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(OFFICIAL REPORT)

FIRST SESSION 1994 – 99

THE SENATE

Wednesday, December 9, 1998

The Senate met in the Senate Chamber, Parliament Buildings, on Wednesday, December 9, 1998, at 11.20 a.m.

PRESENT

His Honour Senator Sir Fred W. 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 International Trade and Business)

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

Senator Miss C. Y. FORDE, J.P. (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 J. D. E. BOYCE

Senator J. A. WORKMAN

Senator Mrs. P. E. RICKINSON

Senator C. LeR. TROTMAN

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

Senator Dr. V. J. DAVIS

Senator Miss J. C. ODLE

Senator N. A. LYNCH

Senator Mrs. A. P. THOMPSON

Prayers were led by Rev. Father Errington Massiah.

Mr. PRESIDENT: The Senate is now in session.

PRESENTATION OF PAPERS

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

1. The Duties, Taxes and Other Payments (Exemption) (No. 19) Order, 1998.
2. The Value Added Tax (Refund) (No. 6) Order, 1998.
3. The Insurance (Forms and Fees) Regulations, 1998 (recorrected copy).
4. The National Insurance and Social Security (Miscellaneous Amendments) (No. 2) Regulations, 1998.
5. The Annual Report of the National Insurance Board for the Year 1997.
6. The Annual Report of the Barbados Investment and Development Corporation for the Year 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.

SENATOR J. D. E. BOYCE: Mr. President, I want to speak on the motion.

I am a bit concerned, Sir, not at all about the Senate as it comes to discuss Bills which we have not had the opportunity to review, but in the addition in today's Order Paper, which I believe this motion seeks to accommodate,

included in that addition are three items of very urgent business to Barbados. I speak to items on the Addendum Order Paper which I received this morning in Orders Nos. 8, 9 and 10 which I will agree up front are Bills of which we have had notice before, but Bills which, to my memory, this Senate has never had listed on their Order Paper for consideration.

The fact that these were dealt with in the Other Place maybe as late as yesterday evening, I think that an item of this nature when we talk about areas of coastal management, the whole area of marine preservation, the whole area of marine pollution, three very important topics, topics which probably engage more attention today in the world forums than indeed finance sometimes as we consider the threat to our nations by our practices and our living habits.

Sir, I think it is a bit much to ask Honourable Senators to be in a position to respond to these matters fully at such very short notice. I would beg, that certainly in the case of these three items, some other consideration be made.

SENATOR THE HON. R. R. FARLEY: Mr. President, there is certainly no intention whatsoever of dealing with these matters at all today. The opportunity has been taken to give formal notice of these items on the Order Paper so that Members would be aware that the matters are now fully and properly before us. Just in case there are any hiccups, as unfortunately Members have had good and just cause to complain of in terms of the delivery of the Order Paper and the notice of meetings to their various professional or private premises that Members would already be aware that the matter is before the Senate and is therefore likely to occupy the Senate at one of its subsequent meetings.

It is out of an abundance of caution and wanting to be sure that Members would be adequately apprised of the fact that the matters are before us that this has been done, but we certainly have no intention of foisting on Members debate of matters of such substance and such magnitude with a morning's notice.

The actual date of debate will be indicated by way of the next notice of meeting and subsequent Order Paper which will be circulated to Members.

SENATOR J. D. E. BOYCE: On a point of order, Mr. President. The Honourable Member has indicated that those three items are not going to be considered. Maybe he is in a position too, Sir, to tell us which of the additional items at all are going to be considered today because there are many others beside that.

His HONOUR SENATOR C. L. BOLDEN: Mr. President, I must congratulate Senator Farley and the stance he has taken in respect of dealing with matters which have only just been brought to the attention of Senators.

I rise at this point, although it is customary not to speak after a Minister, but I must rise to say that I am particularly worried about the way Papers for the Senate are being served. My Papers arrived in my office yesterday evening long after 2.00 o'clock with all the notices and everything. I see something written on the corner 4/12/98. It beats me why, in today's world, that we should be getting Papers on the evening before a meeting of Parliament.

There used to be a system in this Parliament whereby one of the officers used to hand deliver documents to all Members, including the Other Place and this Place in good time that we could do our necessary research. Even the Post Office I must declare that the pittance which I am paid was never put in the post this last month, until the 28th November and arrived in my office yesterday as well too. Something must have gone wrong in the system.

We cannot do justification to the work before the Senate. Today we have many serious items which pass before these Chambers that certainly need considered intervention. If we are deprived of the Laws of Barbados by the functionaries of Government who decide who should have and who should not have – now we are being deprived of the opportunity of studying the work which is to come before the Senate, then something needs to be done and be done urgently otherwise there will be all the justification for people to say that you should eradicate the Senate. It is only a rubber stamp. If it is to be eradicated, do it swiftly and let us suffer pain once but please do not take us through this exercise to our detriment and to the detriment of the country as a whole, a detriment to the legislation because I am faced when I go to court with people saying you all pass this. You were party to this when you did not have time to look at it and see the foolishness that we have done simply because Members never had adequate time to investigate, digest and make comments on matters which come here which eventually become the Law of the land. Thank you.

Mr. PRESIDENT: Senator Bolden, your intervention should properly have been presented as a matter of privilege. It is on that understanding that I permitted it, nonetheless I will put the motion.

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

INTRODUCTION OF BILLS

On the motion of Senator the Hon. R. R. FARLEY, the following Bills were read a first time:

1. Bill to amend the Financial Administration and Audit Act, Cap. 5.
2. Bill to amend the International Business Companies Act, Cap. 77.

3. The Money Laundering (Prevention and Control) Bill, 1998.
4. The Coastal Zone Management Bill, 1998.
5. The Marine Areas (Preservation and Enhancement) (Amendment) Bill, 1998.
6. The Marine Pollution Control Bill, 1998.

Additionally, Mr. President, I would like to introduce the following Resolutions: –

1. Resolution to approve the vesting in the National Housing Corporation of land at Walker's, St. Andrew for housing development.
2. Resolution to approve the vesting in the National Housing Corporation of land at Six Men's, St. Peter for housing development.
3. Resolution to approve the compulsory acquisition of land at The Whim, St. Peter for the provision of recreational facilities for use by the public.
4. Resolution to approve the vesting in the National Housing Corporation of land at Lears, St. Michael.

PUBLIC BUSINESS

ORDER NO. 2 – BILL TO AMEND THE INTERNATIONAL BUSINESS COMPANIES ACT, CAP. 77

SENATOR THE HON. P. C. GODDARD: Mr. President, I rise to move the second reading of this Bill to amend the International Business Companies Act for the purpose of allowing local business people, or indigenous business entities to own international business companies.

Hitherto, Mr. President, there was a limitation of ownership on these companies by local entities of 10%. However, over time we have recognised that there are various business activities which well reside within the framework of the International Business Companies Act. Chief amongst these are data processing companies, call centres and software development companies which have been denied to the local business communities and the investing public for investment through the limitation of this 10% on the International Business Companies Act.

11.30 a.m.

We recognise too, Mr. President, that as time has gone on, there is a convergence between the types of businesses that are being done in Barbados and the global business community who are using Barbados as a domicile. Therefore, we are removing the restriction on this International Business

Companies Act so that Barbadians can fully participate in the exciting new business activity that will be taking place under this Act and fully exploiting the benefits of the Act. This will not only lead to increased economic activities by Barbadians under this Act but it will also provide greater opportunity for employment and bring a level of Barbadian management to new areas of business activities.

Mr. President, additionally, we can see unfolding before us opportunities in the area of commerce and electronic business. Once again, these types of businesses, Mr. President, reside quite comfortably within the ambit of the International Business Companies Act. These are tremendously rewarding and innovative business applications for which we could not justly deny the Barbadian business person and the Barbadian public from investing in these new business activities.

With this in mind, Mr. President, we have repealed the limitation of ownership on this Act and at the same time, we have inserted a provision that an international business company shall forward to the Minister of Finance annual audited financial statements in the same manner and for the same period as required by Section 147 of the Companies Act. This provision allows for enhanced regulation and monitoring of international business companies to make sure that they do comply with the provisions of the International Business Companies Act in that they are conducting business in CARICOM and also giving due regard for the issues of money laundering and ethical behaviour within this corporate framework.

As you know, Mr. President, Barbados prides itself on being a clean domicile in the area of financial services and international business companies and we jealously protect this and this legislation will be a step towards enhancing our reliability. We recognise that there is much discussion in the global financial circles about the priority of business activities in low tax domiciles such as Barbados as well as tax havens where there are zero tax situations. Barbados sees it as an opportunity in the growth of the new economy.

As I have said, in the areas of electronics and commerce, we intend to exploit the global market place giving our own people and other investors the best advantage that we can provide. Not the least among this is a very well educated workforce, a highly literate society, a stable democracy, a business-friendly environment and all part and parcel of this, Mr. President, is allowing our own people to invest in these new business activities and to participate. We do not intend that there be two economies, one over here and one over there. This is all about convergence and bringing us into one set of economic activity where our local business people will be encouraged to maximise their potential in the unfolding global market place where knowledge-based products, cultural products and a whole range of new

knowledge-based activities will be marketed to a global community. This gives opportunity for a tremendous amount of economic activity and for diverse peoples of different skills and different backgrounds to participate in this new economic activity.

Mr. President, this Bill will go a long way to stimulate the international business companies formation and it will bring strength and create an environment where joint venture activity can take place which will bring local skills and understanding of our society to the management of many of these business companies while attracting foreign expertise and technical knowledge which will be transferred to the local business partners.

Hitherto, we have seen that many foreign companies have come here and have had some difficulty in understanding some of our cultural and societal realities of doing business in Barbados. I think that you will understand that the partnership arrangement will bring a sense of balance and structure to these companies which will enhance their viability and will make them much more productive with the given work force and within our cultural context.

Mr. President, I believe that this Bill will go a long way to strengthen our economy, diversify our economy and give Barbadian entrepreneurs and business people the opportunity to invest in new areas of activity, develop new skills and bring their creativity to bear in a very much wider market place that is unfolding. No longer will they be restricted by the beaches of Barbados or the reins of CARICOM. We now see that we are embarking into a new environment where we can tackle the global community as the market place for Barbados, Barbadian products and services.

Mr. President, I move that this Bill be read a second time.
11.40 a.m.

SENATOR Mrs. A. P. THOMPSON: Mr. President, it is interesting that on these occasions when we debate these pieces of what I consider to be global legislation, legislation not home grown, but from which some benefits would derive to Barbadians. But unlike the positive side it is a real reminder I hope to Barbadians that our fate and fortune reside elsewhere and that there is a lot of work that as legislators we have to do in order to make sure that Barbados and Barbadians can retain some identity which is necessary. So even though there are positive sides to this legislation, I would not want us to fool ourselves that it is as a result of progressive thinking on our part but that it is another piece of piggy-backing on which we are embarked this morning.

The International Business Sector as the Minister has rightly stated is an extremely dynamic one and an area in which Barbadians can play a significant role. I have a major

concern about our institutions of education in this country and whether there is the level of awareness present at this moment in order to prepare Barbadians to be real players in these dynamic spheres. For example the International Business Sector in the electronic area, not data processing inputting, but financial services in particular to date, 2 years short of 2000, we have not yet found it possible to introduce in our secondary and tertiary system a good programme in financial services.

The International Bankers course is still a correspondence course. All bankers in Barbados who want to equip themselves fully in modern and efficient banking must do that course by way of correspondence. I cannot understand why we have a Barbados Community College and a University of the West Indies and such courses must still be pursued as correspondence courses – the Chartered Financial Consultant and Certified Financial Planners designation. Professional designations recognise when you want to do business in Canada and the United States and in Europe, they now have them in French. They are in France, in the Far East, all translated in their languages. They are doing them at home. Barbadians are still forced to do these international designations as correspondence courses. We have to ask ourselves the question, are we really ready? Are we serious? I think the Minister should make sure that his Government gives a proper mandate to the Ministry of Education to get these programmes on board in Barbados if we really want to have Barbadians at the top end of this whole new dynamic area.

We boast about our education. I am proud of the basic education which we have achieved in Barbados. But, is our education relevant in all the necessary areas today? I know a number of teachers, they do not like me to touch on this because they have this little private baby and they feel that you are questioning the success of the education system of Barbados. I am not. We have too many Barbadians out there that we can look at and feel proud of but should we remain stuck in that and pounding our breasts and believing that we have done such great things when there is so much out there in this whole new world that we are not aware of. I am sounding a word of caution because this is a very dynamic area.

I do not like the thought that Barbadians have to go in there and rub shoulders alongside people to learn everything. Once more it is this second rated citizen because the foreign person who is in this international business has all the qualifications and skills and the Barbadians are alongside him learning along the way. That is just not good enough. I would like to think that now we have this legislation and we are opening up that Barbadians should be able to go in there and be a major part from the beginning, not now interfacing and trying to become familiar, and we have failed. I have to say that we have failed in that area and that we need to look at ourselves seriously and look carefully.

I will say this to the Minister, whenever we debate this type of legislation I feel like I live in a dependency, over and over again. I do not know if we realise how we sound. The message is mixed. On the one hand we seem proud that we can be a part but on the other hand we are still saying ... but we have to go along with the others. We have to bale on and make sure, like we are on a bus. Mr. President, I do not know if you had those days but when we used to bale, Senator Farley would know this, and the bus is going to pick up some speed but while it is about to accelerate you hop on and move along. That is the feeling I continue to get about Barbados and it really does not say a lot for a nation that is now in its 33rd year and is boasting of national achievement.

This is a very important piece of legislation. I hope that all Barbadians would become aware that they now have an opportunity to be major players in the international business sector but I really hope that the Government would fulfil its responsibility to the people of Barbados in trying to equip that other generation. Get into our schools, get into the Barbados Community College, stop conditioning our children for successes in law and medicine and accountancy only. The accountants are now embarking on other programmes in order to strengthen their knowledge base that they would be relevant. Therefore we need to, from an earlier stage, introduce these other areas of activity in our education for our citizens.

So as I support the Bill which I see as a positive move for Barbadians, I would like us to go further and start now to put the proper infrastructure in place to make sure that we can really be true beneficiaries and I do not like being beneficiary only. I do not mean just waiting until somebody assigns it and you get it later but I mean real dynamic and active participants in this whole thing. Thank you, Sir.

SENATOR Mrs. V. J. DAVIS: Mr. President, I would like, while supporting this Bill, to amend the International Business Companies Act, I share Senator Thompson's concerns about the education. But that is not what I really want to talk about because that is an important part of this issue about training and education. My interest is and I am very happy to see and to know that Barbadian locals can buy into international business because already I can see benefits, hopefully, as the Minister so euphemistically mentioned that may be able to impact somehow on the culture of international businesses if Barbadians are part of this.

Well of course this is one of the first benefits, I think, that probably they will begin to see an amelioration in terms of the way in which international businesses use labour and labour laws in Barbados and the ways in which they see salaries, wages, conditions of service. All these are possible benefits but my real concern is I hope there will be great transparency when it comes to who buys into what. I hope

there will not always be the old boy's club of certain people knowing about these opportunities. I hope that when we talk about transparency that we will see not only old boys, black businesses, small businesses, everybody aware... but old girls.

11.50 a.m.

I have shared a concern about the contempt I almost think that Barbadian society seems to be holding for educated intelligent Caribbean women. I also hope that with the burgeoning of businesses run by women that there is going to be a lot more opening up and transparency in terms of when opportunities arise so that women in business, black business, people outside of the old boys' club will know when these opportunities arise for them to buy into international business.

When we talk about convergence between local and global, we have all shared in the notion of the distance and the fact that we are all one global village and we cannot escape the fact that we are not just an island. We are part of the main. We are part of all that is happening out there. So the convergence must not only be seen as local but global but it must be between all sectors of this society, black, white, men, women must know.

My real concern is, will the information and all that is necessary be available so that there will be a level playing field when it comes to buying into this international business that we are talking about.

Those are just concerns and I hope that they will be taken seriously and I hope that there will be as much dissemination of information about what I consider not only opportunity but challenge as there ought to be and if all those things are accomplished, I would be more than happy as I am happy to know that we could amend this International Business Companies Act to embrace us in Barbados and the local society. Thank you, Mr. President.

SENATOR C. LeR. TROTMAN: Mr. President, I wish to support the item before the Chamber but I would wish to use the occasion to make some observations as indeed some of my other colleagues have done. I note with interest that the very topical warning has been sounded that when we think of business that we discontinue the previous argument of businessmen's opportunities in that we proceed to look towards the concept of business persons' opportunities. I do not believe that anybody could properly want to fault that argument.

I wish to use the occasion of that intervention to argue that when we look toward the matter of the sharing of information, when we look toward the matter of the need that has been properly expressed for the sharing of information in a transparent mode, that we equally well recognise that within any improved and increased business there will be other players and that the players cannot alone be considered

to be the businessmen from the old boys' club or the business women from the new girls' club but that all the other players and interfaces and interactors be recognised and be treated with the level of respect and dignity and concern for their welfare and their potential contributions to the development of the enterprises which we hope will grow.

I will revert to that more fully later on but I thought that the occasion presented itself for us to look towards that and I would also want later on to make a comment regarding this business of education. I wish to say quite early and now that there is a need and there is the increasing need for each nation and for each state to secure for itself a trading niche that will secure it against the tide of global trading and economic activities so swiftly taking over the world.

What I am saying in other words is that we are now in a globalised community where the privileges and the hegemonies which obtained before the arrangements which existed for bilateral arrangements before will no longer be possible. The last vestiges of those are disappearing and as the Minister who led this debate will be very quick to remind us we have only another four years to get ready for the breaking down of the other barriers that stand in the way.

Even though there may be the opportunities which have existed through the bilateral investment treaties which have been presenting themselves and which we ourselves in Barbados have been moving towards our fair share, there cannot be any question in anybody's mind that there will be an increased need for us in this region to find an area where we may be able to present ourselves as being capable of attracting part of the investment opportunities because the trade which there will be through the World Trade Organisation cannot by itself sustain us. We do not have much with which to trade and therefore we have to have another side to the equation, it seems to me, Mr. President, and that has to be the investment angle.

I think what the House was saying was that by ourselves we do not possess or the level of business which there is as it currently stands would not possess by themselves all of the investment opportunities or the investment potential, especially given the restrictions which previously obtained and that therefore there is need for amendment in the legislation to give Barbados a greater base from which to improve our investment opportunities.

I support that, Mr. President, but I want to say that in our movement towards that kind of support we have to be very careful regarding our treatment of what the Minister calls the culture. I would like us to think that this increase in business will increase the number of headquarter businesses in Barbados and that would give us the opportunity for a greater utilisation by us in this country of our greatest single

asset, that asset being our people. There should be the greater possibility for us to have more people involved in jobs which are consistent with our high degree of training and our high level of education. We ought not to feel put out by the fact that Barbados is seen as being an area where high wages are paid nor should we apologise for that as indeed some people would wish us to start to argue and as indeed some people would wish us to use the occasion of these kinds of departures to suppress the levels of wages and to suppress the conditions of employment for the masses of our people.

I must wave my flag at this point and say that we have to be able to arrive at this level of development while still seeking to improve the conditions of employment of the masses of the people of this country and to increase their conditions of livelihood. And we could look towards the Irish experience, Mr. President in doing this. I mean not the Irish experience where they are battling with guns and bullets, but I am referring to the Republic of Ireland.
12.00 noon

Years ago people laughed at those people from the Irish Republic and in fact if you want to put down somebody in Europe, you either speak of them as being Polish in orientation or being Irish. That is what it was. Nowadays if you want to talk about a successful people, Mr. President, you talk about the Irish. They never allowed themselves to be set back because of the high levels of unemployment which they faced. They never allowed themselves to be set back because they had to move to alternative forms of employment as they fought to diversify the economy which was an agricultural economy like ours. And they are in fact a country which is slightly bigger than our country.

What they did was to recognise that their best asset was their people and they trained and retrained them. As they diversified the country they trained and retrained and rewarded the people for their training. As they trained them they paid them better. So they do not say to anybody that they have less wages, even though you might see that if you are travelling on British Airways and you see the advertisements that tell you about part of the United Kingdom where you can get cheap wages. Although they came out of a trade union community when they were mining in that part of England, what they tell you is that they reward their workers. And they are willing and ready to tell foreign and local investors that they have a well-trained, well-oriented, well-motivated working community willing to grow that society.

I know you have not heard my voice for a long time, but I wish now I am back, Sir, to remind this Honourable Chamber that that has to be the bedrock on which we build our community as we go into the twenty-first century. We have to be able to make all of those persons who will invest in the new structure, to recognise that there is really no need

for them to see adversely any culture differences which make them. And if I use that term it is only the Honourable Minister who allowed me to use the terminology, unaware that in fact there are people who want to be involved in investment in these areas that the Bill speaks to. The areas that the Minister referred to, software development and information technology as part of those areas and aware that these are the major areas, not only in Barbados but around the world where the possibility exists. In fact, where the effort is even now being made to suppress conditions of employment, to suppress expectation of workers and to reduce workers to less than they were before the introduction of this new explosion in opportunity for employment.

I am aware, Mr. President, as I have no doubt you are, that efforts before now have been made in this very said Barbados by those persons who want to move into this area to bring what they consider to be the culture difference to bear on the legislation and the conditions that should apply for working men and working women in Barbados.

I am sure that neither of the parties which have from time to time represented us or would seek to represent us would want to bow to that kind of pressure. But even though I would speak, Sir, I hasten to say that all working men and all working women with their representatives and supporters at all levels in this society will have to join hands to say, "Yes, we welcome the new culture", but "No, we do not welcome the new culture if it seeks to put us back below agriculture into a form of subservience" and, what somebody called previously, a form of bondage.

We have to be able to recognise, Sir, that those who have used the culture before and have benefited from it are even now having second thoughts. I am pleased to see that the World Bank and the IMF have had new thoughts about the way that they have impressed their system upon us and they realise that they did not do it so well. The great Mr. Soros is now telling the rest of the world that although I use the financial systems and although I use the matter of my skills at transferring money from one centre to another at will, I am now saying to all countries of the world, "don't let it happen again". Because if you let it happen without controlling the movement of money through the money market then you are going to destroy the world.

And I use that not because I am straying, Mr. President, but because I wish to say that this financial system and these financial exercises that we would wish to engage would be to our benefit if we were bringing the headquarters to Barbados. Because it means that we have at least the foundation and because the foundations are here, one would hope and expect that there would not be the plight that there has been in the past where the fellows come in and they resist the Government even for matters like recognition. And,

they disrespect all the people and before you know what is happening, they sell the company, but you do not see it in the newspaper. They sell the company and they run and go offshore, of course. I mean, they go offshore, Mr. President.

Mr. President, I am merely trying to make the point that we have within these particular companies to get the benefits which we can, but as a people, we need to prepare ourselves by the training and the education. We have to be able to focus that training and retraining targeted in such a way as to equip for the jobs which will be available.

Once upon a time, Sir, we used to talk about manpower planning and then they told us that the word was chauvinistic and I am not too sure if, in removing the word we have not also removed the concept...

Aside.

SENATOR C. LeR. TROTMAN:...because very frequently I see examples of training...

Aside.

SENATOR C. LeR. TROTMAN: I am not being chauvinistic, Mr. President.

Mr. PRESIDENT: I do not know where the suggestion came from. I did not hear it.

SENATOR C. LeR. TROTMAN: I am merely saying that we have changed the word 'manpower', but that in changing the word, we do not in my view have sufficient planning for the economy, consistent with what the economic analysts and forecasters are seeing as the opportunities for our country and for our region.

Therefore to a very great extent there is a significant amount of education. A significant amount of adult education and adult training, but there is not always a sufficiency of that training and adult education toward job opportunities that we have seen down the tunnel and that we are moving towards.

The case of PRT down at the Harbour is an example. Several people have gone to the University and they say they have done courses and programmes in computer science and yet we have a company that want people to do computer work and we are still having to import them into the country and we do not have enough homegrown people that are able to do that work here and attract other work of its kind on our shores.

What I am saying is that there are several areas where job opportunities do exist. Some in Barbados and some which may be attracted to Barbados to provide jobs, to provide opportunities for people who wish to invest,

especially in joint ventures, but that the opportunities must be grasped in both hands. The Government, the private sector, the mass of the people altogether, getting the opportunities, but also having the training, altogether, using those opportunities to build an economy in which everybody grows. And if we were able to do that, I am sure that we will be able to face the future, not with this great fear which several other people have about globalisation, but with the view that globalisation with the fears, with the threats also have promises which we in Barbados ought to be able to take up and which should be able to throw our economy to the advantage of all of our people.

12.10 p.m.

SENATOR J. D. E. BOYCE: Mr. President, I too want to join this debate on the Bill to amend the International Business Companies Act as set out. I want to add my support to the question which has been raised by Senator Thompson in respect to the provision of the appropriate kind of education to allow Barbadians who participate in this new business to best fit in, and I believe the Senator who just spoke alluded to the same thing when he talked about the inability of Barbadians as yet to fully grab hold of the opportunities being offered in this regard.

Sir, as we face the reality that this international business comes and goes and today it is with us and tomorrow they move to a more fertile pasture for one reason or another and it is not always because of incentives or what we offer. Sometimes it is for other reasons, infrastructural reasons, and I mean infrastructural by way of the ability to communicate quickly and to communicate, more importantly, Sir, more effectively.

Sir, as these companies move around and our young people participate, unfortunately, they do not have the opportunity to move around with them. They never have that opportunity and, indeed, it is almost as though in anticipation of this Bill today that a young lady in my constituency called me last night on the same matter. She was now out of a job because the business in which she was working had moved onto a greener pasture and she was now, with all the skills she had developed, skills in setting out abstracts for books, chapters and magazines, all these skills which are new skills for a lot of Barbadians but it is a skill which they developed, all these skills were of no immediate application. The challenge now for her was, how can she continue with the new found skill, either on her own, or quickly find an opportunity in another organisation in Barbados, and that is what we have to be aware of, Sir.

Our leaders in the Caribbean, albeit to my mind not forcibly enough, are recognising that this globalization cannot work in its raw form, in the format which is being brought down by the World Trade Organisation, to the benefit of small island states like Barbados, Jamaica and

Dominica. Different threats have been made on how they intend to counter the challenge because in the system that is being developed by the international organisations there are to be no subsidies. There are to be no special considerations. What do we do with sugar?

I must say, Sir, in the case of Barbados, regrettably, it seems as if we have already taken our decision on that matter, if not at the official level certainly at the unofficial level. I want to issue a caution that as we continue in our mass disposal of agricultural land, for instance, to make way for buildings be it offices or homes that can accommodate the test of these internationals which is the term I would use to deal with them, the taste that will suit these internationalists, we are depriving our country of the opportunity for a balanced development. I believe that Barbados will live to regret, if we do not stop at this stage and rethink how we tackle this whole question of globalization and fitting into the new world order.

As you listen to the international commentaries, you recognise that Barbados, and Trinidad to a lesser extent and the other smaller islands of the Caribbean are not alone. Even the big countries in many cases recognise that the challenges of this new trade order are going to be sometimes too great for them. What to say about us?

I believe, Sir, that in this region, for instance, we should be attempting to develop a regional bloc which can then represent itself on the international stage at a much more meaningful level. The need is there because, as you work in the system, as it is required in this kind of development you communicate by the Internet, and if you go on the Internet and you attempt to get in touch with certain organisations, you recognise immediately and you already can feel the rating that you have.

The response you get, you are sure that your enquiry is not necessarily being treated with the same priority as maybe some other facility. It might not be strictly a telecommunications problem but when we look at the world, business enquiries that would fit the demands of a Barbadian consumer or a Barbadian organisation would not tickle the fancy of these international suppliers so you have another problem in this regard.

In that respect too, we get to the question of the infrastructural development that must be part of this globalization. I want to speak specifically to the question of the telecommunications that must go hand in hand with this kind of development. I think that the Barbados Labour Party Administration and the Minister responsible for International Telecommunications have to still explain and come and tell the Barbadians where are we in respect to coming on board and coming up to speed on international telecommunications, with things like data services, with free availability of the

cellular phone wherever you go in the region, with questions of the harmonisation of the activities of Cable & Wireless' two companies in Barbados, the BET, and the now Cellcom.

These are questions we have to answer. What is the likely fall-out of this kind of harmonisation, this kind of bringing together? Is it inevitable? What about competition? Will Barbadians be allowed to participate in this new business of international telecommunications or will we continue to exist in an environment of almost protection where the international carrier we are accustomed to will claim, whether legitimately or not, they are the ones responsible for the infrastructure which is up in space moving around somewhere. That is changing rapidly.

The Minister with the specific responsibility, Sir, needs to come out and tell us, Barbados, exactly where we are in this regard, and there are a number of persons who are waiting to hear where we are going in respect to international telecommunications.

12.20 p.m.

It is vital as we move into the era of international business that we understand what our options are, what our costs are likely to be depending on where we channel our business. This is going to be of vital importance. When you work on the Internet you have the option of using much cheaper avenues of communication. Again, at the same time when you use these avenues you are not likely to get the same personalised treatment because then you fall into a band of...

Asides.

SENATOR J. D. E. BOYCE: You are down the pecking order. Those who play around in that area understand what we are talking about by way of development of web sites. If you go up and you try to develop a web site about your business where you are putting your business on the international market but if you go through one of the free channels obviously you are not going to be up front and centre as much as if you go through one of the more internationally recognised channels. That is the best way that I can put it, Sir, without getting too involved, involved to the extent that I myself might not be too sure. I think that these are the kinds of answers which the international business Ministry of Barbados should be dealing with. These are the kinds of questions that are being asked out there, these are the kinds of things that we want to hear.

Sir, we have heard also mention of the opportunities for new business in respect to development. We know in Barbados we have had the advent of organisations like the Fortress Fund and the Barbados Mutual Fund and I think recently the Barbados National Bank talks about its mutual fund being available for investment. What is important, and

again, this has been alluded to by the Senator before me – are these investments into new business in Barbados? Are they investments into small business? I use small business not to describe a business that is small physically but more to describe a new venture which by nature has to start small and grow. I am not talking about one which is stifled by its own market or by its own development. I am talking about a small business which will, with the right inputs has the potential to become a big business and a challenge to the traditional businesses. I say, that in Barbados today, we are still not seeing any definite move toward this kind of development and we have got to be careful.

If you look at the investment of these funds even, you recognise that the majority and I daresay nearly all of the funds have gone back into investment in the traditional businesses in Barbados. We are all very familiar with this, Sir. That has been the trend in terms of the Fortress, in terms of the Barbados Mutual and I only hope that with the advent of the Barbados National Bank Mutual Fund we might see that indigenisation of some of the opportunities and the development of the new business.

The Senator who just spoke referred to the question, he did not specifically, but he alluded to the Offshore Keyboarding and what has become of that. Again, we have got an example of the way we are likely to be treated if the Government...

Asides.

SENATOR J. D. E. BOYCE: You see, Sir, the Barbados Labour Party has got to be told that when it is Government, it is the Government. It has got to take responsibility for these things. Whenever there is something which is difficult to deal, when the Barbados Labour Party forms the Government of this country, all of Barbados is responsible. There is supposed to be a national effort but when the Democratic Labour Party is Government we hear an entirely different story. Sir, the responsibility is the Barbados Labour Party's as the Government and of the one who is the Minister of International Business to ensure that the opportunities being offered in this sector in companies like the same Offshore Keyboarding and the one I referred to earlier with the young lady who called me last night, that the opportunities being offered in the international businesses are meaningful and are sustainable. They cannot run away from that responsibility on the altar of globalisation either as has been the case up to now, in that they want to throw the responsibility for the wages that are being offered on the fact that it is an international struggle, it is an international fight for business so we have to restrict our wages. That is only one factor, Sir. I am sure that it can be negotiated because it is internationally accepted that we are offering a better skilled person.

If we continue to maintain our institutions at a level that we continue to offer the higher skill we can challenge the international world in a meaningful way. We can provide them sustainable opportunities and meaningful jobs for our young people and mainly our young women. That is a very important characteristic of the employees of these organisations. There are usually single women, a sector of our community who the Barbados Labour Party like to walk around and believe that they can fool Barbados that there are the only people concerned about them. You see, there is more to it than this window dressing which the Barbados Labour Party essentially likes to practise.

We have to look behind the curtain, we have to pull the curtain apart at the window and look inside and see the wages being offered to those young women on the Harbour Road. The \$140 and \$150 a week. Unsustainable wages, wages which are consumed in transport even to get to and from work. The unfortunate addition to this scenario is that many of these girls are of an age where they have children and in some cases are single parents. The challenge therefore increases, the challenge gets more intense. What is the Barbados Labour Party doing about it? That is the question.

I do not want to hear what Malaysia is doing about it. I do not want to hear what Cambodia is doing about it or Korea or for that matter what President Clinton is doing about it. I want to hear, Sir, what Owen S. Arthur, the Right Honourable Prime Minister of Barbados and by extension his Cabinet, what his Cabinet and his Ministers are doing about it. What are they doing about ensuring that the opportunities offered in the offshore international business sector in this country are meaningful and sustainable opportunities and not sub-human options which our young citizens have got to take part in. We are far past that stage. I agree with the Honourable Senator who just spoke. We shall not be tolerating it, we shall not tolerate it no matter who is Government. For the short time left that the Barbados Labour Party is Government we are not going to tolerate it. There must be a demonstrated change...

SENATOR THE HON. G. S. H. MURRAY: Mr. President, on a point of order. I would like the Honourable Senator to tell us whether he is talking about bus fare and lunch money wages or not.

Mr. PRESIDENT: No point of order.

SENATOR J. D. E. BOYCE: The wages being offered to an apprentice who is learning a skill is far different from what one would offer to someone who we expect to come and contribute in a meaningful way in an organisation.

If, Senator Murray, when he gets an opportunity to speak, wants to elaborate on that, he can do so, Sir. The point is that even today is demonstrated in Barbados a need for some form of apprenticeship and development maybe in this

very area. We know that once you are in training, and you are not considered part of the full staff and you are learning, you will not be entitled to the full wage of the position until you have completed the training. Once that training is completed, Sir, one moves into the full employment of the organisation and uses the benefits.

What has happened in the case of the Barbados Labour Party Administration and the businesses which they have been able to attract in this area is that it appears that the apprenticeship is still going on. We have got a number of young women working in the international business sector in Barbados under the time of the Honourable Minister of International Business who are indeed not even paid bus fare and lunch money because some of them have to take two buses a day to get to work and two to get back. That is \$6 a day, Sir, and then they cannot raise lunch from that. They cannot raise rent from that. So it is not even bus fare and lunch money, if Senator Murray wants to know, Sir. They have to raise kids on it, Sir. The apprentice does not have that responsibility of raising children but these young ladies that the Honourable Minister is responsible for their welfare, these young ladies have got a family to raise, have got rent to pay and that is the difference and they are supposed to be in sustainable employment unless in truth and in fact they are apprentices and not real job holders. They are apprentices in the International Business Sector and that is what the Barbados Labour Party will have us know that they are creating an army of apprentices in the international business sector and they will continue in that kind of activity while these people suffer and their rights are not being properly taken care of by the people who are put there to deal with that responsibility.

12.30 p.m.

That is the challenge, Sir, which Senator Murray and his colleague, the Honourable Senator Goddard have got to accept because in truth and in fact if we are not careful we will create colonies of an international world. We will create colonies of the World Trade Organisation, Sir. You will create colonies of the International Business Sector instead of having Barbadians leading the technology, Sir, leading the charge in the international business. We will have a stagnation of business development in this country because the investments will continue to be with the traditional sector.

New business will grind to a halt so all those plans as I have said in here many times, all those plans down Fontabelle that Senator Farley has, all those buildings that Senator Farley keeps falling off as he tours them, Sir, all those buildings will be for nought because, Sir, there is no intention on the part of the Minister responsible for International Business. There has been no declared intention on his part to make sure that there is constant development of the opportunity.

Sir, let me just wrap up on this note, Sir.

SENATOR THE HON. R. R. FARLEY: Mr. President, on a point of order. Just for the utmost clarity and accuracy in the record. I just want Honourable Senators to know, as they would be concerned about my welfare, that I have not fallen off any buildings and that is perhaps because I did not consume any Tiltman before engaging in any of those activities.

SENATOR J. D. E. BOYCE: Senator Farley must have broken the fall, Sir.

The point being, Sir, that Senator Goddard has a very urgent responsibility in this country and I want the Honourable Chamber to recognise this and to let him know in no uncertain terms, the Barbados Labour Party came to Government in 1994 on a promise of creating new business and his charge was to ensure that this new business came in the area of the international business sector.

Time after time, not very often but whenever he has the opportunity to speak in this Honourable Chamber, Sir, we hear a regurgitation of the same thing. We hear a total absence of excitement and the reason for the lack of excitement is obvious. It is nothing happening and nothing to be excited about. So Senator Goddard has been unable to demonstrate any quantum leap in respect to the growth of international business in this country.

He will get up I am sure in his rebuttal and repeat a number of the statistics contained in the various documents published by the Economic Affairs Ministry, Sir, and the Central Bank of Barbados but they mean nothing in our community. They mean nothing in Carters Gap, Sir. They mean absolutely nothing to the young lady who spoke to me last night, Sir. They mean nothing to the people at Offshore Keyboarding who continue to suffer at the hands of these international business sector persons. It means nothing to those poor young ladies some of them parents who work for wages that do not amount in the words of Senator Murray...

SENATOR THE HON. G. S. H. MURRAY: Mr. President, I do not want to take credit for those infamous words. I did not say that. I was merely crediting his illustrious leader with those infamous words of bus fare and lunch money, Sir.

SENATOR J. D. E. BOYCE: I do not know, Sir, if Senator Murray was reading my mind but ...

Mr. PRESIDENT: I should perhaps rule that that was not a point of order.

SENATOR J. D. E. BOYCE: Oh thank you, Sir. I can ignore it then, Sir, as I have to ignore many of his interruptions, Sir.

Mr. PRESIDENT: Please do not ignore me when I tell you, you have two minutes left.

SENATOR J. D. E. BOYCE: That would be adequate, Sir, and I am very grateful, Sir, for the time given. The point I want to wrap up on then, Sir, is that this Barbados Labour Party Administration and Senator Goddard have got to recognise that they have failed this country in this respect, in the area of developing new business, in the area of providing opportunities for new Barbadian businesses to come forward, in the area of providing opportunities, Sir, for new investment in new Barbadian business and what we have seen is an expansion of the traditional business sector into new areas and that is not what I believe we really want.

I am not for one moment saying that with the increase in construction there has not been ample opportunities for some contractors. That is obvious. Nobody is saying that, Sir. I am talking by way of the sustainable long term meaningful, not even meaningful because that would tend to indicate that the contracting business is not meaningful, but the sustainable and long term and challenging new business, that is what we have got to aim for in this country, Sir. We have to stop this idea of believing that we can take second best and I am not, and I know the Democratic Labour Party is not going to accept the second best offering that the Honourable Minister has so far been able to give this country.

Indeed, Sir, it is because of this that we wait for the coming weeks when we will be able to deliver once again, this great Barbados. I thank you.

SENATOR THE HON. R. R. FARLEY: Mr. President, I should declare up front, in response to Senator Boyce's call for a show of enthusiasm in this matter that we have to get the definitions right. In these Bills we often have definition sections and so on and we on this Side do not define enthusiasm as equating volume, therefore in that particular regard we would not want to be judged.

Mr. President, I am glad to have the opportunity to contribute to this important debate on the amendments to the International Business Companies Act. These amendments, Mr. President, I am sure will warm and gladden the hearts of a number of Barbadian entrepreneurs who are already, Mr. President, making great and valuable contributions to the development of their country and the many other Barbadians who work for them. I speak for example of the young Barbadian, a young man who operates a software development company quietly out of the glare of public glance. His background was in computer engineering and with a consultant he decided to venture into business for himself. His company writes software in the educational area what is called course ware, software for educational support

for a company that markets these products in the United States and Canada.

12.40 p.m.

That entrepreneur, in spite of his contribution, he employed some 40 or so persons going on memory and he provides opportunities for persons coming out of university and out of community college. However, he was not able to benefit fully from the ease of concessions. He ultimately would get the concession by way of tax rebate under the Income Tax Act but in terms of having a piece of legislation that says to him or potential investors in his company, or whomever potential financiers of the company, that he will automatically get this tax rebate similarly on the importation of equipment for example rather than having to go through administrative bureaucracy in customs in order to gain duty free importation of equipment. Eventually he would get it but suppose there was a need for a rush order for equipment to expand his productive capacity he can now under the International Business Companies Act obtain the same ease and legal guarantees as any of the international investors who would have been operating similar businesses.

Mr. President, this amendment will also gladden the hearts of another two Barbadians, one of whom started business as part of a project of the Barbados Investment and Development Corporation some three or so years ago under a project called... I will remember the name in a moment. Under this project we decided to expose a number of persons of knowledge of the computer industry to a programme where we would help them to get set up in business, to give them business development assistance.

We also specifically did some marketing internationally in order to obtain contracts for them. This young lady was able to respond and obtain one of these contracts sourced by the IBC. She started with six friends in her garage at home. She outgrew the garage and went into the house, outgrew that house and went into another, outgrew that and went into a unit in a shopping centre out of the City, expanded from one unit into two. She then recognised that there was a need for additional investment and was able to obtain investment support from another Barbadian not from the traditional business sector, another Barbadian who is in insurance, for example, and together they teamed up. Today they are employing over 100 other Barbadians operating in one of the offices of the IDC and I could go on.

There are a number of Barbadians to whom this amendment is intended who in spite of running successful businesses which qualify as IBCs in terms of the activity performed where 100% of their output was destined for non-CARICOM sources but for the fact that it was 100% Barbadian owned rather than the 10% limitation which was there.

Mr. President, this amendment would also allow other Barbadians who have had to go the route of registering businesses overseas whether it be in the United States or the Caymans or wherever, BVI, in order to facilitate their international business activities can now do that here in Barbados.

The owners of intellectual property whether it be the singers, the writers, the authors. For example one of our colleague authors because there are several authors in this august Chamber and I am sure there are others with works at hand, but to manage the international distribution of their works, they can establish IBCs in Barbados to do that.

This amendment, Mr. President, is really aimed not just at the future Barbadian but Barbadians already in business who have had to go through conditions which have been less than fair and favourable in order to pursue their international ambitions.

I look forward, Mr. President, to the expansion of businesses owned and operated by Barbadians but which are destined for international sources. I would want to take the opportunity as well to congratulate the Minister of International Business on the performance of his Ministry.

Mr. President, in addition to this exciting and important amendment today, the Minister has recognised the need to make amendments to existing legislation. He has recognised the need to put new legislation on the books. However, he has been wise and cautious not to rush into senseless amendments and adjustments and has been taking appropriate advice so that this Ministry has been able to amend the Foreign Sales Corporation...

SENATOR J. D. E. BOYCE: Mr. President, on a point of order, the Honourable Senator is misleading the Chamber. To give the impression that this is the Honourable Minister's Bill is not fair because the Honourable Minister in his presentation said it was a matter of getting on speedily with the International Business. It is not anything that he created as such.

Mr. PRESIDENT: No point of order. Proceed, Senator!

SENATOR THE HON. R. R. FARLEY: Mr. President, we passed the International Trusts Act and did subsequent amendments. We amended the Exempt Insurance Act on the one hand but we also recently accommodated the convergence of the industry to provide for greater local surveillance of the industry and to respond to the change occurring in the market place.

Mr. President, a grand charge has been made that there has been no growth, no expansion in the international

business financial services sector and the sector has not grown and that this Minister is yet to deliver the goods. And if one were to be convinced by enthusiasm alone, then Senator Boyce would have been convincing in his assertions. But thankfully, Mr. President, this is a Chamber that judges performance based on the facts and I happen to have the facts and I would not want to keep those facts for myself. That is not my nature. Sharing is sharing and I am a sharing man so I will share.

12.50 p.m.

I want to include Members in my knowledge of this area. But, Mr. President, the number of international business companies, the very category of which we are concerned this afternoon has increased from 1 486 in September of 1994, when Senator Boyce would have been part of the Government, to 3 931 in September 1998 when Senator Goddard would have been part of the Government rather than Senator Boyce.

Aside.

Mr. PRESIDENT: Order, please.

SENATOR THE HON. R. R. FARLEY: International business companies of all forms and descriptions. Mr. President, the number of foreign sales corporations for example has increased from 1 173 in September 1994 to 2 547 in September 1998.

Mr. President, that is just really a small example of the growth that has occurred, but what I really want to do is to look at some new directions and dimensions in this international business area. Areas of activity which are on the door step and which we have to move to ensure we capitalise on.

One of the opportunities, as well as the challenges which will face Barbadian investors who are now able to go and establish international business companies is how do they make use of the opportunity created by electronic commerce. There can be no doubt that electronic commerce will change the face of doing business, not only internationally but within domestic borders as well.

If one checks the phenomenal growth in the numbers of persons, millions of persons around the world are engaged in electronic commerce of one sort or another. And in fact there are some companies in North America where all of their reordering for inventory occurs electronically. We in Barbados have to ensure that we have both our legal and administrative systems in place to properly accommodate electronic commerce.

But we must go beyond that. We must ensure that we are so far ahead of the game that they are able to have electronic commerce work to our advantage. So that whilst

it is useful to ensure that Barbadians if they still wish, are able to either buy things electronically or in the case for example of the duty free sector, to be able to do the various electronic commerce transactions, it is more important that in an effort to boost our exports that we respond to the customers' preferences.

So if we are hoping to sell products and services to customers from markets in which electronic commerce has become an every day issue, we have to ensure that we respond to the needs. If they prefer staying in their homes and ordering by credit cards, then we have to ensure that our systems are able to do that. If they prefer to make direct debits from their bank accounts electronically, we have to make sure that our method of sales do not stand in their way of buying Barbadian products.

So that certainly we at the Barbados Investment Development Corporation have embarked on a number of initiatives to ensure that we expose Barbadian entrepreneurs to the impact, the importance, the modalities of electronic commerce. To give an example of how these things begin to happen, one of the local supermarkets started offering an Internet order and delivery service.

Aside.

SENATOR THE HON. R. R. FARLEY: Yes, stay at home. I suspected it was a gimmick initially, but they started nevertheless. You could order supermarket stuff on the Internet and have it delivered.

It so happens that a visitor was in Barbados, liked the pepper sauce and when he went back to Sweden, he went on the Internet and ordered some pepper sauce from his Barbadian supermarket. These are the realities of doing business. We have to ensure that the depth of distance works to the advantage of the Barbadian entrepreneur. For the first time in history international marketing now falls within the opportunity, within the pocket book and within the level of affordability of the small entrepreneurs.

The average Barbadian entrepreneur, not even the large one, cannot afford advertising on CNN, the FOX Network, ABC or NBC. However, advertising on the Internet can be done at a fraction of the cost. So that we in this business of technological change and development must not see ourselves as just being the takers of what is out there on offer, but we have to use the technology to our advantage.

What the developed countries have developed hopefully for their own benefit, we have to do with what we did with cricket. Learn it and turn around and beat them at it. We could have taken the opportunity of cursing cricket and say, "well this is from over there. This is not good." But what we have to do is to take the game of the developed

countries, let us take what they have on offer, examine it, improve on it and beat them at it. That is what Japan did with technology.

What is required therefore is for Barbadians to have a mind-set and a confidence which recognises that we can be world leaders. Not just in an area that we have already excelled, but in business. And very often in my assessment we lose before we even fight the game because we tell ourselves that we cannot make it. And areas of electronic commerce and technology like the Internet provide for small indigenous producers of arts, crafts and writers...

Aside.

SENATOR THE HON. R. R. FARLEY: For example, I look forward to being able to locate Senator Davis' excellent book on African children of the diaspora via the Internet. I look forward for example...

Aside.

SENATOR THE HON. R. R. FARLEY: Remember, children of the African diaspora are all over the world.

I look forward to Senator Davis for example, expanding her international sales to such a volume that it may be sensible from a tax benefit point of view to establish an IBC – an International Business Company to handle her international distribution.

Aside.

SENATOR THE HON. R. R. FARLEY: I look forward to the day when, to quench my thirst, I can go on the Internet at Tiltman.com...

Asides.

SENATOR THE HON. R. R. FARLEY: ...where in the world I am able to find my favourite product. I look forward, Mr. President, when the international sales of Tiltman should increase to different parts of the world. Then it might be tax efficient for that entrepreneur responsible for Tiltman beer, Sir, to establish an international business company to handle the international distribution of the product.

Because what must be remembered is that in this very session of Parliament that we made an amendment to the International Business Companies Act to allow for manufacturing entities to be registered as IBCs. Remember as well that an amendment had been made some time previously, before this session to allow international business companies to purchase inputs, whether they be for manufacture or resale from Barbados. They cannot sell in Barbados, but it provides opportunity for IBCs to be used as

the marketing and distribution entities for locally manufactured products.

So these are all opportunities and possibilities which are not for some future persons and which are not for some abstract entity, but which are for individuals whom we know exist out there and in fact, not only out there, but whom we know of in here. This is the reality of it.

So I am making the point, Mr. President, in respect of electronic commerce, that the technology which is out there has to be harnessed at our advantage. And that today, even as we speak, our investment promotion institution, the Barbados Investment and Development Corporation is actively working with entrepreneurs to help them to understand how best to use it to their very advantage. All of this reminds us of the ever constant need to ensure that there is a close partnership between our economic opportunities and our education and training programme, what Senator Trotman referred to in the good very clear language which has now been rendered gender neutral, and perhaps neutralised, manpower planning. It is a constant effort. It is a challenge that will face this generation of leaders. It is a challenge that will face tomorrow's leaders and the leaders after that, and on and on.

1.00 p.m.

It is one of those issues where we need to ensure that there is a linkage between our economic opportunity, our national objectives and where we want to go as a nation. It must obviously be anchored in a clear understanding and a commitment to the preservation of our cultural norms and traditions because what we are talking about and, perhaps, what causes inertia rather than dynamism in terms of the changes we need to have are that many people are afraid that by adjusting the content and the methodology of our education and training, by adjusting the focus to more clearly mirror and to render our people ready for the new opportunities, that we will lose those timeless values which relate to the core values of education. I have no such fear.

What I am advocating is that whilst we maintain those core values which would ensure that the norms and values of the society, in terms of commitment to neighbour, family, nation, all of those eternal virtues, while they are maintained, we need to ensure that our content and methodology is appropriate so that the technology of tomorrow has to form part of the teaching today. The technology of yesterday cannot form part of the teaching today. The initiative, Mr. President, for example, like EduTech 2000 is part of that understanding of why we need to make changes to the qualitative aspect of education.

The issues of access, we have gone past that in its relevance right through the system. It is very important as well that not only do we have our primary right, our

secondary right and our main stream university right, but that we also have the other more specific institutions and programmes which are flexible, which are dynamic and which are able to anticipate and to lead the pace of training.

We need not be afraid, Mr. President, to train persons in areas for which there does not appear to be a job available yesterday. We need to know where there are new areas coming up and we need to train persons to capitalize on those areas. So whether it be, for example, in the International Business Companies Act, in the whole matter of ensuring that our people are ready and able to capitalise on the opportunities in the international business and financial services sector, we need to ensure that the training is there. In the areas of technology we need to do that.

I merely make that commitment that the Government is fully cognisant of the need to maintain that approach to the development of education and training and, in fact, we have been in discussion with the University of the West Indies and other interested parties on the whole matter of having a focus on the services sector as far as the wider aspects of it are concerned.

For example, Mr. President, we have been able to establish the Hospitality Institute out of recognition of the need to have specific training for tourism. We have not as yet gone far enough in amending the programme at the Law Faculty of the University, for example, to include either as part of their core programme or as post qualification programmes but are we focussing enough on the legal aspects of the international and financial services sector?

I should note with pleasure, Mr. President, that only last week the University of the West Indies did, in fact, sponsored a conference in St. Lucia on the legal aspects of the international business and financial services sector. I should note, as well, that in January the Law Faculty of the Cave Hill Campus will be having a one semester course in Foreign Investment Law. There are other aspects of the programme with which we need to deal with.

Mr. President, I could spend all day on this very important matter but I am sure that my time has disappeared on me. I will just very quickly also make note of the fact, Sir, that the Barbados model for economic development, particularly in the way we have handled our international business engagements, has now been confirmed to be correct. We did not engage in the widespread opening up of the investment market to the foreign financiers who now are withdrawing their money with maximum speed and leaving a large sucking sum in the economies of Brazil and the Far East. We have always been very careful in that regard and encourage investments more in productive activity than in speculation on the stock markets and that has been one of the measures that has insulated us.

Mr. President, I support this amendment to the International Business Companies Act and I stand side by side with the many Barbadian entrepreneurs who will benefit from this measure. I thank you.

SENATOR THE HON. P. C. GODDARD: Mr. President, in winding up this debate, I would like to thank Members for the many sound contributions they have made to this debate with the exception of certain flights of fancy that took place at one point. However, I would like to address the issue of education which I think is of prime importance and to let this Honourable Chamber know that the Ministry of International Trade & Business in conjunction with the Ministry of Education are in the process of developing a course of study at the University of the West Indies which will address the issue of services such as insurance, banking and information technology. That is particularly in the area of software development.

We have also worked assiduously at expanding the information technology stream at the Community College. Let me say something about education. The most valuable thing we can do in education is to leave individuals with a love of learning and to prepare them to adapt to a rapidly changing world where there will be continual need for skills upgrading and changing.
1.10 p.m.

That, Mr. President, is what our educational system is driving at. That is going to be the hallmark of our educational system that will create an ethos or a culture of continual learning whereby Barbadians will be ready to adapt to the ever changing technology realities of this world and the new environment that is unfolding before us. In that sense, Mr. President, the international business community has invested heavily in Barbados, recognising the development of our people and recognising the value of our people as they prepare themselves for working in this new global environment.

Finally, Mr. President, I would like to make mention of the fact that all the statistics certainly do indicate that there has been a growth in our economy, not only in the international business arena as Senator Farley most generously pointed out, but in our total community. In September 1994 there were approximately 9000 businesses registered in Barbados, that is from 1982 to 1994. Today, there are over 16 000 businesses registered in Barbados. That is almost a doubling of business activity in Barbados in a short four-year period of time. By any measure, that is an astonishing achievement, Mr. President, and I would have to say that the local business community has benefitted from the growth of the international business community and that the work of both the Ministry of Industry and Commerce and the Ministry of International Trade and Business has obviously borne fruit and has helped to develop our economy.

With that, Mr. President, I move that 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. P. C. GODDARD, the SENATE resolved itself into Committee on the Bill, His Honour Senator C. L. BOLDEN in the Chair.

COMMITTEE

Mr. CHAIRMAN: The Senate is in Committee.

Clauses 1 to 4 were called and passed.

On the motion of Senator the Hon. P. C. GODDARD, Mr. CHAIRMAN reported the passing of one Bill in Committee and Mr. PRESIDENT resumed the Chair and reported accordingly.

On the separate motions of Senator the Hon. P. C. GODDARD seconded by Senator the Hon. R. R. FARLEY the Bill was read a third time and passed and cited as the International Business Companies (Amendment) Act, 1998.

SUSPENSION

SENATOR THE HON. R. R. FARLEY: Mr. President, I beg to move that this Sitting be suspended until 2.15 p.m. today.

The question that the Sitting do now suspend until 2.15 p.m. today was put to the Senate and agreed and Mr. PRESIDENT suspended the Sitting accordingly.
1.20 p.m.

RESUMPTION

Mr. DEPUTY PRESIDENT: The Senate is in session.

ORDER NO. 2 – BILL TO AMEND THE FINANCIAL ADMINISTRATION AND AUDIT ACT, CAP. 5

SENATOR THE HON. R. R. FARLEY: Mr. Deputy President, I rise to move the second reading of this Bill, a Bill to amend the Financial Administration and Audit Act, Cap. 5 of the Laws of Barbados.

This matter of the financial administration and the auditing the accounts of the Government of Barbados really has its grounding in Cap. 9 of the Constitution of Barbados where provision is made in that chapter for the establishment of the Consolidated Fund, the establishment of the office of the Auditor General, the requirements for Estimates of Expenditure to be prepared and sent to the House of Assembly and the like.

Further details of the financial administration requirements are then captured in Cap. 5 of the Laws of Barbados as the Financial Administration and Audit Act.

Further to that, Mr. Deputy President, various rules are made. For example, Mr. Deputy President, the Financial Administration and Audit Financial Rules and the Financial Administration and Audit Supplies Rules. These together, Mr. Deputy President, form the basis of the framework within which the financial affairs of the Government are administered.

Now, Sir, what is being proposed today and what is before us at present are the amendments to the Act which will also in the course of the introduction of the second reading of this Bill also make Members aware of the plans which are in train for new rules to be made to the Financial Administration and Audit both supplies and financial rules in order to ensure the more efficient and indeed the more efficacious administration of the financial system of Barbados.

Mr. Deputy President, amendments to the legislation have become necessary really by and large as a result of a number of technical changes such as the change in the titles of a number of positions, particularly the Director of Finance and Planning position having been renamed the Director of Finance and Economic Affairs but also the introduction of electronic equipment into the maintenance of records both from a revenue collection perspective and from an expenditure perspective.

Therefore, Mr. Deputy President, a number of these changes have become necessary. In fact generally speaking, Mr. Deputy President, there have been both evolutions in terms of the accounting practices which are now part of the standard accounting procedures in professional accounting circles as well, Mr. Deputy President, of the fact that the commercial practices have changed over the years and Government if it is not to inadvertently impede the normal course of business transactions issues, for example, like matters relating to the acceptance or non-acceptance of cheques. For example we have the situation where a number of Government Departments some accept cheques and some did not. The Financial Rules which are amended now indicate that officers shall accept cheques unless they have reasonable reason to doubt the authenticity of the cheque. So that a normal decent outstanding citizen of Barbados should be able to pay Government by cheque unless the officer knows that the person is not in truth and in fact a decent, upright and outstanding citizen. But those changes to commercial practices, the whole matter of the introduction of technology into the way we do business, the use of computers, the previous Act and Rules did not recognise that accounts could be maintained other than by a manual system or that cheques could be printed out of a computer or that

signature in today's modern context also relates to what are known as facsimile signatures. You feed your signature into the computer and your computerised cheques complete with authorised signatures are generated. Those things were not possible under the existing Act and indeed the Rules to the Act.

I will go through these changes in detail in terms of the amendments that are proposed but I am outlining, Mr. Deputy President, the basic reasons why the changes would have become necessary.

So, Mr. Deputy President, going through the amendments that we have proposed in this particular Bill, first of all as indicated, the change is necessary to have reference to Director mean Director of Finance and Economic Affairs rather than Director of Finance and Planning which is a post that is no longer used, Sir. The opportunity has been taken to clarify some definitional issues in terms of public debt and the meaning of short-term loans, short term according to the Act, is 12 months. Short term and long term have always been matters of opinion and those needed to be clarified.

Mr. Deputy President, the amendments, Sir, to section 11 of the principal Act, Section 11 deals with the matter, Sir, of the control of expenditure and revenue and basically, Sir, the limits involved are being increased from \$1 000 to \$5 000 in terms of the authority which the Minister of Finance and the Cabinet would have for remission by way of remission of revenue, Sir, which is due.

Mr. Deputy President, the other major area which I would want to zero in on in terms of the amendments, Sir, as many of them are fairly technical amendments, but another major area relates to the amendment to Section 25 of the principal Act to include a section 25A which make it very specific. The original section 25, Sir, relates to advances to the Government, Sir, but section 25A also makes provision that where the loans are given by the Government to Government enterprises, for example, loans to the Central Government and Statutory Corporations, as well as non-Government enterprises, that they must be secured by way of appropriate arrangements, a proper loan agreement, debenture mortgage or other proper circumstances which are appropriate and that is for loans in relation to ...

Aside.

SENATOR THE HON. R. R. FARLEY: Now, Mr. Deputy President, section 26 of the principal Act made provision and outlined the duties of the Auditor General. What is being proposed, is that an additional section be added, Sir, to deal with the matter of value for money auditing.

Now it is known and it is widely accepted in audit circles both in private practice as well as in Government auditing, the whole concept of value for money auditing is important. The function of the auditor is not simply to count the numbers and see if the numbers add up but also to engage in measures of efficiency. I should make the point of course that there is still a qualitative gap between value for money auditing and engaging in exercises of opinion as to the suitability of a particular course of action. So that, for example, it is the Auditor General's responsibility to audit the finances of Government of Barbados including providing as well for the Auditor General to, in the words of the amendment, to carry out examinations into the economical, efficient and effective use of resources of any Ministry or department or any other entity required to be audited by him. Of course it goes on to clarify the point that that particular section shall not be construed as entitling the Auditor General to question or review the merits of the policy objectives of Government in respect of any Ministry, Department or Statutory Body. Just to make the quote correct, Mr. Deputy President. It went on to indicate that the capacity to review and to look at the efficient and economical use of resources should not be construed as intending the Auditor General to review the merits of Government policy in respect of any Ministry, department or statutory body.
2.30 p.m.

What that is basically saying, Mr. Deputy President, is that the Auditor General is not a substitute for the people of Barbados. If a Government as a matter of policy decided that it wanted to build a road in a particular location, that it wanted to construct a building in a particular location, that it wanted to spend money on one aspect of health or one aspect of education, the Auditor General's function would be to ensure that in the particular project, given what the project proposals had been, what the plans were for the expenditure, what the plans were for its staffing and operation that there has been an efficient and economic use of the funds for the particular stated purpose. It is the public of Barbados, the electorate of Barbados, who will ultimately make the decision as to whether in terms of policy objectives, whether an appropriate authorisation was made, whether in their opinion, the funds could have been better spent in something else. That is important, Mr. Deputy President, because at the end of the day the Auditor General as an individual person has a personal private opinion. He can figure that it might have been better to build an auditorium rather than a highway or build an office complex rather than a hospital. That is his view; but the public of Barbados are the ones who will make that decision.

So, Mr. Deputy President, the Auditor General will, in each stated project of Government be able to look at that project on its merit and give a view as to whether there has been value for money: has the highway been built in the most efficient way possible, has expenditure on a given hospital been done in accordance with stated Government's policy

with the rules and regulations, has there been value for money?

His is not the role to question whether it should or should not be done. That is important. Value for money audits is one of the modern, accepted areas of auditing both in public and private practice and it is one of those areas that is important to Barbados if we are to ensure that the public purse remains intact not by looking to see if anybody has stolen any of it but by making sure that we get value for money.

If there is one problem that we need to have in Barbados is making sure that we are able to have value for money – are we getting the best possible returns from the expenditure which is made from the public purse. Introducing this value for money auditing and concepts of zero based budgeting and so on that are used in the accounting professions is important for us. The Act, of course, reinforces the Auditor General's capacity to have access to all of the information which is required to do the job.

Another important aspect which I want to zero on is that this Financial Administration and Audit (Amendment) Act specifically empowers the Auditor General to engage private professionals to help, which is important, Sir. We must be able to make use of all of the best possible professionals' advice and support in all aspects of our national development. The reality is that in planning for a permanent core staff, one has to plan for what is an average level of work which will be undertaken by a given department. So the Auditor General's Department from time to time will have special tasks to undertake. There will be special investigations which may stretch the capacity of the Auditor General's Department and therefore the legal entitlement to hire professional staff will provide lots of ease especially within the framework of value for money auditing.

The Auditor General may from time to time want to engage in a number of special projects. We have for example had the benefit of a study undertaken by the Auditor General's Department in the school meals service to look to see whether Government was obtaining value for money in terms of the objectives of the department to deliver meals to thousands of Barbadian school children throughout the school year and for the money that they were spending. The Auditor General was able to identify a number of areas in which improvement could be made so that for the sums that we were expending we were able to obtain better results. We have had the benefit of the Auditor General's value for money assessment in a number of other departments and that will continue to be so.

It is in those areas particularly and at those times when investigations either on a value for money basis or where

there is some suspicion of activities which are contrary to the financial rules are occurring that the Auditor General will need to hire in some professional services and that is extremely important.

Those simple amendments to the Financial Administration and Audit Act are also accompanied by amendments to the Financial Rules and this is particularly important. Part of what the Auditor General does, in fact, one of his principal functions is to investigate, to review and, generally, to audit Government's accounts to ensure that the accounts have been kept and that expenditure has been incurred in accordance with any laws, rules or other enactments which are enforced. Therefore, the Financial Rules provide guidance to accounting officers and the accounting officer in each Ministry would be the Permanent Secretary because the public will not know but politicians really do not spend money.

Mr. Deputy President, the accounting officers are guided by the Financial Rules and provision is also made for them to be charged if they incur expenditure in breach of the Rules. The amendment of the Rules, Sir, Rule 8, for example, deals with the matter of how one should go about representing oneself if there is difficulty. It says an accounting officer can be surcharged. In other words, he is personally liable if he should incur expenditure to make Government spend money without authorisation. However provision is made for the protection of the accounting officer that if he is being instructed by the Minister or by a senior public officer, if he is being asked to take an action in which he is in disagreement because it is in breach of the rules, if the rules say that you can only spend a limit of \$1 000 and someone is saying, "spend \$1 200" and it is a breach of the rules, then provision is made for the Accounting Officer, in order to ensure that there is prudent administration and to carry out his obligation to see that work of the department is carried out with the avoidance of waste, extravagance and with priority that if he disagrees with the proposed action, he can set out his disagreement in writing.

2.40 p.m.

Then further, Sir, it goes on to talk about other things; that we also thought that it was important where officers may feel as if they are being pressured, even though there is provision in there for them to express their disagreement in writing, we also felt that at the end of the day; that the Minister's accountability should also be increased and should also be represented in terms of the financial rules.

So that just like the Accounting Officer, the Minister can be held personally liable for loss or wastage as a result of the improper use of public funds where he instructs a public officer in writing, to incur expenditure even though in accordance with the earlier section, the Minister has been advised in writing by the public officer, that to do so would be a breach of the rules, very simple.

The rules are no secret. The financial rules are there. They are available. All public officers when they are appointed are given copies of the rules. The rules set out quite clearly what can be done, where permission is needed by Parliament, where permission is needed by the Minister of Finance, where permission is needed by the Cabinet. All these rules are clear. So that if a Minister from here on into the future in Barbados feels that he must in writing say to the Accounting Officer,

"I hereby instruct you to do this thing,"

and the public officer writes back and says,

"For the Minister to do so would be in breach of Rule 12(6) or 15(a)"

and the Minister says,

"Notwithstanding anything you say about breaking the rules, I want you to do that,"

And it is done, well then, the person who ultimately, knowingly, wilfully disregarded the rules obviously would have to be personally liable.

So this is not a case where there is a judgment call and a decision was taken to do a project and the project failed that you are saying that because the project to send a man to the moon might fail that someone, becomes personally liable. We are talking about, where there is a breach of rules, where the breach is drawn to the attention and yet, in spite of that there is a wilful and deliberate plan to disregard the financial rules which are crystal clear. And where, if expenditure needed to be incurred there is provision to go to the Minister of Finance, the Cabinet or Parliament and get all of the necessary permissions, but the Minister still persists. It is our view on this Side that this will strengthen the accountability of those involved in the process.

The Accounting Officer already has his piece locked in there. We have increased that, but also specifically naming the Ministers to ensure that they do not push public officers to breach rules and then be able to say,

"Well, we are not accounting officers, we did not do that, it was those fellows over there who did it."

So, Mr. Deputy President, the rules also go on to make it quite clear that in an era of computer documentation and record keeping, accounting officers have responsibility to ensure that appropriate safeguards and controls are maintained to ensure the integrity of the documentation.

Now, we know, Sir, that documentation has a funny way of disappearing sometimes – coincidental, I suppose, but documentation could disappear sometimes especially when it is needed and computers then are even doubly tricky in this

regard. Remember, these are the rules and if the rules had only specifically, as in their earlier form only recognised documents and the rule would have said before that all receipts, licences, permits, certificates and other documents used in the collection of revenue are properly safeguarded and accounted for. And, one could reasonably argue that on the pure technical legal grounds that a computerised record is not a receipt, licence, permit, certificate or document. So, if we are going to introduce computerised accounting in the public service, we want it to specifically name computerised measures and to require that accounting officers ensure that appropriate safeguards and controls are in place. So the Auditor General would be checking to make sure that not only the numbers add up, but that safeguards are in place.

Also, that appropriate passwords, for example, and matters of physical security of the documents and the records are there to make sure that only authorised persons can write over records. So that where a person using a system to enter receipts of cash from the public for example, any errors, changes and so on can only be made by authorised persons. So that no person can then go in and adjust the computer record to show that a smaller amount of cash has been taken and then find some other means of disposal of what will then become the excess cash.

It is important, Mr. Deputy President, that these rules be amended to reflect the reality of computerised information systems and to require those involved to have those systems very much in place.

Mr. Deputy President, the rules also go on to say that we are amending the rules, but making it quite clear that all accounting records must be carefully preserved and shall not be destroyed except with the prior approval of the Auditor General. So nobody can say that,

"We only keep them for a year and then we destroy them" or, "As soon as we write up the Bill, we destroy the other thing"

And everyone has their own system of 'to keep' or 'not to keep', 'to destroy' or 'not to destroy'. Because destruction of records in short order seems to becoming a little more commonplace than it was some time before.

So, we want to be sure that in terms of the financial administration of the affairs of the Government of Barbados that it is quite clear; and that the Auditor General's prior approval, so there is consistency and knowledge...

Aside.

SENATOR THE HON. R. R. FARLEY: If you feel that your records are old, you have too many boxes of them, they are cluttering up your place, you just cannot put them out in the garbage; you just cannot burn them or, write the Auditor General and say,

"I am just short of room. I have these five-year documents, these one-year documents...whatever,"

and the Auditor General must give permission before these documents are destroyed. It is very important, Mr. Deputy President.

Now, Mr. Deputy President, another area in which the financial rules are being improved in order to ensure that modern commercial practices are brought into Governmental operations in order to speed up the process of doing the business of Government, is the matter of allowing for facsimile signatures and stamps to be used with the approval of the Director of Finance and Economic Affairs.

Those of you, for example who receive cheques from insurance companies and other large financial institutions will find that what they basically get is a computer generated cheque with the numbers printed in and the signature stamp of the Treasury Manager, the Chief Financial Officer, the President, whomever are the authorised officers. You do not have to wait for those guys to come back from lunch, or to come back from holiday to do it when they feel like but with a strong system of record keeping, a strong system of documentation, clear lines of authorisation and a clear audit trail that once everything is in order, your routine payments can be made.

2.50 p.m.

Government, just like the insurance companies and so on, would be able to have the legal authority where it has to make payments to individuals to be able to use computer generated cheques, to be able to speed those things up and to avoid delays by having to wait on individuals to affix their signatures and so on. Mr. Deputy President, provision is made in the amended Rules for that to be done. That would certainly strengthen that.

Additionally, Sir, in that vein, the Rules also now specifically make provision for receipts and other forms to be issued using computer generated forms. For example, you will find that in a number of places you may go to the Barbados Licensing Authority. The Licensing Authority is one of the agencies that would seem to be half-way computerised and not the half computerised in that you get a renewal form generated as a computer slip. The renewal form has your car number, your engine number, the expiry date and so on. But yet when you go to renew, you present this form then a clerk goes and pulls out the usual record card with all the attachments, he writes in the information and then they take your computer slip and your insurance information over to the cashier and clerical person. They write up the circular license list and the attachment on the side. I think sometimes they actually key the information in but your receipt is all handwritten when, in fact, if provision had been made and was technically not recognised as part of what could be done, there was nothing in the Rules which

specifically gave permission for computer generated receipts to be given. There were receipt books which were to be produced by the Government Printer. They all had to be in quadruplicate. They had to be numbered and there was a particular system in which that had to be done.

What the Rules now make provision for is for computer generated receipts and other documentation to be issued on computer forms. There are, of course, other controls in there that all these forms have to be issued by the Chief Supply Officer so that persons do not bring their own forms, their own numbering and their own trail and so on. That is part of what one needs to do if one is implementing new computerised-based systems. There have to be clear controls set in place as well.

We would expect that with an amendment to the Rules, and an improvement in the financial administration that areas where the public have to interface with Government Departments to pay bills, rates and taxes, to get licences and permits, that there should be a faster, smoother and more efficient operation.

Mr. Deputy President, in that regard, the amendment to the Rules reads as follows, for example: "A cheque shall be accepted in payment of revenue and other monies if the officer receiving the cheque has no reason to doubt its validity."

We have all had the experience of going to one Government Department and they would take your cheque. You go to another Government Department they would say: "We do not take cheques." Or, if they say they take cheques, they tell you: "You need to bring a certified banker's cheque." To go to get a certified banker's cheque it will cost you money, it will cost you time and you could as well go to the bank, get the cash and come back and let us all be friends.

Mr. Deputy President, that change will allow Government's commercial practices to more closely mirror commercial reality. Government's commercial practices have, over time, lapsed behind what is normal and reasonable in normal business circles and these measures are among those and several others which would seek to strengthen the basics of the system.

Mr. Deputy President, those are but a few of the measures which are being implemented between the amendments which are being made to the Financial Rules and the amendments which are being made to the Financial Administration and Audit Act.

I should tell you, Mr. Deputy President, that the Rules are rules which are made by the Cabinet and that the Rules to which I have referred have already been approved and that

the Rules are to be gazetted. There were one or two aspects of the Rules which depended on a change in the legislation. The Rules have already been there. They have been approved by Cabinet and they merely await the passage of the amending Bill for the new Rules to strengthen the financial administration and audit regime of Barbados to be implemented.

We are satisfied, Sir, that the amendments to this Bill will result in increased accountability of accounting officers and of Ministers. We are satisfied that the amendment to the Act will result in the Auditor General of Barbados being in a better position to ensure the efficient and economical use of the public funds of Barbados.

We are also satisfied that with the amendments to the Rules which have been approved by the Cabinet and are ready for implementation that it will become easier. There will be a better business friendly environment between the public at large and those departments with which they have to interface by way of doing business.

I commend the amendment, Sir, to the Financial Administration and Audit Act to the Honourable, the Senate, and beg to move that this Bill be now read a second time.

SENATOR J. D. E. BOYCE: Mr. Deputy President, I rise to make my contribution to this Bill, the Bill that would amend the Financial Administration and Audit Act as outlined. Of course, we have to keep abreast of the times that we live in, and indeed, of the technology which we use and, in a lot of ways, the amendments proposed seek to deal with these matters. The Honourable Leader of the Senate has dealt with most areas of change in this regard.

3.00 p.m.

Sir, the underlying concern about change is always what effect it has, what is the effect of this change in respect of not only the outcome that we see but the people that inevitably have to administer the change.

Sir, when the Honourable Leader of the Senate described the post of the Auditor General the responsibility which he gave that person, gave me the impression that this person had to loom very large because acting on his or her own they would have had responsibility for a myriad of things including, of course, I recall the last item I heard him refer to, the authorisation of destruction of any Government property. The point I want to make is that the Auditor General does not act alone in these matters. Indeed, the officers, the members of the public service are the ones who will have to bring about the change and to allow us to arrive at a system which allows the ambition of the amendment to be realised.

Even before the amendment there are systems in place for destruction or the getting rid of items that are wasted.

When I say wasted, I mean items in Government which are no longer useful and there are systems in place to get rid of these items. I do not believe that the emphasis that is now being given by the Honourable Leader of the Senate to the fact that the Auditor General 'will now be personally be responsible' and 'only in a letter to the Auditor General' and 'a reply from the Auditor General' can one get rid of a piece of broken furniture for instance one of the tacky chairs that is lying around the basement of this building.

SENATOR THE HON. R. R. FARLEY: On a point of order, Mr. Deputy President. The Honourable Member is misleading the Senate. The statement that I made and the reference that is clearly there in the Rules speaks to documents. There are two separate aspects of the financial rules, one relates to the disposal of disused property. I did not mention that in my notes because that is quite clear because the limits have been increased from \$1 000 to \$5 000 and the Accounting Officer can without calling a board of survey deal with that. What was new to the financial rules is the matter of the destruction of documents and that one now needs the specific approval of the Auditor General to destroy documents which is an entirely different matter from disused items of property like furniture and equipment.

SENATOR J. D. E. BOYCE: The only point I want to make, Sir, is that the Auditor General cannot carry out his functions alone and that we must seek to ensure that the persons in the public service who will be charged with the responsibility of ensuring that these new activities are carried out effectively and efficiently, must be so armed.

Sir, it brings us to the question of the whole area of public sector reform and where we have gone in the past four year since that herald have been trumpeted by the Barbados Labour Party and the responsibility, luckily for us the responsibility for that area lies with the Honourable Senator Murray who is here...

Asides.

SENATOR J. D. E. BOYCE: He is awake now and after my contribution he will no doubt elucidate as to where public sector reform has got in Barbados under his time. What we say with our mouths and what we see with our eyes is sometimes entirely different. Certainly the wider ranging problem of implementation of change in the public sector has not, to my mind, been satisfactorily tackled. One has to remember that as we go into an institution and we want to introduce new rules, we want to move from a position of record keeping by hand, we want to move to a situation where our officers are now asked to enter information into a computer system which is freely available although limited as the Honourable Senator quite rightly pointed out, by password access *etcetera*. People are beginning to be challenged in their jobs. You begin to feel that what was

your preserve is now being challenged. What has the Government of Barbados in the last four years done to prepare the officers of the public service for this change? Are they in a position to take over this system, to take over the computerisation swiftly?

It is all well and good and I keep asking. We are passing these amendments today and the accompanying rules. What is the date of implementation? When will we realise the ambition of the Honourable Leader of the Senate in which the time between application for a payment and actual payment is shortened to a realistic, say, two or three weeks? When will it happen? What is the expected time of arrival so to speak of this change? These are the kind of questions that we want answered. Or are we engaging solely in grandstanding again as this Administration has become very, very famous for? In time when the climate is right they will want to parade before Barbados that they are doing this and they are doing that to change the system. They are securing this and securing that when in truth and in fact the changes are little more than cosmetic. The question has been asked in the Other Place, where is the penalty in respect to the Minister who we now say is liable and responsible. Where is the penalty? If there is no penalty, what are we all about? What is the exercise all about? Those are the questions that will rise up in the minds of Barbadians as they examine the whole change that is contemplated by this legislation.

In the case again of the computerisation. We have to remember too that the cost and the training that is required and the protection of the systems. I note, Sir, with interest that there has been inclusion to take care of protection because we know that computerised systems are specially vulnerable to what is termed in the wider world as 'computer hackers'. I am sure that any system which a Government would undertake would be suitably protected. The question is, what is the cost? Where is the training, these are the kinds of things that have to be explained. We have to be sure that the country, the public service is ready for the change that we contemplate. Other than that, we can be easily accused of merely trying to introduce a set of measures aimed solely at giving the impression that the Barbados Labour Party's Administration is intent on one thing or the other.

The question of the Auditor General's work does not cause any divide between the two political parties in this country whatsoever and it never will. I believe it never will. The question of the accountability for the finance of this country must never cause any divide between the two political parties of this country. And it does not cause any divide at this time. The point we want to ensure is that we are in actual fact carrying out a change that will make a difference or are we passing amendments for passing amendments sake? The Barbados Labour Party has been in

Government for 4 years, Sir, and this is not the first time that they should have been aware of the need to address the question of accountability because the Auditor General's Report, since 1996 and even before, has referred to instances under their watch which have raised questions with the auditors of the Government finances. So they have been fully aware for all this time of the fact that the Auditor General was not totally satisfied with the manner in which things were being done in all areas of Government. So again the question in my mind is, why the timing? Why was not this done in 1996? Why wasn't it done for instance, Sir, after the publication of the report of 1996 where questions were asked about issuing of contracts, questions were asked about the use of money in the Ministry of Education for instance for buying braids and that kind of thing, the misplacement, and I want to quote accurately, Sir, because I see Senator Barker twitching, Sir. Page 84 of the 1996 report, Sir, under primary and composite schools, section 326.1 – Payments totalling \$4 163.40 were made for supply of costumes, for supply of braids and lunches for crop-over bands for kadooment celebrations. There was no provision under this subprogram for expenditure of this nature so these are the questions which come up in my mind.

3.10 p.m.

If in 1996 the report of the Auditor General refers to that, if this were an administration who was trying to tidy up or to make sure that it did not happen again, I say, Sir, they should have acted then and that is my position. They should have acted then.

Again, Sir, they should have introduced the amendment then, right away. That would have demonstrated that they were interested in making sure things were done right.

In that same report, page 74, Sir, section 3170 – Quotations and I believe this is under the subprograms Fisheries and Development Measures, quotations were received by letter dated 26th March, 1996 for preparing walls, supplying and installing ceramic tiles to 10 butcher stalls at Fairchild Street market. The company was advised of the requirement to enter into an agreement with the Ministry before any work was commenced. However the Minister prepared a payable order of \$23 880 on the 26th March, 1996 and issued the payable order to the company on the 28th March, 1996.

A visit to the site, this is very important, Sir. A visit to the site at Fairchild Street market by the auditors on 12th April, 1996 revealed that the work as outlined on the voucher had not yet commenced. The point I want to make, Sir, and this is where the divide will occur. The timing of the amendment that we have before us, Sir, is deliberately calculated by the Barbados Labour Party for political expediency. That is my point, Sir. My argument is they could have done this in 1996 to demonstrate that they wanted to see change but they are not as interested in seeing change as they are in ensuring that they make the maximum political

mileage out of every event. That is the *raison d'être* of the Barbados Labour Party Administration, Sir. Simply that and nothing else, Sir, so we need not raise any eyebrows at this amendment. It is one which should have come a long time ago and if I were in Government as Senator Farley erroneously likes to say, if I were in Government previous to 1994 as he likes to give this Honourable Chamber the impression that I was a Member of Government, I was not, but if I were I would have ensured that these types of changes would have been introduced long ago.

The other thing I would have ensured is that there was some penalty attached to the discovery of any infelicity on the part of anyone. There is no reason why one person should be responsible and not another. Sir, this question of public office is very, very serious.

I have heard other political organisations, some still active, others inactive, talk about the whole question of integrity legislation. I am saying again it is time that these matters be addressed. They must be addressed. We have to have very serious systems of accounting for the way public officers, including Members of Parliament and Ministers operate in this country. I have no qualms about that whatsoever. I have no quarrel with that situation. We must ensure that, Sir. We cannot continue using opportunities as they might occur for political expediency, trying to grandstand in the public arena purely to give the impression and purely to give the public the impression that here is a Government who is ensuring this or ensuring that, Sir. The whole objective is to create the public impression that the Barbados Labour Party is now about to enter into a new era. They have sat down for 4 years and not done it and my charge this afternoon, Sir, is that if they were about serious corrections in this area, Sir, they would have done it long time ago. They would not be standing now, Sir, at the eve of an election campaign ready to launch into the window dressing because I have asked the question and I am not hearing any answers. Can the Barbados Labour Party assure us that the public servants who are to implement these changes are they in a position to do this from tomorrow? I am not talking about some, Sir. This is a situation where everything has got to come together so we need to ensure Barbados that we are in a position to implement these changes effectively and to implement them timely, Sir, otherwise than that, like in so many other acts of the Barbados Labour Party Administration they will be accused of political grandstanding by the public of Barbados. That is where it is at.

Aside.

SENATOR J. D. E. BOYCE: You can talk about the enquiry. There are numerous enquiries that could go on in Barbados all the time, Sir. Of course somebody wants locking up. The question is who. I am not going down that road with them, Sir. When they have their opportunity to

speak, Sir, they can lock up whom they have to lock up. My position is clear. As far as Senator Boyce is concerned, there is a requirement for stringent control in respect to the management of public affairs in this country and any politician who is given that honour to serve at that level in his country, any individual, must be in a position to answer for anything that occurs under the watch and to answer reasonably.

3.20 p.m.

There are occasions of course where something might happen that is genuinely beyond the control of the person. It happens in the private sector too. It happens in the public sector, but this can be demonstrated and by investigation we can learn from our mistakes. We cannot have a re-occurrence.

I am saying that the Barbados Labour Party has sat on this situation for four years but have now found it timely as a manifesto act to bring out this change at the eleventh hour or the twelfth hour so to speak as we move into a general election campaign. That is their business. They have their government to run and they run it their way and when the time is ready the arguments will be taken to the people of Barbados and they will make their choice, so we need not fear in this regard.

Sir, the question of the amendments as far as the rules are concerned are not areas of contention in terms of the objectives but certainly by way of what is different. That is my question. What is going to make the difference between what happened in 1996 and what happens today?

We are still encountering instances of which the Honourable Members over there have not been able to provide any answers. We have a situation where people are transferred under very questionable circumstances and yet we hear nothing about it. These are senior people in Ministries.

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

SENATOR J. D. E. BOYCE: In acknowledging your ruling, Sir, I withdraw the offending statement. But I want to say that in this question of accountability it is a two-way thing. The Auditor General will not be in a position to administer all these regulations and rules. He is going to depend on loyal Barbadian civil servants, public service workers. They must therefore have a confidence about their work, about their tenure, which would allow them to act responsibly, and I am sure most of them, all of them, are of that intent.

When we go around as Ministers or we go around as persons in authority and we act in this way in which we

dismiss or remove officers willy-nilly from posts, be it in Government or in private sector, Sir, we destroy that confidence. We breach the security of these officers. It happens in the private sector too and when they do it, I criticise them in the same way that I criticise the public sector. The Minister, if the Minister does it, that is the same way I will criticise him as I would criticise the public sector.

We spoke already about a situation in some of the industries in Barbados. It happens all the time where if managers cannot get their message across they resort to the big stick attitude. We have seen a situation where we remove everybody, we remove all the top brass and yet still the situation does not repair itself. As a matter of fact, it gets worse. Sometimes we have to ask ourselves if we would not have more benefit in the private sector to remove the boss or in the case of the Ministry of Health to remove the Minister. That would be more appropriate action to take if you want to see progress sometimes in these measures.

So, Sir, we cannot on the one hand ask people to develop new ways of working and yet not give them that confidence that they can act in a clear understanding that what they are doing is respected, is correct and will be fully supported by their colleagues.

Remember we have a public sector who in a large measure are older members of our community, a lot of them between the ages of 40 and 60. We have a large number of the public sector in that range, people who have been accustomed to one way of working and one way only. We have to put in place systems which can walk these people through these changes. We have to get officers into the departments to hold the hands of these workers and take them through this era of change so that the ones who have been accustomed entering all the information by hand, holding the LPOs literally in their bosoms and putting them in desk drawers would appreciate that an LPO is no longer so much a piece of paper but a contract in the record of the Government and the management of this country. It really is not worth anything except it is in the contractor's hands or the Government's hands, in this case the person responsible for the final payment in this case I would assume would be the Auditor General.

The persons doing the work are merely conduits. We have to go through that retraining process and sometimes when I hear the programme, which the Minister organises in his public sector reform programme, he probably does not understand the magnitude of the situation. It is not about parties and giving gifts. It is about a lot more in terms of placement of the correct kind of use of human resource persons in the department. It is about access to training. It is about giving that confidence to the existing workforce in our respective departments.

The financial management of Barbados has been always under tremendous pressure and we all recognise that when contractors do work, when anyone supplies an item for anybody we want that payment quickly. Sometimes it is not because we want to have the money but sometimes it is out of an urgent need for the money. So I certainly will welcome any situation which will improve the time span between the actual effecting of the work and the payment for the work and that the work is done properly.

3.30 p.m.

Because in the case certainly of many small suppliers, we try to encourage, that is if the policy of the Barbados Labour Party is to encourage new and small business, as we try to bring these people in the net, we have to remember that they will not have the traditional access to the traditional capital which the regular suppliers might have. So they will be probably borrowing, sometimes at their own risks and their own profit and we will need to be able to satisfy that payment in as short a time as possible.

So in respect to that kind of objective, again, on this Side, Sir, we have absolutely no quarrel. I would love to see the day when one can expect payment within two to three weeks of delivery and that is important – delivery of goods and we must talk about delivery.

Delivery does not only include delivery as letting the items appear in the place where it should be, but ensuring that it is the correct item. Because sometimes contractors do not appreciate that they must deliver the appropriate item or goods or service based on the contract or the order which has been issued, Sir. We have to teach that lesson and ensure that business is done in a very businesslike way and people do not believe that, because it is the Government we can get away with these kinds of things. But there are occasions when sometimes the foot has to be put down. I think that we are in a position where we have to ensure that suppliers supply exactly as required, Sir, and only that would be acceptable.

Sir, the acceptance of facsimile messages, the reference by the Minister for things like the Licensing Authority, I think all that is certainly appreciated on this Side. It is appreciated by Barbadians, the long queue of persons who have to buy licences, the long queues of persons paying water bills and these kinds of things. You see, Sir, that is all well and good. But we also have to make sure that the system allows for all members of our society to take advantage of this proposed change. Because I do not know of any announcement, beside the one I heard today, to change the arrangements at the Licensing Authority to make them more friendly.

We have a large number of the population too, who are older people and indeed what are we looking at in terms of making life easier for them in respect to paying their water

bills and licences? Because after retirement, we do not stop driving. We look forward to a lifetime after retirement. A lifetime which includes all the pleasures which were not allowed while we were at work and we want to be able to ensure that these people can participate fully in them.

As we see about changing the way that these records are kept, as we look into ways of changing the way in which the licences for vehicles are issued, we need to remember that we have a large population of older people who need to be very carefully handled. I believe that in a lot of these changes in Barbados we sometimes forget that we have an old aged community who, in my opinion, is not treated satisfactorily.

On the question of the disabled, how are they going to fall into line with these changes that are envisaged with respect to using facsimiles in respect to electronic accounting, *et cetera*? How are they going to be, because these are people who might not immediately have access to this kind of arrangement, Sir?

So, Sir, while not opposing any specific item in the change, everybody accepts that the time has come when these changes would be required. Some of them are postdated because the change has already occurred in the department. We must however, make the point that the Government of Barbados must remove the aspect of electioneering and propaganda from these items. And to make sure that they approach these things with a continuum.

For example, if in 1966, in 1976, 1986 or 1996 something is drawn to the attention of Government by the Auditor General that needs to be corrected; I feel it should be corrected right there and then. There is no need to wait to position oneself in a way as to gain the greater political mileage, as is clearly the action of this Administration.

Sir, with those few words I will submit as my presentation in respect to this amendment.

Thank you, Sir.

Mr. DEPUTY PRESIDENT: The President will resume.

Mr. PRESIDENT: Senator Murray.

SENATOR THE HON. G. S. H. MURRAY: Thank you, Mr. President. Sir, after listening to the culminations of the last speaker, I am not sure exactly what he is trying to say, I am still at a loss. He attempted to make connections with several subjects. He never quite, as they say and as the lawyers in here would appreciate, formed the nexus between what he was saying.

It is really hard to nail down any specific charge that he made. He is accusing the Government of virtually everything it does these days as electioneering. He seems to be scared of the elections although he wants to boast in here time after time that it is only time now, a few weeks, months, days and we will take over the Government. So what are you scared of? Are you afraid to lose again? You should be begging, you should be glad for electioneering.

Mr. PRESIDENT: Please address the Chair.

SENATOR THE HON. G. S. H. MURRAY: Mr. President, I am sorry Sir, of course you are not part of the electioneering.

The Honourable Senator is trying to establish that what we are doing now, we should have done before, in 1996. It is just as if this Government had decided, Sir, to repay the 8% and his Party would say that you should repay it for Christmas. They are double and triple guessing just for elections. I do not understand what he is worried about.

Also, he quoted some instances where there was some criticism made by the Auditor General about a couple of departments. He made it seem as though the financial health of the Barbados public service was in dire straits and there were some rampant corruption and maladministration afoot. I would make bold to say that apart from a few glibs and glitches here and there, in large measure, the financial administration of Barbados has been good throughout the years. We have a reputation and certainly the Public Service of Barbados has a reputation that is widespread throughout the world for high standards, efficiency and for not being corrupted.

Therefore, it could not have obtained such a reputation if the core of the public service were corrupt and thieves at large. That is not so and I would not want anybody by any implication to indicate that the Public Servants are thieves, because they are not. I would strongly object to it. I would defend them to the hilt. I know my Party has never accused them of being "an army of occupation" for example. I would object to when his Party calls them "an army of occupation." They are neither thieves nor "an army of occupation." Neither would I say that the political directors over the years were a band of thieves.

He quoted, Sir, from the Auditor General's Report for 1993. I have a couple I can quote from. I will quote from the same Auditor General's Report which will show that what he has been quoting are essentially weaknesses in the system rather than any culture of corruption, either among the service or directly. This is the Auditor General's Report for the year 1993 already made a document of the House. I turn to page 95 under the Training Fund and Training Loan Fund:

"No financial statements were submitted for audit in respect of the Training Fund and the Training Loan Fund for the years 1991/92 and 1992/93. Unaudited financial statements published in the Training Division's reports for 1991/92 were again in an unacceptable form. Publication of unaudited financial statements should not be encouraged."

3.40 p.m.

That is on part of a department. Look at the Central Emergency Relief Fund on page 92, Sir:

"No accounts were received for audit for the years 1990, 1991 and 1992."

I can go on, Sir. Under the Canadian Dairy Development Loan Account it says:-

"Positive action is required by the Ministry to recover the substantial amounts remaining on the various personal accounts. Legal action should be considered."

The document is replete, Sir, with these kinds of observations which do not indicate thievery but rather a breakdown of the system. For example, on page 73 - The Scotland District Special Works:

"Payments were made without the award of contracts in breach of Financial Rules 126 and 127.

Local Purchase Orders were not attached to some vouchers as required by Rule 112(2)."

That is the system as it operates that people from time to time do not follow the Rules, have not followed the Rules and you can go through the years over and over again and you will find that.

What this system seeks to do, Sir, and I would not want to spend the rest of the afternoon quoting them because I could go through every year and find these kinds of strictures. The point is that the Honourable Member attempted to make great score of the speculation on whether the public service will be ready to deal with these changes. I am not quite sure what he meant by that but I will try to make myself believe that I understood what he said and therefore try to give an explanation.

Where computerisation is concerned, there has not been mass computerisation in every department at every time otherwise we would probably have ended up having wasted a lot of money because of the year 2000 problem where the very same computers then would not have been the year 2000 compliant. There has been computerisation. There is training in computerisation. There is a training lab at the Data Processing Department that trains people in specific programming that relates to the department.

There is a lab at the Barbados Defence Force which also incorporates public servants. It is being done on a selective basis because you do not want to train people and then send them back to their normal departments that do not yet have computers. It would be wasted so you select departments which are already computerised and you tailor-make programmes to suit that department.

We do not plan to make all 23 000 public servants computer literate overnight. It is going to take time on a selective, progressive, accumulative basis and that is the understanding. That is the understanding of the public servant and they are responding very readily to the Public Sector Reform Programme and the computerisation training that is part of that programme.

In addition there is also the Smart Stream programme in effect. There is value for money. There is programme performance budgeting. All of these are linked into the overall financial upgrading and financial reform of the public sector. Therefore, what is happening here now cannot be seen in isolation as this is being done for window dressing and it does not relate to anything that is happening in the wider public service.

There are other programmes, some being financed by international organisations as well as the Government of Barbados that all form part of a network of systems that are all contributing to the financial improvement of the management and finances of the Barbados public sector.

Therefore, Sir, I do not understand what the Honourable Member's quarrel is about. The programme is afoot. We started the Public Sector Reform Programme in earnest. We started the computerisation in earnest so if you do not want to give us credit, well, do not mention it but do not try to make it seem as though nothing has happened. At least, do not mention it but if you are mentioning it give us proper credit for it. Mention it in its proper context.

Some snide remarks were made, Sir, that it is not just about parties, and giveaway gifts. Of course it is not. The so-called parties and the giving away of gifts that he sees are part of an awards scheme where you have a system of performance and people are awarded for outstanding performance. It happens every day in the private sector. Why should public servants not be so treated? They are motivated in the same manner. If you want me to say the same thing that Senator Thompson was talking about Maslow's higher hierarchy of needs. They operate on the same basis. Public servants are human beings and they operate according to Maslow's hierarchy of needs in the same way as people in the private sector so therefore you reward them. There is nothing wrong with that. It is not meant to be parties, gifts and giveaways. It is a way of giving people a token and a symbol of appreciation for their effort. What we have to

understand, Sir, is that all of this has taken place in a public sector that we inherited which had been demoralised by an 8% pay cut and by 4 000 or 5 000 people being sent home.

Reform has not only to do with computerisation or training in human resource management. It also has to do with restoring the self-respect, the self-esteem, the confidence, the motivation of the public servant by restoring salary increases to them, not freezes or wage cuts, by giving them a productivity bonus, by converting casual workers to public officers. All of that is part of public sector reform. All of that is part of redressing the imbalance that has been imposed by your Government in the public sector with that drastic 8% cut, the savagery of that measure.

It is involved in the employment assistance programme where now the Government is financing a system whereby public officers who they or their families who have marital problems, drinking problems, gambling problems psychological problems can go in confidence to an institution to a set of people and they do not have to pay a cent for the first couple of visits and they will be taken care of because we believe that we have to improve the quality of life of the public servants.

We believe we have to produce softer, gentler and kinder people that if you want a public service that is more people focus you have to produce the people. People have to be at ease. They have to be comfortable. They have to actualise themselves, as Senator Thompson would appreciate, and therefore all of that is part of it.

I am sorry that the Honourable Senator who had very little to say really in criticism of the measure in its own right could then indulge in mere speculation. I am part of a Government, Sir, which has taken the bold step to say that Ministers will now be held liable for any misuse of funds, any excess, any wastage if they had been warned by a public officer carrying out his dutiful right that what they seek to do is in breach of the rules and regulations.

I am not ashamed of that because I believe I am part of a Government that believes in accountability and that it seeks to play it by the rules and therefore whenever the penalty is determined to be what it is, and if I happen to be part of that Government and I break the rules I should repay. I believe that people should pay the price and Ministers should pay the price, not just the public officer so we are doing it across the board. For donkeys years, as they say, Sir, public offices have been subject to surcharge for any misadventure with finances but Ministers are now being held by the same account and by the same standard and if you object to that, well, say so.

Mr. PRESIDENT: I have no objection, Senator.

SENATOR THE HON. G. S. H. MURRAY: Sorry, Sir. If Senator Boyce objects to that, all he has to do is that when his party gets into power within a few weeks time, he is threatening us...

SENATOR J. D. E. BOYCE: On a point of order, Mr. President. I at no time said I had any objection to that either. I said I agreed with it and I think that public officers and Ministers should be responsible. I said so and I would like the Honourable Member to withdraw it.

Mr. PRESIDENT: That is a point of elucidation.

SENATOR THE HON. G. S. H. MURRAY: All I am saying, Sir, is that whatever unhappiness the Senator has with the present legislation and what we are seeking to do with this legislation and the timing of it, all he has to do is ... it should not be long. I know he is a patient man. He has waited four years plus and he can wait a few more weeks, a few more months, he said.

All he has to do that the first order of business of the Democratic Labour Party would be, and the same way it said it would abolish the Urban Development Commission, and the Rural Development Commission, the first order of business should be to reverse this process. Abolish this. That is all you have to do and there would be no need for quarrelling.

Sir, I do not want to belabour Honourable Members anymore because I feel this is a non-battle that this fight has already been won. I therefore give my fullest support to this measure, Sir.
3.50 p.m.

HIS HONOUR SENATOR C. L. BOLDEN: Mr. President, I do not want to get into cross-talk on what is really administrative adjustment. It is clear that the Government has now accepted the computer and the electronic media. It is the way that the world is moving. I note that from the Financial Administration and Audit (Amendment) Rules that they have now agreed that cheques and other documents of this nature can be produced by computer and facsimile signatures *etcetera* are now acceptable. In view of this, I would wish that the Government take immediate steps to remove the stamp duty from cheques which are issued by banks so as to allow every business to generate its own cheque in its office on agreement with its bankers because that is the new method of keeping your day-to-day accounts in any business. Out of the same accounting system, you write your cheques on this system and produce them for easy payment.

I have checked the banks in Barbados over and over again and they insist that you get your cheques from them because they have to carry the Government stamp duty which they have to pay and there is no method of the computerised

stamp for paying that duty. I would wish that the few cents which Government may have to forego would not cause the delay in removal of this stamp duty on the cheque or Government should find another way of collecting it so that persons can pay their bills because we cannot stop the march of time where bills and everything are now being paid electronically by the computer through the banks. The banks have already set up systems in the supermarket *etcetera* and I cannot see why other businesses cannot have the benefit of writing cheques from their accounting packages.

SENATOR Mrs. A. P. THOMPSON: Mr. President, I am indeed pleased to see that at least we are dealing with piece of important legislation that has not gained its beginning in the international arena. I am indeed pleased to see that the Government of Barbados is attempting to modernise the work performed in the public service.

There are one or two areas on which I would like to touch. I believe that this area of the legislation which deals with public officers being given the power, if one can call it that, to resist the instructions of a Minister. This particular area, for me assumes that the self-confidence and the level of professionalism, all those things that make one feel good and capable of challenging a superior, that these things are in place.

As Senator Boyce said earlier and Senator Murray attempted to give us his assurance that his public sector workers are well trained and are all in place for this transition. Since over the years we have practised movement by seniority instead of meritocracy, whether we can have the assurance that Government is going to make sure that all individuals who are in position of authority, for example, those individuals who can resist a Minister that they are equipped enough. It does call for a special strength, a special fortitude and a sense of self-confidence for an individual to challenge a Minister of Government. Although I know there is a Public Service Commission, I think for me that introduction of this particular Clause says that there must be an immediate body to which that individual can turn when say for example, the Minister is recommending a transfer of that individual because that individual has resisted him. I do not think we should fool ourselves about these things. This is a culture; this is an environment which has grown over time. This is a cultural shift that we are trying to implement with haste and I think that the public servants deserve the protection of the Government in this particular area. I do not believe that we will see officers, although it is written in the legislation, standing up in any forceful manner and resisting their Minister unless the Government is going to put that immediate protection in place for them.

The Inland Revenue Department – I would like to see the Government of Barbados make this department a more meaningful one. For example, we are now introducing a lot

of legislation that has been borrowed from the international markets, like the registered retirement savings plan legislation and proposed pension legislation. This department is not equipped in a modern way to do that infrastructural work that is necessary for that legislation to work.

The Inland Revenue Department must be in a position to, on an annual basis to send to each taxpayer who contributes to a pension plan, be it a private pension plan or a pension plan through an employer, information showing exactly how much that individual has contributed for a year. The Inland Revenue Department should not have to wait on individuals to send that information in, to then determine whether it is right or wrong. The department must be equipped to send that information out as that is the information that you are bound by, the information which comes from Inland Revenue Department. In order for this new legislation to work where individuals can now determine how much you can put in an employers plan, how much you can put in a private plan, that department must be in the driver's seat so that we can have the proper balance to prevent tax avoidance.

Asides.

SENATOR Mrs. A. P. THOMPSON: I am not satisfied that the Inland Revenue Department is strengthened enough to deal with that particular area.

Seldom do you find citizens talking about taxation because, who wants to pay tax? I am a democratic socialist and I know the State has a responsibility for its citizens, those who are poor and those who are down-trodden and the State must make sure that the financial resources are there to care for those who cannot look after themselves. I would therefore not support a system that does not make sure that high income earners in this country do not make the necessary contribution to the Treasury of this country in order that everybody can live comfortably. I am not satisfied that this department is properly equipped to carry out that part of the work for Government.

A number of individuals have difficulty sometimes interpreting measures in the Budgetary Proposals of the Minister of Finance. In other jurisdictions, especially in the so-called developed countries, you have coming from that department interpretation bulletins and information circulars. Regular information coming out immediately after a financial statement and a Budgetary Proposal which would put the citizens of the country in a position of knowledge that there would not be any mistakes made on their part as they attempt to deal with their taxation.

4.00 p.m.

Mr. President, I would really like to see Government in its attempt to fully computerise the department do so in a

meaningful manner that citizens could benefit fully from the implementation of this computerisation. The collection of revenues, the Port, the Income Tax Department, I am not satisfied that there is that proper linkage that is necessary between departments of Government which deal with Government revenue and citizens who would do business with those departments and I think we must put the proper network in place. The National Insurance Social Security, the Income Tax Department, the Customs Department, I think those 3 departments in particular need a proper computer network system going in order that we can really properly fine tune things. As citizens we would be more comfortable eventually.

Also, Mr. President, there is another area that concerns me a bit. The Minister mentioned the Licensing Authority. I think he touched on it as he moved on but it is a serious thing because that Department has put me in breach of the law. Up to now there are at least two other cars in Barbados driving around with my licence plate number and that has stemmed from the fact that since these records are manually kept and recorded sometimes a clerk takes a payment, does not record the payment on the card and since your number can be given to somebody else after you have not paid for one year, I think it used to be two years, it is now one year, my licence number has been given to, not one but two other drivers in Barbados. I have found myself driving around the country and being stopped and I have been forced to drive around with my cancelled cheque and the other piece of my disk and I say, look here is the evidence that I paid my record on time.

Even though I have gone to that department and have tried to have this matter rectified I have been assured that it would be. This is now 18 months since I realise that there is still at least one other car on the road driving around with the same number as my car. I went in and they pulled the records to show that they actually gave the numbers out. So it is not to say that the other person is doing this illegally but this bears out the point that had the clerical person been putting this information at the same time on a computer system that it would have taken care of itself instantly and we would not have that breach of law. That department in particular is really in a very sad state, living in the dark ages and it collects a lot of revenue for Government and they need to deal with it.

I am very much in favour of legislation which deals with accountability. I do not believe that there is any individual who is above the law. I do not know what it is that makes people who seek public office believe that election to Parliament automatically makes you over night some genius who has a knowledge of everything. I am very pleased that we are now seeing that in the same way that individuals in the private sector, although I do not hear enough of them get brought before the law courts, especially in commercial banks in Bridgetown, there is too much white, what do you call it, white collar crime.

Mr. PRESIDENT: Senator, please address the Chair.

SENATOR Mrs. A. P. THOMPSON: I am glad to see that Government will lead by example in making sure that not only public officers but Ministers of Government, citizens and everyone else are fully accountable.

Mr. PRESIDENT: Order, please. I am trying to hear the Senator who is on her feet.

SENATOR Mrs. A. P. THOMPSON: I agree though that legislation has been a bit soft and politicians must be careful when they are seeking to show that they are attempting to correct evil that they do not make it appear as though you are just doing it. If you find a Minister has committed an offence and you want to deal with him, put penalties in here. You have to tell the people of Barbados how the Minister is going to be treated. In this legislation the politician makes it look as though he is still leaving a little leeway for himself and we have to show the public of Barbados that we are serious. And if we intend to hold Ministers of Government responsible for State funds, put a penalty in the law as we do for people who break other laws in Barbados. So that people would not get the impression as my fellow colleague here, Senator Boyce is saying that we are window dressing or that we are doing it because it is close to an election and we want to make a statement to make us look good. I would like to see something there. It is either \$10 000, \$20 000, 3 months in jail, 6 months in jail or something of that matter to show to Barbadians that we are serious.

I want to see the legislation address not only the fact that they would be liable but I would like them to have some idea what the penalty would be to show that politicians are really serious about dealing with other politicians and that they are not playing games.

Therefore, Mr. President, I support the legislation. I heard Senator Murray again assuring us of his work in the public service but the retraining programme – because out of computerisation we cannot deny that we have a lot of manual tasks being performed and once we go into full computerisation we would not need all those individuals but they are already fully on staff in Government. Are we retraining them to be absorbed in other areas of the public service?

Mr. PRESIDENT: Order, please.

SENATOR Mrs. A. P. THOMPSON: What kind of human resource or skills bank or whatever the Government is keeping that it will be constantly in touch or have knowledge of the human resources throughout the public service so that we can constantly be moving our staff on and that individuals will not become disgruntled.

As we speak of computerisation I am sure we are aware that it is a fairly common thing now in North America for disgruntled members of staff to tinker with the systems in offices and throw everything out. Sometimes before you have done a couple back ups you have lost all the information and this happens when we have disgruntled people. So this now would not be a matter of hiding records, this would not be a matter of burning records but it would be a matter of just cleaning it off computers.

I think we need to recognise that these are the kinds of actions we get from dissatisfied, disgruntled workers who have seen this whole system introduced and who feel that they are left behind. I do not think that Government should at all ignore this possibility.

With those few remarks, Sir, I support the Bill.
4.10 p.m.

SENATOR THE HON. R. R. FARLEY: Mr. President, I rise at the conclusion of the Second Reading of this Bill just to make one point of clarification and amplification. The matter of the amendment which will impose some pressure on the Minister, the matter of personal liability must be clearly understood. How can you establish the limit of liability when you are holding someone fully liable for the action? If the person has been responsible for misdirecting and for breaching the rules and you say that a person liable for the amount that Government has had to spend outside of the rules you do not know whether it was \$5, \$100, \$10 000, how can we set the limit?

Additionally, what is being done is not a case of being soft on any politician. It is to impose the same level of accountability on the Minister as exists on the Permanent Secretary, as the accounting officer, and the Rules as they stand now indicate that the accounting officer should be personally liable for funds which are spent in breach of the rules. All you are doing now is saying that if you are acknowledging that it is possible although there is a provision already there for an accounting officer to disagree in writing with any instructions which might be given by his superior and to show why he disagrees because it is in breach of the rules, we are saying that over and above that if, in spite of that advice which is rendered, the Minister writes to the public officer and says ignore all of what the rules say and still go down the road with me, we are saying that the Minister will pay the same penalty as the public officer.

It is not a matter of any cosmetics, of friends or soft soap and so on. What we are saying is that those persons who cause Government to spend money that it should not spend should pay it back. It should come out of their pockets. That is nothing at all to do and does not prevent Government from bringing criminal charges against anyone, public officer, Minister or whoever, for offences which are already established in the various bits of criminal legislation.

If somebody, whether accounting officer, Minister or maid, cracks the safe at night and carries away the day's takings, that is nothing for the Financial Rules. That is cheating. That is a matter for the police. So it is not the intention of the Financial Rules to create new classes of criminal offences. They already exist and provisions to deal with criminal matters ... What is being dealt with is a matter where persons directly, deliberately and cravenly breach the Financial Rules that you are saying that notwithstanding that this matter may not have been a criminal matter but you are saying that you have caused Government to incur expenditure without due authority, that you should have to shoulder that responsibility in a way that will hurt you the most, in your pocket. The criminal things are already there and that is taken care of. There is nothing that prevents any person from being charged for criminal offences which are committed. I want to make that quite clear.

I totally reject the assertion that obviously could only have been put forward in the spirit of being brave to show I am braver than you and I would have done it better than you. In fact, I would even reverse the same argument. Senator Boyce should tell why when he was in Government he did not amend the Financial Administration and Audit Act immediately to take care of these matters.

SENATOR J. D. E. BOYCE: On a point of order. The Honourable Senator is misleading the Chamber. He knows within his heart that I have never been in Government. It is absolute deception that he is engaged in.

Mr. PRESIDENT: Even the Chair knows you have not been in Government.

SENATOR THE HON. R. R. FARLEY: Therefore, the Government has taken advice on this matter. The matter has been reviewed by the Auditor General, by the Director of Finance and Economic Affairs, by a whole range of focus, we have embarked on this particular mission. We are satisfied that this will increase accountability. We are satisfied that it is a serious effort to improve the situation and all that is left for us to do is to urge strongly public officers to abide by the rules.

If one goes through the Auditor General's Report year in, year out you will see that a large number of the breaches which are cited are technical breaches of the rules. A very popular one is that Ministries did not submit their returns by the statutory date. The Auditor General being someone who says that if there are ten commandments I will cite you each time you break these ten commandments, has to cite each one so you could submit accurate, truthful returns a day late that is a technical breach of the rule.

One of the matters that come up in the Report is about spending without warrant. There is a bit of creative tension there when in fact statutory expenditure is clear in the law.

The law makes a distinction between statutory expenditure and expenditure which requires parliamentary approval. Statutory expenditure is expenditure which is incurred out of the Consolidated Fund by direct debit. It is expenditure which falls to the Consolidated Fund by means of statute or some other enactment so that the pay of permanent employees is statutory expenditure. Without going to Parliament, there is authorisation to pay that money.

The national debt of Barbados is a statutory expenditure and I could go on and on. You will find in a year for example where there is a salary increase your Estimates would normally show statutory expenditure and non-statutory expenditure; there is no need to go back to Parliament for adjustments in statutory expenditure. It is approved by statute. Yet the Report will show that the amounts given for the increase in the statutory emoluments was a breach. So you get those kinds of breaches as well. Those, we have to continuously work to ensure that public officers so conduct their affairs to meet the time so that the Auditor General's Report will be able to focus on those truly serious breaches for which all of us would show the greatest disapprobation and which this Government which believes strongly in accountability and integrity of the financial administration of Barbados will seek continuously to work for their improvement.

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

The question was put and resolved in the affirmative without division.

4.20 p.m.

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

On the motion of Senator the Hon. R. R. FARLEY, the Senate resolved itself into Committee on the Bill, His Honour Senator C. L. BOLDEN in the Chair.

COMMITTEE

Mr. CHAIRMAN: The Senate is in Committee.

Clauses 1 – 19 inclusive were called and 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 and passed and cited as the Financial Administration and Audit (Amendment) Act, 1998.

ADJOURNMENT

SENATOR THE HON. R. R. FARLEY: Mr. President, I beg to move that this Honourable Senate do now adjourn until Wednesday, December 16, 1998 at 11.00 a.m.

The question that the Senate do now adjourn until Wednesday, December 16, 1998 at 11.00 a.m. was put to the Senate and agreed to and Mr. PRESIDENT adjourned the Senate accordingly.

4.37 p.m.

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PRESENTATION OF PAPERS

1. The Duties, Taxes and Other Payments (Exemption) (No. 19) Order, 1998.
2. Value Added Tax (Refund) (No. 6) Order, 1998.
3. The Insurance (Forms and Fees) Regulations, 1998 (re-corrected copy).
4. The National Insurance and Social Security (Miscellaneous Amendments) (No. 2) Regulations, 1998.
5. The Annual Report of the National Insurance Board for the Year 1997.
6. The Annual Report of the Barbados Investment and Development Corporation for the Year 1997.

MOTIONS RELATING TO THE BUSINESS OF THE SENATE

Suspension of Standing Order No. 45(2) for the remainder of the Sitting.

Senator the Hon. R. R. Farley, 1, 2; Senator J. D. E. Boyce, 1; His Honour Senator C. L. Bolden, 2.

INTRODUCTION OF BILLS

Notice was given of the following:-

1. Bill to amend the Financial Administration and Audit Act, Cap. 5.
2. Bill to amend the International Business Companies Act, Cap. 77.
3. The Money Laundering (Prevention and Control) Bill, 1998.
4. The Coastal Zone Management Bill, 1998.
5. The Marine Areas (Preservation and Enhancement) (Amendment) Bill, 1998.
6. The Marine Pollution Control Bill, 1998.
7. Resolution to approve the vesting in the National Housing Corporation of land at Walkers, St. Andrew for housing development.
8. Resolution to approve the vesting in the National Housing Corporation of land at Six Men's, St. Peter.
9. Resolution to approve the compulsory acquisition of land at The Whim, St. Peter

for the provision of recreational facilities for use by the public.

10. Resolution to approve the vesting in the National Housing Corporation of land at Lears, St. Michael.

FIRST READING OF BILLS

1. Bill to amend the Financial Administration and Audit Act, Cap. 5.
2. Bill to amend the International Business Companies Act, Cap. 77.
3. The Money Laundering (Prevention and Control) Bill, 1998.
4. The Coastal Zone Management Bill, 1998.
5. The Marine Areas (Preservation and Enhancement) (Amendment) Bill, 1998.
6. The Marine Pollution Control Bill, 1998.

PUBLIC BUSINESS

ORDER NO. 2 - BILL TO AMEND THE INTERNATIONAL BUSINESS COMPANIES ACT, CAP. 77 3

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ORDER NO. 1 - BILL TO AMEND THE FINANCIAL ADMINISTRATION AND AUDIT ACT, CAP. 5 16

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