
THE SENATE DEBATES

(OFFICIAL REPORT)

FIRST SESSION 1999 – 2004

THE SENATE

Wednesday, October 16, 2002

The Senate met in the Senate Chamber, Parliament Buildings, on Wednesday, October 16, 2002, at 11.00 a.m.

PRESENT

His Honour Senator Sir Fred GOLLOP, K.A.
(President)

His Honour Senator C. L. BOLDEN, C.B.E., Q.C.
(Deputy President)

Senator P. C. GODDARD, Special Envoy to the Prime Minister

Senator the Hon. G. S. H. MURRAY, B.A. (Hons.), J.P. (Minister of State, Prime Minister's Office)

Senator the Hon. J. X. WALCOTT, FRCS, (Edin.), J.P. (Minister of Health) (Leader of the Senate)

Senator T. E. BARKER, B.A. (Hons.), M.A. (Econ.), J.P. (Parliamentary Secretary, Ministry of Economic Development)

Senator the Hon. Dame Patricia SYMMONDS, D.B.E., G.C.M., B.A. (Hons.), P.G.C.E, J.P.

Senator Mrs. P. E. RICKINSON, B.A. (Hons.), M.P.H. (Harvard), S.R.N.

Senator C. K. LAURIE, D.I.C.T.A.. (S.T.), FBSTA.

Senator Miss J. C. ODLE, J.P.

Senator C. A. MASCOLL, B.Sc. (Econ.) (Hons.) M.A. (Public Finance)

Senator D. D. MARSHALL, LL.B (Hons.), L.E.C.

Senator Sir JOHN STANLEY GODDARD, K.A., G.C.M., B.Com., F.C.A., Hon. LL.D. (U.W.I.)

Senator B. R. COLLYMORE, C.M.G.

Senator K. D. SYMMONDS, LL.B.

Prayers were led by Rev. Father Errington Massiah.

Mr. DEPUTY PRESIDENT: The Senate is in session.

MESSAGES FROM HIS EXCELLENCY THE GOVERNOR-GENERAL

Mr. DEPUTY PRESIDENT: I have received two letters from the Governor-General, one dated October 1, 2002 and one dated October 3, 2002 and I read:

“October 1, 2002

Dear Mr. President,

I was unable to perform the functions of Governor-General during the period 22nd September to 29th September, 2002 due to illness.

In accordance with the provisions of Section 29(1) of the Constitution, The President of The Senate His Honour Sir Fred W. Gollop, KA performed the functions of the office of Governor-General during my absence.

As the Honourable The Senate has been adjourned *sine die* it will not be possible for the usual formal Message to be sent down to your Chamber. Will you, therefore, please bring my absence formally to the attention of The Honourable The Senate when next it meets.

I have the honour to be,
Yours faithfully,

GOVERNOR-GENERAL

His Honour
The President of the Senate

3rd October, 2002

Dear Mr. President

I shall be away from the island during the period October 6th to 11th, 2002 to attend the Eighth Conference of Heads of State of CARICOM Countries in St. Vincent.

In accordance with the provisions of Section 29(1) of the Constitution, The President of The Senate, His Honour, Sir Fred W. Gollop, KA, will perform the functions of the office of Governor-General during my absence.

As the Honourable the Senate will not be meeting prior to my departure, it will not be possible for the usual formal Message to be sent down to your Chamber. Will you, therefore, please bring my absence formally to the attention of The Honourable The Senate when next it meets.

I have the honour to be,
Your Excellency's obedient servant,

GOVERNOR-GENERAL

His Honour
The President of the Senate"

ANNOUNCEMENTS BY HIS HONOUR THE PRESIDENT

Mr. DEPUTY PRESIDENT: I have received the following:

1. Leave of absence from Senator Leroy Trotman, General Secretary who will be absent from the Chamber from October 14 for the next two months.
2. Leave of absence from Senator Leroy McClean, who will be absent from the Chamber from September 26 to October 20, 2002.

PRESENTATION OF PAPERS

SENATOR THE HON. J. X. WALCOTT: Mr. Deputy President, I am commanded to lay the following documents before the Honourable the Senate:

1. Annual Report of the Barbados National Bank, Inc. for the Year 2001.
2. Education (Programme of Adult Education) Regulations, 2002.

3. Annual Report and Financial Statements of the National Conservation Commission (NCC) for the year ended March 31, 2000.
4. Presentation of the People (Expenses) (Amendment) (No. 2) Regulations, 2002.
5. Report on the Accounts of the Social Investment Fund for the Financial Year ended March 31, 2002.
6. Report on the Accounts of the Social Investment Fund for the Quarter ended June 30, 2002.
7. Report on the Accounts of the Public Enterprise Investment Fund for the Financial Year ended March 31, 2002.
8. Report on the Accounts of the Public Enterprise Investment Fund for the Quarter ended June 30, 2002.
9. Half Yearly Report on the Revenue Collecting Departments for the period October 1, 2001 to March 31, 2002.
10. The Customs Tariff (Amendment) (No. 4) Order, 2002.
11. Barbados Economic and Social Report, 2001.
12. Annual Report of the Community Legal Services Commission for the year 2000-2001.
13. Annual Reports of the Probation Department for the years 1997, 1998 and 1999.
14. Report on the Audit of the Accounts of the Auditor General Department for the Financial Year 2001-2002.
15. Customs (Amendment) Regulations, 2002.
16. Securities Regulations, 2002.
17. Value Added Tax (Refund) (Barbados Cancer Society) Order, 2002.
18. Value Added Tax (Refund) (West Coast Construction Ltd.) Order, 2002.

SUSPENSION OF STANDING ORDERS

SENATOR THE HON. J. X. WALCOTT: Mr. Deputy President, I beg to move that Standing Order No. 45(2) be suspended for the remainder of today's Sitting.

The question was put to the Senate and agreed to.

INTRODUCTION OF BILLS

SENATOR THE HON. P. C. GODDARD: Mr. Deputy President, I beg to give notice of the following:

1. The Income Tax (Amendment) Bill, 2002; and
2. The Repatriation of Prisoners Bill, 2002.

FIRST READING OF BILLS

On the separate motion of SENATOR THE HON. J. X. WALCOTT, the following Bills were read a first time:

1. The University of the West Indies (Guarantee of Bonds) (Amendment), Bill, 2002.
2. The Income Tax (Amendment) Bill, 2002.
3. Repatriation of Prisoners Bill, 2002.

PUBLIC BUSINESS

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

ORDER NO. 3 – BILL ENTITLED AN ACT TO AMEND THE UNIVERSITY OF WEST INDIES (GUARANTEE OF BONDS) ACT, ACT 2001- 2002

SENATOR THE HON. J. X. WALCOTT: Mr. Deputy President, the purpose of this amendment is essentially to empower the Minister of Finance to amend the Schedule to the Act by order. As you would recall, this Honourable Senate debated and approved a Resolution to give effect to the Government of Barbados guaranteeing of the bond issue to the sum of US\$10 475 000 to the University of the West Indies, earlier this year.

However, the amendment to the Act became necessary when it was noted that the Schedule to the Act gave specific dates for the bonds to be issued. Unfortunately, these dates have not been met and, obviously, an amendment of the Act has become necessary. The format of the amendment is such now as to avoid the similar occurrence in the future.

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

SENATOR Mrs. P. E. RICKINSON: Mr. Deputy President, I rise to support this Bill. I am glad that it is being amended so that one would not have the same problem again.

I would also like to congratulate the University of the West Indies on the appointment of Mr. Hilary Beckles as the Vice Chancellor and I laud his action at the recently held

Conference where he withdrew against all manners. Persons were here and were excluded from the Conference. I am very glad that the University is in the forefront as leaders and I would like them to continue the leadership.

Mr. Deputy President, we need the University to continue this leadership because, as a people and as a country, we cannot spend millions of dollars improving the image of Barbados and then have someone publicly announce that the image is not important, that priority is the trauma of the brothers and sisters.

Sir, anybody who feels that the image of Barbados is not important is not welcome in Barbados and needs to go elsewhere. We have invested too much in the image of Barbados, using taxpayers' money, to promote the image of Barbados, in order to bring tourists to Barbados and all you can hear on the BBC and the other programmes is, Barbados being racist. This is not the image that we want to promote in Barbados. We have to promote a different image, if we want to depend on tourists. We have to be very careful who we allow to come to Barbados to say whatever they feel like to reverse us back to the 1930s.

We need to move forward. All of us here is a big family. We are all brothers and sisters who want to improve our image and want Barbados to prosper as brothers and sisters. There is a right way and a wrong way of doing things and if people do not know the simple basics of manners, I think the University of the West Indies and other institutions need to start teaching people manners. We need to let people know, in no uncertain terms, that when they come to our country, there is a certain image we have and want to project and if they are not in keeping with that image, they are not welcome, not even to set up a business or whatever. Let them go elsewhere and set up the office where those people do not care about the image of their countries but not in Barbados.

I will again, like to congratulate Mr. Hilary Beckles on the stand he took, which will help to improve the image of Barbados. I am very proud of him as Vice Chancellor and look forward to his leadership in the future.

I beg to support this Bill.

SENATOR Dame PATRICIA SYMMONDS: Mr. Deputy President, before I begin, I too wish to congratulate Professor Hilary Beckles on his appointment. I have done so already privately but I wish to do so now in this forum. He has an energy and vision and, of course, he is a strong supporter of our national sport, cricket. He has already made an impact on Barbadians and I wish him every success in his new post.

Sir, I particularly wish to speak about the Creative Arts Centre and the Philosophy Programme. I have mentioned them before and I wish to do so again in a little more detail. I hope, Mr. Deputy President, that the construction of the Creative Arts Centre at Cave Hill will soon begin because it is long overdue. It will perform an important function as it has at Mona and St. Augustine's. Cave Hill remains the only campus without such a Centre.

11.25 a.m.

Mr. Deputy President, various branches of creative activity, for example, music, drama, dance and writing cannot be harnessed unless there is formal education. Culture is not a luxury. The Arts is not a luxury. Presently, there are programmes in music, drama and theatre arts which are a practical component but the music courses are mostly theory. There are no recital or students' performances because there is no space for these.

There are a couple of programmes that are part of the humanities and first year courses in music and second year courses in drama. There are also summer school programmes in creative writing, poetry and fiction which bring in local and overseas students and these have been very successful. This summer, they had film for the first time. There used to be a good dance society as well on campus. I understand that a few years ago they gave a brilliant performance at the humanities festival, but Mr. Deputy President, for all of this to be effective continuously, the students need to be trained, so the Centre is urgently needed.

It can also give tourism a boost. It will be part of cultural tourism. It can be a place where there will be both small and large productions. The youth clubs can make use of it and it will be a place where some of our local designers of Crop-Over costumes can share their knowledge or skills. It can also be complementary to Crop-Over.

Professor Rex Nettleford has said that the University of the West Indies is committed to a cultural studies initiative, so, therefore, the Centre is essential. Significantly, the students themselves, through the Guilds of Graduates, donate a percentage of their fees to the Centre which shows their keen support for it, so I do hope that the Centre will become a reality in the very near future.

Mr. Deputy President, I am pleased to learn that philosophy, a subject which I studied at university in my first year and in which I retain a keen interest — Aristotle described philosophy as the mother of all disciplines — has officially come on stream at the university last year. There are presently 35 first year students and 10 second year students majoring in this discipline.

As I have lamented before in this Honourable Chamber, it was not a discipline in its own right. There is

now a department of philosophy and humanities and I think this is very significant. The present lecturer, I understand that he is an excellent one, is attached to both education, history and philosophy, so there is still a need for more human resources. It is hoped to acquire another lecturer by January. The thrust of the programme is mainly subject-oriented. It caters to contemporary issues from a philosophical point of view, for example, the issue of identity which concerns all cultures.

Mr. Deputy President, in most reputable universities, philosophy is the cultural engine that produces and discusses issues which are of immediate relevance to contemporary life. In the United States of America there are about 20 000 professional philosophers teaching, publishing and writing, but in the Caribbean, generally speaking, we have none. A great many intellectuals do philosophise like some of our distinguished writers, Kamau Brathwaite, for instance, but this dearth is a genuine drawback for the cultural life of the Caribbean. Most advanced cultures have relied on their philosophers for expansion and growth. There are issues that need philosophical attention in Barbados, for instance, environmental ethics. Tourism as well has some ethical issues.

Philosophy, it is interesting to note, has expanded into other disciplines. They are into the disciplinary aspects of it now and there is a relationship between cognitive science and the philosophy of the mind. It teaches a person to think analytically and clearly. I understand that about 70 per cent of the British foreign officers have degrees in philosophy. I mentioned before in this Honourable Chamber and I wish to emphasise it again that it should be introduced here at the "A" Level stage.

In Britain, at the University of London, up to about three years ago, students could take logic and scientific methods and in the French system it is introduced at the higher level. There is a need for at least four full-time lecturers and a postgraduate programme otherwise the best graduates will go overseas and there is a need for students from the Caribbean to do genuine and sensible research. The university is doing its best and I congratulate them on the programme having started and I wish wholeheartedly to support this Bill.

Thank you very much, Mr. Deputy President.

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

SENATOR THE HON. J. X. WALCOTT: Mr. Deputy President, under Standing Order 4(1) I beg to move that Senator Dame Patricia Symmonds be elected as Chairman for the remainder of today's Sitting.

The question was put to the Senate and agreed to.

On the motion of SENATOR THE HON. J. X. WALCOTT, the Senate resolved itself into Committee on the Bill, SENATOR Dame PATRICIA SYMONDS in the Chair.

COMMITTEE

MADAM CHAIRMAN: The Senate is in Committee.

Clauses 1 – 3 inclusive, were called and passed.

On the separate motion of SENATOR THE HON. J. X. WALCOTT, the Bill was read a third time and passed and cited as the University of the West Indies (Guarantee of Bonds) (Amendment) Bill, 2002.

11.35 a.m.

ORDER NO. 4 – RESOLUTION TO APPROVE IN ACCORDANCE WITH SECTION 5 OF THE CROWN LANDS (VESTING AND DISPOSAL) ACT, CAP. 225, THE VESTING IN THE NATIONAL HOUSING CORPORATION OF LAND AT ARCH HALL, ST. THOMAS FOR THE PURPOSE OF HOUSING DEVELOPMENT

SENATOR THE HON. J. X. WALCOTT: Mr. Deputy President, the Resolution that is before us today seeks permission to vest 22 338 square metres of land at Arch Hall, St. Thomas to the National Housing Corporation.

Sir, this matter dates back to 1998 when 3.163 hectares of land were acquired by the Government of Barbados. This was subsequently subdivided into three areas: 6 656 square metres were assigned to the Barbados Fire Service, 2 631 square metres were to be leased to the Evening Light Pentecostal Church and 22 338 square metres were to be vested in the National Housing Corporation. It is proposed that this land is to be subdivided into 20 service lots and that the NHC, in a joint venture, will also construct 29 two and three-bedroom units in this area.

Sir, this process has been long overdue. It certainly was an issue in last year's by-election when the Opposition had ranted and raved in response to this issue of land at Arch Hall. We were told that there was no hope for any lots at Arch Hall; the people at Arch Hall and Bennetts were going to be moved to allow room for the Sandy Lane Hotel; the land had already been sold or given to the Sandy Lane Hotel; the Government did not care about the people because they were going to put them near a dump site; the Government would have created an upper to middle-class development and would have taken people from outside of the area and bring them into the area, while the people from Arch Hall and Bennetts would not be accommodated.

Sir, I am pleased in this respect that today, this Resolution seeks to vest this land in the National Housing Corporation so that the NHC could proceed with these lots and could begin construction for the residents of Arch Hall and Bennetts primarily. Sir, I must add that a number of persons from those areas have already placed their names on the list for houses in these areas.

Sir, this also says something about the problem at Arch Hall where, at first, people wanted to move because of the stench which was emanating from the dump, to a situation where people in the numbers now want to acquire land and own houses in the Arch Hall area. This says something to this Government's management of the dump at Arch Hall.

Mr. Deputy President, it also bears out the importance of this Government in providing a housing solution for the people of Barbados. I know we have been scoffed at and a lot has been said by Members of the Other Side but we take it as it is given because all that the Members on the Other Side had to show in their eight years in office was the construction of 16 units. Therefore, they could continue talking about housing being a problem because they had the opportunity to deal with it but to create only 16 units in eight years, then I do not know whether they were serious at that time.

Mr. Deputy President, as I said, this shows Government's commitment to the provision of housing for the population of Barbados and I wish this venture the best of luck.

I beg to move that this Resolution do now pass.

SENATOR Mrs. P. E. RICKINSON: Mr. Deputy President, I support this Resolution. As always, I am a strong believer that Government needs to subsidise housing in Barbados, simply because the price of land is much too high and is escalating daily. I do not know where we are going regarding the price of land.

Mr. Deputy President, I have a house situated on 3 550 square feet of land and have received a valuation bill for \$1 million.

Asides.

SENATOR Mrs. P. E. RICKINSON: Mr. Deputy President, when a person spends all of one's life working for the Government of Barbados and is being paid a tuppence, then that person retires and is getting a small pension and has to spend month by month in trying to acquire a piece of land. Mr. Deputy President, then there are other people who have money but who have not contributed anything to the island of Barbados but yet they could come and buy beach land. Sir,

because of this, is the person who has worked for the Government of Barbados and who has acquired their piece of land supposed to be run out of their home?

Mr. Deputy President, we welcome investors. We would also like Government to make provisions for nationals, not only those who are living in chattel houses because there is a special provision already made for them, but the others who have bought and have been living on beach lands for several years.

Aside.

SENATOR Mrs. P. E. RICKINSON: All they are telling me is that the land is \$75 per square foot because I am not living in the popular part of Barbados but between St. Michael and St. James. Nevertheless, I am Barbadian. I am also a pensioner and if Government wants to put a value like that, I think provision needs to be made for Barbadians regarding these high prices.

11.45 a.m.

Sir, some provision needs to be made for Barbadians regarding these high prices and I congratulate the Government on building and subsidising houses for people. However, that is not enough because we need to ease people who want to live on their own property. Sir, we should not stress them out, give them hypertension and shorten their lives when they see these valuations with an inflated amount of \$1 million.

Sir, have you any idea how much money \$1 million is? Nobody in here makes \$1 million and when a person sees it written on paper, it is enough to cause that person to get a heart attack.

Asides.

SENATOR Mrs. P. E. RICKINSON: A person who owns his house and enjoys living in that house should not be told to sell it and go inland, that is not the point. You should not have to sell your land. Government should make provision for persons to live comfortably in their own homes at the time of old age even if you live on the beach.

Sir, there is no point saying to people that is the value of the land if the property is to be sold because the same persons do not want to sell but prefer to live in comfort in their homes.

Mr. DEPUTY PRESIDENT: Senator, I can understand your feelings in respect of land valuation but, could you please come back to the piece of land in Arch Hall?

SENATOR Mrs. P. E. RICKINSON: Thank you, Mr. Deputy President, I will come back to Arch Hall. There are 29 two and three-bedroom units and I would like to see these being allocated in a transparent manner. We have been

hearing on the Call-in programme about the pretty girls who get the houses and those persons who have applied for years have not been able to get them.

SENATOR Miss J. C. ODLE: Mr. Deputy President, on a point of order. I think the speaker is trying to mislead this House. I do not believe we recognise an input from the media in terms of informing what is actual fact to the delivery of housing and the housing stock through the National Housing Corporation of Barbados. I believe we would be better served if the speaker referred to one of the documents or instruments from such an organisation.

Mr. DEPUTY PRESIDENT: The Honourable Member is entitled to use anything in her argument. It is then left to the Other Side to refute those arguments when the time comes. Senator, please continue.

SENATOR Mrs. P. E. RICKINSON: Thank you, Mr. Deputy President. I think that all Barbadians need to listen to comments made by other Barbadians, especially if they want to be politicians as they need to find out what is happening in the community. They need to listen carefully because things are bad. The cost of living is too high and people are suffering.

Sir, as I said, I would like to see these units being allocated in a transparent way so that when the people of Arch Hall see people living in the units we will not hear that they are given to pretty girls and that the people who deserve the units have been overlooked.

SENATOR THE HON. G. S. H. MURRAY: Mr. Deputy President, on a point of order. The Honourable Member is unwittingly misleading the House. There will be no units built at Arch Hall. There are lots for sale on which people can erect their own houses. Sir, the Senator is drawing an incorrect situation.

SENATOR Mrs. P. E. RICKINSON: Mr. Deputy President, when the Leader of the Senate spoke he said there were 29 two and three-bedroom units for sale and we need to know that these units will be sold in a transparent way. They should not be sold to middle-class people who have money before they are sold to other people who have applied.

Asides.

SENATOR Mrs. P. E. RICKINSON: I do not know the system but it is flawed as far as people are concerned from the outside. Sir, the nurses as well as other people need to be educated because nurses have been complaining to me bitterly that they have been applying to National Housing Corporation for years but they have not been able to get a house.

Sir, they need to explain to the nurses how they can get one of these units or a piece of land because nurses are heads of households and they have been suffering. They work hard at the Queen Elizabeth Hospital and other institutions but do not get any thanks for it.

Mr. Deputy President, in Jamaica, two or three houses are allocated to the Nurses' Association for the benefit of nurses and it is time that the same thing happens here in order to keep our nurses in Barbados since there is a shortage. It will get worse and more nurses will leave, which we cannot afford to let happen.

Mr. Deputy President, when these units are sold, I would like them to make sure that some are allocated to the nurses and give them 100 per cent mortgages so that they can build their houses as the salaries of nurses are low in comparison with other people.

Sir, I look forward to following up the allocation of these units.

I support the Resolution.

SENATOR T. E. BARKER: Mr. Deputy President I want to add my support to this Resolution and note that this is just another example of this Government working assiduously to satisfy the housing needs of the people.

This land at Arch Hall is primarily for working-class people because that is where there is a pressing need for houses. The people in the area will be given the first choice of the units so I do not know where the Democratic Labour Party inspired propaganda came from when they say that Sandy Lane will be getting these houses. Our policy is to ensure that those who are less well off are given priority when it comes to Government's housing policy and as we look around the country we will see the evidence and wisdom of this policy.

Sir, we hear a lot of talk about the price of land but the Government, through the National Housing Corporation, has increased the supply of land on the market so that people are able to get affordable housing.

Sir, the question of the price of land is a highly emotive issue but we have to ask if we are going to change the society or maintain our old tradition because the question of market forces is still an important issue. Government has ensured that those less able to access the market are given special consideration.

Sir, the last speaker said that nurses should be given 100 per cent mortgage but if the Honourable Member was following the housing development she would know that this Government has instituted a plan whereby 100 per cent

mortgages are given at a rate of 6 per cent which is significantly below the market rate. Here again, Government is leading the way in ensuring that those less well off can have access to affordable housing.

Asides.

SENATOR T. E. BARKER: Of course, there is a ceiling because the benefits cannot be for all classes of people. Government has gone a long way in ensuring that the housing needs of the lower income workers are being satisfied. Sir, the question of land tax was also raised. It is true that the value of land and property has gone up. The last speaker, while noting that valuation has gone up, did not mention the fact that the rate of tax has been slashed by the Minister of Finance with the result that the tax take on the property virtually remained the same. A lot of people have realised that they are paying less for land tax.
11.55 a.m.

Basically, in the face of rising valuations, the Minister ensured that people are not tremendously worse off by slashing the rates. The net effect of rising valuations and increased rates would be virtually zero. Sir, it is all well and good to talk about increased valuations but at the same time you have to complete the picture.

SENATOR Mrs. P. E. RICKINSON: On a point of elucidation, Mr. Deputy President. Everyone is not paying less land tax. There are some people whose tax has been doubled. It is not true to give the impression that a lot of people are paying the same tax or less. Also, nurses do not get 100 per cent mortgages.

SENATOR T. E. BARKER: Sir, I am going to answer the second part of the Senator's comments first. Nurses do not get 100 per cent mortgages because the 100 per cent mortgages are not defined by class and occupation. It is designed on salary levels. If nurses do not qualify, it is because their salary level would exceed the maximum under the scheme.

Secondly, if people's land taxes have doubled, it means that there would have been a tremendous change in value. There is provision under the Law that if you believe that your valuation is too high, you can appeal to the Commissioner of Land Tax and get the valuation reviewed. If you believe that your valuation has increased to a level which you believe is not related to market forces, there is a mechanism which you use to have this matter settled.

Sir, I am sure that a person so aggrieved, especially those persons with million dollar houses, would make sure that they take advantage of this provision under the legislation if they feel they have been unfairly treated.

SENATOR Mrs. P. E. RICKINSON: On a point of elucidation, Mr. Deputy President. When you are aggrieved and you appeal, you are told that the valuation is the market value of your land and it does not change.

SENATOR T. E. BARKER: Mr. Deputy President, if that is the market value, it is the market value. There are mechanisms in place and citizens are advised to use the mechanisms.

Sir, this Government has shown that it recognises its obligations to the citizens to ensure that they are fairly treated. There are many cases where people have appealed to the Board and they received relief. The point is, we must look at both sides of the equation. Yes, valuations have gone up but at the same time the Minister of Finance has moved quickly to ensure that the rate of tax imposed had declined.

Sir, I am going to repeat what I said before. A lot of people in Barbados are paying approximately the same or less amount of tax as a result of the decrease by the Minister, and that is a fact.

Mr. Deputy President, the Resolution is timely and is needed. I want to stress that the land we are talking about is located next to Sandy Lane, so we are allowing working-class people, through the intervention of the State, to have land in one of the best areas of Barbados. It is one of the best in terms of valuable land. We are making sure that they get the best of Barbados and that is very important.

Sir, with those few words I want to support this measure and we want to impress upon the National Housing Corporation that they have to do more to satisfy the demand for housing, which was a result of the inactivity of the past administration in order to satisfy this vital social need.

I thank you, Sir.

SENATOR THE HON. J. X. WALCOTT: Mr. Deputy President, I beg to move that this Resolution do now pass.

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

ORDER NO. 5 – RESOLUTION TO APPROVE THE VESTING OF CROWN LANDS (VESTING AND DISPOSAL) ACT, CAP. 225, IN THE BARBADOS TOURISM INVESTMENT INC. LAND AT THE DRY DOCK, THE PIERHEAD IN THE PARISH OF ST. MICHAEL FOR THE PURPOSE OF THE ESTABLISHMENT OF A NATIONAL HERITAGE SITE

SENATOR THE HON. J. X. WALCOTT: Mr. Deputy President, in moving the passage of this Resolution, Government is seeking to vest lands occupied by the Dry Dock into the Barbados Tourism Investment Inc. This forms

part of the proposed Pierhead Development Plan which is aimed at transforming the appearance of Bridgetown for the future.

Sir, the Screw Lifting Dock was established in 1893 and, at that time, there were only three existing docks in the world, one in Glasgow, Scotland, Hong Kong and in Barbados. The one in Barbados was 240 feet long and 46 feet wide and had 30 platforms, each of which would accommodate 31 tonnes. By 1903, this dock was lifting more ships than any other facility anywhere in the world. Up until 1992, it remained the only partially functional one of its kind in the world.

Mr. Deputy President, you would understand the importance of preserving a site like this as a heritage site. Certainly, at a time when tourism is moving away from the sun, sea and beaches and tourists are looking more into eco-tourism, heritage tourism and at history and looking at how people live in other countries, it is vitally important that we in Barbados develop our heritage sites. I must say that there are many heritage sites in Barbados which have been neglected for too long and the Government should certainly be commended for entering into this venture.

12.05 p.m.

The development of this area for a heritage site will include the development of a maritime museum and Barbados certainly has a rich maritime history. Certainly, there will be a number of artifacts to be stored in this museum. It is also proposed that Nelson's statue will be transposed and placed in this area.

There will be restaurants, bars, souvenir shops and there are plans to develop a marine aquarium which will highlight local marine life. This will be a very important tourist attraction. It will form a middy within the larger Pierhead Development Project which, Sir, as I said earlier, will transform the appearance of Bridgetown for the next century.

This speaks to the development of some marina facilities, the development of condominiums and hotels, restaurants, bars and offices along that basic area of lower Bay Street, which now has a lot of derelict warehouses.

We will create a boardwalk leading from this project right up to Needhams Point, where Barbadians should be able to enjoy the beaches and waterfront facilities which will be provided along the area. There will be provisions for craft markets as well.

There will be a transformation of Independence Square so that there will not be a car park celebrating the independence of our country, but will be a park in the true

sense of the word that we can be proud of, with greenery, plants and benches where people can go and sit and enjoy the beauty of the Careenage.

The Constitution River will be dredged and landscaped up to the Globe Cinema. The Chamberlain Bridge and the Swing Bridge will be refurbished. It is also proposed that there will be facilities for a marine taxi, basically taking people from the Bridgetown Port and, perhaps, the West Coast to this Pierhead Development Project.

This will incorporate, of course, the refurbishment of the Empire Theatre. We also have plans to reform Independence Square into a high-rise car parking facility. Also, the jetty at Bay Street is being rebuilt.

Sir, this is all aimed at transforming this part of Barbados. This is essential as we approach the 375th Anniversary of the founding of the City of Bridgetown next year as that is certainly a very important milestone, so it is only fitting that these developments should occur in that year.

We have been told over the years that Barbados has been transformed by whatever means, from a backward village to a modern developing country and it is only fitting that we also develop Bridgetown. Over the years Bridgetown has been neglected and it is this Government's desire to do justice to Bridgetown. In this regard, we are seeing the gradual transformation of our capital city, starting with the transformation that occurred at Pelican Village, where new shops and facilities have been provided, not only for the tourists but for Barbadians.

In addition, the Princess Alice Bus Terminal is being rebuilt. This will blend in with the improvements of Trevor's Way and the Bridgetown Fisheries Complex. As I speak, extensive renovations are occurring at the Cheapside Market and it is encouraging to see the participation of the private sector in the enhancement of the Hincks Street area and the beautification of those formerly abandoned warehouses.

The Boardwalk will extend from Hincks Street up to the Swing Bridge and this is now lit and many people have been venturing on it and I believe, Senator Rickinson spoke about the ambience of this Boardwalk from time to time and how she walks on it on evenings.

It is proposed that the Town Hall will also be transformed and become an art gallery with sidewalk cafés. The Lower Green will be reorganised and the buses will be removed from there to create another park in the lower part of Broad Street.

The improvements to Broad Street and Swan Street have started and we have seen the improved lighting. In all of this, Baxters Road will not be forgotten and it will certainly be developed with cobbled sidewalks and lighting, and improved facades to the buildings which line the streets along Baxters Road. Of course, the Wharf Road has also started being improved and we have seen the refurbishment of the Customs Building. Again, the private sector is to be commended in the development of the Old Spirit Bond.

Sir, as I said, all this is aimed at transforming the appearance of Bridgetown, one which some described as drab, shabby and lifeless at night, to one which all of us as citizens of Barbados can be proud of and to this, the Government is committed and should be congratulated for the importance it is attaching to the development and transformation of our capital city.

It is only fitting that as it enters its new century, which we have entered into already where we talk of Barbados progressing to become the smallest developed country in the world, that we should have a capital city which is a show piece to the region and, indeed, to the world and in which there is a rich historical feeling. As I said, I think the Government should be congratulated in this regard for the importance it has been attaching to the development of Bridgetown.

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

SENATOR THE HON. G. S. H. MURRAY: It is with a great deal of satisfaction that I lend my voice in support of this measure. I think, for a long time, many people have been wanting to see the Dry Dock or Screw Dock adjust from another worthless scrap of old iron which was desecrating and defiling the image of Bridgetown.

Fortunately, there have been some over the years, who have been perceptive enough to realise the value of this diamond in the raw, rough or dirt as some might say, and call it out of obscurity to realise its true potential. It is said to be, as you would have heard, one of the two remaining dry docks in the world and perhaps the only one of its type. The one in Singapore, to my understanding, is not of the same type or vintage of Barbados' so therefore, I think that has even a more special significance than we might have thought earlier.

Sir, as a heritage site, this Dry Dock has a tremendous amount of potential for Barbados from which we could benefit in several ways. For example, if we play our cards right, and if the right approach is taken in the development of this historic site, it could serve, certainly, as a major tourist attraction, given the neatness of its nature. It could

therefore end up as a definite revenue earner and if properly marketed, it could even become self-sufficient in its own right, and might not therefore require any subsidies from the public purse.

Again, it would give, not only the visitors but also the current generation of Barbados who would not have been around long enough to see it in action, to assess the way things were done in the past. Particularly, I recall the days when Barbados was the haven and a natural port of call for the inter-island schooners that were so vital to our commercial life. It could also be restored in working order so that boats could, once again be repaired locally. This would generate a number of benefits in terms of generating revenue because people could be charged a fee to watch it in operation.

Therefore, I think that the Dry Dock in itself has a great deal from which we can benefit, by seeing this as a historic and heritage site. Sir, I think it is important that there will be a great deal more public awareness and understanding as to what constitutes heritage.

Heritage has been defined, Sir, by Ms. Linda N. Deane, writing on the topic, "Path to a Heritage Tragedy for Barbados," as follows:

"It is a timeless, bottomless word, embracing past, present and future. It defines everything in our natural and man-made environments that hold some artistic, esthetic, historical or scientific world for us. It embraces our treasures, artifacts, monuments, buildings, achievements, traditions, customs," *et cetera*.

She defined "heritage" as such. It is a timeless, bottomless world embracing past, present and future. It defines everything in our natural and manmade environment that holds some artistic, esthetic, historical or scientific work for us. It embraces our treasures, artefacts, monuments, buildings, achievements, traditions, customs, *et cetera*. That was her definition of heritage.

12.15 p.m.

This shows that heritage transcends and goes far beyond what has, in the past, been taken to mean monuments, buildings and statues. At one time that was how people conjure up images of what heritage represented. However, in recent years this has been broadened to reflect more of a living culture more so than in the past.

Some people feel that it represents something that we not only have a right to inherit from our predecessors but that we have a responsibility and a duty to pass it on to future generations so that they too can enjoy the patrimony of the country and the fruit and the beauty of their cultural heritage in its widest possible sense.

Heritage, Sir, can also be represented in tangible things that are easily seen and can be touched as seen in buildings, monuments and sites and also in intangible things which represent the creative and expressive works of the people in the performing arts, the festivals and the visual and plastic arts. It also represents a way of transmitting our culture, values and norms from one generation to the next.

Sir, cultural heritage is what people create for themselves and their daily way of life. Heritage is not anything special or esoteric. It is representative of a country's total past and present and hopefully an inheritance that can be passed on to future generations. Heritage bears testimony to all human beings in the various cultural settings. In the same way it can be said that no society can be without a culture, it can also be said that no society can be without a heritage. What it takes is a recognition and an appreciation for that heritage from that society to ensure its preservation, its respect and its sustainability.

It is interesting, Sir, that this debate is taking place in the year 2002 which has been designated by the United Nations as the year for cultural heritage. Considerable damage is being done all over the world in wars and insurrections to the manmade tangible heritage in the destruction of buildings, artifacts, works of art and in the destruction of societies and communities. Even today as we are speaking of respecting the heritage of the past, some of our current tangible heritage as well as the aesthetic and the natural beauty of the country's heritage is being destroyed and being lost. In that respect, Sir, I am pleased to say that the Government is not paying lip-service to the whole question of cultural heritage but is observing the United Nations' year for cultural heritage by signing on to a number of international conventions.

This Government has taken a number of decisions which certainly demonstrate our commitment to the preservation and protection of our cultural heritage both tangible and intangible. I will make reference to these policy decisions and the programmes that are being put in place to ensure that we are transmitting this awareness and this appreciation into more than lip-service and attitudes and things that please the ear.

The first one, Sir, is the preservation of what is known as the Preservation of Antiquities and Relics Bill. This Preservation of Antiquities and Relics Bill will become the virtual cornerstone of Barbados' heritage strategy. It is currently in the drafting stage, but it will put in place a number of measures to protect our cultural heritage.

As you will appreciate, Sir, legislation of this nature is very complex and has to be so drafted that it does not come into conflict with other legislation or the Constitution. Therefore, a great deal of effort and time is being taken to

ensure that this Preservation of Antiquities and Relics Bill does not in anyway violate other peoples' rights and privileges.

This Bill will make provision for the establishment of an inter-ministerial committee to deal with the whole question of the management of our heritage, the issuing of export certificates for items going abroad and regulations that will govern excavations.

Sir, far too often in the excavations done to do foundations for the construction of modern building, destruction has been wrought on very invaluable artefacts of our previous cultural heritage. One of the most famous instances of this occurred in the north east of Barbados. However, some of the artifacts were saved because at that time of the construction process, word got out and the people from the Museum moved in and were able to capture and preserve some of the artifacts for future generations.

In addition to that, Sir, we also have to deal with the very phenomenon of people stealing these artifacts which are very valuable. They might not be very valuable to Barbados but they are certainly valuable on the international scene where there is an active and strident trade on stolen artifacts. We have lost very valuable artifacts through this process.

Sir, this Bill will also ensure the creation of national inventories to take stock of our cultural heritage, the implementation of training and public education programmes on heritage, the introduction of security measures in museums, the training of museum guards to be on the look out for the theft of artifacts, the creation of restricted areas dealing with heritage, the creation of a human resource department that would oversee the specialist training of police and custom officials, the sensitising of our tour guides who take visitors and others around the country to traverse our heritage sites so that they can know the true nature of their worth and their responsibilities and the establishment of a heritage commission to come under the above measures I spoke about.

In addition to that, Barbados has recently become signatory to five international Conventions for the protection of cultural heritage and properties. These include the 1972 World Heritage Convention. This is a convention which sets out guidelines relating to and facilitating the identification, preservation and protection of our cultural heritage. It provides the framework for the preservation of the most remarkable heritage sites whether natural or cultural and it is particularly well-known for its world's heritage list which enumerates the wonders of the world.

There are some 721 sites on this list of which 544 are cultural, 144 are natural and 23 are what are called mix.

These are spread across 124 States across the world. Regrettably, Sir, the Caribbean does not feature very prominently on this list. In fact, it is very poorly represented. The list includes only five sites in the CARICOM region. These are Brimstone Hill Fortress National Park of St. Kitts, Morne Trois Pitons National Park of Dominica, the Belize Barrier-Reef Reserve System, the National History Park in Haiti and the Central Suriname Nature Reserve.
12.25 p.m.

Mr. Deputy President, unfortunately Barbados is not featured on that list but we hope, in the future, that would be addressed as UNESCO has recognised that steps must be taken to redress this imbalance and that at every opportunity, CARICOM is pushing to make sure that list is brought to enhance and to embrace more countries of the Caribbean.

Mr. Deputy President, these Conventions include the Convention for the Protection of Cultural Property in the event of arms conflict. This is popularly known as the Hague Convention, 1954, which arose out of the threat that was posed to society through the threat of cultural artifacts, especially during World War II.

There is also the Convention on the Means to Prohibiting and Preventing the Illicit Export/Import and Transfer of Ownership of Cultural Property, 1970. This is of particular relevance to the Third World as it articulated guidelines, policies and educational measures such as national inventories, training of law enforcement officials and the issuing of export certificates to combat illicit trafficking in cultural goods.

There is also the Convention on Stolen or Illegally Exported Cultural Objects, (UNIDROIT Convention), 1995, and the Convention on the Protection of the Underwater Cultural Heritage, which was adopted in 2001 and was designed to protect the precious underwater system that exists beyond those countries' territorial waters. Of course, Barbados would have a vested interest. We are a signatory to this Convention which seeks to look at, not only the natural properties but also at man-made properties such as ship wrecks, structures, *et cetera*. For example, the wrecks that are in Carlisle Bay would be governed by such a convention and would help to protect that part of our patrimony.

Sir, as part of our treatment of heritages in the broadest possible sense, the Ministry of Culture has commissioned a team of historians, namely Dr. Cecilia Karch-Brathwaite, Mr. Ronnie Hughes and Mr. Robert (Bobby) Morris, who are engaged in writing the history of Barbados which would give a more balanced account of the development of the Barbadian society than had previously been available to us. It is envisaged that this book would be used in secondary schools and work is expected to be completed by the end of this year.

In addition, Government has also contributed to the national history programme, coordinated by the National Cultural Foundation which records the first-hand experiences and remembrances of older members of the Barbadian society. There is a Steering Committee, under the chairmanship of retired academic Professor Woodville Marshall, which oversees the ever-efficient implementation of this programme.

In addition, there are the Federal Archives. Government has made a commitment to assist the UWI with the cataloging and the preservation of the archives of the defunct West Indies Federation which, as we know, existed between 1958 and 1962. While it was not enduring, it certainly was an important milestone in the history of the region. These documents would eventually be available to the public in electronic form. Government has not only talked about it but has also set aside \$460 000 to assist this project, with \$225 000 being utilised in the current 2002-2003 Financial Year while the remaining \$235 000 would be made available in the 2003-2004 Financial Year.

Mr. Deputy President, I think that not only would the Dry Dock help us to put Barbados on the map but because of its importance, would help to generate a greater feeling of self-respect and appreciation for what is Barbadian. Though we might not be as big as other countries, we do have our unique heritage which we value and preserve and which could be made important and attractive to the rest of the world.

Mr. Deputy President, I, therefore, wholeheartedly support this measure, particularly when put in the context of all of the other surrounding developments that are taking place in and around Bridgetown, including the very exciting Pierhead Development Project which is expected to commence early next year and which, I suspect, would transform Bridgetown for the better for many years to come.

Already we have seen what could be done to enhance Bridgetown, for instance, the work on the Old Spirit Bond which, for many years, was an object of ridicule and scorn and which, at one time, a tree was growing through its roof. Sir, now through the amalgamation of the Barbados Tourism and Investment Incorporation and the cooperation of the private sector, the Spirit Bond has now been transformed into an attractive mall. Sir, I have not had the chance as yet to visit but from information received, it is said to have been totally transformed and is worth every cent that has been spent on its restoration.

Sir, that is a tangible representation of what could be achieved if a country and its people are prepared to put their imagination, goodwill and cooperation to the betterment of the country. If that is broadened across the scale, we could see what could happen to Bridgetown. In fact, that whole

vista that stretches from the Immigration building to the top of Chefette, is now a very pleasing sight at nights when one looks across the Careenage. Sir, next month when the National Independence lights are to be turned on, that view would be more considerably enhanced.

Sir, we have a right to encourage others to be on the right track, therefore, I appeal to all Barbadians to treat these cultural sites with respect and to ensure that any incidences of vandalism or desecration are reported and are dealt with, neither should people want to litter or to defile such natural sites in anyway. Therefore, I beg to support this measure with my fullest enthusiasm.

SENATOR P. C. GODDARD: Mr. Deputy President, I rise to support this Resolution and to observe that, for several years, we have brought many different measures to this Honourable Senate, which are aimed at restoring the rightful place of our capital city, Bridgetown.

Mr. Deputy President, we are now seeing a critical mass of reality taking place, where Swan Street has been completed, Broad Street has been resurfaced with more work to be done; the Boardwalk is completed; Baxter's Road and Tudor's Street will shortly be done; we are now in the throes of working on the Cheapside Market and the Old Town Hall and now the focus is on the Screw Dock, which is a remarkable piece of engineering.

It is the only one of its kind, if not one of two of its kind in the world. I understand that UNESCO is looking at this particular site as one of the cultural heritage centres of mankind which means that, in this regard, UNESCO would be providing some financial assistance to us.

I was also pleased to have heard Senator Murray's wide recitation of things that are happening regarding the preservation and the capture of our history. In this regard, I would like to draw to the Honourable Senate's attention the fact that there are people still living today who have managed and have worked with the Screw Dock and who have a wealth of knowledge about how it operated. They can tell many anecdotal stories about how various incidents have taken place.

Mr. Deputy President, I have been the beneficiary of some of these story-tellings. Mr. Joseph Weekes, for example, is a man who has ran this place for many years. He lives in St. Lawrence. Mr. Weekes has forgotten more than any of us will ever know about the Screw Dock and how it operated. This is a tremendously important site for Barbados and for Bridgetown. I would also like to reiterate the importance of the celebrations that could surround the 375th Anniversary of the establishment of Bridgetown.
12.35 p.m.

It is not well appreciated but Bridgetown at one time was the largest City in the English-speaking part of the Western Hemisphere. For many years it exceeded the size of any city in North America and we should utilise this to show the interaction between Barbados and North America.

Sir, preserving institutions such as the Screw Dock and focusing on a maritime museum is one of the truly essential parts of the development of Bridgetown. I have a particular love for maritime and military history. We have to understand the history of our island from its very foundation, how the tribes lived here before the arrival of Europeans and Africans to this location, how they dealt with the environment of the fragile Caribbean islands.

Sir, there are some lessons for us to learn today from how the Caribs and Arawaks treated the environment, the inshore waters and how they preserved the fresh water utilisation of the resources of this country.

Mr. President, I am committed to the development and resuscitation of Bridgetown as a strong living, commercial and residential entity. I think the Pierhead Development Project will go a long way in restoring Bridgetown to its preeminence.

I am also very concerned about the architecture being used in the City. We need to develop strong architectural standards and ensure that the modernity of crude, stainless steel and glass do not ruin the whole aspect of the architecture of our city.

I also note that the cathedral is a central part of the city and a very important part of our culture. It is the seat of the Lord Bishop, is an important edifice and is in great need of restoration and enhancement. This is all part and parcel of the restoration of Bridgetown.

Sir, all of these things are important to us as a people where our national capital is concerned.

Sir, I am wholeheartedly in support of this Resolution regarding the Screw Dock and hope to see its restoration in the very near future.

SENATOR Mrs. P. E. RICKINSON: Mr. Deputy President, I fully support the Resolution because I feel excited about the establishment of our national heritage site.

I am ambivalent that Lord Nelson must be moved from his resting place to the national heritage site because I thought we could make more money from tourists by leaving him in his original site since this statue is one of the oldest statues in the world.

Sir, this development which has been planned cost a lot of money and I am not sure where the money will come from unless we have overseas investors.

I would also like to see the Parliament building refurbished as one of our heritage sites since it is an historic building. I notice that whenever I come to Parliament, tourists are taking pictures of the building and the time has come for us to have tour guides to show them around even if we charge a small fee for this.

Sir, these are the sort of things we need to do with our heritage site. We need to do the same thing with areas like Morgan Lewis and Little Bay. Sir, Government should acquire the land at Little Bay, St. Lucy, which is the site of historical landings so that it can be made into a heritage site but in developing these areas we need to keep systems in place for the betterment of the island. We need to reintroduce the capturing of stray dogs in this country so that the country is not traumatised by these animals.

Sir, when we develop these heritage sites, we want to sell them to investors overseas but we must make sure that they understand that our image is important to us. Sir, tourists are not going to come here if you are going to invite them to a conference and then exclude them because they are white. We have to get everything straight. If we want to have something that is black, you have to tell them that you want something that is black, and only black people should be in attendance. If you have other persons of different colours, you cannot exclude them from the conference. It does not help our image nor does it help with our investment. Sir, nobody is going to invest in a country that is racist. We have to be very careful about what we are doing.
12.45 p.m.

I would like to support the Government fully in their attempt to establish a national heritage site. I look forward to visiting it and tell people about it so that they can come to Barbados and see how well we are doing.

SENATOR C. K. LAURIE: Mr. Deputy President, it is a very interesting debate that we have here. It has gone from heritage to trade and racism.

Sir, on behalf of the Barbados National Trust, I would like to say that this idea of the Screw Dock has been one of the things we have been representing at various planning committees on the restoration of this very important site. I would like to support that readily.

Sir, the remark about Nelson, I think when I did some research on the proposed removal of Nelson, it was discovered that the Government does not own the statue or

the land. I am surprised, up to now, that the Government has made no attempt to legally acquire the land or the statue before they are sued for trespassing or something of that nature. There are legal ways to acquire this property.

Sir, the owners of this statue have not paid taxes for over a hundred years so the Land Tax Department could easily acquire this property. There should be some way of saying that we own this land and this statue. Currently, according to the Land Tax Department, the land is not owned by anybody so it is a very strange situation. The original people who put up the subscription for the land and statue, presumably, they own it but we should do something about it. This situation has been outstanding for a long time and we have not done anything about it.

Sir, we acquired the George Washington House and I believe that the vesting of that property in the Barbados National Trust has not occurred, even though the Barbados National Trust is actively working to restore this house. We need the legal aspects to be put in place. My friends in the legal fraternity would understand the inexplicable way in which it takes years to get anything done, but I hope that eventually we will see some action in these very important matters.

I thank you.

SENATOR THE HON. J. X. WALCOTT: Mr. Deputy President, I beg to move that this Resolution do now pass.

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

SUSPENSION

SENATOR THE HON. J. X. WALCOTT: Mr. Deputy President, I beg to move that this Sitting be now suspended until 1.55 p.m. today.

The question that the Sitting be suspended until 1.55 p.m. was put to the Senate and agreed to and Mr. DEPUTY PRESIDENT suspended the Sitting accordingly.
12.55 p.m.

RESUMPTION

Mr. PRESIDENT: This Sitting is resumed.

ORDER NO. 6 – TO MOVE THE SECOND READING OF THE INCOME TAX (AMENDMENT) BILL, 2002

SENATOR THE HON. J. X. WALCOTT: Mr. President, as I rise to speak on this Bill, I want to inform all Honourable Senators that an amendment was made to

Clause 11 of this Bill in the Other Place yesterday and this amendment has been circulated, I believe, to all Senators.

Clause 11 should now read “ this Act should be deemed to come into operation –

- a. In respect of Section 2 on the first day of October, 1998.
- b. In respect of Section 3 from the income year 2003 and
- c. In respect of Sections 1, 4, 5, 6, 7, 8, 9 and 10 from the income year, 2002.”

Mr. President, this amendment Bill has been prepared essentially to give legal effect to proposals that were announced in the Financial and Economic Policies Statements delivered by the Minister of Finance on October 24, 2000 and August 8, 2001 and it was also to introduce certain amendments which have been identified by the Commissioner of Inland Revenue as being necessary to enhance the operation of the Act.

In the case of Clause 2 of the Act, this would seek to exempt income paid into registered retirement savings plans from the payment of income tax. In 1998 the Minister of Finance in his proposals indicated that there will be no tax paid on income which is placed in registered retirement savings plans or on investment interest that accumulates within those plans.

However, in the Income Tax (Amendment) No. 4 Act, 1998, a number of provisions were enacted to enable registered retirement savings plans to be established. However, the provision of this exemption from taxation was inadvertently omitted and this draft, now under consideration, has sought to correct this oversight.

In the case of Clause 3, there will be an increase in the statutory limit of rent-free accommodation from \$14 400 to \$48 000 per annum. Sir, let me explain this. Initially when income tax came into force in 1992, an allowance was made of an annual rent-free benefit of \$14 400 per individual. In the light of current rents and the improvement in housing, it is necessary that you would need to increase this allowance to a more realistic value, so, it has been decided that it should be increased to \$48 000.

Sir, in the case of Clause 4, this seeks to make different provisions in respect of deductions for the payment of rent on the lease. It has been a concern for the Ministry of Finance that many leases are not being registered with the Registrar of Titles and these individuals are avoiding payment of stamp duties and necessary property transfer taxes.

Sir, in an effort to ensure compliance, the amendment will now make reference to the lease and the lessor should be made responsible for the registration of the lease. The Bill has been drafted to indicate that the lessor will be unable to claim any deductions or the lessee to lease payments unless the lease is registered.

In the case of Clause 6, this seeks to increase amounts of allowable expenditure from \$3 500 to \$6 000 and this will allow an addition to mortgage payments, renovations and repairs, expenses for retrofitting residential dwellings with roof straps and window shutters to deal with safety against hurricanes.

Sir, in Clause 7, there would be a reduction in the rate of corporation tax from 40 per cent to 37.5 per cent and this is in keeping with Government's plan to reduce this to 33 per cent in a five-year period. This is the beginning of a continuing trend which has been occurring worldwide. I believe that throughout the region we are lagging behind our CARICOM neighbours in the way that corporation taxes are being charged.

Clause 8 seeks to provide for disclosure of information by the Commissioner of Inland Revenue by the relevant authorities when requested. This Act will now be amended to provide disclosure of information to the relevant authorities primarily in the areas of outstanding balances where offsets can then be accommodated.

Clause 9 introduces a withholding tax on mutual funds for the first time. If you have an annual deduction of \$10 000 from mutual funds, and in order for the person to enjoy the deduction the investment must be kept for five years, individuals who have been withdrawing such investments within this time frame must pay tax on the amount. It was agreed that in order to protect Government's revenue and to avoid administrative difficulties in seeking to recover relevant tax from the taxpayer, the Act has now been amended to allow for the tax to be withheld at the time of withdrawal of the investments from a mutual fund.

Finally, Clause 10 makes provision for a penalty in respect of the late filing of income tax returns. An amendment to the Act will now seek to see the imposition of a late filing penalty of \$100 on every return filed after the date for reasons other than those which are spelt out in the Income Tax Act, Cap. 73.

Mr. President, essentially, these amendments will become necessary because of proposals announced by the Minister of Finance and also on the advice of the Commissioner of Inland Revenue based on weaknesses which he saw inherent in the present Income Tax Act. We are mindful that the Government is looking at the whole

process of income tax reform and the reform of taxation, essentially in Barbados, and no doubt we will hear more about this in the next week.

Sir, with these few remarks, I beg that this Bill be now read a second time.
2.05 p.m.

SENATOR C. A. MASCOLL: Mr. President, I rise first of all, in a slight state of confusion because only this morning I heard that there will be a Budget debate on Tuesday of next week. It makes me wonder why it is that these measures could not have come in the Budgetary exercise for next week, except that perhaps, the decision to bring a Budget speech on Tuesday which is, again, not typical in Barbados over the last several years, if I recall, to bring a Budget might have been occasioned by the fact that the President of the Democratic Labour Party was scheduled to address the Chamber of Commerce on Wednesday and it appears as if the timing of the Budget might have been to erase that impact.

Aside.

SENATOR C. A. MASCOLL: Mr. President, on a more serious note, the increase in allowance from \$3 500 to \$6 000, I have to question the motive of it because, as far as I gather, the intention really is to assist low income individuals with ensuring that their properties are more secure in the event of high winds or a storm. Sir, what we recently experienced in Barbados, with the passage of Lili, were some high winds that apparently caused severe damage. One took note of the escalation of the estimate of damage from 200 to 400, then to 600 over the space of two days. We must be grateful as Barbadians that the wind speed did not reach hurricane proportions.

Let me now say that in order for an individual to benefit from this measure, when you sum up your allowance you must be able to exceed \$15 000. If your allowances, when you put them together, do not exceed \$15 000, you cannot benefit from this recent adjustment in allowance. Sir, that is a major point that has to be made, because given the limitation of deductions and allowances in Barbados over the last 10 years, it has become particularly difficult for most Barbadians to get allowances to sum to more than \$15 000. Therefore, any such measure will not really be catering to low income Barbadians at all, but would have to be addressing the needs of the middle or upper middle income Barbadian.

Aside.

SENATOR C. A. MASCOLL: That is a fact so there is no need to even attempt to dispute what I am saying. Even though you are allowed allowances and deductions,

unless they sum to more than \$15 000, it makes no difference to the taxpayer, so that your allowances must be able to add beyond \$15 000 for you to benefit from this measure. I am not so sure what is the motivation behind this adjustment and to whom it is attempting to cater.

I would have thought that the Barbados Labour Party, under the leadership of Prime Minister Owen Arthur, would have sought to approach the promise made in its Manifesto of 1999 when a policy was enunciated to increase the allowances from \$15 000 to \$25 000 over the course of five years. I need to be able to clarify that...

Aside.

SENATOR C. A. MASCOLL: But there was a promise made...

Aside.

SENATOR C. A. MASCOLL: Yes. On page 38 of the 1999 Manifesto of the Barbados Labour Party it says:

"We will progressively increase the income tax threshold from the present level of income at \$15 000 to \$25 000."

Now, that measure would have been better to pursue because you would effect a wider cross-section of workers, and you would have given them a greater opportunity to be able to make the kinds of repairs that, apparently, this measure is seeking to do.

Sir, on the question of the period, we all know that Governments in Barbados are elected by their periods. I would hope a Manifesto that has a promise like this, which says that we will increase the income tax threshold from the present level of \$15 000 to \$25 000, would have been seeing the five-year horizon as its horizon.

Asides.

SENATOR C. A. MASCOLL: In any event, it has not been approached at all. This measure is highlighted in red on page 38 of the 1999 Barbados Labour Party Manifesto and there has been no attempt to put this into effect. This is a major policy initiative that would have been best approached at this time because of the circumstances that I outlined.

Sir, I repeat, you cannot benefit from this tax measure of increasing the allowances, which has in everything, the kitchen sink, house repairs, medicals and all kinds of things are included in the \$3 500 allowance when it was introduced, if you recall. Sir, unless you can get your allowances to sum in excess of \$15 000, there is no benefit for the average

taxpayer. I repeat that because it has to be repeated, so while this measure appears to be and looks significant and beneficial, it cannot be beneficial to most taxpayers in Barbados because as I speak to you, most taxpayers cannot reach this level.

The other thing is this. In recent times we have had a \$10 000 allowance from mutual funds but that is not repeated year after year. You can go up to a maximum of \$10 000 but I do not think we expect a taxpayer, each and every year, to look to invest \$10 000 or to get that \$10 000 allowance. Therefore, we cannot anticipate that several people in Barbados, as is the case, will be able to exceed the \$15 000 threshold.

Sir, I am calling on the Prime Minister in his Budget speech next week to look at that policy on page 38 and do something about it, because these other cosmetic changes will not derive any benefit to the average Barbadian.

The other thing is that we have had a major discussion on so-called tax reform in Barbados. Indeed, if there could have been consultation that yielded this outcome or these amendments, then it was not worth its weight in salt. These lengthy consultations that I heard about, could not have given rise to these measures. These measures seem to be in response to the passage of Lili. That is the impression I am getting here from the major measure that it is in response to the passage of Lili.

The other thing is the adjustment to the corporate tax rate. Well, I would hope that it is accompanied by an adjustment to the top marginal tax rate for the individual. It has to be adjusted. It is now very evident that unless you make the adjustment, you will encourage individuals to go one way or the other. Just let me explain the history of this particular policy.
2.15 p.m.

There was a time in Barbados when the corporate tax rate was 40 per cent but the top marginal individual rate was 50 per cent. What that did was to encourage several Barbadians to incorporate. If you go back and do your research you will see that in 1986 there appeared to have been the formation of over 4 000 new companies in Barbados. It appeared that way because individuals recognised that since the corporate tax rate was less than the highest marginal rate, it was advantageous to form a little company and get the tax relief and benefit.

One does not have to take my word for it. The evidence is there that in 1986 several new companies emerged in Barbados and the explanation for it was that there was a gap between the top marginal income tax rate and the corporate rate that encouraged incorporation.

That was just like how individuals were encouraged to build long driveways and conclude that they were making house repairs and gain substantial benefits as a result of that because of the deductions that they can make for income tax purposes. Those kinds of things encouraged individuals to go that route.

All I am saying here is that gone are the days when you can make adjustments simply to the corporate tax rate without making a similar adjustment to the individual top marginal rate, so Prime Minister Arthur on Tuesday next has another policy to put in place, that is, he has now to adjust the top marginal rate from 40 per cent to 37½ per cent. It is the wise thing to do.

The other thing is this. Regardless of what we do, we have sought over the last couple of years to reduce the corporate tax rate for small businesses to 25 per cent, I think it is. There was such a policy put in place a couple of years ago but you can only pay corporation taxes if you make a profit and it is the Government's duty in terms of policy formulation to ensure that those policies assist small businesses to make a profit, so we do not need to adjust simply the corporate tax rate, we have to find ways and means of looking at the cost side of the equation and if we need, at this stage, to look at the depreciation and at accelerating the depreciation in light of the way in which technology changes from day to day.

We know that a piece of our computer equipment or some other piece of high-tech equipment can become obsolete overnight. Therefore, we need to be in a position to encourage businesses to reinvest as quickly as possible. Perhaps there is also a need at this stage to look critically at encouraging businesses to reposition their information technology base as quickly as possible in response to the changes that are occurring so rapidly in today's world.

I am saying that the policies for Government now should not just be centred around a reduction in the corporate tax rate but they should be more concerned with encouraging profitability among small businesses in which case Government will then get revenue because at that stage corporate taxes will be applied to businesses that are small. As it stands now, small businesses would hardly be in a position to realise a profit and therefore the reduction to 25 per cent will make no difference to them because they are not in a position where they can realise a profit.

Mr. President, unfortunately, I have not had time to really look at these measures. I was only able to look at the withholding tax on mutual funds. I recall that years ago when once you earned dividends, you then had to put that on your income tax returns as income and, as a result of that,

individual income taxpayers were experiencing serious double taxation on dividends. As a consequence of that, it was then felt that there should be a final withholding tax on the payment of dividends. That was put at 12½ per cent.

As I said, I am not so clear as to exactly what the measure is on the mutual funds but if it is consistent with that thinking, then I think we are on the right course in relation to the question of mutual funds because you do not want to have a situation in which people who are investing in businesses will then have to pay taxes at the corporate level, then to get their dividends and then have to put them onto the income tax forms to have to pay the 40 per cent marginal tax rate. It is really an extreme burden on potential investors in Barbados and therefore if that is so, and I suspect it is, then the intent to make the withholding tax a final tax on mutual funds should have been done a couple years ago.

No one can complain about increasing the rental income but, definitely, I would conclude and say that perhaps some more thought could have gone into these measures and perhaps they could have been delayed until next week where there is supposed to be a full budgetary presentation by the Prime Minister.

I see no need why these measures had to be brought this week when there is supposed to be a Budget speech to be made by the Prime Minister next week. However, I can tell you that in the overall scheme of things, these measures are inappropriate because they would do little to reduce the burden of taxation on Barbadians. I have been on that now for the last several years.

It is a fact of life that the tax take in Barbados has now reached 40 cents out of the dollar up from 28 cents in the early 1990s and no one can be comfortable with that reality. There has been excessive taxation on the backs of Barbadians and there is a need, in light of the performance of the so-called Value-Added Tax, for income tax to be reduced even further.

This cosmetic method adjustment to allowance would not suffice. There would have to be major adjustments made to the marginal tax rates and I hope that this Administration plans to keep its promise of increasing the tax threshold from \$15 000 to somewhere towards \$25 000 which is on page 38 of their 1999 Manifesto. It cannot be done in one year but it has not even been started by this Administration, so the most important tax measure that should have been pursued over the last four years has not been pursued and in light of that, I see these measures before me for what they are; an attempt to deal with Tropical Storm Lili by using some spin bowling.

SENATOR T. E. BARKER: Mr. President, I rise to support this legislation and perhaps to remind the last Senator who spoke that if he has nothing to say he should do so. It is obvious that this measure has nothing to do with Tropical Storm Lili. These measures were announced in the last two Budgets and the legislation is now coming into effect.

2.25 p.m.

Mr. President, if the Honourable Senator were paying attention to what was going on, the Honourable Senator would have known that these measures...

Mr. PRESIDENT: Senator Barker, I would not take that too far. Please stick to the terms of the Bill that is before us.

SENATOR T. E. BARKER: Sir, what I am saying is that anyone who has done his research would have known that these measures were announced a year ago and that we are now bringing the legislation into play. The legislation says that most of these measures would be coming into effect this income year and, therefore, when filing is done, these measures would already be in place and would be relevant.

SENATOR C. A. MASCOLL: On a point of order. Mr. President, I do not normally do this. I take my lashes like a man and I give some but according to the Objects and Reasons of the Bill, at (a):

“To permit an increase in the annual allowable expenditure by homeowners from \$3 500 to \$6 000 per annum to cover the expense of retrofitting residential dwellings with roof straps and window shutters.”

This is as a direct consequence of the high winds that we have experienced recently.

SENATOR T. E. BARKER: Sir, I would like to quote from the Budget Speech of August 8, 2001, which is a document of this House. Sir, with your permission, I quote:

“Mr. Speaker, I, therefore, propose to increase the current allowance in the Income Tax Act which allows homeowners to deduct \$3 000 annually for expenditure on mortgage interest or repairs to \$6 000 per annum, specifically to include the expenditure of funds for retrofittings of residential dwellings with roof straps and window shutters.”

Mr. President, this means that the Honourable Prime Minister, having extraordinary powers, had looked through time a year ago and had seen that Lili would have hit us.

Therefore, I would have preferred if the Honourable Senator would get his facts straight before coming to this Honourable Senate and pontificating on things of which the Honourable Senator knows anything.

Sir, the point I want to stress is that these measures were announced in the last two Budgets and we are now changing the Income Tax law to put them into effect so that when people file tax returns next year, there would be a legal instrument in place. Sir, that point alone invalidates most of the non points that were raised by the last Speaker.

Sir, Lili had nothing to do with this, but what it has done is to alert all homeowners to the possibilities. It should also encourage us to take advantage of this measure that has been announced by the Minister of Finance, which has tremendous foresight. Therefore, we should use this measure in the Income Tax Act, now being amended, to make sure that we do the correct thing to make our properties more hurricane-resistant.

Sir, the Honourable Senator also made a point which shows that he does not understand the Income Tax Act. Every income earner in this country has an allowance of at least \$15 000. Therefore, to say that one is not going to get allowances which add up to \$15 000 is ignoring that simple fact. Once a person is getting a salary, the first \$15 000 is tax-free. Therefore, these measures are in addition to the \$15 000 that wage earners receive.

Mr. President, with regard to the corporation tax, *vis-a-vis*, the income tax, an interesting point which we have to bear in mind is that there should be some relationship between the corporation tax and the individual tax rates, otherwise people might go for the corporation tax. That is a well-taken fact but we know there are many reasons why people do not incorporate because they might be at a level below that which does not make sense incorporating. I do not think the difference of 2.5 per cent is going to be significantly enough to cause persons to want to incorporate.

Mr. President, regarding the issue of reducing income tax, a few months ago at the Sherbourne Conference Centre, there was a consultation on the Barbadian economy and two issues were raised; one was that of national insurance and the other was income taxation. I am sure that an invitation went out to all members at the George Street Headquarters but, if the Opposition did not take advantage of such a wonderful occasion to come and air their views, that was not our fault but, indeed, these issues were discussed. I think that Senator Collymore was there, only in his capacity with the Barbados Association for Retired Persons (BARP).

Sir, we came away with a view of the income tax, where the Prime Minister has promised that he would look

at the issue, *et cetera*. Therefore, this issue of trying to back-raise the Prime Minister and of making a number of calls are not foreign to the DLP.

Sir, judging from Senator Mascoll's original statement that the Prime Minister has chosen next Tuesday as Budget Day because the Prime Minister has heard that Senator Mascoll is giving a nonexistent speech today, could be dismissed for what it is, because Senator Mascoll, himself, has said that he was not serious.
2.35 p.m.

Sir, the matters of income tax and pension reform have engaged this Government's attention and we have to respond to make sure our income tax laws keep pace with modern trends as we come to grips with what is happening in the economy so that we can continuously make the necessary adjustments.

Again, we heard talk about over-taxation where the tax rate moved from 28 per cent to 40 per cent but we know that you should not compare oranges with apples. If we are tying the tax effort to GDP, we should not use market prices on one occasion and factor prices on the other occasion because we would be intellectually dishonest. Sir, we have to make sure that we use the same base. I would like to see these figures to show that the tax effort has moved from 28 per cent to 40 per cent because the last time I checked, this was not so.

Sir, if the Honourable Member has information we are intelligent enough to assimilate the information. The Honourable Member must not come here and drop numbers without giving us reference because we would want to check them out.

Sir, if we compare GDP and factor cost, let us do it consistently throughout and if we are going to use market prices, let us do so consistently. Do not use GDP and factor price on one occasion to make yourself look good and on another occasion use GDP and market prices. There are basically two measures of GDP which can be used but whichever you use you have to be consistent as to the one used.

Sir, it would be totally incorrect to use difference bases for matters of comparison. The Honourable Member knows this very well because he was taught that he should be consistent over the years. The Honourable Member should credit us with more intelligence in the matter and do not use these spurious comparisons.

Sir, we must always relate tax efforts to what is going on within the society and we must relate the level of taxation to the level of services within the economy. If we are prepared to pay for our children to go to the Barbados

Community College, the Samuel Jackman Prescod Polytechnic, pay for a university education and health care, then we can have a lower rate of tax but we cannot have a lower rate of tax and at the same time demand from the State high levels of services.

I have argued the fact consistently that the State provides education and health services free of cost and that it has enabled the sort of social mobility we see evident in this country. Sir, if the Honourable Member wants to argue for a low rate of taxation, he is arguing against the very things that caused so many of us to be in here today.

Sir, we have to be careful because we can only have low taxes if there is a low level of Government services and I would prefer us to keep the level of services and maybe even increase them in some cases or we could end up with social problems. Sir, we have to be careful what we are asking for because the President of the Democratic Labour Party might be in an election mode and low taxation will mean low public expenditure.

Sir, in 1986 we had a massive tax cut and within nine months we had to reverse it because the effect on the country was traumatic and devastating, and in 1987, we had visited upon the people the highest level of taxation ever seen in this country.

Sir, these measures are important ones. They are not new ones. They have been announced a year ago and the legislation is now being put in place.

Sir, the State says that if a person files his tax return on time and the Government does not pay on time that after six months you will receive interest, but if a person does not file on time, there will be a penalty. In the same way there is a benefit for filing on time, there is also a penalty for not filing on time.

Sir, if the employee has a legal mandate to file, it is important that the employer gives the TD5 slip to the employee early so that he can file within the stipulated time. It is also important that every worker files his income tax in good time.

Sir, with those few remarks I want to give my wholehearted support to this measure.

HIS HONOUR SENATOR C. L. BOLDEN: Mr. President, it is not usual for me to get involved in these tax matters but something my friend, Senator Mascoll said, jolted me into action and I am forced to defend Parliament. He makes statements which have little or no foundation and are based on his limited knowledge of politics and the Democratic Labour Party.

Sir, when Senator Mascoll speaks about high taxation in this country it forces me to recall several statements and incidences that passed me in the course of my tenure in this Parliament. The first thing that jolted me into action today is when he said that all these concessions would have to total more than \$15 000 in order for them to have any meaning to the ordinary man and woman in the street.

I wonder if he remembers a Minister of Finance or Shadow Minister of Finance in the Democratic Labour Party when the Honourable Sir Harold St. John was Prime Minister of this country immediately after the death of the late J.M.G.M. "Tom" Adams. Sir, we were very near to elections and Richie Haynes back-raised the Barbados Labour Party by saying that every man will be entitled to \$15 000 tax free, but Sir Harold said the country could not carry it and he would not make such a statement. Richie Haynes said that the country was overtaxed and if the Democratic Labour Party won the elections everyone would benefit from \$15 000 tax free.

I remember young girls in the Registry saying they would vote for the Democratic Labour Party but after the elections they realised they were not working for as much as \$15 000 and, therefore, could not benefit from it. Sir, but in the first Budgetary Proposal put forward by the Minister of Finance of the Democratic Labour Party the taxes went up and through the sky.

Sir, I even got a beautiful case because some people who had entered an agreement before the elections found themselves in a position where the high taxes killed their business.

Sir, Senator Mascoll should learn the history of the Democratic Labour Party and he must take counselling from his better half before he speaks because she is a brilliant lawyer but none of it is rubbing off on him.
2.45 p.m.

There is a piece of legislation in Barbados called The Provisional Collection of Taxes Act. I am wondering whether these amendments fall within the Act because that Act says that any proposal made by the Minister in a Budgetary Proposal takes effect immediately but must fail if the Act is not introduced in Parliament within four months. Sir, the late Errol Barrow amended it to a year. He said that four months was too soon to get the Act through Parliament. Therefore, if the Honourable Member who spoke had read the Law, he would see that this has to be passed if they mean anything otherwise they would lapse under the Provisional Collection of Taxes Act.

The Minister of Finance said in his last Financial Statement that he was going to grant \$5 000 a year to householders for establishing security measures on their premises. I do not see it mentioned among these amendments

and I wonder if it has been forgotten, because larceny is at its highest, including praedial larceny and damage to people's properties. I think that rather than \$5 000 we should be offered \$10 000 to protect our premises from the night prowlers.

Mr. President, I think that it is as much a burden as Tropical Storm Lili which the Honourable Member spoke of, and I think that we should cater to both at the same time.

Senator Rickinson raised a very important point this morning. If we are going to link agriculture with tourism, and Senator Laurie I suppose would support me on this, there are numerous farmers who lose their livestock to stray dogs every day in this country. When a publication in the newspapers says that the collection of stray dogs has been suspended, it means that somebody is not really in synch with what is happening in the country.

Sir, how can Senator Laurie be out there persuading the hotels to buy local meat, the stray dogs are slaughtering the meat, the farmer loses all that he has put in to raise those animals and then somebody somewhere is saying that he has given an order to suspend the collection of stray dogs. I said in here before, a past Permanent Secretary told me this, that the Government should get rid of these Permanent Secretaries because they have a lot of power and they exercise it wrongly.

Mr. President, within the last few months I lost six full-grown ostriches, that cost me a lot of money, and 18 emus by human hands and stray dogs.

Mr. PRESIDENT: Senator Bolden, I cannot see what is the relevance between that and the collection of stray dogs. I am sorry Senator.

Asides.

HIS HONOUR SENATOR C. L. BOLDEN: Sir, I am dealing with the provisions which the Minister of Finance said that he is making under the Income Tax Act for the protection of property and life in this country. Sir, he said that \$5 000 would go towards the security of property. I am saying that I do not see it in the amendment and taking into account the Provisional Collection of Taxes Act and I would like to see it done.

Asides.

HIS HONOUR SENATOR C. L. BOLDEN: Sir, if I am wrong I do apologise. All I am saying is that those are the things that Senator Mascoll should be looking at. He should not say that there is no benefit in what is being done or trying to anticipate what will come next week.

Mr. President, I think that if we are making provision for rent-free accommodation, that is a landlord who builds a house and does nothing more than collect rent and we are making provision for the reduction of corporation tax, then I want to see adequate provision made for farmers in respect of the animals and to protect them from the human and non human predators.

Sir, I am saying that if there is need for us to ask Barbadians to produce food for tourism so that the benefits flow to the community at large, then we should sit down and join them all together. In my view, no single permanent secretary can make a determination on an issue that affects a whole farming community and other people at large.

Thank you.

SENATOR Mrs. P. E. RICKINSON: Mr. President, I am supporting this Bill but there is a query I have regarding Section 10 (b) relating to the penalty of \$100 which is being imposed for late filing of income tax.

Sir, what concerns me is the fact that quite a few of the government departments are very tardy in preparing and submitting the slips to the Government workers so that they can file their income tax on time. This means that if the Government departments do not submit the relevant slips to the employees on time and the income tax is filed late, it means that the employees may be charged a penalty through no fault of their own.

Mr. President, I do believe that the \$100 penalty should be discretionary. It should not be applied across the board. Most people in Barbados could be charged this penalty of \$100. For example, there are retired persons who no longer submit income tax because their income is very small. In some countries as long as you are receiving money from the Government, contributory or non contributory pension, you are forced to submit some form of income tax based on the money that was paid to you, in addition to any other monies that you have earned.

I believe the cost of policing this legislation may cost more than the \$100 which will be charged for late filing. Mr. President, seeing that we have an aging population, I think that it is counterproductive to expect all of these people to file their income tax. I would like to get an explanation about this \$100 penalty so that it would be clear in our minds. Is a retired person, who gets a small pension, required to file an income tax return? A lot of persons who are now retired, as soon as they reach retirement, stop filing income tax because their pensions do not come up to the amount required for filing.
2.55 p.m.

Sir, on the question of taxes in general, I am one of those people who feel that the taxes are punitive, the cost of living is too high and we are overtaxed. The Prime Minister has promised to review the whole income tax system and I look forward to that time. I also feel that if you are going to look at the whole income tax system, why introduce a penalty of \$100 for late filing, when it is going to cause confusion?

I feel that the indirect taxation of the VAT, which I support is a good way of collecting income for those persons who are self-employed and who do not submit income tax returns. I do not think you will be able to get all of the self-employed people to submit returns. It is very difficult. You cannot police it and it is better to use the indirect system like the VAT, minus a section of goods like rice, sugar and other basic food items. As I said, I would like to see more indirect taxation, rather than a concentration on income tax, which is a very big problem, not only in Barbados but in many other places.

Sir, going back to the \$100 penalty, it does not really matter with the wealthy because they will pay it and then write it off as an expense, so they are going to benefit either way. Whereas, the elderly, the disabled, et cetera, really cannot afford this \$100 penalty and you will find that people will be lining up asking for relief.

When I went to the Land Tax Office to appeal for the evaluation of \$1 million for my house, and the people were lining up there, they will be lining up at the Land Tax Office. Sir, we do not have the staff to fill out all of these forms which I think are useless and counterproductive, so I would like us to rethink that \$100.

I heard people complaining that sometimes they send in their income tax on time and then when they receive the stamped reply, the stamp is about three or four days later which would mean that it was submitted late, but it has been placed in the box on time. Sir, you have to look at your Income Tax Office and make sure that you clear those boxes and stamp them by the end of the month so that people would not be penalised for filing late when, in fact, they filed by the due date.

In the half yearly report of the Ministry of Finance, August 2002, that was made a document of the Senate, the VAT which is on page 4 says that the total VAT revenue for the period 1st October 2001 to March 21, 2002 amounted to \$298 million. This is an increase compared to \$246 million for that same period last year. This is just to give the example of what I am saying that if we go by the indirect taxation, it would save a lot of problems. It would also relieve some of us from the punitive taxes that we have to pay at the moment.

However, I would like to support this Resolution and hope that in the Budget next Tuesday we will see some form of relief regarding taxation.

SENATOR THE HON. G. S. H. MURRAY: Mr. President, I join in this debate and I would like, first of all to commend Senator Bolden for reminding us that really and truly, the Democratic Labour Party has no authority to seek to mount a platform about tax relief and tax reform in Barbados. In truth and in fact, Sir, the party of taxation reform in Barbados is truly the Barbados Labour Party.

Senator Bolden made reference to the 1986 situation when the Democratic Labour Party trumpeted across the length and breadth of Barbados, giving persons the impression that each Barbadian would get \$15 000 tax free. Then, he made quite accurate reference to the calamity that ensued upon Barbados, when the situation was entirely reversed and we had the most onerous imposition of taxation ever seen in the history of Barbados.

Sir, I think this has to be juxtaposed against the position that when the Barbados Labour Party became the Government in 1976, it inherited a situation where the then Democratic Labour Party Government had been taxing people from \$96 a month and up. Sir, that is \$24 a week, so if you worked for \$24 a week or up, you paid income tax.

Sir, the Barbados Labour Party between 1976 and 1986 progressively raised that threshold to \$12 000. Then they were, and I quote, "back-raised" by the Democratic Labour Party, who offered \$15 000 as a means of largess to the public. Therefore, I would like to say that if the people of Barbados want to trust a party on tax reform, they would have to trust the Barbados Labour Party and not the Democratic Labour Party. Sir, the history of the situation is such that we have the written record of tax reform, like I said, moving it from \$96 a month and up to the point where it is now \$15 000.

I therefore am a little surprised that Senator Mascoll could have gotten confused about the \$15 000 figure, because that is a figure that is lodged in the political culture of Barbados which people from the Democratic Labour Party should not forget.

3.05 p.m.

I think they would rather not remember it but they certainly should not forget it because they have now seemed to abandon the \$15 000 in the same way they have abandoned the 5-4-3 Plan upon which they had hoped to win the last election.

Sir, it is interesting to note that Senator Mascoll in quoting the 1999 Manifesto of the Barbados Labour Party turned to page 38 and read one blur only which says that we will progressively increase the income tax threshold from the present level of income from \$15 000 to \$25 000. He did not make any reference to the almost entire page of page 38 which is devoted to tax relief.

On page 38 of the Barbados Labour Party Manifesto of 1999 which is entitled "Agenda for the 21st Century" it says, and I quote:

"Much has been accomplished to make our taxation system work to Barbados' best interest. The BLP will now do more.

INCOME TAX:

- We will progressively expand the concessions for savings, mortgage interest, home improvements and for other household purposes.
- We will continue to give a subsidy by way of reverse tax credit to all those below the poverty line.
- We will also continue to make it attractive for Barbadians to save for, to invest in their own first homes, and to repair and to maintain their homes.
- We will continue to offer and expand special tax concessions to investments in equity in the hotel and hospitality industries, in mutual funds, for registered savings plans and will make payments of bonuses and the investment of bonuses in shares especially attractive.
- We will extend special tax relief measures for businesses to become public companies, offering shares to Barbadians and deepening the process of economic enfranchisement in our nation.
- We will continue to support Special Development Areas with concessions to promote activity in the Carlisle and Greater Bridgetown Areas, Speightstown, the St. Lawrence Gap, and the Scotland District to unlock the enormous economic potential of these areas.

UNDER VAT:

- It is not our intention that the VAT should work any hardship on any Barbadian, Barbadian household or Barbadian enterprise. We will therefore continue to refine the administration and incidence of the VAT to ensure that it in fact achieves this objective.

OTHER TAXES

- We will radically restructure taxes affecting land and other property in line with the report of the Special Parliamentary Sub-Committee established to consider and recommend on these matters.
- We will also ensure that there is an abatement of tax on properties valued below \$200 000.
- We will reduce the rate of land tax generally, but especially in favour of income and property owners below the \$200 000 threshold.
- We will however restructure the land tax, stamp duty and property transfer tax to ensure that avoidance of tax payable on luxury properties is brought to an end."

Sir, that is a comprehensive approach which we undertook in 1999 in the Barbados Labour Party Manifesto on the question of tax relief.

However, Sir, when I turn to the Democratic Labour Party Manifesto of the same year, 1999, which is entitled "DLP fighting for your security and your future", I can scarce find any reference at all to taxation except on page 8 of that document and this is what I see.

"Economic success must be created on many fronts. In order to achieve our goal of maximum efficiency our fiscal policy will emphasise low taxation and low interest rates."

I will repeat it to make sure I am not making any mistakes, Sir.

"Economic success must be created on many fronts. In order to achieve our goal of maximum efficiency our fiscal policy will emphasise low taxation and low interest rates."

Sir, that is the sum total of their contribution to the whole question of tax reform in Barbados. There is no definite...

Asides.

SENATOR THE HON. G. S. H. MURRAY: Do you want to borrow this?

Mr. PRESIDENT: Please address the Chair, Senator.

SENATOR THE HON. G. S. H. MURRAY: I am sorry, Sir.

We have, therefore, to take that reference of excessive taxation with a pinch of salt. I am convinced that the President of the Democratic Labour Party is still trying to lock horns with the Prime Minister especially when he said that the timing of the Budget is in response to some invitation he has to address the Barbados Chamber of Commerce which is the next day.

I think, Sir, that it is pure wishful thinking on his part to want to believe that the Prime Minister's Budget would be influenced by the kind of contribution that he would have made here today in his speech or on Wednesday.

Sir, Senator Rickinson spoke about the question of income tax returns. I would like to compliment the Inland Revenue Department for the systematic work they have been doing over the last three to four years to improve their services to the public in areas of filing income tax returns and getting their refunds. Sir, they have removed the long lines that used to congregate downstairs of the Treasury Building by placing boxes downstairs where people can go and place their income tax returns. There used to be a very onerous situation where old people and people who did not like elevators had to walk up the stairs. The department also placed personnel downstairs to advise people who were filing their returns and this saved them from having to trek upstairs which was really a major imposition on a lot of people.

Apart from that, Sir, they have instituted a policy, I am not sure if they did it this year, but in the past the staff of that department out of their own resources organised a situation where they used to go into the communities on evenings and on weekends to advise and teach people how to file their income tax returns and that encouraged more people to file.

They took the service to the people and saved them from having to make the trek to Bridgetown and from having to go through the hassle of filing their returns. That was a major improvement which made a lot of difference to many people. That is apart from the advice and the education that was done on the television instructing people how to fill out their income tax return forms and encouraging people to file. Therefore, Sir, I think that outreach programme is a very worthwhile gesture on the part of the Inland Revenue Department and it should be encouraged.

A few years ago at this time of the year or even earlier it was customary to see complaints in the newspapers or hear them on the Call-in radio programmes of people filing income tax returns on time and not getting back their refunds. I have not seen or heard any such references in the last few years because they have systematically improved the system and people are now getting their income tax refunds much faster and earlier than before.

That is all part of the reform that is going on in the public service in general and in the Inland Revenue Department in particular. Therefore, when departments do a good job, especially in a situation where nobody really enjoys paying taxes but taxes are a part of life, and when the services that surround the payment of that taxation are good or at least has been improved, I think we ought to compliment those who are responsible for it. I would, therefore, like to urge that department to continue the effort.

That department has not only sought to improve their services to the public through the question of advising and guiding the public, processing the income tax returns more speedily and making refunds much more easily accessible but they have also adopted the Fountain Gardens there in the centre of Bridgetown in National Heroes Square.

They are responsible for erecting those lovely white picket fences around the area and for maintaining it. They have made that kind of gesture to the public as a way to put some greenery in Bridgetown and to make that fountain work as an area of relief, rest and relaxation for Barbadians who traverse the city and also for our visitors.
3.15 p.m.

Mr. President, I think this is a progressive department, not one where it is only seen to be taking money from people through taxation but one which has a broad people-minded approach to rendering service to the public.

Mr. President, I do lend my fullest support to this measure.

SENATOR THE HON. J. X. WALCOTT: Mr. President, as I rise to close on this Bill, I must respond to a number of queries that were raised by Senator Mascoll.

Certainly, I still find it hard to believe that Senator Mascoll did not understand that the deductions that are available on mortgages and repairs are in addition to the \$15 000 allowance for all single individuals and also in the case of persons who are over 60 years, they would be entitled to an allowance of \$30 000. I think that Senator Mascoll needs to pay more attention to his income tax forms when filing or perhaps, Senator Mascoll is one of those persons who does not comply.

Mr. PRESIDENT: I do not think you could suggest that, especially in the Senator's absence. I would ask that you withdraw that statement.

SENATOR THE HON. J. X. WALCOTT: Mr. President, I withdraw it.

Mr. President, however, I reiterate that these measures were intended long before any storm occurred. As a matter of fact, as Senator Barker read from the Budget of August 8,

2001, where it was indicated that this was a measure that was intended, it probably meant that our Prime Minister was clairvoyant.

I must reiterate the point also that if Government is to maintain certain social services such as secondary and tertiary education and the health and drug services, which have a cost and which do not occur in many of our Caribbean countries, Mr. President, taxes are necessary. Even the Bahamas and Antigua which boast of being tax havens are also looking at ways of amending their methods of taxation in order to deal with the ever-increasing cost of providing these social services.

In addition, we should also note that in a total workforce of approximately 120 000 persons, approximately 18 000 persons do file income tax. What is significant, and what Senator Mascoll should take note of is that for the first time, there was a category of those persons who work for less than \$30 000 a year and who are entitled to a reverse tax credit after the implementation of VAT. There is then a category of approximately 40 000 persons who, from year to year, are not filing taxes and this has to be looked at.

Sir, having said that, one must remember that approximately three-quarters of those persons might be working for less than \$15 000 per year and are not likely to be paying taxes. Therefore, there are approximately 10 000 persons who are earning more than \$15 000 per year and are not filing tax returns and, therefore, we have to look at getting these persons into the tax net.

Mr. President, with those few words, I beg that this Bill be now read a second time.

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

SENATOR THE HON. J. X. WALCOTT: Mr. President, I now beg that this Honourable Senate resolve itself into Committee for further consideration of this Bill.

On the motion of SENATOR THE HON. J. X. WALCOTT the Honourable Senate resolved itself into Committee, SENATOR DAME PATRICIA SYMMONDS in the Chair.

COMMITTEE

Clauses 1 – 12 were called and passed.

On the motion of SENATOR THE HON. J. X. WALCOTT, Madam CHAIRMAN reported to HIS HONOUR THE PRESIDENT, the passing of one Bill in Committee and Mr. PRESIDENT resumed the Chair and reported accordingly.

On the separate motion of SENATOR THE HON. J. X. WALCOTT the Bill was read a third time and passed and cited as the Income Tax (Amendment) Act, 2002.

ORDER NO. 7 – TO MOVE THE SECOND READING
OF THE REPATRIATION OF PRISONERS
BILL, 2002

SENATOR THE HON. J. X. WALCOTT: Mr. President, this Bill seeks to make provision for the transfer of non- national prisoners to the countries from whence they came and for the completion of their sentences in accordance with agreements to that effect and for related matters.

Mr. President, over the past few years, a number of countries have approached Barbados regarding the transfer of their nationals who, for whatever reason, were imprisoned in Barbados. These countries include: Switzerland, the United Kingdom, Germany, Columbia, Venezuela, Canada and a number of our CARICOM partners.

Mr. President, with all of these approaches being made over the years, Government has decided it best to set up a negotiating team to expedite the negotiating process towards the proposed agreements with these individual countries and also to enact the relevant law. This Committee comprised: the Permanent Secretary in the Ministry of Foreign Affairs and Foreign Trade (Chairman), the Permanent Secretary in the Ministry of Home Affairs, (Deputy Chairman), the Solicitor General, the Deputy Chief Parliamentary Counsel and the Superintendent of Prisons.

In these negotiations it was said that, fundamental to the system of the repatriation of prisoners, all three contracting parties, namely the prisoner, the receiving State and the sending State, would have to agree before any transfer could take place.

In the case of negotiations with Switzerland, the Government of that country had approached Barbados as far back as 1998 with a proposal for the conclusion of the Declaration of Reciprocity for the transfer of sentenced persons. There were a number of on-going discussions over the past number of years until an agreement was reached last October, 2001.
3.25 p.m.

In May 2002, the United Kingdom requested an agreement and suggested that we use their model. The Ministry of Foreign Affairs proceeded to negotiate the agreement on the basis of this British model as it was considered to be similar to the one used in Barbados and would suit our purpose.

On April 3, 2002, the Attorney-General signed an agreement with the British Foreign Minister. The main provisions of this agreement are included in the Bill being brought before the Senate today, that the transfer of the sentenced person can be requested by the sentencing State or the receiving but the sentenced person must be a national of either State and all the key procedures must be completed.

Also, that both States should retain absolute discretion about the transfer of the sentenced person and that the transfer should be made through the relevant diplomatic channels.

The sentenced persons once transferred cannot be arrested, put on trial or sentenced by the receiving State for the same offence for which he was sentenced in the sentencing State and that the sentencing State alone should have the right to decide on any application for the review of judgements.

These are some of the tenets of the agreement based on the British system and forms the basis for the Bill which is being laid before the Senate today.

Sir, the Canadians started discussion with us in 1997. These have been concluded and an agreement was signed.

In the case of Germany and Columbia negotiations are still ongoing and discussions are rudimentary in the case of the United States and Venezuela.

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

The question was put to the Senate and agreed to.

On the motion of SENATOR THE HON. J. X. WALCOTT, the SENATE resolved itself into Committee on the Bill, SENATOR THE HON. DAME PATRICIA SYMMONDS in the Chair.

COMMITTEE

MADAM CHAIRMAN: The Senate is in Committee.

Clauses 1 – 16, inclusive, were called and passed.

The First, Second and Third Schedules became the Schedules to the Bill.

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

On the separate motions of SENATOR THE HON. J. X. WALCOTT the Bill was read a third time and passed and cited as the Repatriation of Prisoners Act, 2002.

ADJOURNMENT

SENATOR THE HON. J. X. WALCOTT: Mr. President, I beg to move that this Sitting be adjourned *sine die*.

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

CONTENTS

MINUTES

The Senate met in the Senate Chamber, Parliament Buildings, on Wednesday, the 16th October, 2002 at 11.00 a.m.

MESSAGES FROM HIS EXCELLENCY THE GOVERNOR-GENERAL

Mr. Deputy PRESIDENT 1

ANNOUNCEMENTS BY HIS HONOUR THE PRESIDENT

Mr. Deputy PRESIDENT 2

PRESENTATION OF PAPERS

Senator the Hon. J. X. WALCOTT 2

9. Annual Report of the Barbados National Bank, Inc. for the Year 2001.
10. Education (Programme of Adult Education) Regulations, 2002.
11. Annual Report and Financial Statements of the National Conservation Commission (NCC) for the year ended March 31, 2000.
12. Presentation of the People (Expenses) (Amendment) (No. 2) Regulations, 2002.
13. Report on the Accounts of the Social Investment Fund for the Financial Year ended March 31, 2002.
14. Report on the Accounts of the Social Investment Fund for the Quarter ended June 30, 2002.
15. Report on the Accounts of the Public Enterprise Investment Fund for the Financial Year ended March 31, 2002.
16. Report on the Accounts of the Public Enterprise Investment Fund for the Quarter ended June 30, 2002.
9. Half Yearly Report on the Revenue Collecting Departments for the period October 1, 2001 to March 31, 2002.

10. The Customs Tariff (Amendment) (No. 4) Order, 2002.

11. Barbados Economic and Social Report, 2001.

12. Annual Report of the Community Legal Services Commission for the year 2000-2001.

13. Annual Reports of the Probation Department for the years 1997, 1998 and 1999.

14. Report on the Audit of the Accounts of the Auditor General Department for the Financial Year 2001-2002.

15. Customs (Amendment) Regulations, 2002.

16. Securities Regulations, 2002.

17. Value Added Tax (Refund) (Barbados Cancer Society) Order, 2002.

18. Value Added Tax (Refund) (West Coast Construction Ltd.) Order, 2002.

INTRODUCTION OF BILLS

Senator the Hon. J. X. WALCOTT 3

FIRST READING OF BILLS

Senator the Hon. J. X. WALCOTT 3

MOTIONS RELATING TO THE BUSINESS OF THE SENATE

Senator the Hon. J. X. WALCOTT 2

Standing Orders Nos. 45 (2), was suspended for the remainder of the Sitting.

PUBLIC BUSINESS

ORDER NO. 3 – BILL ENTITLED AN ACT TO AMEND THE UNIVERSITY OF THE WEST INDIES (GUARANTEE OF BONDS) ACT, ACT 2001-2002 3

Senator the Hon. J. X. Walcott, 3; Senator Mrs. P. E. Rickinson, 3; Senator Dame Patricia Symmonds, 3.

ORDER NO. 4 – RESOLUTION TO APPROVE IN ACCORDANCE WITH SECTION 5 OF THE CROWN LANDS (VESTING AND DISPOSAL) ACT, CAP. 225, THE VESTING IN THE NATIONAL HOUSING CORPORATION OF THE PARCEL OF LAND SITUATE AT ARCH HALL IN THE PARISH OF SAINT THOMAS .. 5

Senator the Hon. J. X. Walcott, 5; Senator Mrs. P. E. Rickinson, 5; Senator Miss J. C. Odle, 6; Senator T. E. Barker, 7.

ORDER NO. 5 – RESOLUTION TO APPROVE THE VESTING IN THE BARBADOS TOURISM INVESTMENT INC. OF THE PARCEL OF LAND SITUATE AT THE DRY DOCK, THE PIERHEAD IN THE PARISH OF SAINT MICHAEL 8

Senator the Hon. J. X. Walcott, 8; Senator the Hon. G. S. H. Murray, 9; Senator P. C. Goddard, 12; Senator Mrs. P. E. Rickinson, 13; Senator C. K. Laurie, 13.

ORDER NO. 6 – BILL TO AMEND THE INCOME TAX ACT, CAP. 73 14

Senator the Hon. J. X. Walcott, 14, 24; Senator C. A. Mascoll, 15; Senator T. E. Barker, 18; His Honour Senator C. L. Bolden, 19; Senator Mrs. P. E. Rickinson, 21; Senator the Hon. G. S. H. Murray, 22.

ORDER NO. 7 – BILL TO MAKE PROVISION FOR THE TRANSFER OF CERTAIN PRISONERS TO THE COUNTRY OF WHICH THEY ARE NATIONALS FOR THE COMPLETION OF THEIR SENTENCE IN ACCORDANCE WITH AN AGREEMENT TO THAT EFFECT AND FOR RELATED MATTERS 25

Senator the Hon. J. X. Walcott, 25.

SUSPENSION 14

ADJOURNMENT 25

Senator the Hon. J. X. Walcott, 25.

SPEAKERS IN THIS ISSUE

BARKER, Senator T. E.

BOLDEN, His Honour Senator C. L.

GODDARD, Senator P. C.

GOLLOP, His Honour Senator Sir Fred

LAURIE, Senator C. K.

MASCOLL, Senator C. A.

MURRAY, Senator the Honourable G. S. H.

OLDE, Senator Miss J. C.

RICKINSON, Senator Mrs. P. E.

SYMMONDS, Senator Dame Patricia

WALCOTT, Senator the Hon. J. X.