the stock brokers. So I want to make the point that the matter of how inside information can be used, how confidentiality can be breached and using it to the advantage of particular individuals in the system, is not limited to your broker. Amongst the persons who have been charged by the SEC over time including the investment bankers, arbitrators, attorneys, other law firm employees, financial reporters.

In the United States they have these stock market reporters who have some inside information. You can have it but you cannot use it to your own advantage. Accountants, officers of banks and so on, who have dealt with a number of companies and even a psychiatrist was once charged for insider trading. I am not sure about nurses, Sir. That is important because the scope of the concern about insider trading is not only that justice must be done but it must be seen to be done and persons who want to appear to be standing on the highest levels

of moral rectitude, Sir, by themselves or their companies not trading in securities, they have to provide information or they have information on, by going to the beach house or to the club, or to the golf course, or even to the bedroom, Sir, and disclosing that information to an associate or an affiliate that they are able to get away with it, Sir. That is not the case with the Sections 308 to 311 of Cap. 308 as well as the take over bids codes.

11.50 a.m.

Now, Sir, let me speak more particularly to those regulations, because those regulations are really the heart of the matter. The amendments to the Bill itself are there primarily to give effect and to give the particular scope for the Minister in consultation with the Exchange to make those regulations.

The regulations, first of all, Sir, make a distinction between two types of take-over bids. One which is described as a formal take-over bid and this is where the take over is the subject of a take-over bid circular and not the other type which they call a market take-over bid, which is where one is seeking to increase their ownership but by no more than an additional 5 percent to what is already in hand. But, the take over, Sir, is defined by way of amendment in the amending Bill.

The amendment at section 185 of the Companies Act now lowers the percentage at which the provision of the Take-Over Bid Regulations would kick in. That percentage has gone from the original Bill where one had to be seeking to take over all of the shares, to a situation where one is seeking to take over 25 percent of the shares. Then, the provisions of the Take-Over Bid Regulations would kick in. That is borne out of a recognition that one does not need to own 100 percent of the shares in a company to have a controlling interest.

So therefore, once a company or an individual was able to make a bid for less than 100 percent, the provisions of the Take-Over Bids Regulations did not affect them. However, we are recognising that we need to have these requirements in place for companies which will by virtue of making a take-over bid, be in a position to have some substantial interest in the company by way of having at least a director on the Board, but certainly by way as well of acquiring wider controlling interests. So 25 percent is the kick off point as far as the provisions of the Take-Over Bids Regulations.

Then the legislation goes on to provide for some time frames and these are important, because these issues must not be allowed to hang around indefinitely.

Sir, I should make the distinction between that 25 percent provision, and as I mentioned earlier, the situation

where one is seeking to acquire all of the shares. The amendment at section 186 makes provision, Sir, for a "force-out" provision, where in the case of an acceptance rate of more than 90 percent, Sir, if one were making a bid for all of the shares of the company, then provision is made where the intent is to have 100 percent ownership, you already have consent from 90 percent of the shareholders, provision is made for a fair price to be offered for the shares of the remaining 10 percent and they have a limited time period within which to comply. But also, Sir, provision is made within the regulations itself, for certain time-frames to be associated with the conclusion of these take overs.

Now, in seeking to make a take-over bid for even as little as 26 percent, just over 25 percent of the shares, one cannot go to one or two selective shareholders and make the offer and that has been a major source of concern and a major source of grief in a number of share transactions in Barbados today.

But, the company that is making the offer, must make a formal bid and they must circulate to every registered shareholder, Sir, the take-over bid circular. The circular has to be mailed not less than 28 days before the date on which the bid is to close. So persons must have it in hand so that decisions can be made. If there are amendments made during the course of the offer, then those amendments cannot be made. Or, I should put it another way, then with those amendments there must still be at least 14 days remaining between the amendments and the close of the bid.

But, what about this circular, Sir? This circular is really the all important document that states the intention of the offering company. It is saying to all the registered shareholders, "look, this is what we are proposing to do. We want to get your shares, we are willing to offer X", and so on and so on and so on.

But rather than leave that loose, Sir, the Bill makes provision in the first instance for 16 categories of information to be contained in that take-over bid circular. This is 16 main categories because there are also subsidiary categories of those 16. So you will understand, Sir, the magnitude of the information which is required to be submitted to each and every registered shareholder of the company which is the subject of a take-over attempt, where a company wants to have at least, 25 percent of those shares.

I would not go through all of these 16 categories, Sir, because they are all listed there. These 16 categories must include the identity and the business background of the company that is offering, so that a company cannot use someone to front for them, even though a broker may be the one who may close the deal. The shareholder must know that he is selling his shares to John Workman

and Company Investment Limited, for example. John Workman Attorney at Law cannot act for an unnamed client in seeking to make a take-over bid. This is important because a shareholder needs to know, apart from the fact that he might make two or three dollars on his shares, what is the impact of the sale of his shares. Will he be part of a company that he did not want to be part of? Will he be transferring his wealth to a section of the community that he would prefer not to transfer it to? What are the options? So the identity and business background of the offering company must be there.

The statement of the rights and obligations must be given. So that if a company is saying that we want to have your shares, but subject to these conditions, that information must be given. The details and the method of payment, so that you do not surrender your shares and then you hear that we are not paying cash. We are paying in stock options or we are paying in rice grains or whatever other negotiable instrument the offeror might conceive, but that has to be stated up front.

The designation of the securities which the company that is offering to make the take over, hold of control in relation to his activities there, particularly, the take-over bid circulars require that the company that is making the take-over bid, the offeror company has to say if it, as a corporate entity, or its directors, or associates, or affiliates or any persons known to those directors, associates or affiliates, if they own or control any securities of the company that they are taking over. In other words, if there is a prior interest in the company that is the subject of the takeover those who are taking it over must disclose that to the shareholders. That is important information. If it is simply a case of a family reunion or friends going back home or investments being reunited with the original person who made the investment, then the shareholder knows what the real story is.

12.00 noon

This other section of the Regulations is very much in keeping with sections 308 and 311 of the Companies Act where provisions are made for persons who are deemed to be insiders and where for example it is known to the offeror company or the directors or the officers of that company that there were shares of the company traded by a person who is referred to in the previous section during the 6 months preceding the takeover, then that information has to be disclosed including the sale price and the date of the transaction.

A shareholder who is being asked to sell his shares to this company that wants to make the takeover is also to be apprised of what holdings if any or what divestment and to whom the offeror company has made in the previous 6 months so that you do not have a stealthy or creepy or

sneaky approach to either the takeover of the shares or the shares do not change hands so that the effect can be masked.

Also important information to be disclosed are the details of any contracts, any agreements, any understandings, whether formal or informal, between the offeror which is the company making the takeover and any shareholder of the company that they are taking over as well as persons with shares in the company that they are taking over. That is important, because if there is a situation for example in which my company is making a take-over bid on someone else's company and I have a secret arrangement with one of the shareholders or one of the directors that I would make them the Chairman or do some particular thing, give them all of my work or some other activity, then that is required to be disclosed to the shareholders. There might be nothing wrong with it, but let the shareholders know before they make their minds up about what they will do.

This eliminates the capacity for secret deals because very often on the stock market there is more than meets the eye concerning a company's decision to buy shares or to sell shares to another company. A company can be taken over either to add valuable assets to another company or to eliminate competition or for several other purposes. It can be taken over simply to consolidate ownership but the fact of the matter is that where there are prior arrangements which are material to the transactions they now have to be disclosed to the shareholders prior to the action. That is extremely important, Sir, and should ensure confidence in the market place.

At section (k) of the take-over bid it puts it in a general context – "details of any." The word "any" is important. Apart from the specifics I mentioned "details of any business relationship between the offeror and the offeree company that is material to either of them".

Sometimes shareholders are merely shareholders and do not know what is the nature of the business arrangement between the 2 companies in which they have shares and which is now part of the take-over bid circular.

A part which I love very much, Sir, is that this take-over bid circular to be submitted to each and every registered shareholder now requires that included in the information submitted must be where the plan is to achieve effective control of the company it must disclose any plans or proposals that are made for the company. If you are going to be acquiring a majority you have a controlling interest when you achieve your takeover if you plan to shut it down, you have to disclose that, if you plan to lease it out to somebody, if you plan to dispose of the assets of the company that you are taking care of, if you plan

to amalgamate it with any company subsequent to the takeover, if you plan to make any major change in the business or corporate structure or to the management or the personnel, you have to tell the shareholders that.

The shareholders of a company that is the subject of a takeover will know up front whether they are being asked to sell their shares to somebody who plans to shut down the company or who plans to move it from being an autonomous unit in which they or their children or whomever might have some pride in being a branch department of a larger and amalgamated entity or to use a good Bajan phrase, whether they plan to take it over to "lick it up".

That phrase might not have much meaning in the corporate world but I think the average Barbadian knows what it means to "lick it up". That was not out of any corporate dictionary but it has significance.

Sir, I am sure you will not find this take-over bid circular in any of the plans that are disclosed under Section (I) of the take-over bid circular that the offeror proposes to "lick up" the offeree company. That would not be the appropriate language.

Sir, in all seriousness, these Regulations go on to require that the volume of the trading in the previous 6 months of the shares be provided and any particulars which would generally be useful for the shareholder to make a decision. But there is an additional information requirement that is made in addition to the 16 main subdivisions I mentioned where all or part consideration is being offered as securities rather than a cash payment where you are offering stock or other securities to make the purchase, then 4 additional information requirements are specified.

So if you are making a take-over bid for a company in question, in your take-over bid circular to the shareholders of that company, if you are proposing to offer them stock in your company or some other form of security in addition to the 16, 4 will also be required.

You will have to include financial statements on a *pro forma* basis of the offeror company as of the date of the take-over bid. It also has to include a description of the financial statements of the company which is being taken over or which is the subject of the take-over bid. Additionally other financial information has to be presented such as the fully diluted earnings per share information and other financial information so that the shareholders are able to make an assessment of whether or not the offeror company that is the company that is making the take-over bid will be in a position to honour the securities which it has pledged as payment.

We cannot put shareholders in a position where they accept useless pieces of paper rather than cash. If they do decide to part with their shares or if the offer is being made to hold stock in the company that is making the offer, then shareholders need to know what is the relative value of the new stock they are taking up and whether they are in fact trading like for like, or whether they are really part of a major smokescreen operation.
12.10 p.m.

In addition, Sir, if the offeror would be exercising total control over the company, then additional information requirements are required. You can recognise, Sir, that these Regulations are all about a level of information requirements which would ensure that every shareholder who is being asked to make a decision on whether to dispose or to keep his shares is in a position to make those decisions.

Additionally, Sir, as provided for late in the Regulations, it also makes the specific requirement that every shareholder be given the opportunity to make that decision and they must all be offered the same choices of what the consideration will be.

As an alternative, Sir, in cases where the company is seeking to repurchase its own shares, then the take-over bid shall contain instead an alternative set of information in 19 categories some of which are similar to previously, but there are 19 pieces of information required. The basic point is that the responsibility and the requirement where the take-over is being done by a third party or where the take-over is being done by way of the company repurchasing its own shares and therefore reducing the shareholding base of the company, the information disclosure requirements are no less rigorous.

It also speaks to the point, Sir, that the company, if on its initiative is seeking to buy back more than 25 per cent of these shares, then it also cannot select which of its shareholders it makes the offer to. It has to come out and make the offer to each and every registered shareholder, offer them the same value or options and so on.

These Regulations, Sir, will add that element of equality, equity and so on which previously was only the subject of the level of moral evolution which would have been associated with the directors of the company. We cannot leave this matter to the level of moral evolution of these people.

Now, Sir, the Regulations also provide, very importantly, Sir, that where a take-over bid circular is to be circulated, as required by all the registered shareholders if they want to take over a company, that there must also be a statement signed by the directors of the offering

company to the effect that its directors have approved of this being done so that you do not have a situation which can develop where sometimes if you have a strong chairman, a strong chairman can drag a board in directions which the board may not possibly dream of. Sometimes having dragged the board in those directions, the board by means of not wanting to embarrass the chairman, by means of not wanting to appear as if it was ineffective, the board sometimes goes along with these already publicly declared positions only out of either not wanting itself to look as though it was ineffective or embarrass the chairman.

This requires that if a company and, of course, you know, Sir, that a company can only act through its agents, and the question which can only be asked really at some point is whether the actions of the agent were *ultra vires* or not.

Aside.

SENATOR THE HON. R. R. FARLEY: I am being corrected by the attorney. The question that can be asked is whether the agent of the company acted on full authority and with full knowledge of his associates in the company, whether they be at the level of directors or shareholders. What this requires is that a statement must accompany the take-over bids circular to the effect that the directors of the offering company have approved of this offer being made by whomever that officer happens to be who would be the mouthpiece or who would have affixed his signature to the offer which is sent out to the shareholders.

Sir, it does not stop there. It also imposes obligations on the directors of the company that are the subject of an offer by way of a take-over bid's circular. The Regulations require that the directors of the company on receipt of that circular shall themselves prepare and circulate a director's circular to each and every one of their shareholders.

It provides for some 21 categories of information to be prepared for the guidance of the shareholders. Included in that would be the provision of up-to-date and relevant information on the company, provide a recommendation on whether to accept the bid or not, disclose what course of actions the directors plan to take because a company does not necessarily have to give into a take-over bid. The directors may propose that the usual strategies which are mounting in the fact of a hostile take-over bid be implemented. In this case they have to do that and also any additional information as might be required.

Mr. President, what this will do is to ensure that the level of information which surrounds an offer by a company to take over the shares or other controlling interests in another company, ensure that that information is disseminated to all shareholders, and that the same offer

is made to all, but also ensures that the directors of the company, which are the subject of the take-over, are made to live up to their responsibilities to provide some guidance to the shareholders as well as to disclose whether they themselves by way of contracts, business dealings or otherwise as provided for in the directors' circular to be circulated, whether they, in fact, have any material interest in the company that is making the offer.

The last few features of the Regulations I want to highlight, Sir, are that there are only a few permissible conditions for the withdrawal of a take-over bid when it is so given. The take-over bid can be made on the condition that a specified percentage of the shares that are outstanding are tendered. A company can say if they do not get X percentage then the offer no longer holds. The key however is that they must have canvassed all shareholders. They cannot select which 40 per cent of the shareholders they want to make the offer to in order to get 38 per cent of the shares. If they want 38 per cent they will have to take the offer to everyone and let them decide. It can be withdrawn if a Government agency moves to prevent it and that condition can be made. If the approval of the action is subject to the approval of the Securities Exchange of Barbados or subject to the approval of the Exchange Control Authority or any other authority which may have jurisdiction in the matter, then that can be made up front within a proper reason for the withdrawal of the offer and it can also be stipulated that the offer can be withdrawn in the event of some natural disaster intervening somewhere between the offer and the close or the directors of the company which is the subject of the take-over bid intervening and providing information which would materially change the value of the shares in question.
12.20 p.m.

In summary, Sir, on this particular aspect of these amendments, which like I say the amendments by and large give effect to the creation of these regulations which are a principal part of our efforts to improve the operations of the Exchange, it is made quite clear in these regulations that all shareholders in the offering company must receive exactly the same consideration or choices of considerations that current controlling shareholders in a company cannot sell out his shares without all the shareholders having the opportunity to purchase at the same time and at the same price.

Again, fairness, you have to treat everyone fairly, you cannot decide to sell to your friends at one price and sell to the others at another price or on some different time frame, the opportunity must be there. People do not have to buy but the offer has to be made. A company cannot repurchase its own shares except by way of a formal take-over bid which is done equally to all the shareholders as required or if not by a formal take-over bid by way of

the market repurchase take-over bid done through the Exchange. This is very much in keeping with some sections of the Companies Act.

Sir, we are satisfied that these amendments to the Companies Act, Cap. 308 which makes provisions for a new definition of a take-over bid so as to provide a framework in which a take-over for the shares of a company can relate to a bid for less than all of the shares of the company. It clarifies the existing provision of the Companies Act with respect to a take-over bid for all of the shares because that can be done as well and it clarifies the issue of the force-out provision where more than 90% of the shares are in fact taken up; it makes clear provision for recourse in the courts in the event of either non-compliance of the regulation or for those persons who are disadvantaged in respect of the take-over bid regulations and how they are given effect and it makes provisions for these regulations, which I have sought, Sir, to discuss fairly extensively this morning.

It also indicates, Sir, that this is but one of a series of steps which are being taken to strengthen the Securities Exchange to ensure that in our drive towards the broadening of ownership of shares in Barbados, that we have adequate regular protection for those investors and we can expect that several other actions will be coming to this Honourable Senate subsequently for Senate's approval.

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

SENATOR J. D. E. BOYCE: Mr. President, I wanted first of all to indicate the general support for the intent of the legislation as has been so carefully outlined in some areas by the Honourable Senator who just spoke.

Mr. President, this amendment comes at a very crucial time in the life of Barbados in terms of economic activity and in terms of certainly the picture which we have for all Barbadians being able to participate equitably in the opportunities that might be offered from time to time by getting into trading on the Stock Exchange or indeed the whole business of ownership of shares or stock in a company.

Sir, the biggest impediment in respect of the Barbadian psyche, however, is the one which I think the Minister carefully avoided in his presentation and it is definitely the lack of a clearly independent body to regulate the activities of the Stock Exchange and companies operating on the Stock Exchange. He mentioned it in passing as being in existence in the United States where there are many, many Stock Exchanges operating and there is a regulating body for those Stock Exchanges.

However, Sir, we have a situation today, even the Minister is on public record as not being able to comment on activities to do with changes in ownership of large conglomerates in this country because of his concern that there might be a conflict indeed because of his membership of the very Governors of the Stock Exchange Board. If that is the conflict which we see at that level, I believe that we have the Chairman of the Stock Exchange also not being able to comment for virtually the same reason in that he is not only the Chairman of the Stock Exchange but he probably has interest indeed in one or maybe more than one of the companies who at some time might indeed be trading.

Sir, I think that this is the impediment that is facing the small investor outside. Are we going to put funds into an arrangement which allows the status quo to remain? In other words, the two or three large conglomerates in Barbados will continue to run the show and indeed the Minister alluded to the possibility that there could be quiet deals being made. He named a number of places where they would occur and he even referred to them being made in bedrooms and that kind of thing. So I would not go that far myself but we know of instances where the public refers to the whole question that the large companies in Barbados decide what is going to happen in Barbados when they sit at their breakfast meetings be it at Cattlewash or be it at whatever.

The point is, Sir, they are not sure that the decisions that are made at the level of the Boards are necessarily the decision that will be the real decisions. And they are afraid that there are other decisions being made outside of their earshot. The small investor will continue to be afraid unless we put in place further regulations to make sure that there is a complete independence of the operation of the Stock Exchange and that there is clear transparency in terms of what is going on when these offers come to the fore.
12.30 p.m.

We heard of the reference to strong Chairmen or strong Chairpersons being able to pull or tug or drag maybe or bulldoze even the company in question into a particular direction, not necessarily the view of the wider share ownership but because of a personal objective we can get this kind of effect.

Indeed, I think, Sir, it is public knowledge that we might even be seeing it in Barbados today where certain share movements are contemplated which if they come to reality will continue, as we have seen all the time, concentrating the ownership of every viable entity in this country, Sir, into one or two hands.

I think we have to look at the structure, Sir, of the large companies in Barbados and I trust, Sir, that the

other Minister of Trade will also get into this debate today and lend us of his intimate knowledge of the whole question of the structure of share ownership in this country, the structure of many of these public ...

You know, Sir, during the presentation it was evident that this Minister was speaking almost like if he had two speeches to make, Sir, one for the record here and one which if we probably listen later on at lunch or something we would be privy to at lunch. He spoke during his presentation of the whole question of whether the owners of the shareholdings were actually painting the correct picture to the shareholders themselves and the need to have these regulations put in place.

Sir, in Barbados we have got the large organisations. We have got the Barbados Shipping and Trading which everybody is aware of. When I was growing up as a young boy in Mile and a Quarter, St. Peter we used to hear that the Barbados Shipping and Trading owns 70 or 80 cents of every dollar in this country. I do not know how much they own now but certainly in Mannings they own the largest appliance distributor in the country. They own Banks Breweries, Sir, and Coca Cola. Let me put it differently because you have to keep in line. They own Banks Holdings who own Coca Cola and all of the tentacles related to Coca Cola including distributorships and we might get to that later, Sir, and I do not mean the mean distributorships. I mean they have actually been moving into the area of retail distributorship, Sir, if we can stretch the language a little bit further with Senator Symmonds' permission. So they not only own the main distribution but they are also going into the small distributor sector and taking up some shares and some major percentage and indeed most often the most lucrative areas.

They own a large chunk of the hotel sector and only recently we have seen the outcry. Again it was a question of confidence, the outcry by shareholders and workers at this particular hotel property when the whole question of the impending movement of the ownership was before them. The question of confidence, the question of regulation, and even then we were calling for regulations to be put in place that would bring a transparency. Although this Bill before us seeks to bring some amendments it does not, in the main, and the Minister made the point, it does not address the question of confidence of the shareholder in the persons. These are no longer companies that are faceless organisations. In the Barbadian society we know everybody who does what.

We know who is who about here and we know about the cross linkages. Even when we talk about BS&T or we talk about the ownership of Banks Holdings, we have then other companies like the Goddards Group who now own probably a different sector of the economic pie in

Barbados. They own the rum distillery, one of the largest. They own the Barbados Cosmetics, Sir. They go into things like the service sector in a very big way with their ownership of transforming motor repairs.

The point must be made, Sir, the question of the tentacles of ownership or big business ownership in this country must be there for people to see. They own the TMR who are a service oriented company essentially. They own Tropical Batteries and they have significant shareholding in Sandy Beach for instance, Sir and Life of Barbados and Barbados Flight Kitchen.

At the same time, and this is the important one, Sir, certainly the last time I had a check they still owned something like 14% of Banks Holdings. So you see the critical linkage we are talking about. The fact is that we have got, as far as the public is concerned, we have got on the one hand the Barbados Shipping and Trading, on the other hand the Goddard's Group of Companies and we would probably see the unwitting observer believe, well here are two organisations in good business competition but in truth and in fact, Sir, there are quietly working together and this is the reference the Minister probably meant about bedroom, with that 14% which draws them very close together in at least one of the organisations. Again let us get more specific, Sir.

SENATOR THE HON. R. R. FARLEY: Just one second. On a point of order, Mr. President, I am not privy to the bedroom business of any particular individual, whether corporate or otherwise so my reference would not have been to any bedroom business of Goddards or Shipping and Trading or whomever, my reference was a general reference to the general situation in respect to insider trading and the use of information generally, but I did not in my speech make reference to specific companies in terms of their bedroom habits. So I would want the Honourable Member to withdraw that and take the comment as his comment rather than mine.

Mr. PRESIDENT: I would ask that that be treated as a point of elucidation. Please continue.

SENATOR J. D. E. BOYCE: I do not know why the Honourable Minister is all of a sudden running away from his bedroom story, Sir, but there will be other times when I will probably have to go into more detail but only if relevant to something we are discussing in this Chamber.

The point is made however that the Barbadian investor and the young Barbadian entrepreneur that we are trying to attract cannot feel confident in an environment, Sir, where this kind of status quo is being maintained. Even today, how many people know, for instance, that the Goddards group has now taken a large stake in the old

Bim Beverages operation, Sir. I do not know how many people know that, but a lot of things are going on in this place daily and a lot of people do not know about them, Sir.

12.40 p.m.

We have the other operation of rum, Sir. We have David Seale, E.S.A. Fields and friends, as I am reminded, Sir, they do make a very popular product, Sir, and I myself must admit that occasionally I do enjoy a beverage made by them, when I am not drinking Tiltman beer, Sir. Even in a public comment recently when we went into areas of real estate, Sir, during a public debate in this country about three weeks ago dealing with some land at Apes Hill, Sir, when we had Ministers admitting...

Asides.

SENATOR J. D. E. BOYCE: I carry the newspapers, Sir. This was a public debate, Sir, when we had Ministers admitting that Mr. C.O.W. Williams whom the land might have been acquired from by Government was in fact the same as one Eastern Land Development, Sir. It is this kind of non-public, public knowledge that hinders public confidence and hinders mass investment, at the level of the small entrepreneur in Barbados, Sir. We need therefore, Sir, to urgently address ourselves to regulations which get to the core of this confidence question and require regular and fair disclosure on the part of public companies.

Again, the Minister was clear when he said that some of the public companies, and you are not even sure how public they are. When you look at what goes on, you are not sure if they are just named public by virtue of their own ownership structure and no attempts are being made to do anything about it. As a matter of fact, in some instances the Stock Exchange has to perpetuate the single ownership rather than to encourage the sale.

Every time an opportunity occurs, certain people know about it first. Certain people will always know about it first. It will never get any further. The transaction will take place, the broker will act in his or her particular way as required by the law and the ownership is perpetuated and consolidated.

There are examples in Barbados of this kind of activity in the case of the pension fund of the Barbados Shipping and Trading Group which has for the last 15 or 20 years been buying up a considerable amount of shares of different businesses connected with the organisation. I am not being specific, but generally, a close examination of the share transfers will reveal that what I am saying is absolutely correct, Sir. That is the picture on hand, Sir, of the established organisations.

There are other examples of entities in Barbados who have, over the last 20 years under the enlightened

leadership, Sir, first of all of the late Errol Walton Barrow, when the Democratic Labour Party first came to government in 1961. There is no doubt that that coincided with an awareness of black people in Barbados of their abilities and their strengths and they launched out well.

Indeed, the Nation Publishing Company Limited is a shining example of what grew out of this awareness and this new found strength, Sir. If the governmental support was not there and if the governmental hand holding is not there, we cannot have that kind of progress. Instead of what we hear today, and I am sure, less than six months ago, the Prime Minister of this country was stated as saying that he is very happy with the status quo, Sir. He was speaking about the situation in terms of business ownership in this country.

Well, I am not happy with it, Sir. I am not happy with the status quo and I am saying at least two out of 49 000 other Barbadians like myself are not happy with the status quo either. The majority of Barbadians would like to see a dissemination of ownership from a few and a much wider and meaningful ownership of real, real property, and I mean real property now, Sir, in the broader sense, real property by Barbadians in general, Sir.

We have a situation where the two Ministers of Trade today in Barbados who sit down every day and apologise...

SENATOR THE HON. R. R. FARLEY: On a point of order, Mr. President. As far as I am aware there is only one administration in which there were two ministers with the same portfolio and that was in Agriculture in the Democratic Labour Party. There are no two Ministers of Trade. There is a Minister of International Trade and Business, Philip Goddard and that is the only Ministry that has a Trade in its name, Sir.

SENATOR J. D. E. BOYCE: Mr. President, the Minister for the whole day appears as if he is going to continue to hide behind his own words. But the Minister who just sat down is the Minister of Industry and Commerce, which is Trade, Sir. Industry and Commerce, buying and selling, trading, Sir, and by his last intervention he admitted that Senator Goddard, who says nothing in here, Sir, is also the Minister of Trade, subsequently by his own statement, his own indictment, his own evidence. The two Ministers of Trade sit in Barbados every day, Sir, and apologise for the fact that they have not been able to dissipate the \$2 million which the Prime Minister, and you have to give him credit, the Prime Minister has now, for about three years had...

Mr. PRESIDENT: Senator Boyce, will you please return to the Bill before the Senate?

SENATOR J. D. E. BOYCE: Mr. President, the Bill before the Senate is the one to do with the amendment of the Companies Act. The sale of shares. I am leading up to the interest of small business persons now, Sir, in purchasing these said shares. The ability to purchase these shares, Sir, the wherewithal, the mechanisms, Sir, and I am saying that the attempt has been made, Sir, and you have to give the Minister of Finance credit where credit is due.

He has provided \$2 million to be used in the Small Business Association for the development of small businesses in this country to the extent that one day they too will be able to trade. For example, people like Tiltman would be able to walk into the stock exchange and trade with the likes of Banks and the Goddards group. The point, Sir, is that the Ministers of Trade have sat down and have been able for three years to produce nothing in respect to that \$2 million. The interest sits on the bank and the small businesses continue to crumble.

The manufacturing sector in Barbados is virtually at a stand still in spite of the injection of \$2 million. But what the Minister of Finance probably did not do, Sir, was he did not inject an appropriate Minister along with the \$2 million. Because, this group obviously does not intend to push the programme of the Small Business Association forward so as to enable them to set up a structure that would allow them to participate in this kind of activity.

They are crying out daily that the problem is nothing to do with the availability of the money but because of the technicalities that are put into place, Sir. The Minister needs to speak and yes, if he will speak when he is winding up that is fine with me, but he needs to speak about it. Because he is constantly quoted in the newspapers of this country saying that the small businesses are doing nothing about utilising the funds.

Well, he must come out and tell the people of Barbados what he is talking about, who is responsible. Is it the Minister of Trade, is it either one of them, Sir? Or is it the Minister of Finance, Sir?
12.50 p.m.

Sir, we have to get these things through. The same confidence I referred to earlier because we paint a picture of solidity, we paint a picture of profits and we paint a picture of growth when we discuss the BS&T, C. O. Williams and the Goddard group. Nobody harks back and talks about the failure of the agro-processing industry, or the failure of Carib Express. Nobody likes failure.

In other words, the small businesspeople who are constantly out there knocking their heads together trying to get their projects off the ground are constantly being blamed for being unsuccessful. We do not hear about the

unpublished failures. We hear about the successes. How many Eastern Land Developments have there been? I do not believe this is the only one. I think there are thousands that probably went through the eddoes too.

Because we have a couple of small business organisations now that might be having difficulty getting their act together, are we going to throw our hands up in the air and give up on them? No. We have to get to the root of the problem and treat them with the same amount of pressure and the same amount of assistance that is being pushed on the tourism sector.

The Ministers of Trade boast when they speak in unison about BET and where the rates of BET should go. I hope that when they are finished with BET that we have a means for facilitating our overseas calls.

I am a full acknowledger of technology and where technology is going and where technology can take us but I hope at the end of the day we have a situation where we can maintain good rates for Barbadians, we can maintain a personal communication system as we are accustomed to, making us the envy of the Caribbean and we can maintain, most importantly, jobs for the people who work in these organisations.

So the same energies that are spent making sure or urging these organisations to operate in a way that will make them go forward or will take Barbados forward, the same energies have to be demonstrated as being applied to the Small Business Association. I am saying today that that is not the case. The Small Business Association is treated as an appendage.

The small businessman in Barbados is given token coverage. Every year he will get a couple of dollars and some space at the airport to display goods without anybody to buy them in the main and there is no attempt to make the paradigm shift in terms of ownership of this country that I have been referring to in my presentation.

We need to get from the Ministers of Trade today that commitment and energy that will see small businesses like Accord Windows, like Brancker Tiles and Terrific Tiles being able... Even as I call the name I smile because you will remember linkages that are not probably always obvious... that will bring those businesses who play an important role in this country to the correct level in terms of the appreciation that is given them for their contribution.

Sir, I need to go back for one short while to the whole question of this ostensible separation of trading. Are you aware that all the time Goddards own 14% share holding in Banks Holdings? It is their right, but do Barbadians know that they import Red Stripe Beer in

direct competition? Is it public knowledge? So you see the whole question of confidence in terms of the personalities involved in the business activity is extremely important to the persons who are making the decision in putting their shares on the Stock Exchange or getting involved in activities with the stock exchange.

Until we do that, the Stock Exchange will continue to be what it is essentially an area where big business does its thing with more ease, in apparent openness, but in actual fact not providing that essential engine for economic activity as it was designed for and as it was established in 1987, as the Minister quite rightly indicated, after some years of preparation because nothing drops from the sky as sometimes we might be made to think.

This group of parliamentary secretaries especially give you the impression that things drop from the sky, that they were the first to ever design a Ministry of Education, for instance, or refurbish an old building for that matter. Nothing drops from the sky. The Securities Exchange of Barbados was the concept of, I think the Minister said, Tom Adams, but I believe he meant Prime Minister Adams because I do not know what Tom Adams he was referring to. If he meant Prime Minister Adams, yes, the early thinking in terms of developing a stock exchange. Its actual implementation was in 1987 as he pointed out when Banks Breweries and Barbados Light and Power were the first participants.

Let us look at the structure of the shares of those two originating organisations and that tells the story of the Securities Exchange. That tells the story that I want to tell today, Sir.

Barbados Light and Power shares have not essentially moved in terms of ownership one way or the other. The foreign percentage is the same, maybe 250 000 was set aside at some time around 1987 when it was fashionable for workers to buy with their bonus. The same thing happens at Banks, a figure which could never be realistically attained by the employees. Indeed the attractiveness of the offer continued to be eroded when business people, the owners for the organisations having started out by saying that they want to offer the employees an opportunity to buy shares at a significantly reduced rate they would probably have offered them 50% or even less of the share rate.

A couple of years later the attractiveness of the offer was so minuscule and the quantum that the guys and the ladies in the organisation are working for anyhow is so little that with the VAT on basic food you are glad to see the couple of bonus dollars if they do come because they do not offer that anymore. So they do not have that kind of

discretionary spending and the attractiveness is not there anyhow.

The profile of the ownership of Banks Holdings, the original participants in the Securities Exchange of Barbados and the profile of the ownership of Barbados Light and Power, the other original participant in the Securities Exchange of Barbados has not been significantly altered. The same names occur and the same percentage share ownership applies to the same shareholders as they did in 1987. That tells the story, Sir. The statistics about trading are essentially irrelevant because they have been essentially insider trading without the criminal connotations that that term would normally attract.

The activities have been essentially those of insider trading where companies with knowledge of availability here and there have been participating in exchanges from time to time.
1.00 p.m.

If you look at the reports in the newspapers, I think it comes on a Wednesday and a Friday, you will see the reports on the activities. The story is there for everyone to see that there is no mention of a Senator Odle purchasing a large chunk of Banks shares, nothing like that. You do not see that kind of thing. It is essentially the same people doing the same thing every day.

We need, Sir, to get to the bottom of this and to remove, replace, or maybe both, the existing arrangement and to encourage an arrangement which brings about that much more vibrancy, that much more realness and indeed that much more Barbadian, and black Barbadian too, Sir, participation in the Stock Exchange of Barbados in a real and meaningful way.

Sir, I want to repeat. Although we support the legislation as it stands and its intent, we want to make the point that it does not go far enough in terms of getting to the nitty-gritty of dealing with ownership in Barbados and the full participation of all Barbadians in this economic activity of ours.

I thank you, Sir.

SUSPENSION OF SITTING

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

The question that the Sitting do now suspend until 2.00 p.m. today was put to the Senate and agreed to and Mr. PRESIDENT suspended the Sitting accordingly.
1.05 p.m.

RESUMPTION

Mr. PRESIDENT: This Sitting is now resumed.

SENATOR THE HON. Miss O. P. SYMMONDS: Thank you, Mr. President. Sir, the Ministry of Finance is to be congratulated on bringing this Bill. As far as I have understood with different amendments it went before Parliament at least twice.

Asides.

SENATOR THE HON. Miss O. P. SYMMONDS: Not in the time of this Government but it went before. Let us make that clear.

It gives the Securities Exchange more confidence in carrying out its regulatory role, it gives greater transparency to the market so that the shareholders know what to expect, and it as our Leader so ably pointed out, gives more investor protection as provided in the Companies Act. In order for the SEB to be even more successful, attitudes have to be changed and this can best be done by informing the population so that they become accustomed to the idea of investment. They need to be aware that they should have an investment objective, for example, a better lifestyle, a plan for their children's future, preparation of capital or investment for income and they should be aware that there are some risks so that they do not put money that is needed immediately.

It is interesting to observe that a group of University and Sixth Form students have recently requested the General Manager of the Securities Exchange to give them general information about the Stock Exchange and they have been, I understand, several request from individuals and organisations to enlighten them on the significance and function of the Stock Exchange. I noted that there was an inter-school quiz held recently to expose students to the Stock Exchange and in this way information will be passed on. There is a school in Virginia where children are being encouraged to buy minuscule shares in their parents names and their parents are very supportive of it. There is also the Young Investors Fund in Chicago which was set up in 1994 and there are other companies in the United States who have also invested mutual funds for the benefit of young investors.

This might be tried in secondary schools. At least some of our schools here, I think rather at the secondary level, I do not know if Senator Forde will agree with me on that but students should be made to understand that they are contributing to the economic cycle of the country. The President of the Securities Industry Association has said that it is just as critical for kids as he calls it, to learn about investments and savings as to learn the three 'Rs'. Although I do not know that I would go quite so far, I would say that she has made an important point in saying

that children and also the population must be more informed and therefore I want to say the Ministry of Finance and the Government are to be praised for seeing that there is greater transparency along with other things which the leader has cited.

Thank you, Mr. President.

SENATOR Mrs. V. J. DAVIS: Mr. President, this Bill is to amend the Companies Act, Cap. 308. I would like to state from the outset that I would be very, very supportive of this because I am a bit of an optimist and as I think the leader said that this might be just the beginning of other amendments.

One of the things that I am concerned about and why I say that I support this Bill is the fact that if this Bill which seems to emphasise and also the leader emphasised it over and over, the word "information", "information and transparency". I think that those words are very important for the simple reason that I think the intention of this is to look at that neat little boys' club that we have had operating in Barbados all these years. As a matter of fact, I think if this thing is taken seriously and if they are going to be more amendments, it might be the most important bit of legislation since Emancipation in terms of the economic enfranchisement of people.

We all know as my friend Senator Boyce has so ably disclosed to us that some of us do not know about things like insider trading and take-over bids, some of us do find some little interest in that sort of activity so it is fair to say that we have had people like Barbados Shipping and Trading and some of us understand the history of that kind of conglomerate. We understand the whole of where monies went after slavery, we understand all these things. I am not going to make a speech about reparations, I am not going to do that, I promise you. I am simply going to talk about the fact that at least the Government is seemingly trying to open up the economic landscape for more Barbadians and the more things are transparent, the more informed people are, the more they will begin to see that they also have a stake in this country.

I also want to say this. I have seen and I think that people must be aware of this, all this talk about liquidity in the banking system. People just believe that they just have to put money in the bank and that is where it stays and the bank is giving less and less money on your savings. I agree with Senator Symmonds that we have to start teaching our children all about stock, shares and investments. We have to explain to them what it all means that after all we cannot just sit there and put millions to get 3% or 5% when they can have their money work for them.

I, in good faith, would like to think that this is the beginning of the opening up of the accessibility

for ordinary people in Barbados. The truth is that what we call ordinary people in Barbados are people who have worked hard, who have been thrifty, who probably have more money sitting around than I have or a lot of professionals have but they have not been sufficiently informed about other possibilities for their money. So that while all the big boys who were so fortunate in the past to be paid out for slave labour and free labour, and the poor slaves and their descendants never had but these big boys could ...

Asides.

SENATOR Mrs. V. J. DAVIS: We talk about inter-marriages and all that sort of thing, money marrying money and all that and people telling each other where the good investments are. We have seen a lot of alarming things in this country and I do not pretend that I understand all the ramifications but I noted the whole problem about Plantations, I noted all sorts of things going on but I do not pretend at all to understand all of it but I knew that something quite wicked and vicious had to be taking place in this society. I actually bought some stocks into some of these places and I was very disturbed. I actually did stocks and shares when I was in primary school so I still know something about that stuff...

Asides.

Mr. CHAIRMAN: Order, please.

SENATOR Mrs. V. J. DAVIS: Anyway, talking about this, I was very disturbed because I do have some shares in some organisation that was selling off or was trying to have somebody take-over the organisation and I heard nothing about the take-over bid. I heard nothing about anything until they tried to explain to me why it is that the Government should probably step in. That is when I started to hear anything as a shareholder.

I can only say that I hope this is the beginning. There is another concern that I have, let me say it right now. If we are not going to severely punish people who indulge in insider trading, if we are going to just make it a minor offences punishment, the sort of punishment meted out to people who are recognised as minor offences in this country, thank God that has not been passed. If we are not going to be as punitive as we ought to be for people who are going to be making millions and billions of dollars off poor people, we had better not bother about this at all. If we are going to be serious about this, we are going to have to punish people and throw people in jail. We have got to be very, very, serious about this.

I have always said that I have great respect for the intelligence of the average person out there. This is something that I have a problem with. If we are going to

sit here and put things on statutes and pass Bills and do all these sort of things and we cannot enforce anything that we are doing, we might as well stop what we are doing. All I am saying is that if we do not have serious punitive sanctions on people who indulge in insider trading, the public at large is not going to take this seriously so that what we have to do is to proceed and use our Government Information Service, use all of the information outlets that we have to explain to people what this means. I think some of the things that we sit in here and read and talk about are not sufficiently aired in the public so that people can seriously understand the ramifications of what we are doing.

2.15 p.m.

I really think that this is a very important piece of legislation and I know that more is going to happen. As I said, not only am I an optimist but I like to believe that people have good intentions and there was an absolute need for legislation like this. It is only 10 years since we have started a Stock Exchange.

We also have to think in terms of the fact that we are going Caribbean wide and all that and honestly, Sir, information is going to all the Caribbean. Do we know yet if this sort of legislation is going to be a common legislation for the Caribbean. Those are things that we have to think about. The point is we need regulations, we need laws, we need to be constantly updating them and we need to let our people know that there is something more sensible they can do with their savings than to put it in the bank and they must have the confidence that when they do invest that it is the democratisation of things like fiscal policy, it is the democratisation of things like economic policy that people must be involved at every single level. People must know what is happening. So many people had meeting, turns and credit unions in this country. Will the credit unions be able to get in and buy shares? We need to have people understand that their money must work for them and when we get the reparations it would also mean that we can take over all these people who have got these businesses traditionally and really run this country and let people know they are a serious part of whatever we call independence and economics and all of that.

I think this is a tool. I think this is an instrument for serious economic enfranchisement of the masses of our people. Thank you.

SENATOR S. P. BERNSTEIN: Mr. President, after hearing Senator Farley's lengthy introduction and then the Opposition spokesman's lengthy response and reading these regulations which is cited as the Take-Over Bid Regulations, I have no alternative and I do not think anyone of us in here has any other alternative but to support this amendment that is before the Chamber.

We have to bear in mind that it is Government's policy that the private sector companies would expand and employ more people and reduce unemployment in Barbados today. We have to examine why people or companies actually invest. The long and short of it is whether it is a cruel hard economic or commerce fact that the bottom line or the making of money is the most important. It is unfortunate but it is a fact of life, money plays the ultimate role, maximising the profits even at the detriment sometimes of workers but companies need to have more incentives, particularly the medium and small sized businesses in Barbados.

Sir, doing business in Barbados is not cheap and I have advocated that from the time I came into this Chamber. With the introduction of the VAT we saw the abolition of consumption tax and stamp duties which has eased and helped a lot of businesses in Barbados, particularly their cash flows because it is a consumer's tax and not a business tax.

But as I said, doing business is not cheap and medium and small size companies need to grow and get involved in the stock market. They need to get more companies getting involved in securities exchange in Barbados so that as the Senator said earlier there would be more active trading up and down and more activity.

I ask the question, is this ever going to happen? The answer at this present time is no, it is never going to happen. These medium and small businesses, a large number of whom are black businesses, because that is the emphasis today, are failing for a number of factors in Barbados. They are not failing so much so because of the technology, whether it is manufacturing or their method of buying or selling, they are failing to my way of thinking for two basic reasons among others. The first reason is that the majority are undercapitalised in Barbados. A lot of these small and medium businesses are undercapitalised and secondly and this is my humble opinion and I have not heard any economist or any one in Barbados ever say anything about this, it is the inability to manage money. That is a problem facing a lot of small businesses today, their inability to manage money.

Young, small entrepreneurs have difficulty to know what is their gross profit, what is their expenses, what is the net profit, what are their projections and how to expend money within those projections and this is the problem that we face and in order to get more activity, even in the Barbados Exchange Securities we need, and I have called for it before in this Chamber, an incentive to reduce corporation tax in Barbados.

We need, Sir, now that the VAT – and I am anticipating, Sir, the basket of food being released from VAT soon in the budget; the VAT is actually doing better

than I think most people anticipated and I believe, Sir, – if there is to be expansion in the economic wheels of Barbados we should make any company that makes up to \$50 000 pay 25% corporation tax. Between \$50 000 and \$100 000 they should pay 30% corporation tax and anything over \$100 000 corporation tax should be reduced to 35%. This is the only way it is going to ease cash flows. This is the only way the economic wheels are going to turn, this is one of the ways that we will create employment.

Sir, what is damaging a lot of these cash flows today is the prepayment of corporation taxes, the prepayment of a corporation tax that you have to pay this year for the profits you made on the previous year. If a company is undergoing a little bit of strain during this particular year they have a serious problem having to pay prepayments on corporation tax particularly when it relates to their cash flow which will in turn damage what I was saying earlier, undercapitalisation.

So what is the alternative for these small medium black businesses if you want to call it because they are in the majority? What are they supposed to do? Well I can recommend that they pool their resources and form their own business and invest a large portion of their profits in the stock exchange or even in mutual funds but they need to get together like a cooperative and work together. This single handed two handed business is not going to work especially in a highly competitive world where you need a lot of resources as well as capital.

Now we see that shareholders of a company, according to this Bill that we have here, the shareholders of a company will now know everything that transpires by way of buying and selling shares and this is supposed to make it very fair for every one.
2.25 p.m.

But Sir, confidence is the underlying factor. Confidence is vital to the insider trading. Justice must be done and must appear to be done. All shareholders must be offered the same choices as what the considerations will be for buying and selling. All of these factors were said inside of here and were said this morning.

But when we talk of confidence and we talk of confidence from insider trading and from a Bill such as this, we must talk about confidence from a government. We must not have a government who is bringing all these amendments and bills to the Honourable Chamber and then send out mixed signals to companies in Barbados, and I would cite the example now, Sir.

On the 1st of April 1997 all surcharges in Barbados would have moved from 75 percent to 50 percent and

this Government took it upon their good selves talking to a certain section of retail companies in Barbados and told them that they will take the ambitious role and reduce it to 35 percent. These retailers went and brought containers costing thousands and thousands of dollars only to be told, Sir, at the opening of B-Mex, speaking to another group of companies who are manufacturers that they are going to put back the surcharge from 35 percent to 75 percent for two years, until 1999. That in North America is known as "waffling." It is sending mixed signals. It is costing retailers thousands of dollars, Sir. Then we hear confidence is vital to avoid insider trading, and Sir, that is what I am a little concerned about today, that justice must be done and must appear to be done.

With those few words, I want to thank you.

HIS HONOUR SENATOR C. L. BOLDEN: Mr. President, I am going to support this amendment to these regulations, but I am a bit worried and disturbed, because I have read these over and over again. First of all I must say I am disappointed that there is no criminal sanction appearing in these Take-Over Regulations.

I think that we must look at Barbados as it is. We must remember that in the revision of the New Companies Act, we look at the Canadian law and we fashion our law as closely as possible to the Canadian law. But I believe time and time again we fail to appreciate the size of Barbados in comparison to the size of the United States, Canada and Britain where trading in shares is a common practice and that you cannot have as much incidents of insider trading in those countries as you would have in Barbados.

One of our biggest problems in Barbados is what I call the inter-company relationships and the number of directors in companies who sit on several companies and therefore, despite all the talk about sections 308 down to 310, *et cetera*, the information which a man has in sitting in one company at some time in some region in some period will be transferring benefits of the Director of the next company.

I will tell you a story, Mr. President. Years ago when our telephone system was not as efficient as it is, I picked up the phone in my office one day and in those days you could always hear somebody else's conversation on the telephone when you pick it up particularly when the rain fell.

Asides.

HIS HONOUR SENATOR C. L. BOLDEN: I pick it up often because I am a lawyer. And, I heard one Director of one company telling the next company, "we are going

to sell out the corned beef and the salmon we have at a give-away price. Put in your order now." I put it down and I called my friend who was keeping a supermarket in Black Rock. I said, "go and put in an order for corned beef and salmon." He said, "how you know?" I said "I just got a wire." When he called in the order, they wanted to know how he knew, because he was not in the group that should know.

Asides.

HIS HONOUR SENATOR C. L. BOLDEN: We must look at companies in Barbados in a far different light than you would look at one in North America or Europe. I think it is time for the government to look at the Companies Act in the light of Barbadian experiences and the light of what is happening today.

Senator Davis has just made a statement which confirms my view. I made certain notes before I came here today and one of the first notes I put on my document was that we have to go back to the very beginning and look at what you call staff and bonus shares and see what part they play in companies today. And, ask the question, are staff and bonus shares given at a time when the company is having a cash flow difficulty and in order to survive you give your staff these shares and bonus shares because you do not want to pay them actual money. But, when the company is now riding high you ignore those, you deal with the shares and bear in mind, despite what they say of this country, we are still a country riddled with class distinctions, and family connections and social problems.

For the man in the kitchen who might have got a few shares could never be at the cocktail party of us Parliamentarians or the next group of people who have shares the same time. So that poor fellow cannot know any plans for the big shares. He is a minor bearer. And, as Senator Davis has said, she brought some shares, or stocks or whatever you call them, she is what I call a cockroach at a common fowl party, gets picked up easily.

Asides.

HIS HONOUR SENATOR C. L. BOLDEN: A roach then, at a common fowl party, gets picked up easily, does not know what is happening. And, that is why I say, we must revisit the Companies Act, particularly to look at the rights of minorities from the inception and protect the rights of minorities throughout the life of the company. Company shares in Barbados are not for those people in my view, who have a little five, six, seven, eight, nine, even ten thousand dollars to invest. This is not for those people at all.

They do not know and they cannot tell what will happen to their money and their shares. Even this Bill

now, I doubt anybody, and I like to make stupid bets, go out in Barbados and find all the people that have five, six, seven, eight, nine, ten thousand dollars invested and give them a copy of this, and ask them what it means, I bet you 90 percent do not know. As my friend said, 98 percent do not know. The Bill is drafted in language which is suitable for the attorneys, the accountants and the high flyers trading in shares.

You know, we have to blame the Democratic Labour Party and we have to put lashes in them. Because, they started what is happening in Barbados now in shares. They must tell the public the truth, because when the Sandiford Government unilaterally sold back the shares in Cable and Wireless and the Telephone Company back to Cable and Wireless without consulting the hundreds of Barbadians who had shares in those companies, they gave the rights to the people in Bridgetown, the high flyers, to trade in shares without consulting the minor shareholders. Now the Senator comes in here talking about BET.
2.35 p.m.

I sat in a Cabinet with the late Tom Adams and the Barbados Government had shares in the Light and Power and I remember when a civil servant said, "Prime Minister, buy more shares until you get 49%." He said, "No. The most shares we want in any company in Barbados is 35% because we know the foreign shareholders will not come to vote. We can control the company."

The same way Senator Boyce talks about the shares in Light and Power being constant is because the Barbados Labour Party Government had secured a certain amount of shares in there and the workers had shares.

Up to a few weeks ago I did a probate of a Will where the man died and had a few thousand shares in Light and Power for long. I keep saying this is a funny Parliament. I am getting to a point where I do not like to come in here now because you do not get honesty in here, with all due respects to you, Mr. President.

Mr. PRESIDENT: You must withdraw that.

HIS HONOUR SENATOR C. L. BOLDEN: I withdraw. People get up and say things that are not true and it bothers me. I humbly withdraw, Mr. President. There will come a time when I will not withdraw and you will have to use the other ruling and put me out.

I am not rude. I beg to apologise to Mr. President.

SENATOR J. D. E. BOYCE: On a point of order, I think the Senator is misleading the Chamber in reference to the Democratic Labour Party and its disposal of the shares of the Government at that time in BET, The

consistency does not follow because the same Government would have administered the shares at Barbados Light and Power. The point being that the Democratic Labour Party acted in good faith as it has always done.

Mr. PRESIDENT: No point of order. Please take your seat.

HIS HONOUR SENATOR C. L. BOLDEN: The Senator talked about transparency. The president talked about the rights of the minority shareholders. I know there was a young girl in the Registry who could boast about how many shares she had in BET. She did not know when the Sandiford Government agreed to sell back the shares to Cable and Wireless. Now Cable and Wireless is talking about changing the name back to Cable and Wireless to make it known that it is not any Barbados External Telecommunications any longer. It is Cable and Wireless and that Government did not hold a company meeting or demand a company meeting and put its proposals to the minority shareholders. That is why I have to support this.

There is one thing missing, the criminal sanctions because by now we would have a lot of you up before the court. We would have locked you up. That is what you want. The Honourable Senator is telling me that he has shares. Did you agree to sell those shares too?

Mr. PRESIDENT: Senator Bolden, you can only address the Chair.

HIS HONOUR SENATOR C. L. BOLDEN: With all due respect. My apologies.

Sir, that is why I say you have to look at shareholders from the very inception of shares. You cannot get in Parliament and elsewhere and tell the Barbadian public that they must buy shares and have a capital investment market and spread the ownership over the whole country when in the long run the man who can only afford to buy \$5 000, \$6 000, \$7 000 or \$10 000 in shares is disadvantaged from the very inception.

Mr. President, if you look at the American law, I remember reading a few months ago of an American insider trading who had made \$800 million trading on the stock exchange. He was prosecuted and his lawyers went and made a deal with the judge that he pay \$80 million in fines and one year in prison. He went to jail. In Barbados you only have to talk about jail and a lot of people cringe because they do not want to go up there and that is what is missing from there. The criminal sanctions would have brought a lot of things into line. As I said, there is a lot of inter-company directorship that will never be known because you cannot search the corporate office as you used to do before. Our Companies Act is designed for

secrecy and therefore we have to have a deterrent built into the Act and into the Regulations.

I would beg to suggest that we have a private policing body of the SEB and we must investigate everybody who sits on the SEB and make it public in the *Official Gazette* that the world at large would know who sits on the SEB and where they are connected.

Mr. President, in the United States there is something called penny stocks trading and it makes a lot of money. It is for the people who cannot afford to go with the high flyers. I think Senator Symmonds was saying that buying stocks and shares is a risk. I had a client who had a lot of shares in the United States. One day I got a telephone call: "Come and switch your shares. I got an overnight call. I want you to fly to Miami with me overnight." I said, "What happened?" He said, "Don't ask questions till you get there."

He was warned in advance to switch his shares. It was a broker who had a projection. He switched his shares and the company collapsed 2 months later. A certain accountant went from here with me too.

In the United States as well Government normally comes in and makes some sort of payment to those persons who lost in these transactions. We have not got that facility in Barbados again. So there are lots of things that happen in North America which we have no provisions for in our Companies Act and I believe that we will have to look at this when we revisit the Companies Act if we want the general public to be involved in share dealing.

History will recall the Barbados Foundry episode in which the General Manager left overnight and went to Canada and resided. He carried away \$6 million with him. The Cotton Factory was attached to it. Trade Confirmers. Do you know what bothers me? The managers are then hailed as brilliant managers but they would not tell you the small businessman whether black, white, pink or yellow who has a view, starts his business and has not got all the capital and he is left as a roach to be picked up by the bigger company as soon as they see that there is something in the project. He is undercapitalised but he does not get the leeway and tolerance that he requires until the business starts to thrive. He is there for easy pickings.

We therefore would have to look carefully at what we are doing when we are looking at the Companies Act. As I said, I would beg that the Government quickly revisits the entire Act and I go further.
2.45 p.m.

I am asking the Government this time not to call in foreign consultants because it is a common practice in

Barbados that they think Barbadians do not know anything. You have to bring somebody from over and away to tell us what to do. I think we have grown up sufficiently well. We have had sufficient experience from what is going on. We know what we want for Barbados. I think it is time we revisit the Companies Act, have a local team of people who will redraft the Act to suit Barbadian conditions because it is not only high flyers and poachers in Barbados who are poaching, not at all. As the Senator would know, his Trinidad group is now poaching companies in Barbados.

Aside.

HIS HONOUR SENATOR C. L. BOLDEN: They meet at the Wakefield House and they are approaching companies in Barbados. I read in the news there is a Trinidad group trying to buy out Banks. They are not the first.

Aside.

HIS HONOUR SENATOR C. L. BOLDEN: Do not ask me what I know. I know a lot. I will not disclose the confidential business which I have acquired by virtue of my legal practice but I know it is time the Government look, listen and understand that we are going to be poached out. Every profitable company in Barbados is being looked at by companies out of Trinidad. You know why?

I see in the papers this week that Mobil will go soon and we will get cheaper fuel. I hope the Government will take the opportunity to lower the price of fuel in this country so that companies will be able to compete effectively with other countries in the Caribbean because fuel affects you from the time you open your eyes until the mould is thrown over you.

Aside.

HIS HONOUR SENATOR C. L. BOLDEN: The Barbados Government will look at that because Trinidad companies are gobbling up all the profitable companies in Barbados today and across the Caribbean. Unless we do something, we will all fall into the same terms as has been enunciated by the late Errol Barrow, Leader of my friend's political party which said, "We will wake up one day and find this country is not our own."

Another point we have to look at, Mr. President, is the facilities we are giving to non-nationals who come here on the pretext of bringing jobs to Barbados. That is a serious thing that this Government has to look at now.

I raised in here before the question of an Englishman who flew into Barbados, stopped at a hotel in St. James, asked a person at the desk to call a certain bank to make an appointment with a loans officer. He went down

the next day and came back, asked somebody to make a phone call and said: "I went down, I got \$1 million and 100 per cent mortgage. Come down and bring a list with names showing that these are people who are going to rent the houses." Now a poor Barbadian has to show his great grandmother's birth certificate to get money.

When we talk about disparity in the society, we have to ask ourselves what can we as Barbadians do to get over this problem of disparity in Barbados. I can declare this now. I have represented After Dark for years, from the time it was a little club in a little corner of a room and one of the biggest fights we have had is in the tourism industry because 90 per cent of tourism in Barbados is controlled by non-Barbadians and it is something we have to look at.

Let me tell you what is happening. They would come to you, the tour guides *et cetera*, and say to you: "We are producing a booklet. You are doing a lot of business, you have to buy a whole page in this for \$4 000." If you say "No." They tell you if you do not buy a page we can blackball you if people do not come to you. Those are the sort of things we have to look at. Those are the regulations. That is why I say I am sorry. We do not have a criminal sanction here today and the Government will have to look at that because I know what is happening.

I can tell you of an instance where certain non Barbadians walk about talking and saying that Barbadians have no right in the tourism business, leave it to them. The only thing a Barbadian is supposed to do now is to be a taxi driver and work in the kitchen, behind the doors where nobody can see him. This Government or any subsequent Government will have to take a careful look at Barbados to say what it wants of it and what it wants it to be because I have said before that I think we are on the edge of a time bomb and unless we do something quickly it will blow up because the SEB was supposed to be the equalising factor in the sale of shares in this country so that everybody could participate in the shares. But if you are going to find that the members of the Board of the SEB have interest in companies outside and you cannot stop them the way it is set up, then you have to look for a counter, how you are going to deal with it. I believe, Mr. President, a salvation to the small investor is the mutual fund which I saw being advertised recently.

The second point should be credit unions. I would ask the Government to look carefully at these two funds. Mutual funds might not be insured but what mutual funds will bring to trading in stocks and shares is that the man who has \$3 000 or \$4 000 can buy mutual funds and the directors of the mutual funds with the knowledge and experience in shares and trading will buy sufficient shares and he knows what is happening because the small shareholder has no say whatsoever.

Another point you have to look at is that companies sell shares to the public most of the time when they need finance either to keep their business or to go into a new venture. You have company meetings and annual general meetings. How many shareholders have ever attended an annual general meeting of any of the big companies around here? Do they understand what is being said?

You know something? A lot of them boast and say: "I get 9 per cent interest on my shares or I get 9 cents a share" and somebody will write in the Press that when you put your money in the bank you only get 4 per cent interest on it. The question is the availability of your money when you want it to do what you want to do. That is why I am saying to the Government, credit unions and I say to the general public, credit unions are the things you should look at today because waiting at mid-year for the 4½ cents and the other mid-year of 4½ cents on \$2 000 is no money. You are wasting time. You are spinning your top in mud, as they say. So do not let us talk about small people in business shares. I do not believe so.

What is the answer? As I said, the answer is, in my view, and as Senator Bernstein clearly said, it is making money even at the detriment of workers. That is what he said. I wrote it down. All I am saying is that the workers in Barbados today must understand that therefore you must not let companies make money off you easily. Therefore you should place your money in another system whereby you can benefit off it, and that is exactly what is happening.

Now, Senator Bernstein went on to talk about VAT. I will not get involved in VAT because I came in here just before we resumed and I told the Minister of Information certain information I have. I would not get into that dispute. I am dealing with these amendments.

I repeat. I think we should all support the amendments to the Companies Act, and the Take-Over Bid Regulations. I have said, I am sorry that I do need a criminal clause in and I think that the small Barbadian investor should think carefully at this time because the Caribbean is going through a difficult period. We are trying to follow the developed world, we are being pushed by the World Bank, I.A.D.B. and all these institutions to do what the whole world has been doing for donkey years. We have not got the experience nor the machinery to check the infelicities which will happen. I think our people need to be protected, our Government need to look and say "While you would like us to do that, we are not ready for that situation as yet".

2.55 p.m.

As I said, I beg that the Government revisit the Companies Act in the light of the experiences which it

now has with what is happening to shares in these big companies because about three or four years ago I started getting calls from all over the United States from companies who were looking to buy out hotels with 300 rooms or more. It has always been said in this Barbados that hotels do not make money because rates are too high etc. but every year when you look around, the very hotels are adding on another 50 or 60 rooms and you have to ask yourself what is happening in the society and where are we going.

Mr. President, I beg to say openly that I am supporting the Resolution and I hope that as I said that we take a careful look at our future walking down this perilous road as it is today.

Thank you.

SENATOR C. LeR. TROTMAN: Mr. President, this Bill once becoming an Act, is intended as I see it, to regulate the operations of the companies in this country with a view to having those companies conform to the developmental objectives of the community as a whole. For this reason, one would expect that the Government will, from time to time, have to make certain adjustments in the regulations because those amendments will have to reflect what Government perceives to be the imperatives of the country.

I think we accept at the same time, Mr. President, that the imperatives of that community are not imperatives which the Government will arrive at as a figment of that Government's imagination but that those imperatives are arrived at after the Government have been able, before an election, to ascertain through discussions with major state holders and which that Government will then put in a Manifesto because it recognises that that Manifesto will, by and large, reflect what the people will want as a means of giving them guidance over the foreseeable future.

Senator Davis has therefore been absolutely correct in my view in positioning this intended instrument within our national objective as a people of arriving at economic enfranchisement because I would venture to say that, political divisions apart, the leadership in this country of all three political views, or are there more, have moved towards an approach to development in this country involving the masses and whatever language they use by and large, they are speaking to the subject of enfranchisement. It is a particularly important subject coming as it does in the light of the very strong and courageous action of the Prime Minister in declaring Emancipation Day as a day of national significance recently.

I think in that context, Mr. President, we also have to recognise and support the position taken by Senator Bolden who has, in his spirited contribution, indicated that there is

a significant lapse in the thinking of the drafters and that there is a major flaw in that the Bill does not take criminal sanctions into consideration in addressing this matter.

I wonder, Mr. President, whether it is still not possible for this matter to be delayed sufficiently for an appropriate section to cover such a critical matter. While I am sure that the Leader of the House when once he gives a certain kind of assurance might prevent us from having to ask for a call for divide, it is a very important thing and I think that those of us wanting to support the legislation and at the same time as both Senator Bolden and Senator Davis has said, wanting to ensure that we do not end up rapping people on their knuckles and giving them the sort of penalty that you give to somebody for selling nuts without a licence when in fact they should be guest of our Government in Station Hill. Once we recognise that we cannot be doing that, then we would want to be able to have the matter reviewed.

The business of criminal sanctions then have to be written in and has to be understood because of how they relate to the controlling of the behaviour of companies who may not be following the objectives of the Government and people of this country. In that regard, Mr. President, I think we have to take note of a company which within the last 24 hours has openly declared that it has no intention of observing the laws or even the Constitution of Barbados, a company which enjoys the comfort of our hospitality as Barbadian people, a company which has openly and flagrantly disrespected and insulted the Government and the people of this country, notwithstanding the fact that this country has been able to lead the United States and indeed Canada in terms of our democratic institution and which has proclaimed the right of persons to exercise their basic fundamental freedom, including the freedom of association.

The company, whose name I am not able to call because I did not serve you notice but it is Offshore Keyboarding, that company can say to you that whatever our laws say, whatever our sanctions say, that company completely disregards and disrespects our people.

Surely, we have been a people given to long suffering, surely we have been a people given to diplomacy and discussions and respect especially for those people who visit our shores but where do we draw the line between that level of disrespect and the level of disrespect that have forced the Government to want to bring this Bill before Parliament. How do we address the matter of companies that choose to flout the provisions of this legislation and how do we attempt to address such offshore companies who have no respect for the people of the country.

It is true, Mr. President, that if you go to some people's country nowadays and you make the error

of clearing your throat too hard in the public that they will deport you.

3.05 p.m.

On what do we do? Are we expected to allow or wish to have what they call employment, paying people who have to have 5 O-levels, including computer science, English and Arithmetic, the unhandsome sum, and I did say unhandsome, of \$360 a month.

Aside.

SENATOR C. LeR. TROTMAN: I did not say a week, Mr. President, I said a month. And are we at the same time believing that those people should furthermore insult and denigrate our society.

I think, Mr. President, that what we have been addressing today is critical. I believe that what we have touched on are very important issues. I believe very much in the comment which was made by Senator Bolden who speaks to the shares at the Cable and Wireless or the BET as you call it, Sir. I am not going to get into the question as to who is to blame because it is not my intention when I stand in this Chamber with your gracious permission to spend a lot of time on blaming people. I am much more interested in making suggestions as to where we go from here and I would be coming back therefore to that matter of companies which deny the basic and fundamental rights of our people.

I wish to take the occasion in reviewing this legislation, Sir, to look at the subject of the telephone company and BET and to suggest, Mr. President, that Barbados is very quickly running out of time in that we were given 5 years in which to declare that we wish to have back those shares. The 5 years expire some time later this year. The Government must be aware of the significance that there is attached to having us have a say in the telecommunications industry in this country as a take-off point. And I wish to repeat a call I made before now to the Government to ensure that we repurchase those shares in the telephone company and in the BET/Cable and Wireless or whatever name they choose to call it by.

Senator Bolden is absolutely correct that they are renaming the thing Cable and Wireless and there might be some significance in doing that because it is clear to us that a merger might follow.

We are hearing that even before the merger comes that there are rumours, I do not say of wars, Sir, there are rumours of all kinds of instruction that might relate to the loss of jobs. What is critical to this debate, Sir, since I cannot flow outside of the four walls of the debate is, Mr. President, the reference that needs to be made today to any

company moving away from its commitment to its shareholders without the shareholders having had a say. That is the point I was making all along, if Senator Bernstein did not recognise it.

It is, Mr. President, that the Telephone Company as a company under reference has taken a unilateral decision in London to discontinue the offering of bonus shares to its staff at the Telephone Company in lieu of Christmas bonuses. Even though the workers have benefitted from those shares and even though the workers would wish to continue to have those shares and even though those shares have in fact made those people feel that they have a stake in the company and make them contribute even further, when we examine this kind of legislation and we realise that companies have been able to exercise that kind of freedom then we have to do something about it. It is not late, Sir, for us to call on the Government to exercise a moral suasion which the Minister responsible for these activities, who is here present, can exercise in saying to Cable and Wireless that the Government does not accept this approach and that bonus shares are part of what we have earlier called the ordering of society by the Governments of this country which are interested in economic enfranchisement.

I think in that regard, Sir, that you may also have taken note of and perhaps have been as surprised as I have been to hear that a major shareholder in the hotel industry along the West Coast has overnight sold his shares to somebody on the South Coast in circumstances where the Barbadians are not too sure about what is happening. The only thing we are sure about is that if there is a sneeze down the West Coast the entire tourism product could suffer from pneumonia. I hope Senator, that you are not serious when you say you have the flu.

Mr. President, when companies come to our shores the question that I would ask is what shares are available to the natives. Where there is clear evidence that there are no shares existing then the second and the follow up question would be, what social responsibilities would those companies have in addition to the provisions which are being set down in this piece of legislation? The question is what kind of responsibilities and, do they include matters like a fair wage? Do they include matters like safe conditions, and do they include matters like respect for basic rights of their staff? In short the question is, what are the social benefits and what are the social costs?

When companies feel that they are bigger than the countries in which they operate, what then is the Government of the day prepared to do and supposed to do? Senator Bolden, Senator Davis and Senator Bernstein have suggested that credit unions are part of the answer. I would suggest to them, Sir, through you, that credit unions are part of the answer, if credit unions do not

merely collect funds to pass on to the banks for keeping and making profits from.

Credit unions will only be the answer when credit unions are able to use those funds for the further economic enfranchisement of the people which then raises the question as to whether we are fully ready for that kind of activity and whether in trying to exercise that kind of activity we are likely to get the support that we need to get from our own masters within the Barbados population.

I crave your indulgence, Mr. President, to make the observation that where people have tried to set up companies as we have tried to do in establishing UCAWL and I have to put that into the records of this Chamber, the United Commercial Auto Workers Limited, where we have tried to do that with a view to bringing about economic enfranchisement and bringing it about with full support from the Government, bringing it about with a knowledge that it is part of the activity and the commitment of the Government and the people of Barbados towards economic enfranchisement.

We get very disappointed, really very disappointed when we hear that the leaders of this community have in some areas some politicians who represent country areas who have thrown cold water on this and suggested that they do not want to see it work. We get really disappointed on that, whichever side they come from. I do not want to call names because I have come from the parish and I do not wish to do anything regarding my parish or anywhere near it.

I do wish to say, Mr. President, that where such efforts are being made we have to be very clear that we understand what the legislation is saying. We have to be sure we understand that bits of legislation like this, as Senator Bolden said, can be above the heads of many people and the Government and the people who draft these bits of legislation have to understand that if not before, surely now, starting with UCAWL, we are bringing to the board rooms a number of people who have skills in their area like mechanics or what have you but who need to be able to read and understand the legislation that govern their position as shareholders because they will not be able to understand the legalese.

Aside.

SENATOR C. LeR. TROTMAN: Well it is led by an able trade unionist. I accept that, Mr. President, but I say that in modesty. That is not the point I wish to make. The point I wish to make, Mr. President, is that more and more "common" people, meaning by that simple people who are unschooled in legalese, more and more of these will be coming, with your support, Sir, to the fore as shareholders and hopefully as directors of companies and because of that

we have to be able to write these things large but in simpler language. We have therefore as well to protect those people who are investing from situations where the much more skillful investors can use and abuse those persons whom we are encouraging, all the Governments and the two chambers, to participate in the economic enfranchisement exercise.

I am very pleased, Mr. President, that we are endeavouring to prevent some of the evils which heretofore plagued companies in their trading and in their activities. Some companies, of course, Mr. President, I would not wish to say all and I would never wish to suggest that all companies misbehave. In fact not even most. Most companies are fair companies and seek to do well but we do have mavericks and some of those mavericks whom we have bring their own behaviour to bear in such a manner that they bring disrepute to companies and make companies appear to be all bad and vicious and that is not true.
3.15 p.m.

Asides.

SENATOR C. LeR. TROTMAN: Not you Carl, you Carl could never be considered as one of those, we are veering to be Honourable.

But many of the overseas ones, because they do not respect the people of the country, bring disrepute to their own calibre of persons, and the cadre of person and they force government into taking action from time to time, which then is misconstrued.

In Jamaica, Sir, the Prime Minister had to take a decision in the Jamaica Grand Hotel that he would allow any functions which the Government was involved in to take place there even though the Government commands 49 percent of the shares. Surely, no government wants to take such a harsh position, but the Jamaica Grand refused for four years, in spite of the instructions of the conciliating bodies to respect the fundamental rights of workers. I think Jamaica has taken some action and a word to the wise is enough.

I believe, Mr. President, that you would understand by this that I am prepared to support this Bill before the Chamber, but I would hope that you also recognise that I would wish to be comforted by having the Leader of the Senate, or whoever has been leading this particular item to indicate to us unequivocally, that there will be a speedy revisit of this particular instrument in such a way as to lay down the sanctions which Senator Davis spoke about, which Senator Bolden supported and which now I would want to give my further support to.

SENATOR THE HON. G. S. H. MURRAY: Mr. President, Sir, one of the major elements that has

emerged out of this debate today apart from the obvious benefits of this legislation and quite welcomed support being given to Members of the Senate, is the need for public education to police these measures in order to make them really effective.

The Honourable Leader of the Senate made reference to Ivan Boesky who ran into serious trouble with the law in the United States some years ago for insider trading. But when anyone who has read the book called "Den of Thieves" which chronicles in great detail how that scenario unfolded, would realise that the things they spoke about in that book, the things which one normally would hear about on CNN or the BBC or reading in books at one time would have been considered as jargon, now have great reality to Barbadians.

When one considered what has transpired in Barbados over the last few months particularly regarding the attempt to take over companies, these issues, these phrases, these jargons, which at one time would have been considered the province of us, only a narrow group of people and rather esoteric areas of activity, had come to hit Barbados with harsh reality. So as a result, Sir, we have to be prepared to be able to deal with these issues. We have to be prepared, Sir, to know what the question of a take-over means. What are take-over bids, things like the offerer and offeree company, the pro forma, financial statements, directoral circular, these are no longer just words to us, which as I said, were once the activities of the outside world. But as Barbados has become increasingly sophisticated, so to speak, as our economy has diversified with the coming of the securities exchange, it means that we too are part of this whole modernisation process. This sophistication and modernisation has brought in its way certain spin-offs which are not always desirable and not always in the interest of the country. Therefore, this legislation is seeking to take into consideration these things and seeking to rectify them.

But what I would also like to say, Sir, is that while the Barbados media has, in the past few years seen a tremendous increase in the level of industry reporting that, whereas the media has gone from merely reporting faithfully press releases or statements, they have gone into analysing and commenting on economic and business development. I think that, like I said, they have graduated from comment into serious analysis and one has to therefore commend the newspapers like the *Advocate*, the *Nation*, of late the *Broad Street Journal* and CBC Television in its business reporting and *CANA's Caribbean Business Report*. They have all in their own way contributed to the general understanding and have been able to default some of these once mystified issues and to make the role of business more acceptable to the ordinary, everyday Barbadian.

Sir, while the newspapers and the television have improved in this area, I think that we need for a similar improvement to be seen in the case of radio. Radio is still very much involved in reporting and their business concern and not enough attention is paid to the actual analysis and commenting on national and regional business developments particularly. So therefore, I would like to see the media increase its coverage and improve its coverage to a great degree of business.

I think that in this issue of the take-over, the legislation in itself which is attempting, as I said, to rectify the situation, and also the recent context in which it has come where Almond Beach and where the Pine Hill Dairy is concerned, these provide great opportunities for the media to not only inform the public about what is going on in this sphere but also to educate the public. It also provides a golden opportunity for the media itself to educate itself and have its practitioners to delve into more of these issues and to unravel them for the public's understanding. Also, to allow the practitioners in the media to become more *au fait* with some of these very complex issues and to increase their understanding of it and to increase their expertise and their ability to convey them to the public.

While, Sir, the Barbados Association of Journalists has in the past done some work in this area by helping to sponsor courses on business reporting, financial reporting and business analysis, I think more needs to be done. More needs to be done not only by the BAJ, Sir, but also training instituted by the media houses. Because in the final analysis, when they train their officers, they are producing a better product which they can sell. They can therefore enhance the financial returns and they will produce a better product for which the public will find more acceptable and which will be geared toward the greater enlightenment of the public.

In addition, the major responsibility has to rest with the media practitioners themselves to upgrade their skills. There are many of them, Sir, I know have been to university and have a degree in economics and accounting and so on. They need to go beyond that now and seek to specialise more. Because, I think, the Securities Exchange of Barbados is here to stay. I think this legislation will help to ensure that it is here to stay because it will help to give the public greater confidence in the whole operations of companies and take-overs and trading in shares. Once this is so, I think the media has to begin to lay a foundation and produce an intellectual and professional infrastructure to make this possible, and to make their contribution to this development.

3.25 p.m.

There is no doubt that there is money to be made from reporting business and therefore everybody has to be prepared to contribute to it and fall in line with this,

particularly when it comes in the context of a government which has gone on record repeatedly as seeking to ensure that Barbados becomes a property owning democracy. I know the term economic enfranchisement has through constant usage over the last few years become rather trite and overworked and has become to some people a cliché but I am only putting it in context to reassure this Chamber that in the government's point of view it is not overworked, it is not a cliché, it is not outmoded but it is reflected in Government's position, as I said, to help create the framework and the climate for property owning democracy where ordinary Barbadians at every level of the society in several ways can see themselves to be part of the economy of the society.

I know right now much has been done over the years by successive governments in ensuring that Barbadians feel part of the social fabric and enjoy the utmost from the social benefits of society the same way we are aiming to see obtained where the economy is concerned.

We have said that we do not intend that these operations will so take place; that it is not Government's intention to allow these companies to so maraud other companies that ordinary Barbadians will be deprived of opportunity to have a slice of the economic cake. This, Sir, will obtain not only where the major large Barbadian companies are concerned, but we intend through our contribution to the small business sector – which I do not think you can afford to enjoin small businesses on the basis of failure of an association – to take advantage of a facility given by Government.

One has also to see what the Government in itself has done, what are the initiatives that the Government has taken whether it be restoring a subvention to the Small Business Association, whether it be providing physical facilities and headquarters for the Small Business Association, whether it be providing a secretariat for the Small Business Association, it has to be judged in that overall context judging what the Government has done, can do and shall do on its own initiative. Using its own means and its own facility is different from what the small businessmen themselves are being called upon to do using an opportunity that is provided for them.

If there is any failure on their part it cannot be reflected on the total situation where the small business sector in Barbados exists. Therefore, I have no doubt that while there is no such thing as perfect legislation and this legislation has been in the offing for some time and we are seeking to start the ball rolling to try to bring greater discipline and transparency and honesty to the operations of this sector of society. We cannot wait until every piece of legislation is perfect before we enact it. That is why we are allowed to make amendments.

This is only the beginning of a serious attempt to rectify some of the deficiencies in this area and once this is put in place I am sure that we will be returning to it to correct other deficiencies and to eliminate the shortcomings which exist. I therefore have great pleasure in supporting this Bill.

SENATOR THE HON. P. C. GODDARD: Mr. President, I rise to support this legislation and welcome it. This legislation has been long in coming and this will add significant confidence to the investing community. There are those in this Chamber who do not understand what confidence is because they have not seen it building over the last 2½ years but this is a manifestation of that confidence that is growing in our economy among our investing public.

I would also like to correct some assumptions or some facts that were used to develop arguments earlier on about the inter-corporate dealings in Barbados. In fact, Mr. President, it was stated that Godddard Enterprises owns 14% of Banks shares when in fact they own 0.75% in an investment account.

It was also stated that it owns Barbados Cosmetics, Mr. President, when in fact it sold Barbados Cosmetics some 3 years ago.

I am just relating to facts that were stated and bandied about in order to develop a theme and to develop a position where there was no accuracy. I draw this to your attention, Mr. President, because this information is in the public domain and it indicates the lack of detail and a lack of research that has been done in reporting on economic matters. It then leads people to draw wrong conclusions.

I believe that this disclosure of information is absolutely essential to the investing public and I think that the more information we disclose in the public companies the more confidence there will be and the more secure investors will feel in investing in public companies.

Mr. President, I do not stop there, because I do believe that we need to widen the range of public companies in this country. There are many private companies who do considerable business not only in Barbados but throughout the region who should move towards becoming public companies. They should recognise that there are great opportunities for raising capital through the investing public rather than through bank borrowing. I do believe that they should primarily focus on their workers when it comes time to go public and I am sure that those workers have an opportunity at a discount to purchase shares.

I support Senator Trotman's call in regard to the continuation of the practice of issuing bonus shares

to employees. I think that this is a most commendable method of involving employees in public companies and giving them the opportunity to own shares.

Now, Mr. President, we have heard in this Chamber people being warned about being a cockroach in a fowl coop or hen party or whatever. As a young man, I bought my first shares when I was earning a salary of \$400 a month and I was in a location where I could buy the shares by taking \$50 a month out of my salary and putting it into an account and the broker would buy those shares when they became available or when my money got to be enough to buy a couple of shares.

I bought shares on a regular monthly basis and that was when I was 19 years old. I do think that we have to have different approaches to allow people and the mass of the people in this country the opportunity to facilitate them in buying common shares in public companies.

Mr. President, we all recognise the need as has been raised by Senator Symmonds for education on the business of investment. Common shares is but one area of investment. There is Government bonds. There is money in the bank. There are many different types of investment that people can make and it must be balanced.
3.35 p.m.

There is insurance. I am sure that my good friend Senator Thompson would not forgive me if I did not raise this in her absence. She would be very upset if I did not say that insurance is a method of investment and we should balance this all out. It should be a course in schools. We should be a developing and investing public but, at the same time, I do believe we should be moving towards a system where we can provide incentives for private companies to go public, incentives that would level the difference of costs of funds between borrowing and equity investing.

Mr. President, I know I do not speak for a very long time but I do think I say a lot when I do speak, unlike other Members. I do feel that I am accurate in the facts that I give this Honourable Chamber.

With those few words, Mr. President, I commend this Bill to this Chamber and wholeheartedly support it.

Thank you.

SENATOR N. P. WELCH: Mr. President, I want to lend my support to these Regulations which seek to lend some measure of transparency to the operation of take-over bids in this country. I also want to reiterate the call that has been made in here by several Senators that there is need for an educational process because I think that quite a lot

of Barbadians recently have been involved in the whole idea of buying shares largely as a result of the fact that they have been encouraged by people in the business community who they believe know enough about shares and business that it is a sufficiently good investment that they should get involved in.

Someone earlier had raised the question of the need to educate people because there are certain questions that I think investors need to ask shareholders at annual general meetings and if you do not have a fairly good idea of the whole concept of stocks and bonds, you are at a loss. I believe this is largely why attendance at a number of annual general meetings are as slow as they really are. I really want to reiterate this call for an educational process.

I think the Securities Exchange of Barbados, the private sector and the Government as a whole could be involved in the process. I remember quite well only a couple months ago in celebration of the 10th Anniversary of the SEB that a very interesting quiz among the schools was held in which a lot of interesting information came out. I want to commend the SEB on this approach. I hope in the future they would utilise perhaps the media a bit more and sell themselves to the public because I think a lot of people really do not know what the Securities Exchange is all about and do not know enough about the whole issue of stocks and shares. I think this is the future direction that Barbados would be going and the public needs to be informed.

I think the package of amendments in this piece of legislation is pretty comprehensive. I am particularly impressed by the fact that there are calls in the take-over bids circular for certain declarations to be made upfront. For example, what are the intentions of the offeror for the offeree company? Will they sell off assets? Would they merge with another company? Will they shut the whole company down? What is the future of the executives that were in the offeree company? Will they be retained? Will they be made redundant? If they are made redundant what package is involved?

I think it is not enough to make a decision based on what price a person can get for a share but I think in a number of instances people want to have information in their possession that can allow them to make decisions that might be based on considerations other than financial considerations. For example, in selling my shares would it be enfranchising or would it be a decision that is in the interest of the greater number of Barbadians?

I am particularly pleased that these provisions have been made in these Regulations. I am pretty satisfied with the Regulations but I know that Regulations as good and as comprehensive as they are, really would have no effect if they are not policed. I would hope that the resources

would be made available to the Securities Exchange of Barbados that would allow people who are competent in areas of finance and trading in stocks and shares would become part of the additional staff I believe would be required at SEB in order to allow for the proper policing of these Regulations because whatever Regulations you might have in place, and these Regulations are not policed, there will never be a situation where you can get enforcement which, I think, is the whole intention of this piece of legislation that the regulations would be enforced.

I know there are some who are disappointed, and I agree with Senator Murray that not all legislation is perfect. I am one who supports the view that there should have been penalties to those people who get involved in the area of insider trading.

Sir, I have another concern and it is a concern which stems from the fact that I believe that the whole idea of entrepreneurial development will be, to some extent, stifled if you get situations in this country where public companies involved in a process of buying services from the owners of these companies from which the services are bought have connections with directors or officers of the company who are buying the services.

For example, there is nothing to stop a public company from deciding they will buy a service from X company at a price way above the market price so that some owners or directors of the supplier company can have an advantage. When this happens in a small country like Barbados, where as we know everybody tends to know who is involved in a company, it puts small business people, especially small new business people in a situation where they hear they should get involved in their own business. They take all the necessary precautions to get involved and when they tender for a particular service being offered by a company they tender and tender and even when they have a competitive tender they would not find themselves in a position where they can participate meaningfully in the economy by being able to have a fair share of that sort of business. I think that is a very important point.

I know it is important generally in business. I do not believe it is as important in a private company where if a company is privately owned they can decide what they want to do in terms of who they want to buy their services from but I think in public companies that, perhaps, in some circumstances bad financial decisions, may be not even naive but deliberately are being made which are to the advantage of some supplier companies with whom owners and directors might have some connection.

I think that if the entrepreneurial spirits in the young people in this country are not to be frustrated that we must

have regulations to look at these sorts of things that are not necessarily involved in the area of business that is relevant to take-overs but in the day-to-day running of public companies in Barbados.

Sir, I think that the Regulations, as I say, seek to bring some fairness and transparency to the whole idea of trading in shares. I think it is very relevant at this point in time because what we have seen at the Shipping & Trading Almond Beach Club/St. James Beach Club attempted take-over a couple of months ago, and in light of what is facing us now between the Barbados Dairies Industries and Banks Breweries, I believe these Regulations which I am sure will be in place very, very soon, would provide a framework for which the trading activities and the take-over activities in that particular situation might be put into a framework from which shareholders can feel that they are being fairly treated, can feel that their interest is being looked after and more important than that, that directors and officers of companies would know what their obligations are now to their shareholders and the general public in providing relevant, timely information so that shareholders can make sensible decisions on what they want to do with their shares.

Sir, it is with these few comments that I commend this set of amendments to the Honourable Chamber and I am sure it will get the wholehearted support of us in here.

Thank you very much.

3.45 p.m.

SENATOR J. A. WORKMAN: Mr. President, I rise to give brief but cogent support to the Bill before us today because I think, Sir, that we need to see this as we should see all pieces of legislation as not merely a code of rules but to see legislation in terms of social transformation, social reformation, social redress and social liberalisation.

I believe, Sir, that this legislation before us today has arisen largely out of the cries of our people which sprang up in this country just the week before Palm Sunday of this year because I remember, Sir, that it were as if those who shouted "Hosanna, blessed is he who comes in the name of the Lord" on Palm Sunday were crying out to their God for redress recognising him as their Saviour and I believe that we need to see this legislation in terms of an economic Moses in answer to those cries. This legislation comes as an economic Moses to lead the children of this nation who have been under economic slavery and deprivation for many years out of their slavery through the wilderness period and into the promised land.

If this is to happen, Sir, we need to understand the topical subject of eradication of poverty and redistribution of wealth. If we are to eradicate poverty we must understand poverty in all its areas. Poverty of

knowledge, poverty of opportunity, poverty of protection and poverty of confidence; so there is need for mass education, total teaching. I do not remember offhand Sir, but the Venerable Archdeacon may remind me of the precise biblical passage which says "teach the children how to grow" and when it comes to dealing in this aspect of business, we in this land, the masses in general do not know how to grow economically.

This piece of legislation must be seen as the tool to provide the foundation for that economic growth in this area of activity. It is an area that very few in Barbados are acquainted with, very few in Barbados as we would say in Bajan, knows the ins and outs of it. The time has come now when the masses of this country must be aware of the opportunities first of all that are available for use of their money, that money lying in the bank is only of use to the banker, that the 4% or 3% on savings account is not really any tremendous use to the individual. We need to teach our people that the buying of shares and not just the buying of shares waiting for a dividend at the end of the year but trading in shares, even though risky and indeed all business is risky, is another way of using your money to make money. Just as some speculate in land so too some can speculate in shares. We need to teach them that there are opportunities available. It is in this vein, Sir, that I wholeheartedly support the call of Senator Goddard for more public companies. It is there in the public companies that the masses of the country are to have opportunity for that investment. Unfortunately, we continue to enslave ourselves by not understanding the difference between private and public companies and we tend to say white and black companies and the public companies are there to allow all and sundry, yellow, black, pink and white to have a piece of the economic pie but we have not yet taught the masses of our people that those opportunities are available. Having taught them that the opportunities are available, we must teach them the 'know-how', how they can use these opportunities. We need to bring them into the new areas of understanding because knowledge, Sir, is an investment that cannot be taken from us; only the grave takes away knowledge from us and perhaps alzheimers. As long as we have that knowledge, we can do something about it.

This legislation, Sir, begins the on-going process of policing and continuing to give the protection that is necessary for our people to invest in this area of activity. It is through continued policing and continued stringent legislation and sanctions to the legislation that we will get that confidence for investment in these areas. What I am trying to say, Sir, is that this piece of legislation may be seen as an attempt by the Government and by us as Parliamentarians to give our people a fish but it is not good enough to give an individual a fish, we must be able to teach that individual how to fish so that there is always the possibility of getting another fish. We need to teach them

the equipment that is needed for fishing in these economic waters, we have to teach them how to set the bait to catch the fish, we have to teach them the times that are best suitable for fishing, we have to teach them in what waters they should fish so that they know their territorial boundaries, we have to teach them whether to fish alone or whether they should fish in partnership and the benefit of fishing in partnership.

Unfortunately, we still have that very selfish attitude in Barbados that "this is mine" but in our economic climate today, not only in Barbados but worldwide, there is that necessity for us to join hand in hand and to be in partnership if we are to survive in these murky fishing waters in the economic climate and then Sir, of course, you have to know what type of vessel you should fish in or whether they should stay on the shore and throw out their nets and catch the sprats.

I think, Sir, that when one looks at that parable of the fishing which I have just alluded to, we can use that, Sir, as a formula for educating our people in a simple formula that all and sundry can follow because everybody in Barbados knows something about fishing. I think, Sir, that it is this vein in which we should go as we seek to utilise this piece of legislation to its maximum benefit so that all the people of Barbados can know that they have opportunities to invest in all the public companies of Barbados.

Again, Sir, I say that we need to have more of our private companies go public not only because the facility would be available for financing those public companies but because there is a thing called the ageing process where many pioneers of companies reach that age of retirement which becomes necessary. But because we are so selfish, we hold on for ever to what we have rather than take what we have and invest that with others and we can sit back and continue through our retirement period on what we have started and we would still have that investment. I think this is why people do not understand what has happened with the Goddard Group, because the Goddard Group which was private is public but they still have their investments and they are entitled to have their investments and all of us need to understand that and to be able to go that route when the time is right.

3.55 p.m.

Mr. President, I support this legislation and hope that all of us through mass education... And I call on the Government Information Service not just to depend on the media but that the Government has a responsibility to educate its citizens of the opportunities that are available and the know-how so that all and sundry can take part in this economic pie which is available to us through issues of shares. Thank you, Mr. President.

SENATOR Mrs. P. E. RICKINSON: Mr. President, I rise to support the amendment to the Companies Act and to congratulate the Government on the step they are taking which is a bold step in order to control some of the take-over bids and insider trading. Mr. President, we know that this has been going on for some time. It has not just started but at least an attempt is being made to do something about it and I would like to join in the call by Senator Bolden for some form of criminal sanctions at a later date. I do not think that one could have included it in one go but I think it is a better approach to do it just slowly and then at a later date we can include the criminal sanctions after warning them about the penalties that would be legislated.

Mr. President, many people have called for public education but I would like to support Senator Symmonds very strongly about education at school. I will tell you why, Mr. President. Most of us, when we really get money to start buying shares is during retirement and that is a bit too late for us to really understand properly about these stocks, bonds and shares when we really want to look for safe investment and we tend to put our money in the bank because we have a feeling, at least it is safe, it is there, you are not getting a lot of interest but you are getting something for it and you really do not want to risk it. So I would like to call for the investment education to be written into the books in primary school. Stocks and shares could be done in Maths, it could be done in English. It does not have to be a separate subject, just like health education it could be interwoven into the different subjects so that they would not feel as scared as some of us about the stocks and the bonds and the shares and then feel that there is wickedness in high places.

Mr. President, as you know, as the law stood companies who wanted to take over could have taken over and there was not very much that could be done and we need to let the public know that even though we might feel that some of these things are morally wrong some of these companies were in their legal right to do what they were doing. So with that I support this legislation wholeheartedly.

One other smaller point, Mr. President, which I would like to make is that when we do invite companies to our shores to set up business we need to orientate them very carefully about our laws and about trade unions and the right to organise. Those we invite and those who decide that they are going to come here we need to let them know in no uncertain terms that that is part of our laws.

I will tell you why I am saying that, Mr. President, because I know I have travelled widely and I have listened carefully and I have heard some people, not from Barbados, from other countries say, "Oh you can set up

business there are no trade union regulations or anything like that." This is one thing that we need to make very clear to persons who are investing in Barbados. We need jobs for our people, Mr. President, but not at any price. So we need to make it very, very clear because obviously what I heard with my own two ears I do not think that person was orientated or really knows the laws of Barbados so they really need to be told exactly what the laws are.

With that, my short contribution, again I support the legislation.

SENATOR D. T. GILL: Mr. President, I rise to support the Bill and to say that I did not intend to speak but it would be remiss of me.
4.05 p.m.

Sir, I have heard several statements and opinions, about business, Sir, and I am not trying to trivialize it, it is like cricket. You can introduce it, Sir, in the classroom but the actual playing and being efficient only come on the field. Sir, there comes a point, when you go in, no matter how much consultation you would have had, *et cetera*, you do go into it, Sir, and then you come up with many surprises.

Sir, I tell you that I went right through not having done a business course to the sixth form and then after that, Sir, out of curiosity I took up some business studies and the most boring classes I have ever attended were "Introduction to Accounts". I worked with an auditing company for 18 months and, Sir, it did not mean anything really to me. The only part that I liked was when we worked practically, when you actually took stock, Sir, or when you were exposed to looking at bank statements, interest rates, *et cetera*, they were meaningful.

Sir, show me a man who does not have the desire to make a profit. No one goes into business to make a loss. Having gone into it, Sir, you get so far into it, then, as an old businessman once said to me, he said, "Boy, David, it is more difficult to get out, than to get in." What happens, Sir, is that most small businesses come about because people are being trained more efficiently in the various areas. Be they mechanics, electricians, body workmen, and so you cannot afford to operate in times like these as you did 30, 40 years ago. Usually what happens, Sir, you bring the rest of a family or good friends into it and that is basically, goodwill share capital, because no business is stronger than its share capital base.

Sir, you invite these people to come in and then after a time they may not see the returns at a rate which they were anticipating, they become tired. That is why I wholeheartedly support what Senator Bolden said, when he said that if you have a mere \$10 000, \$15 000, stay out of that, because you anticipate a good return and not only a good return, Sir, it is the rate of return.

Sir, sometimes after you have been able to attract your good friends or your relatives into it, there may be someone with a fair amount of cash idle, or working for an above average salary, and say "I am interested in getting into the business" only Sir, to discover again that the rate of return on investment is not exactly what was anticipated. Then, Sir, you are back to square one. So I see the way of venture capital investment, Sir, being the way that we should be going.

We have heard a lot, Sir, about investing, but any investor who does not have an eye as to where he or she is going or would like to go, is not a serious investor. I often say, Sir, the only thing I would invest in right now is real estate. Sir, anything which involves the actual purchasing, wholesaling, retailing, I would stay as far as possible from it. Even the hotel industry, Sir, is a wholesale, retail business as well, if you look at it seriously.

Mr. President, Sir, what I think we need here and I am no scholar of the law, is an office of fair trade. An office, Sir, which obtains in Britain where it is possible for takeovers, mergers, swaps, buy outs, whatever you care to call them are supervised, watched very critically, and, Sir, you cannot play in two leagues or three leagues simultaneously.

I remember, not so long ago, and they are back in the news now, it is not anything secretive, so I think I could speak about it, Sir. The west coast hotel which was all over the news, in papers, but what has happened there, Sir, is basically, the then administration let go of that operation at what we would call a "pepper corn" rate. Sir, as I said in my opening statement, it was a good investment and the time had come that the resale value is so attractive and exciting that, really and truly, you had no other alternative than to let it go.

Asides.

SENATOR D. T. GILL: But, at that point in time, Sir, when that hotel was being divested of by government, the then opposition had instructed them to hold what is referred to as the golden share, and everyone, Sir, in the then Administration, laughed at the Members on the Opposition bench, stating that they did not know what they were talking about.

But, Sir, time has come. Sir, time is a funny thing. It haunts you. And hindsight, Sir, is one of the most haunting experiences that one could ever entertain.

So therefore, Sir, it is not just only about educating at the primary level, Sir, it is not only about being able to march into the bank and get the amount of money that you

want there and then, Sir, it is not only about black and white. Sir, it is a very complex subject. It is not a theoretical subject. It is a very practical subject and unless you play in the correct league and unless you are exposed at an early enough age, then the language of mergers, takeovers, swaps, investments, *et cetera*, would be meaningless.

I thank you.

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

On the motion of SENATOR THE HON. R. R. FARLEY the Senate resolved itself into Committee on the Bill, SENATOR the Hon. Miss. O. P. SYMMONDS in the Chair.

COMMITTEE

Madam CHAIRMAN: The Senate is in Committee.

Clauses 1 – 4 inclusive were called and passed.

On the motion of SENATOR THE HON. R. R. FARLEY, Madam CHAIRMAN reported to His Honour the PRESIDENT, 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 and so cited.

ORDER NO. 3 – RESOLUTION TO APPROVE THE SALE OF LAND AT WALKES SPRING, ST. THOMAS, TO CLARIBEL GUY

SENATOR THE HON. R. R. FARLEY: Mr. President, this Resolution seeks parliamentary approval as required under Section 5 of the Crown Lands (Vesting and Disposal) Act, Cap. 225 where parliamentary approval is required for the sale of land.

This property is one of the disused public baths which are located in various parts of the country. Those properties which the government did not propose to retain were advertised for sale by public tender for which tenders were requested. The tender from Mrs. Claribel Guy met with the approval subject to the guidelines as has been laid out. In fact, in this particular case this tender was the second highest. However, the highest did not meet the other criteria of the Tenders Committee that is, in an effort to spread the range of opportunities for the persons, particularly in the communities who were interested in these properties.

A number of criteria were laid out, one being that one person would not be considered for more than one

property and also that some preferential consideration will be given to persons who are occupying lands immediately adjacent to the property that was up for sale. The highest tender was submitted by someone whose business put him in line to purchase 2 properties which was a breach. Also, Mrs. Guy operates a business, a shop for the sale of spirits. This is located adjacent to the property. It is a small lot and she is desirous of expanding her business operations in the Walkes Spring community onto this lot which has now become available. The Tenders Committee has therefore recommended that the sale should go in this direction and we are disposed to move in that direction.

4.15 p.m.

The size of the property in question is some 230 square metres and it is on a corner on the main road of Walkes Spring Tenantry Road and the sale price in question is \$5 200.

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

SENATOR J. D. E. BOYCE: Mr. President, I rise to support the delivery of this parcel of land to Claribel Guy mentioned in the Resolution and to indicate that I felt that on this occasion I would have done some more looking into these sorts of resolutions because since I have had the honour of sitting in this Chamber we have had a number of occasions at which we discussed disposals involving what the Honourable Senate Leader has now been accustomed to refer to as disused public baths.

Indeed, this is again an occasion where we are dealing with a property; and I would like to state that sometimes the picture painted and the route the debate takes would make you believe there might have been some structure still existing on these properties. In this particular case, there is really no usable structure remaining of the public bath. When persons hear disused baths they might think it means a bath that the water has been turned off from, but this is a bath which probably has not seen occupancy or use for about 30 years and it is derelict to the extent of only 3 feet of concrete structure remaining.

I do not know if there was any measure of vandalism involved. I doubt that, Sir. It seems to have eroded with the battles with nature and with time.

Sir, in debate we often express our ideas as to what use these properties can be put and when we look at the persons getting the properties we have to put our thinking in line with the capabilities and what access these persons will have to funds and to opportunity to develop the true potential of the property involved. It is only 2 000 square feet but it is a beautiful location. It is not just abutting and abounding Walkes Spring Tenantry Road and the highway.

It is a beautiful location overlooking a large beautiful part of Barbados, fully green.

A major disappointment however is that it is also abutting and abounding Walkes Spring Plantation itself which essentially is under shrubs and a plantation which previously had been noted for its productivity in terms of varying species of agriculture. We need some time to examine the reason for that.

These village areas like Walkes Spring and areas where I come from like Mile and a Quarter, Rose Hill and Benn Hill where the Rt. Honourable Prime Minister comes from. These areas have had traditional attraction in Barbados, especially for tourism. Remember, we used to have a very critical element of our tourism which involved the movement of visitors to this country around the island and the opportunity for them to stop at various sites in Barbados to observe Barbados at work and to observe the true potential of this beautiful coral rock we sit on and on whose destiny our actions depend.

The point I want to make is that this lady has the potential to develop here a business. She already has a shop behind the actual lands that we are dealing with today and, essentially, it has obviously suffered from the vagaries of the economic struggle which all of us in truth and in fact, to varying degrees, are dealing with in Barbados today. We have just come out of a debate which took us right through many of the reasons for the pressures that we are continuing to bear in terms of economic activity in this country.

This shop is now the place where the elderly folk of the community come as the evening wanes and probably sit and talk about the day's activities, where there has been activity, because the other feature of today's economic reality is that a lot of the discussion in shops like this is not about activity but it is about inactivity because of joblessness. Indeed, when I visited, I had the opportunity to talk to 2 youngsters without work.

The potential to bring Walkes Spring back onto the mainstream of Barbados' eco-tourism activity should be at the centre of the further assistance to be offered to this landowner as she takes up the challenge of putting the disused bath to usefulness. In this relation, Sir, we have to consider the "abutting and aboundings", as I would call it, and I hope that Senator Symmonds will forgive me. Places like Clifton Tenantry where the road is essentially difficult and needs to be repaired.

4.25 p.m.

The same Walkes Spring Road which the Honourable Senate Leader, the Minister of Trade did not speak about is in need of repair, the very road on which the shop now stands. I think we need to pay special attention

at opportunities like this to get involved in further development and maybe the opportunity is here for the same \$2 million that is available for venture capital for the use of small business to use some of these funds and get together with persons like this lady here and discuss opportunities for setting up the same kind of businesses and shops which we talk about as being potential business ventures which these disused baths can be turned into. We repeatedly say in here that there are usually suitably located and we could get involved in development of craft sales around them.

The opportunity is here for the \$2 million which has been allocated for venture capital with small businessmen and which the Minister continually says he cannot find anybody to use the money, well I say to him seek out the Claribel Guys and let them get hold of some of that money and stop sitting down with the Press every day telling the Press the same nonsense that we can find nobody to use this money and instead sit the money in some bank down the road and accumulate up to now, Sir, something like \$200 000 in interest which, again because of its attachments is in truth and in fact unsalable by the persons.

The opportunities are continually being missed to bring innovative thinking and new ideas into the acquisitions. What has become mundane, routine activity in our Parliament can become interesting and new ventures about enfranchisement, precisely the challenge we speak about, precisely the message that I thought was intended by the declaration of not only August 1 as Emancipation Day, but of July 26 as a day of national significance, we need, Sir, to put our thinking caps on and grasp the opportunities.

If the Minister would allow this suggestion to probably crack the vault which now holds that \$2 million, go to Claribel Guy and introduce the idea of a venture opportunity with her to set up on this disused bath an appropriate stall or whatever – “stall” is too loose a term, Sir – an appropriate structure with all the attending requirements to become an outlet for the actual country atmosphere of Barbados, things like hot freshly baked bread, imagine that, things like the old traditional comforts, any available fresh fruit of the time and not what we have become accustomed to now. We are actually now involved in marketing other people's produce. We are getting grapes for sale that are not grown locally.

There are no golden apples in the vendors' mall. I have never seen a golden apple in the vendors' mall yet, Sir. Instead of the kids in Walkes Spring being on the street trying to force drivers of vehicles to stop and buy ackees, these ackees could be centred at Claribel's establishment and be beautifully displayed and the opportunity for a grand development around Walkes Spring.

What, Sir, those members over there thought was a mundane run-of-the-mill disposal of land today, Sir, has turned out to be probably one of the greatest economic opportunities that have been advocated in this Senate since I joined here in January this year. It is a challenge to the Minister and it gives him the opportunity to break the ice with the Minister of Finance with respect to getting his projects going forward.

The actual area, of course, is counted in the St. Joseph vote because of the way it has been aligned. Of course, that is one of the constituencies which the Democratic Labour Party now holds firm grasp. That should not be, however, in the stumbling blocks of this project.

Asides.

SENATOR J. D. E. BOYCE: Sir, it is significant that when Senators get up in here and deliver great speeches about shares in Goddards, shares in BS&T, BET and Cable & Wireless, it is all well and good and they can speak uninterrupted *ad infinitum*.

This morning I got up and I was speaking about Banks and I was not interrupted but I am trying to improve an opportunity, I am making a simple little suggestion that will cost virtually nothing. It will open a panacea for the Minister of Trade in terms of breaking the ice with that money that is sitting around his neck like an albatross, like so many other albatrosses around his neck as he accumulates them after three years in office. The opportunity is being scoffed and shouted down by those people out there who are supposed to be champions of the same people I am talking about.

Mr. PRESIDENT: Senator Boyce, there may have been asides as there are in any Parliament. I do not think there has been any shouting down.

SENATOR J. D. E. BOYCE: I am happy to be misled then, Sir. I am comforted to be misled.

SENATOR THE HON. R. R. FARLEY: On a point of order, Mr. President. I hate to interrupt the sound and fury of the Honourable Member but I take grave offence, Sir, being on this side of the Chamber to being referred in this Honourable Senate to “those people over there”. There are no “those people” over here. We are all Honourable Members in here and I would want to request, Sir, that the Honourable Member withdraws that statement and addresses my colleagues in a manner befitting of the highest traditions of Parliament in this land.

Mr. PRESIDENT: I think, Senator Boyce, you will agree that we are all Honourable Members.

SENATOR J. D. E. BOYCE: Mr. President, sometimes the utterances out of some Senators' mouths lead one to come to a conclusion...

Mr. PRESIDENT: You address the Chair. Try not to be distracted.

SENATOR J. D. E. BOYCE: I speak to the Chair, Sir. It leaves one to come to a conclusion which is painful to even contemplate at this time. That is the truth.

The point I am making here is we have a golden opportunity to grab a disused bath in hand, draw it back into the mainstream of society, draw along with it a middle-aged Barbadian black entrepreneur whose present business is not as vibrant because of certain economic realities. It is a fact. We are saying there are funds clearly allocated for this kind of opportunity.

I am saying that the playground is tailored-made for the test match, as I have described so I do not see any stumbling blocks. I see no stumbling blocks in the way except, as I said, that we need to look at the total question of road improvement in Walkes Spring and in Clifton Tenantry and the provision of lights, telephones, Multi Choice TV, with all its attendant problems.

Aside.

SENATOR J. D. E. BOYCE: ..and Direct TV. Direct TV is available almost anywhere anyhow but Multi Choice has its attendant difficulties.

Sir, in all seriousness, I believe this is an opportunity to bring into fruition one of the projects which we talk about when we are discussing these kinds of acquisitions, or sales, or disposals. I think the appropriate Minister would be well advised to probably at least consider the availability of such an option.

It is with these few comments, and out of a very serious desire to see things like this blossom, Sir, that I join in supporting this Resolution and commend it to this Chamber.

Thank you, Sir.

HIS HONOUR SENATOR C. L. BOLDEN: Mr. President, it is quite clear that the Honourable Senator who just sat down does not know the Walkes Spring area neither does he know the building he is talking about, neither does he know the public road that goes through Walkes Spring otherwise he would not have spoken as he has spoken in here this evening. I was minded to say something which I know you would ask me to withdraw so before I reach that point, I will restrain myself. I have said

before that we have some honourable people in Parliament who unfortunately do not know the history of Barbados and therefore speeches which they made really rub hard on me after having been around since 1964.

4.35 p.m.

The issue of public baths in this country arose under the Democratic Labour Party with its attendance fraud and back-handishness and it was stopped by the Barbados Labour Party because all the contractors complained that they had to make more kick back out of the profits and it was unprofitable for them to build baths. Go and ask for a man called Eric St. John at the bath up in Silver Sands when he stood on Parliament step and said "I am not finishing it, I had to pay away more money than I get and therefore I have not got enough to finish it." When I came to Parliament and ask that we stop building baths and use the money to put water in people's backyard and if you spend more money than the bath, proportion the excess in the water rates over a given period until you exhausted the cost of doing it.

The bath in Walkes Spring is on the corner of Walkes Spring Tenantry Road and the main highway abounded by a house on the North, a house on the East, the main road on the West and a cart road – the Walkes Spring road – on the South. Now, this is what we were talking about shares in here today and this is why I say that people with small amounts of money have no right getting into big people game, you are like cockroach in a common fowl party, you will get picked up. If a poor lady up in Walkes Spring wants to purchase that bath and the average Barbadian is still an entrepreneur, he knows nothing about joining in shares etc., that is why the money in the Small Business Association cannot be spent.

The Honourable Member was talking foolishness in here all day. I know about what happened at the Small Business Association, there is one man who wants to use the money other than what it has been put there for and the other members are saying, "No, you cannot use it", and that is where the confusion is.

SENATOR J. D. E. BOYCE: On a point of order. The Honourable Member is obviously misleading the House. I never spoke any foolishness and I would like that withdrawn, Sir.

HIS HONOUR SENATOR C. L. BOLDEN: Mr. President, that is my opinion.

Mr. CHAIRMAN: Please proceed, Senator Bolden.

HIS HONOUR SENATOR C. L. BOLDEN: The executive of the Small Business Association is a little clique. It is similar to the Stock Exchange cliques and therefore the money will never be spent until

Government brings down certain rules and then you are going to say that you are getting involved in private enterprise. Everybody knows why the money in the Small Business Association cannot be spent because there is this group amongst the executives.

Asides.

HIS HONOUR SENATOR C. L. BOLDEN: So why is it in the bank then. The Government has just had to say, we are not going to let you use it for administrative purposes. They would like to take the \$2 million and pay certain people called staff and use it out rather than putting it in small business for business to function. They want to use it for travel etc. and staff payment and that is not what it was put there for, so you must not come in here and mislead Parliament and the news people go out and tell the public that there is \$2 million sitting down when the executives have never come to a concrete plan how to get the money out to small businesses.

This lady in Walkes Spring...you know something, a lot of people do not remember or know the history of this country. All the so-called well-to-do, intelligent and well-learned people in Barbados are the offspring of shopkeepers in this country, starting from the Tudors back down. It was one man who started a little shop and up to this day Barbados has the unique position of what you call the Shop Books Act that when you go to the shop and call for something, you write it down in a book. The only thing you could not write down in a book and get back is alcohol because you could not trust a man with alcohol and go in court and claim back the money. This is why I am saying that they do not know the history of this country.

If the lady wants to buy the 2 000 square feet of land with the bath on it that was never a success... I say again that the late Errol Barrow came to the House of Assembly and said that 2.5 women a month use the bath and 4.3 men use the bath because the baths were opened at 8.00 and shut at 4.30 when cane cutters use to leave at 6.00 and 6.30 and come home at half past six. Ask about the one down in the Lower Green Bus Stand that they used to carry away the toilet every week and if this Government now finds it right to dispose of these misused buildings why can anybody quarrel?

There was a debate in the Other Place where the Ministry of Health went and pushed down a building which the Ministry of Transport & Works were talking about refurbishing. What I like to say at this point in time is...let me step back and say this. I saw a long thing in the newspaper two days ago where the Ministry of Health were given notice of certain buildings to be pushed down or cleaned up. I would like to say that we should adopt a little different principle, that in view of the fact that there are so

many Barbadians and I use Barbadians in inverted commas because I would not like to see the non-nationals who are coming here and hogging up all the land be involved in this. So many Barbadians who are looking for house spots, I think that we should adopt the policy where Government should invite persons to purchase these lots that appear to be disused because I see Government's name appearing in the newspaper too for lots that they are allowing to fall to pieces, and then offer a 100% mortgage to refurbish them, rather than push them down.

They must be some co-ordination between the Ministry of Health and the Ministry of Transport and Works and Government must provide a fund that wherever there is a building that seems to be unoccupied and in disuse, Government should acquire and offer it out to persons and provide a 100% mortgage to refurbish them and put them in use. It is a situation that is carried out in California and all the old buildings in California, the factories etc., are being taken over now and put back into use.

I came to this Chamber some time ago and I talked about the number of disused buildings in Roebuck Street along Bay Street etc. and I think that if we want to talk about enfranchising the black people in this country, I think that would be a suitable way of going. Offer people 100% mortgage to refurbish what appears to be derelict buildings in this country. There is nobody who knows about refurbishing derelict buildings better than me. I can tell you that and I think that the Honourable Senator should really get his perspective right and not use this Chamber as a propaganda medium to say he said this when in truth and in fact what he is saying does not relate to Barbados today. He has to go back and look at his Party's record and see what they did. I have the dates so I know. Dennis Hunte and those people who were given the contracts to build these baths when they finished building the baths, they went bankrupt and they were fired under a street light up in Carringtons Village because they talked.
4.45 p.m.

Mr. President, all I am saying is that I support this Resolution as is and I have no problems with the lady getting the bath because where it is situated you cannot do much expansion on it. It will provide a nice country outlet and bring back to Barbados the little country shops that can be opened from six o'clock in the morning until ten and eleven o'clock at night and with proper licensing arrangement she will service Walkes Spring area where there are quite a number of people and no suitable shops in the area.

If the Honourable Member knew the area he would not have spoken as he spoke in here today. Thank you, Mr. President.

SENATOR Miss C. Y. FORDE: Mr. President, I would just like to add a few comments to those expressed by Senator Bolden and to say I am appalled sometimes when certain matters come up in this Honourable Chamber and individuals do not always take adequate opportunity to examine precisely what is going on in those situations. I myself passed in that Walkes Spring area only yesterday evening and I kept wondering here whatever in the name of sweet Jehovah is Senator Boyce referring to? Where in St. Thomas is Senator Boyce referring? I am not aware of the conditions he speaks of where Walkes Spring is concerned. What I want to say, Sir, is that I am extremely happy to be involved in this Government and the role that it continues to play in this Barbados in the late nineteen nineties. I want to commend the Government for the efforts that have been made towards disposal of disused baths or the sites that have been lying vacant for the last 10 to 15 years.

Senator Bolden has already touched on the effort to have piped water in houses and therefore I do not want to elaborate on it but what I know is that many of those facilities have been left unattended, they have been overgrown with shrubs, rodents are living there, sometimes mosquitoes are harbouring there. Even young individuals choose to hide in there to carry out their criminal activity and I am happy to support this venture where I know of many individuals who have purchased and we have seen the documents come down as to who has acquired these lots where many individuals have set up their own little businesses as a result of being given the opportunity to tender and be successful in getting those properties.

I know of one in Vault Road in particular where there is now a pool room, a shop and other activities going on there to help a working class person because I need to get to that. I know of one that has been turned into a pool room, one that has been turned into a restaurant, one that has been turned into a little beauty salon where a young lady is doing her cosmetology there and I am happy that these facilities have been used.

We sat here all day and we listened to discussions about the Companies Act and the big wigs and the small people that are not getting opportunities and I want to reiterate in here again the efforts of this Government to assist those who are big and those who are small. We need to give opportunity to small people, to working class people in this society, so that they can start small and then if they so desire expand to suit their needs or their interests.

I am happy that that opportunity has been given to Mrs. Guy so that she can continue to service her community whether she sells food or drink or arts and crafts or whatever, it is an opportunity that has been

opened to her and a poor person has been given that opportunity to carry on his or her business to help her.

I want to say, Sir, that I know that the Rural Development Project is assisting individuals by giving them small loans and grants and I trust that Mrs. Guy would take that opportunity, if there is such a need, to pursue such an avenue so that she can continue to develop her small business.

Mr. President, I touched on some of the things I heard today and I agree that the young people in Walkes Spring and indeed the young people in Barbados as a whole, many of them because some of them have no hope, they have been devastated as a result of some measures that were taken by the last Administration between 1991 and 1993 and that is the reason why those young people are out there on the road with no hope. Senator Bolden said earlier they are sitting on a time bomb and that is why we, in this Barbados Labour Party have been faced with the challenge of finding creative ways to help young people. It cannot happen over a 5-year period. There must be continuity and therefore I agree that there are young people in Walkes Spring but there are young people in Checker Hall, there are young people in Brittons Hill, there are young people in Welchman Hall, there are young people in Josey Hill, there are young people all over Barbados who need to be pointed in a direction and I trust that the opportunity given to Mrs. Guy here will help her to employ a couple young people if her business should so expand.

I trust that other opportunities will be offered not only to people like Mrs. Guy in Walkes Spring but people all over Barbados who have an interest and that opportunities will also be included where people like Mrs. Guy and her kind can be given some special training so that whatever businesses they get involved in they have got the management background to assist them that their businesses become successful and that they become sustainable.

So, Mr. President, with those few comments I want to thank this Government for the opportunities, rather than letting the baths and other buildings and sites lay vacant for so many years that they have used the initiative of offering it to people in the community so that they can help to contribute to the development of Barbados and their own communities. Thank you very much and I wish to lend my support wholeheartedly to this Resolution.

SENATOR THE HON. R. R. FARLEY: Mr. President, I feel compelled to make a few remarks at the end of this debate. The Honourable Member in his presentation during which he was very efficient in the use of his time because he never paused for breath or thought and the volume of the presentation, Sir, with which we were bombarded was only outdone by the vacuous nature of the content. We were treated to that presentation

by Senator Boyce on a matter which is located in the Crown Lands (Vesting and Disposal) Act, Cap. 225.

Now, Sir, we have responsibility as legislators to make certain determinations concerning Bills or Resolutions that come before us. The Honourable Member in a spectacular display of some intellectual gymnastics, Sir, would have us believe that it is a fit and proper part of the presentation of this matter which is laying before legislators, not the management of the Rural Development Commission, not the management of the Small Business Association that he is talking about, not the Tourism Authority, legislators who are here to determine in accordance with the rules of the House whether to grant or not to grant its assent to a proposal to sell some land to Mrs. Guy, which is located at Walkes Spring. He would have us believe, but we all know better, that this matter of necessity must involve a full discussion of what Mrs. Guy plans to do with the building and what programmes there are to assist her and so on. Those might be useful things as an adjunct to the debate. But he will have to believe, Sir, that is what we are really in here to decide on. What I want to remind him of, given he has asked the question, he clearly does not know where Walkes Spring is, Sir, so I believe he went to the wrong district, but he also does not know, in spite of all of his ideas, very good ideas about what could possibly be done to improve the business opportunities inherent in the acquisition of this land for Mrs. Guy. But I am sure that even if he were to find the place, and to be able to talk to Mrs. Guy, Sir, he would not have been able to advise her on what she would be able to do and where she will be able to go to implement the business that he is talking about. So I will do it for him, Sir. I will not let her suffer.
4.55 p.m.

I will want to let the Honourable Senator Boyce know, Sir, that the Rural Development Programme was designed and implemented for the expressed purpose of helping the Mrs. Guys of this world, Sir. The Rural Development Programme is all about strengthening the rural communities in Barbados. The Honourable Member, after his long absence from the rural part of Barbados, he condescended to leave his celebrated accommodations, Sir, in the resort community of the southern shores of Barbados to wander through the country side, Sir. But persons like me, Sir, who live this life every day, Sir, ...

Asides.

SENATOR THE HON. R. R. FARLEY: We live the rural life, Sir. We understand what it is like to live in a small rural district, Sir, and he seems surprised and impressed. He discovered that a rural shop is a place where people go to talk about life and that it is a meeting spot for the community.

Asides.

SENATOR THE HON. R. R. FARLEY: I do not know what he was there for, only to buy and sell?

But the Honourable Member, Sir, did not realise that the Rural Development Programme is all about enlivening those communities and restoring the old virtues, Sir. Before the Democratic Labour Party crippled my mother's shop in 1972 and houses of others like that, Sir, ...

Asides.

SENATOR THE HON. R. R. FARLEY: His Minister of Trade did that in 1972.

Asides.

SENATOR THE HON. R. R. FARLEY: Not only Roebuck Street, but my mother's shop in Braids Valley in St. George, and thousands others, Sir. That was the meeting point in the community. So we know what we are talking about, and what we are seeking to do is to ensure that by providing land like this, we are providing the opportunity for the Mrs. Guys and if 1997 were like 1972, and a Barbados Labour Party government was in power in 1972, perhaps the opportunity would have been provided for the Mrs. Farleys to expand their small rural enterprises. Then perhaps today, they would have been listed on the stock exchange, Sir.

Asides.

SENATOR THE HON. R. R. FARLEY: And Senator Boyce would have been able to purchase shares in Farley Enterprises.

Asides.

Mr. PRESIDENT: Order, please.

SENATOR THE HON. R. R. FARLEY: But it happens to be the reverse and I look forward to the day when I can buy shares in Tiltman Enterprises.

Asides.

SENATOR THE HON. R. R. FARLEY: I hope that that company would not be like one of the large privately held companies where no outsider can get a piece of the action and I would like to see it listed publicly.

Anyway, Sir, the Rural Development Programme, apart from the sociological developmental aspects of the programme, has a Rural Enterprises Fund. The Rural Enterprises Fund has been lending money to people in rural Barbados, Sir. In fact, there was even an advertisement

on television with a young gentleman in St. Joseph who announced that he has borrowed \$1 500 from the Rural Enterprises Fund to build a better display cart for selling fruit and vegetables from his rural community to locals and visitors, Sir. That is what rural development is all about and that is what we are doing.

So that as Senator Boyce does not know that, Sir, I will want to let Mrs. Guy know that the Rural Development Commission is able to do that. But, he also keeps on, Sir, talking about what we need to do to help business, to hold their hands and so on. And if he knew, he could easily have advised Mrs. Guy, if he could find the place, that the free services of the Small Business Division of the Barbados Investment and Development Corporation are there to help. That available to her and all the other small business people in Barbados, is a free service where the business plan for the expanded operations to take in the tourism attraction and scenic view and all these things that he mentioned, the assistance with accounting, record keeping and so on, particularly for those persons who registered for the VAT and there are increased record keeping requirements, we are assisting in that as well as the preparation of marketing plans and brochures. If she wanted to have brochures included in the "Ins and Outs of Barbados" and other materials that can be done and a whole series of advice.

But for the whole day, Sir, he was stuck on the \$2 million which was allocated for venture capital for a fund which was proposed for the Small Business Association.

But he has gone from bad to worse, Sir. As the day wears on, he has gone from minor inaccuracy to gross inaccuracy, and it is suspected that by the end of the day, Sir, he will land himself in a fine pickle.

Asides.

SENATOR THE HON. R. R. FARLEY: The facts of that matter, Sir, are that if we are to follow the Honourable Member's formula for the rush disbursement of this money, then we will break all of the financial rules, Sir.

Apparently, he is perhaps hoping that his Leader, as Chairman of the Public Accounts Committee might be able at the end of the year to find some fault. So, he is trying to encourage me to break the rules so that a fault could be found. But, I will not dilate on all of the details of the matter on this occasion. It would be silly of us. Given that he, in every matter we are going to debate this evening, is going to talk about that, during the course of this evening, I will respond fully.

But suffice it to say, Sir, that the Government of Barbados in response to proposals from the executives of

the Small Business Association acceded to their request to have these funds in place.

However, upon a change in executives in the association, some trouble started, and the new executives so much distanced themselves from the plans that were submitted and upon which the decision was made to allocate funds, that they even went as far as removing the persons who were part of the subcommittee, the select committee of the association that had drawn up the plans and that had made the submission in writing to the Government, upon which the decision was based. They got rid of those persons and said "we will come up with a new plan," we said "Okay, fine."

However, if the Government has agreed to allocate \$2 million to you based on a specific kind of proposal, if you are proposing to change, well then, let the money rest. When we get your new plan we will adjudicate that in the same way that we adjudicated the first one. Then we can make a decision, but you cannot, under common sense rules, or the financial rules or any other rules make a decision to fund a given proposal and then if they come back and say not that proposal, a new proposal, you say you will keep the funds. It does not work like that.
5.05 p.m.

It is the effort of this Government. If we felt that we could not endure the volume of the terrain of the Honourable Senator then we would have rushed on and so as not to hear his voice harping on this matter would have let go some money; but then, of course, we would have heard the harping of other persons, whether the Public Accounts Committee or elsewhere, saying that we gave away the money.

We are prepared to continue as we have done over the last couple of months to work with the Small Business Association to help them solve their internal difficulties and the money will not be moving until such time as that is cleared up.

The Government already has another venture capital programme, one that was started several years ago and continues to run. The Barbados Investment Fund which was started with an injection of \$6 million was administered by Caribbean Financial Services Incorporated. The areas for which it was earmarked were tourism and manufacturing. The Caribbean Financial Services Incorporated acts as managers and administrators on a Board provided by the Central Bank and that Board signs off the funds based on advice from the management of the Caribbean Financial Services Inc.

The Barbados Investment Fund has been able to fund a number of projects in the areas earmarked. The decision of Government was that while we could have gone with

a topping up of the Barbados Investment Fund and adding an additional category for small business in order to give tangible support, not just lip service – we are not a lip service government. Rather than giving lip service by simply saying we want to see a good small business association we said that we would support their administrative work by providing a subvention. But we recognised that if we were to build an association which can be an icon truly representative of the thinking of the small business community in Barbados we would have to enlighten and strengthen them and give them a range of activities that they can offer their members to make it beneficial to join.

A decision was made therefore that they put up a proposal and we would go to them. There is some US\$20 million which is accessible through the multilateral investment facility of the Inter-American Development Bank which however is not available to government institutions. It is earmarked by the IDB for youth, micro enterprise and women. No government financial institution could get access to that. Therefore, by establishment of a private sector NGO small business financial entity, the \$2 million that the Government put in was not a total solution. The \$2 million was an initial injection which would have allowed the structure to be set up and which would have allowed the Association, that financial institution to access the funds available internationally.

The Government also created a tax concession, the \$10 000 exemption for investment in a registered venture capital fund or for purchase of shares in a company.

Mr. PRESIDENT: I hate to interrupt the Senate Leader. I have allowed a fair amount of latitude which had to do with the sale of a disused bath. Such heavy weather has been made of it that I think we must be in the path of a hurricane. I must ask Senator Farley to try to deal with what is left in the Resolution.

SENATOR THE HON. R. R. FARLEY: I am grateful, Sir, for your guidance and will never again be caught up in a hurricane created by the verbiage coming from the Honourable Senator Boyce.

SENATOR J. D. E. BOYCE: On a point of order. The Honourable Senator is misleading the Chamber. I made my contribution, was never interrupted by you or directed that I was going down any extraneous path. Therefore he is misleading the Chamber by giving the impression that my message was anything like his message.

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

Item No. 4 was called.

SUSPENSION OF SITTING

SENATOR THE HON. R. R. FARLEY: Mr. President, I beg to move that this Sitting be suspended until 5.35 p.m. today.

The question that the Sitting do now suspend until 5.35 p.m. today was put to the Senate and agreed to and Mr. PRESIDENT suspended the Sitting accordingly. 5.15 p.m.

RESUMPTION

Mr. PRESIDENT: This Sitting is resumed.

ORDER NO. 4 – RESOLUTION TO APPROVE THE SALE TO TROWEL PLASTICS BARBADOS LIMITED OF LAND AT BAGATELLE, ST. JAMES

SENATOR THE HON. G. S. H. MURRAY: Mr. President, this matter is what, I think, would normally be considered a rather straightforward matter but given the climate in the Chamber today I am not sure it will necessarily generate that acceptance. However, this Resolution seeks the approval of the Senate for Government to sell 34 280 square feet of Government land at Bagatelle, St. James to Trowel Plastics Barbados Limited for the sum of \$125 200, that is, at \$3.65 per square foot.

Sir, the background to this matter is that Trowel Plastics Barbados Limited has been operating at the Bagatelle site in St. James since 1983, as a matter of fact, October 1, 1983, on the basis of a 15-year lease. They were granted leasehold interest in that same 34 280 square feet of land for a total of 15 years for the purpose of operating a manufacturing business. That lease is due to expire September 30, 1998.

In June 1994 the company expressed an interest to Government in purchasing that same land in order to construct additional buildings for warehousing, office accommodation and parking space. It would be of interest to note, Sir, that the rationale for this request too had to do with the fact that the company said it had plans to expand its operations and its product line and to move out into the Caribbean area and export to capture a greater share of the Caribbean business and hopefully earn foreign exchange for Barbados.

In order to carry out this thrust and to achieve this objective, it would be necessary for Trowel Plastics Barbados Limited to construct an additional building for warehousing and office accommodation for both its staff and its customers. It was in that context then that Government sought to accede to the request of Trowel Plastics Barbados Limited and made an offer and gave approval for the sale of the land for the sum of \$154 000, that is at \$4.50 per square foot.

Trowel Plastics Barbados Limited responded and did not find this offer acceptable and requested that consideration be given to a reduction in the price from \$154 000 to an offer of \$75 000. Government on its part found this unacceptable but the company had said as part of its rationale for the request in reduction that it had to expend some \$10 900 on repairing and surfacing the entrance to the road immediately accessing the adjoining lots as well as the Trowel Plastics compound itself.

The matter was referred to the Division of Housing and they thought that \$75 000 was unacceptable. It was recommended that the Division enter into negotiations with Trowel Plastics Barbados Limited to reach a settlement between \$3.75 per square foot to \$4.00 a square foot in the region then of \$128 500.

The new offer was communicated to Trowel Plastics Barbados Limited and they made a counter offer of \$3.65 per square foot which would amount to a sum of \$125 200, the sum that is in the Resolution.

Sir, Trowel Plastics is a wholly locally owned company. It was started way back in 1967 and therefore is now some 30 years old. It is a Barbadian company, like I said and has some 24 permanent employees. It produces such products as trowel plastic, paints, varnish, roofing compounds and roofing treatments.

The views of the Town Planner had been sought regarding the plan to sell and the Town Planner said he had no objections to the proposed sale since he had no knowledge and no record of any problems being associated with the operations of Trowel Plastics Barbados Limited at this site.

It is therefore in this context, Sir, that the Government is seeking the approval of the Senate in the form of this Resolution for the sale of 34 200 square feet of Government owned land at Bagatelle, St. James to Trowel Plastics Barbados Limited for the sum of \$125 200.

I beg to move that this Resolution do now pass.

The question was put to the Senate and agreed to.

ORDER NO. 5 – THE BARBADOS WATER AUTHORITY (VALIDATION OF WATER AND SEWERAGE RATES) BILL, 1997

SENATOR THE HON. G. S. H. MURRAY: Mr. President, this Resolution really seeks to implement a decision by Cabinet way back in December 1993 where Cabinet gave approval for the implementation of revised water and sewerage rates of the revised Water and Sewerage Rates Regulations but, unfortunately, because of

an oversight in the Cabinet Office, the procedure was never fully implemented and it has been in abeyance ever since then.

The file with the Regulations was apparently overlooked in the Cabinet Office and as a result the Regulations were never duly signed as was required by law. As a result the unsigned Regulations remained unnoticed for more than 2½ years during which time the Barbados Water Authority implemented the monthly billing rates for water rate consumers.

It was in December last year that the Cabinet Secretary became aware of the deficiency and contacted the Division of Public Works and Transport to seek clarification as to whether the matter was still to be processed. The Ministry's position was that the Regulations which should have been brought into effect with the monthly billing system in 1994 should be updated and approved for implementation. It is considered that the validation clause would be included in the new Regulations to regularise the rates being collected by the Barbados Water Authority since 1994.

Sir, the further background is that research had shown that the then existing water system where people were being billed quarterly was rather inefficient and had created a situation where it was difficult to determine to any particular degree and certainty the status of water rate accounts and something that provides numerous opportunities for non-payment by consumers. It was felt then that to move towards a monthly billing system would make it more efficient and allow the Barbados Water Authority to collect money owed to it, monies which were outstanding way back in 1992 which exceed some \$27 million. The monthly billing situation through these Regulations was one way of trying to rectify the situation.

It is also to be noted, Sir, that the Barbados Government had entered a loan contract with the Inter-American Development Bank to provide \$7 million in financing to assist with the execution of the South Coast Sewerage Project, a project that the Barbados Water Authority is involved in. Also included among the conditions for that loan is a requirement that the Barbados Water Authority institute measures which would ensure that from the fiscal year beginning April 1, 1997, the level of collection would have reached a figure equalled to about 85 per cent of the outstanding balances.

With the shift to the monthly issue of water rate bills, the Authority is moving towards not only bringing its system in line with other major utility companies in Barbados but also increasing its ability to take in its monthly revenue due to it since the majority of householders in the country receive their income either weekly or monthly.

This Resolution, therefore, Sir, seeks to implement this long outstanding matter of giving validity and legitimacy to the rates which have been implemented by the Barbados Water Authority since April 1984 but which, through an inadvertent omission in the Cabinet Office, ought to have been signed into law as had been required.

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

SENATOR J. D. E. BOYCE: Mr. President, the mention of the Barbados Water Authority sends shivers down the spine of many Barbadians, I am sure, because, certainly over the last six months to a year we have heard allegation after allegation, public denial after public denial, as to what are the true facts with respect to the arrears at the Barbados Water Authority and the methods of collection, the method of identification, *et cetera*.

Sir, today what normally would have been a forgivable error or slippage has been identified by the Honourable Senator who introduced the Bill, to take on larger proportions given the kind of identification and publicity which a number of Barbadians have had to endure as the Barbados Water Authority has gone about over the last year trying to improve their method of collection. It almost then appears that the public of Barbados is being partially blamed for an inefficiency. I do not want to be unfair, Sir, to the Authority, of course, and certainly I cannot be unfair to the public of Barbados. We have situations like old ladies, young ladies, all sorts of family situations and difficulties and challenges who are constantly reported in our public press as being sought out and being identified on an almost daily basis for what has now become familiar disconnections because of outstanding balances to the Water Authority.

5.50 p.m.

Sir, I believe the Honourable Senator who just sat down was the Minister in here who got up and said that the markings on the road in front of the houses of poor people of Barbados were nothing to do with arrears but were to do with the intention to meter. This has proven not to be the case, Sir.

SENATOR THE HON. G. S. H. MURRAY: On a point of order. Sir, I was allowing him to expand a bit more before I intervened but I had intended to intervene much earlier just to point out that nowhere in my presentation did I seek to apportion blame to these dear old ladies or other women for any mistake. As a matter of fact, I avoided blaming or identifying any particular officer who would have been responsible for the administration of this matter. In addition, Sir, I recalled very clearly that I said that the Barbados Water Authority, through its Public Relations Office, has issued statements repeatedly which

said that the markings were for the purpose of metering and not for disconnections.

SENATOR J. D. E. BOYCE: Sir, the truth about the markings has come to light that they have without exception, when you go into any village in Barbados today, and the last time that I encountered this situation, Sir, was in the village of Scarborough in Oistins. And is it coincidental, Sir, that the two homes in that area who were identified by yellow marks and arrows in the road were the two homes where I encountered the discussion about the economic difficulties they were suffering? No other home, no other area was marked and no other homes had meters on them. It gives lie to the public utterings of the Ministry of Public Works and the Barbados Water Authority in this regard.

It gets more serious than that, Sir. This Government, the Barbados Labour Party came to power in 1994 in a crusade of efficiency, a crusade that we would have seen the end to situations like these which, of course, the standing Senate Leader has left for the stand-in to deal with. He has gone his way and left the stand-in to deal with this item, to bring this message to this Honourable Chamber. The Government of the Barbados Labour Party came to Government under a crusade, as I said, of efficiency. There was total condemnation of the inefficiencies that they saw in the Democratic Labour Party Administration of the time. There were at pains, leading up to and during the election campaign, to make it clear to the public of Barbados that this would be the end of this kind of operation. So to come in here today and say that they would like you to quickly and quietly pass this matter before this Chamber so that we can validate collection...

SENATOR THE HON. G. S. H. MURRAY: On a point of order. I wish the Honourable Senator would not begin to believe his own propaganda and be carried away by his own histrionics and grandstanding. Nowhere did I seek the Senate's permission to quietly or through subterfuge pass anything or hide the matter. It was a straightforward presentation where I set out the facts as they were presented to me.

Mr. PRESIDENT: I think you should withdraw the words 'quietly' and 'quickly'. There is an imputation of improper motives.

SENATOR J. D. E. BOYCE: I will withdraw the words as quietly and quickly, Sir, as you have requested, Sir.

Mr. PRESIDENT: Quickly perhaps, not quietly.

SENATOR J. D. E. BOYCE: Sir, the tone with which the Honourable Senator presented, he kept looking across at me and winking almost like...

SENATOR THE HON. G. S. H. MURRAY: Mr. President. It is a blatant lie. It is not true. It must be the medication.

Mr. PRESIDENT: Senator Boyce, this is a serious Chamber and I would wish you to respect the rules of the Chamber.

SENATOR J. D. E. BOYCE: I withdraw the remarks if they impute any improper motive on behalf of the Honourable Senator.

Mr. PRESIDENT: Please proceed, Sir.

SENATOR J. D. E. BOYCE: I am proceeding in accordance with your ruling, Sir.

I got the impression that as this Bill was being presented to this Chamber, Sir, we are being told on the one hand, yes, this is an oversight by the Cabinet Office but these things happen. Well, they are not to happen anymore and they are not going to happen now without me delivering the speech I have to deliver about them.

Sir, when I speak on these matters I like to join the mass of Barbados because we do not understand how fearful the majority of our society is of letters from Attorneys or Debt Collectors or threats from people. The thing that drives fear in the life of a Barbadian especially the older Barbadians in this society is receiving this kind of communication.

I do not know if I have to make this a document of the Senate, Sir, but I will, it is a copy of a letter and in this case, fortunately, Sir, it is a letter which in some way is attempting to connect me to a debt...

Mr. PRESIDENT: You have no obligation to make it a document of the Senate but you should tell us exactly what you are quoting from.

SENATOR J. D. E. BOYCE: I am holding a letter, Sir, from one Denis H. L. Chandler, Barrister and Attorney-at-Law, patent and trade mark agent. He gives as his address, Dowell Chambers, Suite 206-5 Dowell House, Corner of Palmetto and Roebuck Streets, Bridgetown, Barbados.

Sir, I received this letter addressed, simply this way. Mr. Elliott D. Best, c/o John Boyce, Christ Church. The letter goes on to quote a customer number, "Re debt owed to the Barbados Water Authority" and the text of the letter in part says: "I represent the Barbados Water Authority and I am instructed by that company that as of the 14th day of March 1997 you are indebted to it in the sum of \$30 in respect to the supply of water".
6.00 p.m.

Now, Sir, normally a matter like this we would not bother too much about, Sir, but I thought of the other Barbadians who must have received these similar kinds of letters and who might shudder at the addressees and the headings and the formality of this kind of approach. What is their recourse? So I have been trying, over the last couple of weeks since receiving this letter, to try to establish some linkage between myself, that is, the John Boyce on the letter and the Water Authority and customer number quoted. The point I am getting at, Sir, is inefficiency. We are dealing with arrears. I think the figure quoted is \$27 million in arrears at the Water Authority and I am saying if they cannot get their act together, if the Ministry of Public Works cannot get the act of the Water Authority together in this regard so that when I call Denis Chandler's Office they are unable to give me any information and when I finally speak to Mr. Chandler himself he says to me, I have some 16 000 situations like the one you refer to. I am just sending out the letters and I await the responses, and then ...

Of course, Sir, those quotes from Mr. Chandler are after certain questions I put to him. I said, So are you just sending letters to people willy nilly, Mr. Chandler? "Yes." Are you not checking first? "No." What if it is not the person? Does it not bother you that your letterhead is being used in this regard? He said, "Well it depends on the response.

Sir, I am saying that the collection of arrears is a more serious business than that and to go on to tell people and to tell Barbadians that this letter is to give you formal notice that if the abovementioned sum is not paid in satisfaction of the said debt to me at the above address as attorneys-at-law for the Authority, that is, the Water Authority, within 14 days of the date of this letter that I have been given specific instructions to commence proceedings in the Courts of this Island to recover from you the above sum and in addition to claim tax, costs.

Sir, you can imagine this letter coming to an 80-year old pensioner in Walkes Spring for that matter, receiving a threat of court. The first reaction would be, where can I scramble up the \$30 and pay this man and get this thing out of the way? I am not prepared to face the courts and furthermore even if I face the courts and lose the case then I have to look for all kinds of additional costs to pay the attorneys. So, can you imagine how many persons, because of letters like this might respond, even immediately, and say here is the \$30 get this off my back?

But, Sir, the story does not end there. If it ended there that would be almost all but it goes on. When I finally got Mr. Chandler's secretary to quote the customer number and I called the Water Authority where this debt might have arisen from, she was able to come back to me and say,

Mr. Boyce the debt was in 1990 and it relates to a residence, 31 Ealing Park, Christ Church.

I must admit, Sir, even then, having lived at Ealing Park and we are dealing with normal reactions, Sir. These are normal Barbadians facing these situations because I am only one of the 16 000 arrears that the letter is purporting to deal with. After calling the Barbados Water Authority and identifying the 31 Ealing Park, Christ Church address and the debt is 1990. I said, but Madam, I was not living at Ealing Park in 1990. I left Ealing Park since 1983. So how can we be collecting arrears all over Barbados with such inaccurate record keeping? This is me still talking to the lady, Sir, and the point that is coming out of the discussion is, listen when you make this kind of objection is when we will deal with it. If you do not make this kind of objection, skipper, you pay the bill and we go on down the road and whoever is to collect money and whoever is to get, get because the question arises. As a matter of fact I specifically asked, do I have to pay anything to Mr. Chandler and she said, No, you do not owe Mr. Chandler anything. So the question arises in this whole area of collection, where are the true and proper records? How are we dealing with obvious situations where letters are being sent to Barbadians with inaccuracies? And what level of recourse do they have when they are wronged by this kind of approach? Because sending people letters with this kind of threat is not an easy thing to deal with and not every Barbadian who receives one of these is going to have the presence of mind or the guts even to challenge the institutions and to say, what are we talking about.

This Administration has got to get its act together before it goes around trying to talk about rural commission and urban commission. The things that should be working now are not working. The Water Authority is not working. The National Assistance Board is not working. But instead of getting our act together in these areas we are walking around talking about creating new agencies to piggy-back and double up effort and render redundant and wastage. 6.10 p.m.

Sir, we are contemplating an environment in the next, I would like to say, two years, but it is going to be longer than that I am sure, in reality, when the Water Authority takes over for instance, the handling of the South Coast Sewerage Project, Sir. They have already handled a sewerage project in Bridgetown, Sir. This one is much larger, slightly more sophisticated in nature and if this is the level of operation of the public authority under the administration that we are dealing with, what can we contemplate when they have the massive task of dealing with something like the South Coast Sewerage Project, not to mention the West Coast Sewerage Project when it does come on stream, Sir.

The question of record keeping, Sir, in this country has got to be carefully handled. The question of sending notices to persons about arrears and money especially, should be carefully thought out and we should not have an agent being instructed to just send the letters out, "get them out there, create confusion in the community, let who panic, panic and send in the money. That is the important thing. Because if we get the money, we are half way home anyhow. If they challenge it, well we will have to deal with that."

One wonders about other areas of arrears in this country. From time to time we hear about it in other departments and we talk about records and all the time it is the records of the masses of people of this country that come up for scrutiny. The same Water Authority and the same Ministry of Public Works admit that a large amount of the money owed, is owed by business places, hotels, *et cetera*. Are they getting their fair share of this kind of treatment too? That is the question we have to answer. Or is it only the poor citizens of this country who have to continue facing these kinds of threats, day after day, Sir.

We have got to get the question of record keeping up-to-date. We have to make sure that more responsible approaches are taken by the agents and I do not know who else works in Dennis Chambers, Sir. I only see Dennis Chandler. Normally when you see a law chamber quoted, you would see all the Barristers who are associated with that, but in this case, Sir, I must admit, I only see the name of Mr. Dennis Chandler, Sir, so I will have to assume that he is the only Attorney operating, and it is a business which he runs on his own and has no partnerships with anyone. But if he does, Sir, that does not change the story either. It only draws his partner into the same boat that he is in. That is that you are taking a list of 16 000 persons, you are refusing to vet it and you are saying that the law...

Mr. PRESIDENT: I must stop you. I think you are making an unfair accusation against somebody in their professional capacity. I am not going to permit that. Please continue.

HIS HONOUR SENATOR C. L. BOLDEN: Mr. President, I regret that I was not here when the Honourable Member started to speak. One has no problems with an Honourable Member commenting on a document. But, there is a fundamental rule of Parliament, I think you have received a Hansard of all the writers on Parliamentary procedure. You do not call the name of private enterprise in Parliament unless you had clearance from the presiding officer. And for the Honourable Member to be calling the names of professional people and making such allegations when those persons have not got the same forum with the immunity to reply as the Honourable Member has got, is certainly unfair and unfair use of Parliament and the immunity which Members have. This is one of the

current problems which is now being dealt with, I think, in the United Kingdom whereby the private citizens can sue a Member of Parliament for things which are said in Parliament of this nature.

I think the Honourable Member should refrain from the line he is going down, because he is blaming an innocent person for things which he has no reason of. If somebody comes into a lawyer's chamber and says "write a letter to John X" the lawyer carries out his client's instructions.

Mr. PRESIDENT: Senator, you have made your point. Please proceed.

SENATOR J. D. E. BOYCE: So Mr. President, we have a situation where the Bill before us is dealing with an oversight in the Cabinet Office in respect to a matter which was dealt with sometime ago but not completed and not tidied up, Sir.

It also brings to debate, Sir, the whole question of the long public debate on arrears at the Water Authority. All I have attempted to demonstrate, Sir, is how serious a matter we are dealing with, how urgent it is that the government of the day get behind the Authority and bring this thing into a proper and true context. How important it is that they also, take along with them as part of their mandate an obligation to ensure that there is some correctness and accuracy to the records that are being referred to and that every citizen in this country can look to a fair deal in regard to treatment. We all make errors and indeed I had even conceded the \$30 to the lady. I said, "I would send the cheque when she said \$30 until it struck me. But I left Ealing Park in 1983, so I said, "No, no. Start up again." I said "Start up again, John." So that saga continues, Sir.

I want to make it clear that subsequent to the intervention of the Honourable Senator Bolden that I do not know Mr. Chandler, Sir. I mean to cast no aspersion on Mr. Chandler, Sir. My discussion is about the Barbados Ministry of Public Works and the Water Authority and their record keeping, which must reflect more accuracy and timeliness also, but that is another matter, Sir.

Sir, as regretful as it is, these mistakes do happen and despite the flagship on which they came to government, they recognise now that it can happen to them too and they have to come to Parliament and say "Gentlemen, an error has been made, please let us correct it and go forward." Let us try to minimise these occasions, Sir. Of course we have tried, and I believe all administrations of this country and that is the great thing about Barbados, Sir, have in fact attempted to minimise these kind of errors.

Let us get the pressure now applied where it must be applied. Let us get the work being done where it has to be

done and let the records of the Water Authority begin to come closer to what is a 1997 reality, so that the reminders and the notices and the crosses in the road and the installations of meters would reflect more on the true position in regard to the service of water in Barbados, Sir. 6.20 p.m.

With that plea, I have no tremendous difficulty with the Resolution but merely with the fact that we have a situation of obviously out-of-date records which need to be urgently attended to. I am grateful to you.

SENATOR THE VENERABLE ARCHDEACON J. L. SPRINGER: Mr. President, I would like to begin by asking a number of questions which I hope can be answered. I do not intend them to be rhetorical questions. The first is what evidence is there of the accuracy of the arrears that are being sent to the people who are receiving these documents? That is the first question. Having listened to Senator Boyce, I think we need to know more. I do hope that when the matter is wrapped up by the Honourable Minister he will endeavour to provide some assurances because whether or not I support this Bill will depend on the assurances that I get during this debate.

The second question would be what recourse is there for debtors or alleged debtors if it is found that the arrears are inaccurate in due course? How is it going to be dealt with? I would like to know what methodology, what procedure is envisaged once we have validated this action.

My third question is, is it fair to treat a debt of \$30 in the same way as a debt of \$300 or \$3 000 over the period that we are contemplating here? As I said, I need to know to have some answers to these questions because it seems to me that the record of the BWA can be held against the institution because they have been allegedly so many mistakes made over the years.

I see this as a government organisation or department in a state of panic as a result of large outstanding arrears not carefully monitored and now needing to do something quickly and in a hurry to resolve the matter. What is being done does not seem to me to be the right way to go about it.

To support what I have said about the records, let me refer to just a couple. There is a lot of waste in the water system of this country and I am sure you are aware, Sir, and other Honourable Members are aware, that you can call BWA over and over again for months seeking to get some response to stop a leaking pipe somewhere. Even if it has been described as being a large amount of water being lost you get no response and I have had the experience of calling on my own behalf and calling on behalf of others in the neighbourhood in which I live and in the public road as well and after months then somebody would turn up there.

The country cannot afford to have that kind of loss in terms of water or the cost of the water and then complaining in what we regard as the dry season that there is not enough water to go around.

I have been hearing complaints about larger burst pipes, and these are mains, and one wonders what plans are there to deal with the broken mains. I have been hearing information coming out of the department in which it is being said that sometimes it is better to allow the water to go to waste than to provide the workforce and whatever else is necessary to deal with it because it would cost more to deal with it than to lose the water. I cannot accept or even follow that kind of reasoning.

I think that the Honourable Minister is in a position to check this out and see whether what is alleged is accurate. What I am saying is that this seems to me to be an act of carelessness when there is no urgency about tackling any kind of burst pipe and particularly large mains.

This Bill calls on us to validate 2 things:

"All water and sewerage rates collected by the Barbados Water Authority from the 11th day of April, 1994 to the date of the commencement of the Barbados Water Authority (Validation of Water and Sewerage Rates) Act, 1997 shall be deemed to have been lawfully and validly collected."

The way I understand that, Sir, is that it is suggested that we validate 2 things here today. The first is the right of the Barbados Water Authority to collect. We are being asked to validate that right to collect for that period and secondly we are being asked to validate the amounts that are being collected. So that when we have passed this, we are saying that we have agreed that all those amounts, such dubious amounts as have been referred to from time to time by persons who have challenged them, that we are saying that those amounts are the right amounts and the Authority had the right to collect them.

As I said at the beginning, I need assurances about this. I have no particular position on the Bill at this moment but it will determine the way I vote when I have heard responses to these questions I have raised. Thank you.

SENATOR Mrs. P. E. RICKINSON: Mr. President, there are a few comments that I would like to make regarding this Bill. I would also like to listen to the answers to Senator Springer's questions but, in addition, I would like to make a plea for a White Paper on water resources in Barbados. Time and time again in this

Chamber we have been debating about water being lost, about if the Government should pay for it, how much etc.

I think the time has come for the Barbados Water Authority either to get someone who works there or employ someone to write a White Paper setting out clearly the policies for water use in Barbados. The reason I am saying this is because in 1985, Mr. President, there was a policy that pipe water would be installed to 96% of the population by 1990. I feel that we really need to know exactly what direction this Authority hopes to be going in in the future.

We have heard complaints about water being lost, about water shortages and cut-off. These water mains were laid in 1896. That is over 100 years ago, and I think that it is time that we start laying some more new mains bit by bit. That is why I am asking for a White Paper so at least they can tell the population well, in St. Michael we are starting to lay new mains or in St. Peter, *et cetera* so that we have some idea of what is happening about the mains that are leaking the water into the ground.
6.30 p.m.

Also, Mr. President, quite a lot of people have been complaining in the call-in programmes about water shortage but yet when I go walking and pass some of these golf courses they are using the water early in the morning, 5.00 o'clock, 5.30 o'clock and 6.00 o'clock.

Aside.

SENATOR Mrs. P. E. RICKINSON: I am not calling any names, Mr. President, but I am saying I notice the water being used early in the morning and when I started asking questions I was told that these people have dug their own wells and it has nothing to do with the piped water.

Mr. President, the way I see it, is that all of our water comes from underground sources and anybody who taps into that underground source is depleting the amount of water that is below so we really need to find out if in fact we have enough water available to support anymore golf courses and the population as well as the hotels.

People have been talking about trying to collect water. Again in the White Paper maybe one could come up with ways and means of collecting water as is done in some other island where they have white roofs and all the water is stored underground. I do not know how it is done or what is the technology but they do store their own water because water is scarce.

Another thing is they can look at a desalination plant and see if that is possible so that people can get access to water.

Mr. President, I would also like to make a plea for at least one tap inside each household. I will tell you why, Mr. President, because the Public Health Inspectors, in particular, and later the Public Health Nurses, spend a lot of time trying to educate the people about the use of water so that it can cut down the diarrhoeal diseases.

I am reading from my own submission to the Constitution Review Commission and in this, I tried to point out to them that after the water mains were laid down, Starkie, in the Economic Geography of Barbados wrote that it had a marvellous effect of stopping our annual outbreaks of dysentery and intractable diarrhea and typhoid.

Mr. President, water is essential. It is so essential that in the book, *The Global Burden of Disease*, a comprehensive assessment of mortality and disability from diseases, injuries and risk factors in 1990 and projected to 2020 – it is edited by Christa Murray and Alan Lopez, published by Harvard School of Public Health on behalf of the World Health Organisation and the World Bank. They said that of the 10 risk factors for death and disability, the most significant were malnutrition followed by poor water, sanitation and hygiene which accounted in 1990 for almost a quarter of the global burden of disease.

In other words, Mr. President, these diseases could have been averted if the poor water supply, sanitation, personal and domestic hygiene had been eliminated. That is just to try to strengthen my argument to have at least one pipe in each household so that people can have access to safe, clean drinking, running water and then one could probably bill them for the other taps. I do not know how it could be worked out but I feel very strongly that water should be made available to each household in order for us to keep up our health care standards.

Thank you, Mr. President.

SENATOR J. A. WORKMAN: Mr. President, while Senator Springer was speaking I was thinking on a point similar to the one he made. I wanted to check the law before I spoke.

There are many problems within the Water Authority and I am relating now specifically to the accounting systems. I myself have received from clients' letters, not addressed to Senator John Workman or to Senator John Boyce, but addressed to these clients in respect of water rates that are not owing at all. It is a tedious exercise, not only at this time as this proliferation of letters are being sent out in an effort to collect the arrears, but from time to time in practice we discover these great difficulties which have existed over the years. Obviously there is something fundamentally wrong with the system of accounting. The

Act itself provides for proper accounting systems according to commercial activity.

I believe, Sir, that while this exercise is taking place, it is necessary for the Water Authority to settle the score on the type of records they are carrying and the incorrectness of many of those records.

It is very strenuous for an individual, whether old or young, to receive a bill from any concern, whether it be the Water Authority or otherwise, when they know in their hearts that they do not owe the money but find it extremely difficult to prove it.

One of the problems relating to that is because ownership of properties may have changed from time to time and I am not going to put all the blame on the Water Authority but I would put the blame on some of the attorneys-at-law who have been in the habit, and this has been the practice, of issuing a Letter of Change to the new owner who does absolutely nothing to take it to the Water Authority to have the service transferred into his or her name. So that the practice ought to be to issue the letter of change direct to the Water Authority so that the Water Authority will disconnect the service if the new owner does not come and cause that person to come and register his or her name as the new owner.

In some instances, Sir, this problem has arisen where former owners are now getting notices of arrears when in truth and in fact those former owners have sold the properties and perhaps have died in some instances and a problem exists, so the Water Authority may have to write off some of those debts or the Water Authority may have to try to pursue the other owners. These are problems which can be looked at and which can be solved, tedious though they may be and though people may get almost heart attacks when they receive it especially a poor person receiving a letter giving you 14 days to pay a sum of money which they may or may not have.
6.40 p.m.

I am more concerned about the wording of the Bill. It is the very point that Senator Springer raised because as is worded the Bill will in truth and in fact validate all payments that are made and I think, Sir, that we need to look at this because if I were a magistrate or judge before whom a matter arising under this Validation Bill came, I would say well, you have no opportunity to speak because what has been collected has already been validated so you cannot even challenge if a mistake were made.

I feel, Sir, the wording ought to be amended and that we should postpone the passage of this because it would inflict, I believe Sir, great hardship on many people in Barbados who may want to take redress and who are prevented from doing so because of the wording of

the Bill. I would prefer, Sir, if it read words to the effect as are contained in the Barbados Water Authority Act, Cap. 274A that all rates paid to and received by the Authority should be deemed to be lawfully paid and received, rather than collected. There is a vast difference. The collection may not be valid but they may be deemed to be properly paid so that in any dispute they can be looked at and corrected.

I would urge, Sir, that the Senate postpone the passage of this Bill until that can be amended because it can create great hardship on innocent persons in this country.

HIS HONOUR SENATOR C. L. BOLDEN: Mr. President, we are in this problem because of an act performed by the Democratic Labour Party in the 1970s. You see, Mr. President, quite recently I have just had to say to some consultants in Barbados that I do not talk to consultants who come from abroad and become two-day experts in what happens in this country.

Now, before we had the sewerage in Bridgetown, what is happening here now arose out of an agreement which was seriously manipulated by the Democratic Labour Party Government when the then Erskine Sandiford was Minister of Health and went somewhere in South America and signed an agreement in which the IADB insisted that they must collect all presumably existing arrears in order to get the money for the sewerage system and we are bound under that same agreement today.

Asides.

HIS HONOUR SENATOR C. L. BOLDEN: You talked your foolishness, let me talk my foolishness now as well. You do not want to hear it, it gripes you but I am going to speak it.

Mr. PRESIDENT: Please address the Chair, Senator Bolden.

HIS HONOUR SENATOR C. L. BOLDEN: Mr. President, I did not mean that, I apologise. Let me speak the truth, he does not want to hear the truth and we are bound by that agreement up to today. Nobody looks back and sees that under the Properties Act, the supply of water to any property that the land owner is liable for those water charges. Therefore when the Honourable Member gets up and talks about a bill he should have gone back and asked who owned the land. There are bills going out to tenants on land, like to the NHC, tenants for instance. But who owns the land? If the property is owned by NHC, the bill should go to the NHC, but because we signed an agreement with the IADB which says you must collect from these people,

we are forced to carry out an act which in my view is totally unlawful.

The Honourable Member will not say that Barbados is in this stranglehold because of that agreement signed by Erskine Sandiford as Minister of Health before and listen, we asked in Parliament time after time after time to see the agreement and they would not lay it on the Table of the House. You know how we got it. One morning early, a man went at Lionel Craig's house and knocked on the window and he had a track suit over his head and he said, I think you want this, and that is how we got it. That is how we knew what was in the agreement.

When the Honourable Member comes in here and pontificates about what we are doing wrong, let him start where the wrong started, at the inception, that is really where he must start. You see, Mr. President, we knew it was wrong and that is why I keep saying that unfortunately we are pushed into situations by these international organisations without knowing what happens in Barbados.

I would very much like to see a re-wording of the Bill and I understand the difficulties that you face. You are faced with a difficulty and if you attempt to change it, you are going to be faced with a difficulty under the agreement you signed in respect of financing the various sewerage schemes that are definitely needed in Barbados but it started off with the Democratic Labour Party. They should be the last person to get up and say anything in here, they should have let it slide through and keep their mouths shut and the public would not have known of what happened.

That is my contribution, Mr. President.

SENATOR THE HON. R. R. FARLEY: Mr. President, I rise to make my contribution to this debate which has taken a number of interesting twists and turns and loops. What the Validation Bill seeks to do is to correct an omission which was made in 1994 when the Cabinet of the day having taken the decision to introduce new water rates did not, however, proceed to take the process through from beginning to end. The result was that the new water rates although announced to the public, although charged to the public, were not in fact legally applied.

Now, Sir, the fact of the matter is that the Cabinet, having taken decisions from 1993 to increase the water rates and the water rates would have been changed and increased to \$1.50 per cubic meter for the first 34 cubic metres for domestic purposes and to \$2.12 per metre for the next 34 cubic meters and so on and so on, did not, Sir, proceed to have that matter gazetted and this matter of the failure to gazette certain items resulted for example in the long bit of litigation involving the Anglican Church and one of its clerics.

This Validation Bill, basically Sir, seeks to validate the collection of rates and those rates are normally spelt out in the regulation which are attached to the Barbados Water Authority Act. The Act, at section 29, speaks to rates and charges. Now rates, as we all know Sir, are those per unit fees, those per unit costs as spelt out in the regulations for example which as I said Sir, there is now pursuant to the correction of the error that was made, the Minister will make regulations, the Barbados Authority Water and Sewerage Rates (Amendment) Regulations, 1997 to give effect to the Validation Bill. The regulations as made by the Minister basically contain the information that was given to the public and that the public was led to believe were the lawful rates as at April 11, 1994.

The Validation Bill would pave the way for the Minister to make these regulations. The way in which the matter is described, it says here in these Amendment Regulations that the First Schedule to the Barbados Water Authority (Water and Sewerage Rate) Regulations, 1982, is amended by deleting paragraphs 7 and 8 and substituting the following. For paragraph 7 it gives the rates. The rates payable to the Authority for water supplied by measure are, and it goes on to list them. When those rates are applied to the usage by consumers then charges accrue. Whether those charges are correctly applied or not, that is, whether it should be to the landlord, to the occupier of the land, whether they have the right name or the wrong name is another matter.
6.50 p.m.

We contend, Sir, that the matters to which some Senators have referred are in the line of charges. No Barbados Water Authority Act or other Act will get into the business of what charges are sent to any one of us or any consumer because the charges would be a combination of the rate for whatever the commodity is and what is the usage and the consumer is in a position to dispute what are the claims with respect to usage and whether the charges, as spelt out in the Bill, are properly his or not.

Therefore, Sir, following through on the error that was made with respect to seeking to implement these measures on the 11th April, 1994 without full and proper legal authority, the Validation Bill before us now, Sir, seeks to simply validate the rates as laid out in the amended Schedule to the Act which would see that the increased water rates which were applied as of the 11th April, 1994 would have been validly applied between that period and the period to date, Sir, and that really is the simple answer to a very simple situation.

Validation Bills are nothing new, Sir. It is a process in law that has been used lots of times and has even been used within this session of the Senate and I think the

confusion that members are having is the difference between rates and charges.

SENATOR THE VENERABLE ARCHDEACON. J. L. SPRINGER: On a point of order, Sir. Since I started this I think I need to point out that there is a difference between rates and rates collected and that is the point I am making. Not rate charges. What we are asked to validate says, rates collected, whatever is collected during that period.

SENATOR J. A. WORKMAN: Mr. President, I believe my point of elucidation is upgraded to a point of order but inasmuch as Senator Farley is sitting I assume he has given away.

Mr. PRESIDENT: Senator Farley had taken his seat.

SENATOR J. A. WORKMAN: Well then it is a point of order. Mr. President, the error is not in the rates, the error is an omission to pass a Regulation and the Regulation itself can be passed and we could be asked to validate the Resolution. I think that is the way we should go rather than come through an amendment to the Bill especially as the Bill is worded.

Mr. PRESIDENT: Senator Workman you are making a second speech. I must ask you to discontinue.

SENATOR THE HON. P. C. GODDARD: Mr. President, it is very clear that there is a misconception of what charges are and what rates are. It is very clear that the rate is what has been established before and those rates have been collected in relation to the amount which was a charge. So it is the rate that we are really validating here.

There were other questions that were raised, Mr. President, in this debate and specifically aimed at the inefficiency of the water distribution system in this country and I would draw Honourable Members' attention to the fact that there is a pipe replacement programme in place and I will give you an example. For example there by Locust Hall down to BBS, for the last 15 years, I have watched people dig up that road 3 or 4 times a year to replace pipes – constant leaks. This year, in the last couple of months the whole stretch has been taken up, brand new pipes have been put in place and the system is fixed. Now, they are going further than that. They are also introducing pressure relief valves because there is a problem with the uneven distribution of pressure within the system. So this is being attended to which also reduces leakage and reduces water wastage. So there is a consistent and deliberate programme in place and in operation in replacing the old pipes that we have had. This is something that has not been done for many, many years. So it is a new programme in place.

There was also a call for a system of cisterns in housing and buildings to conserve water off the roofs. This Honourable Senate will remember there was legislation brought before this Chamber to permit tax relief for new buildings and there is now a requirement that all new buildings that are being built in this country must be built with a water collection system to conserve water. So those things are in place and I would remind Honourable Senators that we are not asleep at the wheel but we are making the system better. So with those few remarks, Mr. President, I will support this Bill.

SENATOR THE HON. G. S. H. MURRAY: 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. G. S. H. MURRAY, the Senate went into Committee on the Bill, HIS HONOUR SENATOR C. L. BOLDEN in the Chair.

COMMITTEE

Mr. CHAIRMAN: The Senate is in Committee.

Clause 1 was called and passed.
7.00 p.m.

Clause 2 was called.

SENATOR THE VENERABLE ARCHDEACON J. L. SPRINGER: Mr. Chairman, I beg to propose an amendment to Clause 2 that instead of stating, as in this wording,

"All water and sewerage rates collected" in keeping with the explanations we received it should state,

"All water and sewerage rates of the Barbados Water Authority from" that period.

To explain that, it refers to the rates charged rather than monies collected. I think that is the point.

Mr. CHAIRMAN: You beg to move that the words in Clause 2 "collected by" be deleted and replaced with the word "of." Is that what you want?

SENATOR THE VENERABLE ARCHDEACON J. L. SPRINGER: Yes, Sir.

SENATOR J. A. WORKMAN: Mr. Chairman, I rise to support the amendment in its sense and I believe that Senator Springer would probably agree with the suggestion

I would like to make for the amendment and that is, rather than say,

"of the Barbados Water Authority ... paid to and received shall be deemed to be lawfully and validly paid and received"

The sense being that collected works against the person who is the customer, and if the customer needed at anytime to challenge, because of the discrepancies which we have had before the House which are many and are real, that customer would be precluded from challenging that because we would have said that they were validly collected.

Whereas, "paid" is against the authority, which leaves the gap open for discussion and rectification of a record.

SENATOR THE VENERABLE ARCHDEACON J. L. SPRINGER: I am prepared, Mr. Chairman to accept the second one.

Mr. CHAIRMAN: Rather, withdraw the first one.

SENATOR THE VENERABLE ARCHDEACON J. L. SPRINGER: Mr. Chairman, I am supporting what Senator Workman just proposed as the Amendment to the Amendment.

Mr. CHAIRMAN: Are there any other amendments?

The question is that the word, "collected" be deleted and inserted in its place, "paid to and received." Are there any discussions on the proposed amendment?

The question is that those words proposed, should be deleted and replaced by other words stand part.

A division has been called for.

The bell was rung.

The question that the Amendment do now pass was put and resolved in the affirmative, the Senate divided as follows:-

Noes: SENATOR THE HON. R. R. FARLEY, SENATOR THE HON. P. C. GODDARD, SENATOR THE HON. G. S. H. MURRAY, SENATOR Miss C. Y. FORDE, SENATOR THE HON. Miss O. P. SYMMONDS, SENATOR D. T. GILL, SENATOR Miss J. C. ODLE, and SENATOR N. P. WELCH - 8.

Ayes: SENATOR Mrs. P. E. RICKINSON, SENATOR S. P. BERNSTEIN, SENATOR Mrs. V. J. DAVIS, SENATOR THE VENERABLE ARCHDEACON J. L. SPRINGER, SENATOR J. A. WORKMAN - 5.

Abstention: SENATOR J. D. E. BOYCE - 1.

Clause 2 was passed.

On the motion of SENATOR THE HON. R. R. FARLEY, Mr. CHAIRMAN reported to HIS HONOUR THE PRESIDENT, 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.

On the separate motions of SENATOR THE HON. G. S. H. MURRAY, the Bill was passed and cited as the Barbados Water Authority (Validation of Water and Sewerage Rates) Act, 1997.

SUSPENSION OF SITTING

SENATOR THE HON. R. R. FARLEY: Mr. Chairman, I beg to move that this Sitting do now suspend until 8.00 p.m. today.

The question that the Sitting do now suspend until 8.00 p.m. today was put to the Senate and agreed to and Mr. PRESIDENT suspended the Sitting accordingly. 7.10 p.m.

RESUMPTION

Mr. PRESIDENT: This Sitting is resumed.

ORDER NO. 6 – RESOLUTION FOR REDEMPTION OF HOUSING DEVELOPMENT BONDS

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

The question was put and agreed to.

ORDER NO. 7 – RESOLUTION FOR COMPULSORY ACQUISITION OF LAND AT LOWER BURNEY, ST. MICHAEL

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

The question was put and agreed to.

ORDER NO. 8 – RESOLUTION TO APPROVE THE JUDGES (REMUNERATION AND PENSIONS) (CONDITIONS OF SERVICE AND ALLOWANCES) (AMENDMENT) (NO. 2) REGULATIONS, 1997

SENATOR THE HON. R. R. FARLEY: Mr. President, the Resolution before us seeks approval for the improvement of the terms and conditions of service of the

judiciary and more specifically the payment of judicial allowance. According to the Resolution it is proposed that regulations be made which will see the payment of \$24 000 per annum allowance to the Chief Justice, \$21 600 per annum for the Justices of Appeal and \$20 400 per annum to the Judges of the High Court.

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

HIS HONOUR SENATOR C. L. BOLDEN: Mr. President, I must support the Resolution but I believe we are a little bit late in bringing it to Chamber. From the time I came to Barbados, I always said that judges and magistrates should be made as financially secure as reasonable, because we pride ourselves on having a judiciary that has never been accused of anything unfavourable to the administration of justice. Because of their situations, they are cut away from the general public and from most things that happen in public and therefore they live a very solitary life. I believe that we would have to look at this and take into account those situations under which the judges and magistrates operate.

Sir, what bothers me most of all is that certain countries are pushing for a final court of appeal in the Caribbean. I see throughout the Caribbean certain people are trying to manipulate respective governments to get themselves in very top positions to the exclusion of other persons and I see this happening with this supposed call for a final appeal to rest in the Caribbean and create a Caribbean Court of Appeal.

I have just been circulated with a copy of the Bill which went to the Bar Association for this new court of appeal but it has serious implications to every judicial officer, magistrate, back up. I saw another paper earlier and we were discussing what this is going to cost the Caribbean for the amount of cases that go to what is called a second appeal stage. What they are asking for are very large salaries for this new group of persons. They must have housing, they must have security, then they must have transportation. When you add staffing, research assistants, technology, computers etc., and the question is, will this court be a court fixed in one jurisdiction or will it be a travelling court. Whichever is determined, it is more added expense on top of that.

I can say now that there are rumblings out there that if we cannot pay our judges decent salaries how come you can contribute to pay this super body all these salaries and allowances. I think the Caribbean and the respective governments must be careful. I am going to say something now that nobody is going to like.

We have a group of people at the University of the West Indies who look out for themselves; but the quality

of what is coming out is having serious effects in the community from day-to-day, starting from the 11+ down. The strange situation is that the top of the university is the top of the CXC. I can tell you we have to watch what is being pushed because the moment we sit down and agree to give this superior group of people these high salaries and all these luxuries the other judges who have to carry the bulk of the work must be paid commensurate with the work they do.

Our present judges in Barbados have been praised for the impartiality they have brought to the administration of justice in this country. We do not have stories like what appear in other countries and that is what we must preserve.

I think that those of us who have been following what is happening in the Caribbean must see what happened quite recently when one Caribbean government was able to try to put the spanner in the works and set two prominent Barbadians against each other when they were talking about who shall be the negotiator for the Caribbean in the ACP and other countries, a deliberate ploy to destroy Sir Harold St. John and Mr. Henry Forde and put them against each other – for a reason. Investigate and see what the reason is.

We have to be very careful and that is why I am saying that this Resolution...

Aside.

HIS HONOUR SENATOR C. L. BOLDEN: Mr. President, I support the Resolution but I am throwing out a warning that we have to be very careful and preserve the integrity of our judges and our magistrates. We have to compensate them adequately for the work they have been doing, for the position in which they have kept Barbados and, at the same time, we have to be very careful how we look at this other situation which is being created. I think everybody talks about their own jurisdiction, their own legal philosophies, etc.

I have been reading a little bit today about what is happening, even in New Zealand. Even them, they have been talking about what it is going to cost to have a second appeal forum and the final appeal in their country. They have been thinking of how best it can be done. I think that we should pay careful attention. It is not that I do not believe in a Caribbean jurisprudence but I am worried about how the countries are being manipulated and then when you have political appointments what is going to happen.

We are going to get our friends being appointed and then that is when the quality of law in the region will be

looked down upon. I think we have a second example that we must bear in mind. What happened in St. Vincent recently when the Prime Minister of that country was plucked like a Christmas turkey on CNN by the American commentators. They always talk about banana republic and we have no proper judicial system. That is why I say that we have to make sure that our judges are independent and that nobody can point their fingers at them, at least in Barbados.

Sir, I beg to support the Resolution.

SENATOR J. D. E. BOYCE: Mr. President, a Resolution like this would not normally entertain much debate from this member of the Opposition but I must admit, because of the alacrity with which we have been through some other matters in the recent past, it has left me no choice but to deal with the business of the remuneration of pensions and the conditions of service allowances for the judges in a rather thorough and exhaustive way. I want at the end of the presentation for there to be no doubt as to where I stand and where the Democratic Labour Party stands clearly in the support of good jurisprudence, efficient jurisprudence, effective jurisprudence in this little country of ours. If I can start exactly where the last Senator was leading, Sir, when he started to talk about Barbados in the whole Caribbean picture. The constant calls we get and the constant urgings we have in this little Barbados to join or not to join what they refer to as the Regional Court of Appeal. I have often said in here, unlike the Honourable Leader of the Senate, I always declare that I am no legal brain. I hear about the law, I live by the law but I mostly endeavour to keep away from the law, Sir. You can imagine, therefore, the distress this document continues to cause me.

8.10 p.m.

We dealt earlier with the letter, Sir. My parents brought me up in an environment where they taught that you must obey, in the old Barbadian word of "Obey your parents, be kind to your elders, be kind to ladies, *et cetera*, give way" and these kinds of things. This Senator is one who is accustomed to good law and good lawfulness.

Sir, the demands of a Regional Court of Appeal would be in the first instance a financial strain to a small economy like Barbados. It would be a direct financial strain in respect of the requirement of having to find funds. To establish such an arrangement the physical entity in an area like Barbados, or if it were located in Barbados, we would still be required to participate in the funding of this facility wherever it were created. It would also bring strain upon our existing judges, and precisely the point we are getting to.

We have heard public comment this week when this matter was considered in another place where it

was attributed to the Attorney General that if we do not look at the remuneration of our judges and these kinds of persons considered here, we could lose critical legal brains, and this is a very serious consideration. A country which, demonstrated by the backlog of cases, for instance, one can already conclude that there is a massive shortage in real terms of persons appropriately qualified and placed to carry through the fullness of justice. So we need to establish early on the card that the maintenance of good justice is a costly thing. Barbados must spare nothing in meeting the maintenance of good justice. All Barbadians must be satisfied that they are entitled to the very best in terms of the legal system.

I want, like the last Senator who spoke, to refer very seriously and at some length to the goings-on in St. Vincent recently where, indeed, the entire Caribbean by inference is being challenged by the questions that were raised in the public place about the ability of the Caribbean Justices and the Caribbean courts to adequately handle what the American Press might have seen as some sort of unfair crime put together against two citizens of the United States.

The truth is that this case is now history but even as this case settles into the annals of the records of the Caribbean, even as this case settles quietly into the annals of the records of the Caribbean, there are still questions being asked.

In discussion with a legal luminary, and as recently as last night, the question was raised as to whether the parents of the deceased person in St. Vincent cannot now bring a case very similar to the one that the family of Nicole Simpson brought against O. J. Simpson, what they call a civil case. Remember I started by indicating I am not steeped in the teachings of law but I listen and when I hear them, like Senator Murray, Sir, I weigh them and consider them before I just regurgitate them.

I am saying, Sir, that the legal system of the Caribbean, and Barbados in particular, because it is Barbados we are talking about, it is Barbados we come from, is under serious challenge. As we embark on this massive globalisation, for instance, we are not going to globalise only bananas and oil. As a matter of fact, the question of oil, I think, is eminent.

There is a cartoon in one of today's daily papers, Sir, which is showing an image very much like the Prime Minister of Barbados moving a barrel of crude oil somewhere...

Mr. PRESIDENT: Senator Boyce, that is irrelevant.

SENATOR J. D. E. BOYCE: Sir, I am trying to tie the question of the legal system, the adequate provision of the legal system in Barbados to what the requirements in Barbados will be in the future, Sir. I am trying to establish, with your permission, Sir, that even as we sit in Barbados today and we contemplate the technology of the future, we marvel at the wonders of the Internet, for instance. We are minded to reflect on the numerous cases which, even today, are facing the different States of America as citizens of the United States rightly try to establish their rights within the framework of a new dispensation, so to speak, a dispensation which challenges us with some of the most frightening thoughts, the wide provision of information.

Sir, the question about the legal challenge is that this information like it can be good, if used in a correct way; but can provide pain, it can provide damage, and it can wreak havoc if used incorrectly.

8.20 p.m.

Therefore, we must be certain, Sir, that we have got in place systems which will continue to attract persons of the quality, persons of the willingness and the capability to tackle new issues and to be willing to face the challenge of new issues in these kinds of areas. Our judges should be at the forefront of these kinds of decisions constantly as we move into the new millennium. The millennium brings with it all those challenges and those dark areas, questions which have not yet been answered, Sir, and indeed questions which have not yet been asked, pending questions, Sir.

Sir, the Senator also raised the very interesting question of change of conditions as one moves and is appointed to the position of a Judge or a Chief Justice. The whole life pattern changes.

Certain remarks made by SENATOR J. D. E. BOYCE were ordered to be expunged from the records by Mr. PRESIDENT.

Mr. PRESIDENT: Senator, I must draw your attention to Standing Order 34(2). We have already dealt with that Resolution, it is out of order to get into that again.

SENATOR J. D. E. BOYCE: Sir, I am always guided by you, Sir.

Certain remarks made by SENATOR J. D. E. BOYCE were ordered to be expunged from the records by Mr. PRESIDENT.

Mr. PRESIDENT: Senator Boyce, I must warn you before you go too far down this road that the Standing Orders are very specific in relation to any discussion on the conduct of the judges of the Supreme Court of Judicature except on a substantive motion moved for a particular purpose. I must warn you on that very carefully.

SENATOR J. D. E. BOYCE: I am duly warned and the specific purpose we are dealing with here is the lifestyle change of the judge.

Mr. PRESIDENT: That is conduct and if you are referring to a judge I am not going to permit it and I am going to ask that any reference that you have made thus far be struck from the records.

SENATOR J. D. E. BOYCE: I understand, Sir, your ruling. The point is that our judicial system must be carefully guarded. Indeed, the demonstration of the Standing Orders in here is one, Sir, which also seeks to ensure this careful treatment. We need to arm ourselves with the very best brains, Sir, as we challenge for the future.

I want to just digress quickly for a moment to look at the situation to appointments like things in the Tourism Authority. We are told that we have to pay good salaries to attract the best brains. As far as that arrangement is concerned, Sir, one is still to measure the results and the question of urgency now...

Mr. PRESIDENT: Senator Boyce, you are persisting in irrelevancies, I am not going to warn you again.

SENATOR J. D. E. BOYCE: Mr. President, Sir, we are seeking to maintain for Barbados by this Resolution, Sir, absolutely the best conditions that we can afford in terms of our judicial system. I am saying that in supporting this measure unreservedly, Sir. It reminds me of other situations we encounter all the time where, when we have not faced up to a reality like this, we will have to suffer, Sir. If we do not face up to the reality of paying well or paying well enough and satisfactorily for the services that we expect, we will suffer as a result; and more suffering is not what we want. Even in tourism where now for six months we have been without a head of the marketing department it brings into question the very essence of what we are trying to achieve here.

Sir, we recognise the need for urgency, we recognise the need for paying well, we recognise all these things but we are tardy in filling the vacancies as they arise. We need to normalise this kind of activity because there have been occasions in Barbados where there have been vacancies in the judiciary for extended periods and this is not something that we want to perpetuate. I would hope that these kinds of lengthy delays in filling these vacancies would not have been directly as a result of the salaries or the wages or the whole remuneration package which is offered to the judges.

In spite of these arrangements, Sir, we sometimes have to step away as it were from the picture and look in to get a full view of what we are after and what we have

to achieve. We have got to cast aside the feeling of one sector of the community or sectors of the community for argument sake the teachers or the bus drivers. I saw the bus drivers this week making a call for a full week's work but sometimes, even in the light of these challenges we have got, as I say, to be able to step back, take the murk off our eyes and look at the overall picture of what we are trying to achieve. We are trying to achieve the best legal system for this little rock Barbados.
8.30 p.m.

Sir, the allowances contemplated are set out and I want to deal with that now very quickly in the 45 minutes left for me. The rates contemplated, Sir, are under section 2(16)(a). It says in judicial allowance, a personal allowance to be known as judicial allowance shall be paid to the Chief Justice at a rate of \$24 000 per annum, to quote the Regulations accurately.

Sir, to the cursory glance, this might seem a lot of money but I am putting it to you, Sir, the demand ...

Mr. PRESIDENT: You do not have to put it to me.

SENATOR J. D. E. BOYCE: I withdraw that, Sir. I am saying, Sir, with your concurrence that the demands of a job like the Chief Justice an allowance of \$24 000 is really not too much to contemplate. I know there are many other Senators who would want to make contributions on this, Sir.

Mr. PRESIDENT: Order, please.

SENATOR J. D. E. BOYCE: And I would like to caution them in their enthusiasm to deal with the quantum of \$24 000 that \$24 000 in maintaining an office like that sometimes people do not appreciate off the cuff the demands of office, the demands in terms of not only appearing...

Sir, as Senators we come here every Wednesday that there is business but there are demands attached to being asked to serve as a Senator that we are not able to fulfil. Sometimes the public itself is sometimes hard and inconsiderate on public persons, which these judges become, in their time, in their money because time is money. You cannot come to the Senate dressed in a T-shirt. I have never tried it, Sir, although I do not see any reason in truth and in fact, Sir, why not.

Mr. PRESIDENT: I would recommend that you try it.

SENATOR J. D. E. BOYCE: But you cannot come in a T-shirt then, Sir. I take it that is a ruling, Sir. You cannot come in a T-shirt so you have to arm yourself with a couple of suits, adequate for the occasion and there are demands after hours. There are invitations to fulfil

public engagements and you know how very demanding the public of Barbados are in regards to public engagements whether you are invited to them or not. If you come, you are damned and if you do not come, you are damned too, Sir. So the demands of public life are such that when the other senators are making their contributions I hope they do not be too harsh on this \$24 000 for the Chief Justice.

Section 2(16)(a)(b) to Justices of Appeal at the rate of \$21 600 per annum and subsection (c) to Judges of the High Court at the rate of \$20 400 although the dollar sign is missing which is a detail we could probably sort out in Committee.

Aside.

SENATOR J. D. E. BOYCE: Well that is a given now. We are accustomed to that, Senator Murray so we do not have to keep harping on it. The point has been made Hansard will show the record of the inefficiencies of the Barbados Labour Party Administration, Sir, so we do not have to be reminded by Senator Murray about his inefficiencies or inefficiencies when more like him are put together in any place.

The Justices of Appeal at the rate of \$21 600 and the Judges of the High Court at a rate of \$20 400 per annum and without repeating myself, Sir, in actual fact the same arguments can be made for these allowances in terms of the Judges who already enjoy certain privileges with respect to vehicles and chauffeurs on official occasions as is their right. We have got in this country, Sir, to remember that when we have people who serve public office for a long time, or indeed, Sir, for a short time, they must be treated with the respect that their command.

I sometimes, Sir, am concerned at the treatment meted out and in this case I cannot of course refer to the Judges, but, Sir, like our former Prime Ministers. They come easily to mind. To my knowledge, Sir, none of our Governors-General, and I thank Senator Farley for the correction. He is not able usually to provide this kind of enlightenment, but obviously as the night wears on he gets sharper and sharper so maybe we should sit later in the future so that Senator Farley could be at his sharpest around midnight when the slipper turns to silver and when Senator Farley would probably be at his sharpest.

So we need to examine the treatment of our officials, Sir, and I ponder about the likes of Sir Harold St. John and I think we can call some names freely of former Prime Ministers and the Honourable Lloyd Erskine Sandiford, persons who have served this country at the highest office and we will have from time to time, I think, to come of age and demand certain treatments for them and I am sure that this Honourable Chamber will have the opportunity.

Many times in this session, Sir, when we return from the impending recess, I do not know that all of the Government Senators will be returning, Sir.

Mr. PRESIDENT: Senator Boyce could you explain to me how this is relevant.

SENATOR J. D. E. BOYCE: Only, Sir, as I might have digressed slightly in considering public office, Sir. I was dealing with the matter of our former Prime Ministers, Sir, and got roped into the whole question of political office and the Senators, Sir. So with that, Sir, we could move on.

Mr. PRESIDENT: Before you continue, Senator Boyce, I would just like under Standing Order 39 to formally call the attention of the Senate to the conduct of a Senator who persists in irrelevance. Please continue.

SENATOR J. D. E. BOYCE: I trust, Sir, that the relevance of all that I have said so far has not been wasted on the Senate leader who would have introduced this Bill because there will be from time to time debate on these matters. I keep thinking to myself about these questions, why sometimes it seems as though there is unwillingness to debate legislation, Sir, and sometimes it concerns me, Sir. We have to be careful that the public out there, because the work of the Senate does not end in here, Sir, the work of Senate is in the perception of the public... 8.40 p.m.

Certain words used by Senator J. D. E. BOYCE was ordered to be expunged from the records by Mr. PRESIDENT.

SENATOR J. D. E. BOYCE: I accept your ruling, Sir. The big picture is about Barbados and what the Barbadian public perceives out there and we must make sure when our work is done and when we go home around 11.30 tonight, Sir, that the public of Barbados reading the newspapers tomorrow will feel within themselves that the Honourable Senate, Sir, has carried out the business of the people of Barbados to the fullest. The matters have been debated extensively and I am concerned sometimes, Sir, about the lack of participation by the Government Senators.

Asides.

SENATOR J. D. E. BOYCE: But that is their business, Sir. I cannot tell them what to do, Sir. I am not even trying to tell them what to do, Sir. I am telling the public of Barbados what they do, Sir. And when the public of Barbados read the Hansard records they will know for themselves what the contribution of the Government Senators has been, or has not been, or as mostly as it has not been...

Asides.

SENATOR J. D. E. BOYCE: ...on Resolutions and Bill after Bill in this Senate, Sir. And they have got to pull their socks up and debate these Resolutions to the fullest, Sir. And make sure that the record of Hansard and that the public out there whom we seek to serve, Sir, is indeed getting their full due.

Indeed in a way, Sir, it is very similar to the burden which the persons we are considering do have to bear in the execution of their public office, Sir.

With those few words, Sir, I would like to certainly associate myself with the Resolution and I want to commend it to all Members of this Honourable Senate for their support.

I thank you very much, Sir.

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. 9 – TO MOVE THE SECOND READING
OF THE FINAL APPROPRIATION (1996-97)
BILL, 1997

SENATOR THE HON. R. R. FARLEY: Mr. President, I rise to move the second reading of this Final Appropriation (1996-97) Bill, 1997. This Bill, Sir, is a constitutional requirement referenced in section 109(5) of the Constitution which requires that in respect of all supplementary expenditure voted on by the House of Assembly pursuant to subsection 4, an Appropriation Bill can be brought at anytime during that year and after the end of the financial year, a Final Appropriation Bill containing all the sums for which there has been approval granted in the House of Assembly by way of supplementary resolutions approved shall be included in such Final Appropriation Bill, if they were not in a Supplementary Appropriation Bill.

As you know, Sir, the Appropriation Bill is a mechanism by which sums are appropriated from the Consolidated Fund for the service of the country and it is required that in keeping with that particular requirement, that after the end of a financial year that the situation regularise the way of passing what this annual exercise is called the Final Appropriation Bill, in this case, 1996-97 Bill, Sir.

The matters which are referenced in the Schedule to the Bill have all been debated in the Other Place and this is simply a compilation, as required by the Constitution, of all those matters for the tidiness and the necessity to meet those constitutional requirements.

So with that, Sir, I beg to move that this Final Appropriation 1996-97 Bill, 1997 be now read a second time.

Mr. PRESIDENT: Senator Boyce.

SENATOR J. D. E. BOYCE: Mr. President, I will want to make a few initial brief comments on the Final Appropriation Bill before us, and especially as it deals with the question and tabulates the supplementaries which would normally not have been debated by this Chamber but would have been dealt with by the Other Place, Sir, but which now comes to this Chamber for passage. Obviously, once it is for passage, it is obviously for Honourable Senators to debate, Sir.

It offers too, some opportunity to reflect a little bit, Sir, on the overall performance of Government in terms of its management of fiscal matters in this country, Sir. It offers us an opportunity to reflect on the efficiencies where there have been, few though they might have been, and the inefficiencies, where there have been many, Sir.

These inefficiencies were demonstrated very clearly in the Auditor General's report for the period under review and in this report there certainly mentioned some areas, Sir, and I am not going to go back through those areas. Some areas where less than satisfactory accounting practice was taking place in regard to specific items, Sir.

So from time to time over 1996-97, Sir, the Barbados Labour Party Administration has had to approach the Legislature, for the provision of supplementals to run the business of the country. Something, Sir, which of course, raises questions and change the pulse of Democratic Labour Party politicians like myself, Sir, especially one of the daring boast of the Barbados Labour Party in their run-up to the 1994 elections. And yes, Senator Forde can chupse as much as she likes, because the Ministry of Education was particularly singled out, Sir, for its area of mismanagement in the last Auditor General's report, Sir. All kinds of insinuations, not insinuations, because the Auditor General does not make insinuations. All kinds of statements by the Auditor General point to less than satisfactory allocation of the funds set out for the use of the Ministry of Education. It was particularly singled out. We know, even as we sit and contemplate this legislation, Sir, that we have a structure which is now being palatally furnished or has in the main been palatally furnished. Automatic closing gates and all, although I have warned the Honourable Senator that the automatic gates at the exit to the Ministry of Education is a waste of time. It is misplaced technology and the only thing that it will succeed in achieving is accidentally causing somebody physical harm.

8.50 p.m.

I would advise the Ministry in my simple little way to remove the automatic gates instead of wasting money and time fixing them every week. Leave the gates open and close the normal way and let the guard do his work. I think it is as simple as that and really calls for nothing more than that.

I believe when Senator Forde goes back, if she goes back to work tomorrow, she can have a quiet word in the ears of the Minister and let her sort out that gate and bring it within the technology that Barbadians are accustomed to dealing with. I know why I say that.

Sir, these supplementaries which are summarised in actual fact demonstrate the reality of governance, a reality which the Barbados Labour Party spokesman for Finance in 1994 was unable to deal with, a reality which he, the spokesman who is now the Minister of Finance, has come face-to-face with and in actual fact in this Resolution itself not only has he been able to come face to face with the reality of supplementaries but he has demonstrated an ability to deal with supplementaries in probably some of the most ingenious ways.

In any government arrangement you will have new things cropping up. You will have non-budgeted matters to deal with. Mr. Arthur did not know that in 1994 when he walked up and down Barbados telling Barbadians that the Democratic Labour Party was a government of supplementaries.

I was in the Democratic Labour Party then and am still now. The supplementaries were to be things of the past. Well, it is true this is 1997 so if it is a thing of the past this is at least the last. So there would not be anymore next year not once the Minister starts getting his real meat into the business of the finance of this country.

Sir, we have an opportunity to examine the specific supplementaries as they are before us and I want to deal first with the Ministry of Education under the Head that referred to, section 34. I know time is flying away and it is getting rather late.

Mr. PRESIDENT: Senator Boyce, you have a full hour. You must not get the impression that you are being rushed. I will not permit that.

SENATOR J. D. E. BOYCE: Thank you very much, Mr. President. Under the Ministry of Education... I do not want to misquote anything about the Ministry of Education, not with Senator Forde in here because she would not let me live it down. She would behave so bad you would have to put out both of us.

Mr. PRESIDENT: I do not think that you can say that the Senator would behave badly. I do not think you can say that for all Senators.

SENATOR J. D. E. BOYCE: It is not here. I know I read it somewhere. Can I have a Head 34? Sir, I do not want to say that this is another reflection of the inefficiencies of the Barbados Labour Party Administration. They are saying it is nothing to do with them. It is Parliament. I am not going to say it is anything to do with their inefficiencies. We talked about that this morning when we spoke about water and water rates.

Asides.

SENATOR J. D. E. BOYCE: While I await that addition, Sir, which I believe that those who have read theirs because they did not even know that theirs was not there either but I will not contemplate the implications of that. I hope that all Senators get the same information.

Mr. PRESIDENT: That is an unfortunate comment. I will ask that you withdraw it.

SENATOR J. D. E. BOYCE: I will withdraw it, Sir. It was certainly not meant to be. I said mine was missing. The Leader of the Senate said his is there and I know of another Senator who is not here so I am saying... I withdraw it, Sir.

Sir, the question of national defence and security preparedness I think is extremely topical in regard to what has been happening in Barbados recently. We contemplate for instance the condition of our coast guard and specifically I want to draw attention to the condition of the main flagship of the coast guard, the Trident, which remains helpless, essentially inoperable in the dock of the Carenage of Fort Willoughby for almost a year now. I think this does not speak well for Barbados.

Unfortunately, during the same period we have been visited by a number of tragedies which adequate response might have been able to effect more speedy and efficient completion and we must take these things extremely seriously and I keep saying in here that when I say things in here I say them out of concern for what deal the Barbadian is getting out there, every Tom, Dick and Harry in Barbados.

I am not only concerned about the special group. I am not talking about the Democratic Labour Party now nor the Barbados Labour Party. I am talking about Barbadian businessmen who ply the waters of Barbados to make a living and who in this regard carry lives and produce and goods and services for this country and on behalf of this country and must be able to do this with confidence. We must be able to respond to disasters when they occur and respond adequately.

One raises the question of the recently signed Shiprider's Agreement, again a matter on which there has been a lot of public debate and the talk about a replacement boat for the coast guard and the little thing I have seen perched on a container I hope that is not what we are talking about because it is no bigger than a glorified moses with an engine.
9.00 p.m.

This cannot, in my opinion, Sir, replace the Trident. That is the name. I almost said the broken Trident. Yes, the broken Trident because it is broken. It is not serviceable. I hope that little pee-wee thing that I see that allegedly has been given to the Government of Barbados is not in truth and in fact what we are going to have as a replacement for the broken Trident.

I think that steps must be put in place immediately to have funds allocated for the adequate provision of a Coast Guard boat to replace the Trident or that the Trident be properly repaired. In this day and age, Sir, can you contemplate the threats...

Aside.

SENATOR J. D. E. BOYCE: This is not about any standard English. This is about speaking to be understood. This is about communication. I have not seen one of the Hansard reporters look up because they understand very clearly what is coming from this side. They understand every word, and I have never been given a paper to fix up and I do not want it either. When I speak in here I speak, and I am finished with that. It is in Hansard for all to see what I said so I am not worried or burdened by any standard English. I am about communicating, Sir. I am tired about the comments about that is not English. English what?

Mr. PRESIDENT: The Standing Orders state very clearly that debates must be in English.

SENATOR J. D. E. BOYCE: In the very broadest terms, Sir. I take your ruling, Sir. The Standings Orders are here to be used. They do not expect to use us. The language we use is English. We do not have to speak like the Queen to speak English. Barbadians speak English and we understand what each other says and that is the important thing. I would not be distracted any further by the Members over there, Sir.

We need to have a plan in terms of our Coast Guard, in terms of security which sees where Barbados can properly defend its territory. Only today, and I did not finish that sentence either. I cannot finish it, not with so many things happening the same time in this Barbados. You cannot finish a sentence before you have to start another one.

Only today we heard the breaking news of another Barbadian fisherman in trouble in Guyana waters and these are very serious matters. I come from a constituency where fishing is the livelihood of a large percentage of the people, fishing and the connected profession of fishing like the fish vendors and, of course, the now very vibrant market in Oistins where they sell fish and prepare fish mainly in the evening to visitors and Barbadians alike.

I would like to see a lot more done with that in terms of providing some permanency to the facility, to provide some durable coverage so that the workers and the entrepreneurs in that exercise can enjoy the same facilities, or as good facilities as most entrepreneurs in Barbados are able to enjoy.

Aside.

SENATOR J. D. E. BOYCE: The Tiltman, Sir, is doing its part in respect to Oistins. There are many outlets in Oistins and I should have told Senator Symmonds this earlier when she asked where she could buy a Tiltman. Oistins carry a lot of the Tiltman. There is one vendor in Oistins, Whiteman...

Aside.

SENATOR J. D. E. BOYCE: We are working on that and it will soon be available throughout Oistins, Sir.

Sir, the question of national security and the Coast Guard, therefore connects very clearly to the livelihood of a number of Barbadians because generally you have fishermen who go out of St. John. You have fishermen who go out from Six Men's, where I have come from and, of course, we have to bear in mind that we are developing the Port St. Charles facility where we are going to find even more and more cruisers and small ships coming to our shores for holidays and for recreation.

We therefore have to provide an adequate facility for dealing with the inevitable event of an accident, regrettably as it may be. Funds must be provided almost immediately for the adequate repair of the Trident so we can fully outfit our Coast Guard. They are constantly complaining about not being able to deal with drug runners and we know the drug runners have access to funds that we cannot contemplate. We therefore have to make sure that the little bit we can provide is adequately and fully provided for the benefit of our greater need.

Aside.

SENATOR J. D. E. BOYCE: Sir, I believe the entire membership will benefit, Sir, from my request because they will now have Head 34 to contemplate when they read the document.

If we deal with the Ministry of Foreign Affairs a little bit, I will be careful to avoid foreign policy although we will, I am sure, in the very near future have to contemplate debate on issues like the relationships with Cuba, a very topical point at this time as to where is the Caribbean in respect of the United States position on Cuba and trade with Cuba.

I want to look for a short time at Head 35, Programme 2, Subprogramme 01, Personal Improvement of Property. Some \$1.3 million was spent under this Head. We are reading every day about the movement of personnel overseas. Properties are bought by successive administrations and these are properties in the most plush areas of cities in London, New York and Ottawa. This group here would have been part of the criticism of the Democratic Labour Party when they would have had the need to move and in those cases in urgent need. However, we have no demonstrated urgency in relation to the movements that we are paying for now or that we have paid for and we need to get this nonsense stopped.

A person buying a house usually enters into a 25-year mortgage. That property is good enough to be used for that generation and handed down to many generations. There are many homes in Barbados where 3, 4 and 5 generations have lived in them and we are unable to keep a property overseas for more than 2, 3, 4 and 5 years before we have to get rid of them under one kind of excuse or the other and I say it is time this nonsense stops. We purchase properties and we take the properties that we have and we bring them into good condition and we keep them and maintain them because maintenance can be sometimes at the core of these problems too and we can maintain them in such a way that they can be used for a lifetime. The Barbadian taxpayer should not have to contemplate every five years...

9.10 p.m.

SENATOR THE HON. G. S. H. MURRAY: On a point of order, Sir. Mr. President, the Honourable Senator I believe is getting tired and he is just succeeding in misleading the House whether he did it advertently or inadvertently. This Government has not bought any property overseas and sold it within two, three or five years thereafter.

SENATOR J. D. E. BOYCE: Mr. President, all that happened there is that I got the order wrong. They sold and bought property within two or three years, Sir. I hope that satisfies the Honourable Senator. The point is made that the Barbados Labour Party is Government now, they should stop sitting back and complaining about what the DLP did and run the country. Run the country, it is your watch.

Mr. PRESIDENT: Not my watch, Senator.

SENATOR J. D. E. BOYCE: It is the Government's watch. We have got Ministers up to as recent as today still saying that the DLP did this and the DLP did that. Nobody is listening to that now, they want to hear about VAT. I heard as recently as yesterday where a group in this country is making it very clear that if the VAT is not removed on basic food items by September they will be calling for the resignation of the Prime Minister and I think that they are right.

Asides.

SENATOR J. D. E. BOYCE: Is it the young Democrats. I applaud them then. We have a situation where you have in an administration, I do not have the exact quote from Hansard or the paper clipping but you have members of an administration who when Value Added Tax was being contemplated and discussed in the country that a spokesman of the Barbados Labour Party made it clear that it should not be on basic food items and medicines etc. And to this day we have a situation where the Prime Minister of Barbados says, I will wait until I am ready, be it September or whenever and I will look at the VAT and I will decide and in the meantime, Sir, the poor people of this country who go to the supermarket or the grocery...

Mr. PRESIDENT: Will you please return to the Resolution that is before us.

SENATOR J. D. E. BOYCE: Sir, the Resolution is about the fiscal management of the country and specifically about supplementals and I know Sir, occasionally I might sound as if I am drifting away a little bit from the particular head but in the broadest sense all that I am saying and I beg, Sir, that you give me a chance, all I am saying, Sir...

Mr. PRESIDENT: We have given you a chance all day and it looks like all night as well. You must establish the relevance of what you are saying to what is substantively before us.

SENATOR J. D. E. BOYCE: I do appreciate your ruling, Sir. The point is that the fiscal management of this country at the end of the day impacts on your pocket, Sir, and my pocket and we cannot sit by and have to contemplate an arrangement where because of bad financial management, because of supplementals like these after supplementals...

You see, Sir, we have got to get things straight. It is the taxpayers of this country that foot these Bills and when we see these numbers it is not the IADB or the IMF but it is the taxpayers of this country who are ultimately paying for every cent. If by some arrangement with the IMF or the IADB we can borrow funds for a period we still have to pay that back, Sir. I have not yet found the institution

that you can borrow money from and you do not have to pay it back because as God is my judge if I ever find that institution, I will take off, borrow money and do not pay back. So even if we contemplate borrowing to fund some of these supplementals here and we have got supplementals in land and housing which are closely interrelated and even tonight we have looked very quickly at some Resolutions to deal with housing. I am not permitted to go back to those Resolutions at this time but I have seen in the Press recently discussion on the question of providing housing bonds to provide some housing in Barbados and I am concerned about the quantity and the whole macro picture of land use and housing provision in Barbados.

Only today was laid in the Chamber the National Housing Corporation's Report for 1996 and in this Report, Sir, even though I glanced at it for a few moments only, the glaring feature is the number of unfulfilled requirements in Barbados for housing. It is three to four years that these members have been in Government sitting and doing nothing about housing, grandstanding all the time.

SENATOR THE HON. G. S. H. MURRAY: I wish the Honourable Senator would tell us how many houses or how many wishes he fulfilled in the eight years in Government.

Mr. PRESIDENT: No point of order.

SENATOR J. D. E. BOYCE: It has been three years of this Administration grandstanding and chest-beating about a number of things including housing and there is no indication as to any movement because to say that we have done them or to say that we have provided them, you must have an effect on the requirement. The demand for housing out there in Barbados is still too high. There are too many people, young women especially are the most vulnerable in this regard, young women especially who cannot find places to live.

I know of a case, Sir, of a young lady who the Welfare Department, the Housing Corporation, the NAB, all of them are giving her the turn-around and the young lady and her child at the end of the day has to return to a heavy crowded home.

SENATOR THE HON. R. R. FARLEY: The Honourable Member is misleading the Honourable Senate. He purported to make an assessment of the document laid on the Table of the Honourable Senate today, the 24th Annual Report of the NHC and the conclusion that he has drawn from there is that there has been no housing activity and based on what I have been able to see in this Report, this is why I am maintaining that he is misleading the Senate, there have been 140 house spots provided in the

table on sights and services. In terms of housing projects in the same Report, Sir, which he says there was no housing activity, there have been 15 terraced units at Maynards, six blocks at Pondsides which are under construction including 24 three-bedroom units, 12 two-bedroom units, 8 two-bedroom units, 8 one-bedroom units, 8 shops, a day nursery and 20 terraced units planned for Flat Rock.

In addition, the joint venture programme in the same Report that he referenced moments ago and which, Sir, in misleading the House he indicated that there was no housing activity, the joint venture programme indicated a number of locations in which there has been a number of houses whose numbers I seem not to be able to count but 22, 13, 11 and so on.

The Honourable Member should withdraw the comment that the 24th Annual Report laid on the table today indicated no housing activity because the facts of the matter in the document indicate a different picture.
9.20 p.m.

Mr. PRESIDENT: You have made your point, Senator Farley.

SENATOR J. D. E. BOYCE: Mr. President, I would have thought Senator Farley would have had time to make that point in an earlier debate but obviously he did not have time to make it then so he wants to sneak in on my time to make it now.

Mr. PRESIDENT: Under the Standing Orders a point of order is in order.

SENATOR J. D. E. BOYCE: You will not allow him I am sure, Sir, to use my time to talk about housing, Sir.

SENATOR THE HON. R. R. FARLEY: On a point of order, Sir.

Mr. PRESIDENT: I cannot have two Honourable Members on their feet. Senator Boyce, please take your seat.

SENATOR J. D. E. BOYCE: Why do I have to take my seat, Sir?

Mr. PRESIDENT: The Leader of the Senate is on a point of order.

SENATOR J. D. E. BOYCE: He is just trying to ...

Mr. PRESIDENT: No comment, please.

SENATOR THE HON. R. R. FARLEY: Mr. President, on a point of order. I hate to interrupt the presentation of the Honourable Member but the

Honourable Member is imputing improper motives. He is suggesting, Sir, that I am proposing to breach one of the Standing Orders of the Honourable Senate. He is suggesting, Sir, that I am proposing to recommit a matter which has been previously passed by the Honourable Senate in accordance with a manner not in keeping with the Standing Order which requires that if one wants to recommit a matter on which there has previously been debate and a vote taken by the Senate, a specific order for such recommitment must be given. He is suggesting that I am trying to make a point concerning this matter of housing on a debate that has passed, Sir, and I want the Honourable Member to withdraw the suggestion that this Honourable Member would want to breach the Standing Orders of the Honourable Senate.

SENATOR J. D. E. BOYCE: Sir, the point I am making and I will continue to make, is about the unfulfilled housing requirements of Barbados. I made the point that there was a debate earlier of which there has been discussion over the last 2 weeks or so of the provision of some \$50 million in housing bonds for housing in Barbados. I make the point again that during that debate, maybe the Honourable Member should have made his contribution on housing and not sneak in on my time.

Mr. PRESIDENT: Senator Boyce, you are out of order.

SENATOR J. D. E. BOYCE: I withdraw "sneaking".

Mr. PRESIDENT: Quite apart from sneaking, points of order are permissible under the rules.

SENATOR J. D. E. BOYCE: I am fully aware of that, Sir, but sometimes Honourable Senators use the facility of the rules conveniently, Sir, and I am putting it to you, Sir, that sometimes there are some Senators who will deliberately rise on points of order with the only objective to prolong the sitting and disrupt the speaker.

Mr. PRESIDENT: We cannot get into the motives of Honourable Members in the sense of imputing improper motives. Please proceed. I think, Senator, you are beginning to waste the Senate's time.

SENATOR J. D. E. BOYCE: I withdraw the entire reference. No Honourable Senator, especially Senator Farley would try to move in on my contribution time, Sir. The point is we are talking about the unfulfilled aspirations of young Barbadians in the attainment of adequate housing, Sir, and these young Barbadians span all kinds of economic strata and we have got a situation, Sir, where the Democratic Labour Party, as part of its housing programme, introduced a thing which we termed then, starter homes to the much criticism of these same Honourable Members on that side.

Aside.

SENATOR J. D. E. BOYCE: In the 1992 period, Sir. We, Sir, introduced starter homes which many Barbadians were happy to make use of and these Honourable Members walked the length and breadth of Barbados scoffing at the idea.

In these Chambers, Sir, but I cannot say these Chambers because I cannot refer to the proceedings of the Chamber, Sir, but in public debate as recently as three months ago we heard discussion about the same kind of housing provision in terms of low income, starter homes, low cost housing.

What is low income housing but a starter home, Sir? Can one contemplate a 1000 square foot property as being the ultimate of our aspirations, Sir? What nonsense are we talking? We went along with it. We need the houses. We get demands for it, Sir. The difference is that some of us have constituents. Some of the members on that side do not. From Senator Symmonds up, including the absent Senator Barker, stopping at Senator Farley do not have constituents so they can sit there and say anything when they get their turn to speak. The ones with constituents I know I will hear from them when I sit down in respect to what they feel about housing in Barbados. They have to be extremely cogent, Sir, in what they say and ensure that they are meeting the needs of the constituents whom they aspire to represent. So we are on to the question, Sir, of the unfulfillment of the housing requirements of this country and the fiscal management of the finances of Barbados must contemplate provision of adequate housing.

In terms of personal development, Sir, in the Herzberg theory. The mention of Herzberg has sparked even the Honourable Senator's imagination so I must be correct. I can see it is sparked because I see his eyes. He is not winking at me. I sparked his imagination when I said Herzberg. I meant Maslow hierarchy of needs, and shelter is one of the basics. Housing is about shelter and we have got to put this topic on the front burner.

Certain remarks made by SENATOR J. D. E. BOYCE were ordered to be expunged from the record by Mr. PRESIDENT.

Mr. PRESIDENT: Senator, let me also take the opportunity to say something. You are the newest member, I believe of this Honourable Chamber. I appreciate your enthusiasm and the preparation which you obviously put in preparing your presentations but there is a certain decorum about this Honourable Chamber. It is a tradition in this place and I think in your first speech in the Senate you promised to uphold that tradition.

9.30 p.m.

Now, I recognise that you are the solitary Member on the Other Side and there may be from time to time certain provocations and I certainly as Presiding Officer, do everything in my power to protect you, for want of a better word. But I would ask certainly that you keep your promise made on the first occasion which you spoke in this Honourable Chamber and again, I would ask that those words which I will not repeat, be struck from the record because they are unparliamentary and unworthy of you in this particular Chamber.

SENATOR J. D. E. BOYCE: Sir, I am certainly grateful, Sir, for your guidance, Sir, being, as you quite rightly reminded the Chamber, the youngest Member, and indeed, Sir, when I made that speech, Sir, my mother was in the visitor's gallery, Sir.

Asides.

Mr. PRESIDENT: You should invite her again, Sir.

SENATOR J. D. E. BOYCE: For her to even contemplate reading Hansard, Sir, or glancing through Hansard and hearing those words attributed to her son, Sir, would indeed, I agree, with you, would bring shock also to her, Sir.

I am mindful and I think this is a most timely intervention, Sir. There are times, Sir, when those Members on the Other Side deliberately set out to ruffle, Sir, but I will not be ruffled, Sir. I will pursue the work before you and we will go through, Sir, to the end.

Sir, we have got to make sure that we translate some of these promises and some of the old talk, Sir, I hope that is all right, that we hear coming from the Government side and not only in here, Sir, the media. Anything that will add to public relations comes first, Sir. It is totally irrelevant what the real effect is. It is totally irrelevant the fact, for instance that there might have been more unfulfilled requirements for housing in Barbados in 1996, Sir, than there were in 1995, or 1994, or 1993. As far as the Honourable Leader of the Senate is concerned, Sir, the fact that provision was made, or the fact that a resolution was passed or the fact that it is heard and that housing lots are available is sufficient, Sir, for them to pat their chests, Sir, and raise their feathers in glee, Sir.

But the measure of the performance, Sir, is out there in the marketplace, and if we can move under the head of customs and revenues, Sir, and of course, the provision here would have been a lot to do with the provision for the establishment of the Value Added Programme under the Revenue Collection, Programme 5 Subprogramme 2, Sir, Customs \$2 207.61. We talk about the customs, Sir, which was to do with the establishment of the VAT unit, Sir.

Indeed, from the time of the implementation of the Value Added Tax in Barbados the Democratic Labour Party has said unequivocally that Value Added Tax should not be applied to food and basic necessities at the level of 15 percent. The Minister of Finance, Sir, has unashamedly said that no matter how much it hurts, the poor people of Barbados would have to wait nine months.

The Value Added Tax was introduced in Barbados in January 1997, Sir. January, February, March, April, May, June, July, August, September, Sir. The Prime Minister of Barbados said that in September he will look at Value Added Tax. That is nine months, Sir, after January 1st. So the poor people of Barbados will have to wait for nine months until he feels like it and he starts to look at the question of Value Added Tax again, Sir.

It is a "like it" or "lump it" situation, Sir. It is tantamount to a "like it" or "lump it" situation, Sir. I meet people all the time, especially in the supermarkets and the incidents of returned goods, and the incidents of leaving that item out the list, and the incidents of "I can't make that one."

Asides.

SENATOR J. D. E. BOYCE: I mean the information is up there, why do we have to wait. Even if we contemplate nine months at first, Sir, the information is now obviously available.

Look the Ministers of Trade are in here, Sir, both of them. As Sparrow would say, Sir, "Both of Them."

Asides.

SENATOR J. D. E. BOYCE: Only recently, Sir, I am referring to an issue in the daily *Nation* newspaper, Sir ...

SENATOR THE HON. R. R. FARLEY: On a point of order, Mr. President. The Honourable Member continues to attempt to swing in the opposite direction of the Standing Orders, Sir. The Honourable Member should know full well that the Standing Orders prohibit quoting from newspapers.

SENATOR J. D. E. BOYCE: I have obviously slipped, Sir. I did not mean to quote directly from the newspaper, Sir. Information available to us and made available by the Ministry of Trade and the Member who just got up should have gotten up and said that, made available by the Ministry of Trade ...

SENATOR THE HON. P. C. GODDARD: On a point of order, Mr. President. As Minister of Trade, I know of no information that has been produced by my Ministry in this regard.

SENATOR J. D. E. BOYCE: As I said, Sir, they get sharper as the night wears on, and maybe in another hour or so in the wrapping up, Sir, they will be at their sharpest.

Mr. PRESIDENT: You have about seven minutes.

SENATOR J. D. E. BOYCE: Sir, information available to us has clearly indicated that basic food items are the ones whose prices have increased the most in the supermarket. It is a fact that especially in the lower income brackets of our society the majority of the income earned is spent on food to provide sustenance for the poor mouths, Sir. This Administration continues to sit even in the light of this information and this is August. Barely August starts, Sir, August 13th, Sir, we just celebrated "Emancipation Day" and indeed a bringing forward of the consideration date for Value Added Tax review and the removal of Value Added Tax on basic food items would have been a gift to Barbados, and not these public relations aim gimmicks, Sir, calculated purely for political gains, Sir.

We have got a situation, Sir, where prices of food have forced working class people to remove certain items of dietary need from their weekly purchases. Sir, they have resorted to the bare minimum because we have to recognise that when statisticians in office can talk about only 10% or only an \$11 increase on a food bill a week it might not mean anything to the person working for \$1 800 or in a comfortable Government job at \$2 000 or whatever. You have heard what we are talking about these days. There is now a battle waging at the Harbour Road where hundreds of young people of Barbados are employed under obviously stressful conditions and I want to indicate that there are conditions which have been reported to me in some of these units and the Minister of Trade should get up now and tell us about them because he is in charge of that area. But he remained silent on the Securities Exchange and he remains silent on the jobs and the kinds of jobs and the kinds of remuneration at the offshore companies we are dealing with.

9.40 p.m.

People have the audacity to indicate that we should leave these things alone. No. The workers are Barbadians. We are responsible for their livelihood. We cannot throw them at the mercy of all kinds of adversity just for the great political gain of being able to say we got 2 000 of the 30 000 jobs we were talking about. What jobs? At \$360 a month! That is what I heard in the public today. Even today we are talking about \$360 a month, our children, our relatives.

Can you contemplate the challenge? That is not a challenge. That is a massive hurdle. Who can contemplate the challenge of having to feed a family on \$360 a month

and pay bus fare to get to the Harbour Road because nobody lives on the Harbour Road? All those people who work on the Harbour Road travel there. I admire their tenacity. The way they carry themselves, the pride with which they do it, reminds me of the good nature of the Barbadian and I repose tremendous confidence in them in their struggle and I wish them and their representatives good success in that regard.

That is another matter which I am sure we will get to talk about a lot more in the future. These struggles have got to be carried on. We have to face the international organisations and the global companies with the reality that Barbadians have to be paid a fair wage. They cannot work for nothing. They have to go and buy these items at the supermarket. Their income must be sufficient to deal with these challenges. They do not go into any special supermarket. There is no yam that is made for poor people and a yam that is made for rich people. All the yams are the same yams and they cost the same money and they are the same yams that they are talking about in the public document that I am referring to.

We have a situation where we are saying that they have to wait 9 months, regardless as to how long 9 months is. I say 9 months is too long. Those young people in those industries need and deserve better and a lot of poor Barbadians deserve to be able to contemplate a much more satisfactory purchasing power and the Value Added Tax should be adjusted to reflect this and not perpetuate the continued suffering.

The matter of the big business and the way businesses deal with the Value Added Tax is entirely different. Those persons who run businesses know that they can continue to transfer the value added tax. It is not a final matter as far as they are concerned. It is a pass-through arrangement.

Sir, we need to ensure that the VAT on food is considerably reduced and that the VAT on certain essentials – medicines etc. These were the utterances of members on that side when they were in Opposition. They said it then. Where have their voices gone now? They can challenge the Prime Minister too. He cannot do them anything. He is the biggest servant of this country and he must be challenged to produce for the majority of Barbadians and not for the mere few.

Sir, in winding up, I must express my disappointment for not having my fellow Senator who is again unfortunately absent today because of illness to continue to deal with the many matters under this Head. I have addressed the question of the fiscal management and the need for proper and adequate management of the fiscal measures of this country in order to provide the maximum for the Barbadians who we contemplate serving. I have especially dealt with the problems of housing and

the question of Value Added Tax as it impacts on low income earners and basic food necessities and medicine in this country.

I am grateful to you, Sir.

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

The question was put and agreed to.

ADJOURNMENT

SENATOR THE HON. R. R. FARLEY: Mr. President, I beg to move that the Senate do now adjourn *sine die*.

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

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