
THE SENATE DEBATES

(UNOFFICIAL REPORT)

PARLIAMENT 2003 – 2008

THE SENATE

Wednesday, October 22, 2003

The Senate met in the Senate Chamber, Parliament

Buildings on Wednesday, 22ND October, 2003, at
11.00 a.m.

PRESENT

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

Her Honour Senator Dame Patricia SYMMONDS,
D.B.E., G.C.M., B.A. (Hons)(PG CE), J.P. (Deputy
President)

Senator the Hon. E. R. GRIFFITH, G.C.M., J.P.
(Minister of Agriculture and Rural Development) (Leader
of the Senate)

Senator T. E. BARKER, B.A. (Hons.), M.A. (Econ.),
J.P. (Parliamentary Secretary in the Ministry of Finance
and Economic Affairs)

Senator the Hon. J. E. D. WILLIAMS, B.Sc. (Hons),
M.Sc., M.B.A., J.P. (Minister of State in the Prime
Minister's Office and the Ministry of the Civil Service)

Senator Sir ROY TROTMAN, K.A., M.A.

Senator Sir John Stanley GODDARD, K.A., G.C.M.,
B.Com., F.C.A. (Hons.), LL.D. (Hons.) (U.W.I.)

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

Senator the Hon. Mrs. V. E. NEWTON, S.C.M.,
B.A. (Spec. Hons.), M.A., LL.B. (Hons.) (U.W.I.), F.L.A.
(Gt. Brit.), L.E.C.

Senator R. W. GRANT, B.A. (Econ.), G.Dip., M.A.
(Parliamentary Secretary in the Ministry of Tourism and
International Transport)

Senator I. St. C. LINTON

Senator G. P. B. NICHOLLS, B.Sc. (Hons.), LL.B.
(Hons.)

Senator Miss P. E. PARRIS, J.P.

Senator G. P. I. GOODING-EDGHILL

Senator Miss. S. C. HUSBANDS, B.A. (Hons.)

Senator F. J. STUART, B.A., LL.M.

Senator Dr. D. S. LOWE, Ph.D., Dip. Theology,
B.A., MED, ED.D.

Senator the Very Reverend H. E. CRICHLLOW,
G.C.M., B.A. (Hons.) (Dunelm)

Senator Dr. F. L. CHANDLER, Ph.D., B.Sc. (Hons.)

Senator A. C. FIELDS

Prayers were led by Rev. Father Errington Massiah.

Mr. PRESIDENT: This Senate is in session.

MESSAGES FROM HIS EXCELLENCY THE GOVERNOR-GENERAL

Mr. PRESIDENT: During the recess, I received the
following communication from His Excellency the
Governor-General, dated 1st October, 2003:-

Dear Mr. President,

I shall be away from the island during the period 5th

to 10th October, 2003, to attend the Annual
Conference of Heads of State for CARICOM countries in
St. Kitts- Nevis.

In accordance with the provisions of Section 29(1) of
the Constitution, the President of the Senate, His Honour
Sir Fred W. Gollop, KA, Q.C., will perform the functions
of the Office of the 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 Senate when it
next meets.

I have the honour to be

Yours faithfully,

Governor-General

ANNOUNCEMENTS BY HIS HONOUR THE PRESIDENT

Mr. PRESIDENT: I have received an apology for the absence today of Senator the Honourable Mrs. L. V. Eastmond, who is out of the country on Government business.

PAPERS

SENATOR the Hon. E. R. GRIFFITH: Mr. President, I beg leave to lay the following documents:

1. Value Added Tax Order, 2003.
2. Customs Tariff (Amendment) Order, 2003.
3. Value Added Tax (Refund) (The Barbados Legion of the British Commonwealth Ex-Services League) Order, 2003.
4. Value Added Tax (Refund) (Rudolph Griffith) Order, 2003.
5. Annual Report of the Barbados National Bank Incorporated for the year 2002.
6. Report of the Social Investment Fund for the quarter ended March 31st, 2003.
7. Report of the Public Enterprise Investment Fund for the quarter ended March 31st, 2003.
8. Barbados Economic and Social Report for the year 2002.
9. Annual Report of the Urban Development Commission for the year 1999-2000.
10. Annual Report and Financial Statements of the Barbados National Standards Institution for the period April 1st, 2001 to March 31st, 2002.
11. Report on the Audit of the Accounts of the National Insurance Fund for the year 1997.
12. Report on the Audit of the Accounts of the Severance Fund for the years 1998 and 1999.
13. Report on the Audit of the Accounts of the Sugar Workers' Provident Fund for the year 1999.
14. Report on the Audit of the Accounts of the Unemployment Fund for the Year 1999.
15. The Barbados Mortgage Finance Company Limited Financial Statements for the year 2002.

16. Annual Report of the Barbados Investment and Development Corporation for the period January 1st 2002 to March 31st, 2003.

17. Value Added Tax (Refund) (The Barbados Military Cemetery Association) Order, 2003.

18. Half-Yearly Report on the Revenue Collecting Departments of the Ministry of Finance for the period October 1st 2002 to March 31st, 2003.

11.10 a.m.

Wednesday, October 22, 2003

REPORT FROM SELECT COMMITTEES

Mr. PRESIDENT: I will read the Report of the Standing Order Committee of the Senate bearing today's date:

"At the Third Sitting of the Senate held on July 13, 2003 a motion to amend the Standing Orders was, in accordance with Standing Order 73(3), referred to the Standing Orders Committee for its consideration.

The Standing Orders Committee comprising:

His Honour Sir Fred Gollop, K.A. (Chairman)

Her Honour Dame Patricia Symmonds, D.B.E., G.C.M.

Senator the Hon. E.R. Griffith, G.C.M., J.P.

Senator J. E. D. Williams

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

met on the 22nd October, 2003, in the Committee Room, Parliament Buildings at 10.15 a.m. and considered the following motion to amend the Standing Orders of the Senate to provide for the establishment of a Joint Committee of Public Accounts:

SUSPENSION OF STANDING ORDERS

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

The question was put to the Senate and agreed to.

INTRODUCTION OF BILLS

SENATOR THE HON. E. R. GRIFFITH: I beg to move that the following Bills be read a first time:

1. The Occupational Pension Benefit Bill, 2003. 2. The Land Tax (Amendment)(No. 2) Bill, 2003.

The question was put to the Senate and agreed to.

SENATOR THE HON. E.R. GRIFFITH: I beg to give notice of the following Resolution:

1. Resolution to approve the rescission of Resolution No. 7/1998 which approved the sale of land situate at Villa Nova in the parish of St. John in this Island to Horizon Resorts Limited and to approve the sale of the said parcel of land situate at Villa Nova aforesaid to Horizon Resorts (Barbados) Limited. 2. Resolution to approve in accordance with Section 5 of the Crowns Lands (Vesting and Disposal) Act, Cap. 225 the vesting in the National Housing Corporation of parcels of land the property of the Crown situate at Workhall, Hopeland and Marchfield in the parish of St. Philip for the purpose of housing development.

PUBLIC BUSINESS

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

ORDER NO. 1 – RESOLUTION TO AMEND STANDING ORDER 60 OF THE STANDING ORDERS OF THE SENATE TO PROVIDE FOR THE ESTABLISHMENT OF A JOINT COMMITTEE OF PUBLIC ACCOUNTS.

SENATOR THE HON. E. R. GRIFFITH: Mr. President, this matter was discussed at length when we dealt with the Public Accounts Bill. In view of the Report of the Committee which was read a moment ago, I beg to move that this Resolution do now pass.

The question was put to the Senate and agreed to.

Mr. PRESIDENT: I direct that this matter be referred to the Committee of Selection for the appointment of members of this Standing Order Committee.

ORDER NO. 2 – LAND TAX AMENDMENT NO. 2 BILL, 2003

SENATOR THE HON. E.R. GRIFFITH: Mr. President, the Bill before us seeks to amend the Land Tax Act, Cap 78A, Section 6 by deleting 2B and substituting the following: “A pensioner shall pay tax at the rate specified under subsection 1, but the actual amount payable shall be calculated on 50 per cent of the amount by which the improved value exceeds 125 000, but no such reduction shall be permitted unless (a) the land in respect of which is

levied is owned by the pensioner and has a dwelling house thereon (b) the dwelling house is used exclusively by the pensioner and his immediate family for their permanent habitation.

Secondly, by renumbering Sections 2C to 2E as 2D to 2 F and inserting immediately after subsection 2B the following new subsection as Subsection 2C.”

Mr. President, Section 2 of this Act shall be deemed to have come into operation on April 1, 2003 since that is the beginning of the present tax year.

Mr. President, even though few persons are attracted to the idea of having to pay taxes, it is generally accepted that taxation is the major source of revenue of modern Governments and, therefore, the avenue through which Government is able to provide and pay for the many services which the population expects to receive and Barbados is no exception in this case.

In spite of any deficiencies which may exist in our system, it cannot be denied that our education, health and welfare systems are outstanding. Although that is the case, people expect additions and improvements as the country progresses particularly now as people have access to television and can see the developments taking place across the world.

11.20 a.m.

Tuesday, October 22, 2003

SENATOR the Hon. E. R. GRIFFITH: The reality is, without a steady and reliable stream of income, no modern government can maintain its existing services or add to them. Therefore, the payment of taxes, in a sense, is inevitable and may be regarded as a necessary evil.

Mr. President, during the past week I heard many discussions by people on the issue of property taxation. Some even went to the extreme as to suggest that there should be no tax on property. I heard an individual taking that extreme position because that individual had difficulty in understanding that if a person adds value to land and the value appreciates over time, a tax should be imposed on it.

Mr. President, we in this Barbados Labour Party Administration are fully aware of the need to ensure that while it is necessary to impose and collect taxes in order to provide the requisite services, it is also necessary not to overburden the taxpayers. In fact, our philosophy is and has always been to constantly review and revise the tax structure in a way to ensure that the burden of taxation is kept at an acceptable level.

Sir, the matter before us today is here because we have sought to put into effect one of our Manifesto pledges, namely, to exempt the first \$125 000 of improved value from taxation. Sir, this would soon be a reality with the assistance of the Members of this Chamber.

Mr. President, this approach has been taken on the basis that we want to make sure that at all times there is in existence in our country an equitable and fair system of taxation. That is our overriding philosophy.

Sir, having implemented this proposal, our Manifesto pledge, it has now become necessary to make the amendment with which we are now dealing, so that it becomes abundantly clear that pensioners who have properties valued more than \$125 000 would still continue to enjoy the 50 per cent rebate. I think that I should restate that. The first \$125 000 the rate is zero. Pensioners who have properties that exceed that first \$125 000 in value would pay 50 per cent of the tax payable on the excess improved value.

Mr. President, property taxation has been in existence around the world for more than three millennia. Yet, today it is still the subject of much political debate. The manner in which it is levied varies from country to country. In some countries it is levied strictly on the basis of the value of the land. In other countries it is levied on land plus buildings. Then you have many permutations of those factors across the world. In our system we have site value and then we have improved value, which was added to our structure in 1975. Prior to that there used to be a ratable value and now there is the site value and improved value.

Sir, the system, which was introduced in 1975 has been retained because we, like several countries around the world, believe there must be some concept which captures some element of market value. We also believe that there should be some incentive to encourage persons to add value to the land and not have large tracks of land undeveloped and lying idle. In other words, we believe there should be an incentive to encourage people to own property, to develop and maintain those properties in first-class condition.

The concept of improved value is not a difficult one for people to accept when they are about to sell their properties. Even though they have not done anything much over the years except to maintain the properties, when they are ready to sell they know how to speak about the appreciation of the value over the last 10 or 20 years and to seek a price commensurate with that value.

However, when the concept is used to levy a tax, it suddenly becomes a problem, but we understand that. Sir, that is why we have accepted the approach that as the

properties rise in value over time, there would be a corresponding adjustment to the rate and through other methods to reduce the burden to a tolerable level.

Mr. President, on this occasion this Barbados Labour Party Administration has taken a bold step and has gone further than is customary by exempting the first \$125 000 of improved value. Sir, what this means, in effect is, that some 18 000 new persons no longer will be paying land tax. I say "new", because in our system we have always had a mechanism which provided relief for those persons who experience hardship. They got either partial or full relief. There would have been some people in those circumstances who would not have been paying taxes before.

Sir, we are not talking about that category of person at all. In fact, let me give you an example. I am aware of this very well because it is close to home. A property valued at \$250 000 which previously would have attracted tax of \$1 062 would now attract tax of \$125. If the person is a pensioner that person would pay 50 per cent of \$125. Sir, if you calculate that figure you can see the significant change that this Administration is implementing in keeping with its pledge in its Manifesto, not so long ago.

Sir, I must emphasise that this is in addition to the existing relief system which will continue for persons who are in straitened circumstances, who can go to the Relief Board, as they have always done, and seek redress.

It is significant to note that the matter which we are dealing with is to deal with a particular category of pensioners. This is in addition to the very generous special allowance which is already provided under the Income Tax Act. Those two things would give an indication that ...

11.30 a.m.

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Senator the Hon. E. R. GRIFFITH: Those two things would give you an indication that this Administration is one that recognises that pensioners are persons who deserve special treatment. I will not dwell on that matter on this occasion because there will be many more appropriate opportunities for me to deal with that issue, but I thought I should stress it, nevertheless.

Mr. President, the system of taxation of a country must be viewed and examined within the context of its social and economic objectives. Therefore, as we in Barbados under this Barbados Labour Party Administration seek to improve our social systems, and to put our country to the point where it can truly be regarded as a fully developed economy, we have to so structure our tax system, so that while on the one hand we can provide the

necessary services to achieve that objective, on the other hand, we can moderate the burden in such a way that it will be at an acceptable level.

I need to make that point, Mr. President, because in our Manifesto, we also made a pledge that at some point in time, we will impose a cap at which land tax will be paid. We have not done that yet. This is the first step. It is important to note that this adjustment of which I speak, is taking place at the same time when there is already in progress, a reduction of rates of the personal and corporate Income Tax structure, so that is taking place along with this as well.

Sir, both of those things are taking place with an international and hemispheric environment which will, no doubt, in the not-too-distant future, require us to face up to the issue of import duties and, as a consequence, the base on which the VAT is imposed, Sir, because you know of the discussions which are taking place within the FTAA and the WTO.

The proposals are being advanced by developed and some developing countries. It is not only an issue of the developed countries. There are a number of developing countries which are after market access around the world, not only into markets of the developed countries, but they are after access in developing countries as well. Their proposal is that there should be a substantial reduction in import duties and other such taxes, if not a total removal of those taxes.

In fact, there is one country that has put forward a proposal that by 2015, there should be no import duties. That is the most extreme of the position, but there are other more moderate situations. The point is that by 2005, with the implementation of the FTAA and the WTO agreements, we are likely to find that there is a substantial movement downwards in indirect taxation from import duties and so on.

Now, we are here making adjustments to the personal and corporate Income Tax structure and the property taxes structure within that kind of context. It therefore means that we have to continue to be very careful and precise in the management of our economy, because we cannot at anytime do anything that will compromise our fiscal position. If we do that, we will not be able to achieve our ultimate objective of putting Barbados to the point where it can be truly described as a fully developed economy, so it requires careful management. That is why we have taken this first step now, and in due course, we will take the second step, because we will do it gradually and create the kind of climate that will allow us to do that.

Mr. President, I doubt that anyone in this Chamber will dispute the fact that this is a bold and worthy initiative.

Therefore, I would encourage all Honourable Senators to join with me in supporting this amendment and to agree with me that this Bill should be read a second time.

Thank you, Mr. President.

Senator F. J. STUART: Mr. President, with a Bill that seeks to soften the tax burden on pensioners in Barbados, the Opposition can find no fault. The Bill has our support. I believe it was in April this year that Parliament amended the Land Tax Act, to tighten the definition of a pensioner, as part of its attempt to ensure that the benefits intended for pensioners under the Land Tax Act, reached those persons. This Land Tax Amendment No. 2 now seeks to extend further benefits to pensioners in Barbados.

I am indebted to the Honourable Minister for making it clear that the focus of the Bill, the target group of the Bill is pensioners. One got the impression from listening to the debate in the Other Place, that this was some sweeping amendment, intended to embrace all persons in Barbados who owned property with an improved value of \$125 000 or less. I think the Honourable Minister has been very decent in the introduction of the Bill to make clear that pensioners are the target group.

Mr. President, one of the distinguishing features of this Bill is that the relief comes to pensioners only if those pensioners...

Senator the Hon. E. R. GRIFFITH: Mr. President, on a point of elucidation. Permit me to clarify an issue here so that Senator Stuart will not be misled.

This matter applies to everyone. The Bill before us is seeking to make an amendment to deal with pensioners, but there was an Order that was made for each and everyone. The example I gave, Mr. President, was that a person who has a property valued at \$250 000, who previously paid \$1 062 will now pay \$125. The point I made was, if the person was a pensioner, the person would then get 50 per cent of that \$125 which would bring that person down to \$67.50. But Senator Stuart, for example, if his property has a value as low as \$250 000 his bill will move from \$1 065 down to \$125.

Thank you, Mr. President.

SENATOR F. J. STUART: Thank you, Mr. President. Again, I am indebted to the Minister at his attempt of clarification. The Land Tax Act, Chapter 78(A) of the Laws of Barbados, as I understand it, and I am dealing with section 6 of the Act which is the subject of this amendment.

11.40 a.m.

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SENATOR F. J. STUART: We are amending section 6 (2)(2B) of this Act.

“Section 6 (2) (2A) states that a person, not a pensioner, who owns land on which a dwelling house is erected and the dwelling house is used exclusively as a residence shall pay tax at the rate specified under subsection (1) but the actual amount payable shall be calculated on 70 per cent of the improved value of the land.” Section 6 (2) (2B) states that: “A pensioner or an hotel should pay tax at the rate specified under subsection (1) and the actual amount payable shall be calculated on 50 per cent of the improved value of the land; but no such reduction shall be permitted unless

(a) in the case of a pensioner - and the conditions are stated; and

(b) in the case of a hotel - and the conditions are stated.”

So in order to bring relief to pensioners, section 6 (2) (2B) is being amended. I am not understanding how you can bring relief to everybody else without amending section 6 (2) (2A) because that section is the blanket subsection that deals with all the other categories in Barbados. I do not think the Government is on good ground on this.

They are amending section 6 (2) (2B) of the Land Tax Act to bring relief to pensioners. If you are going to bring relief to all other categories of persons in Barbados who have properties with an improved value of \$125 000 or less, you have to also amend section 6 (2)(2A). That is my position, but of course the Government and I do not agree on that.

Mr. President, the point I want to make is that this Bill limits itself to (1) pensioners and (2) to pensioners who own properties that have an improved value of \$125 000 or less. If the property has an improved value of more than \$125 000, the pensioner will get a 50 per cent rebate on the excess. If the property is valued at \$125 000 or less, the pensioner will pay no tax at all. The Opposition, as I said, finds no fault with that. As far as we are concerned, any relief brought to the pensioners of Barbados must be considered welcome.

However, I have to ask what is going to be the position with those pensioners who own land that does not have an improved value? Why are these people, who have land on which no development has taken place, excluded from the ambit of this amendment?

I heard the Minister very carefully and he is quite right by saying that under the Land Tax Act, the Land Tax Relief Board has a discretion, on application by persons in Barbados, to grant relief where that relief is thought to be merited. It is my view that the distinction between pensioners who own properties that have an improved value and pensioners who own property that does not have an improved value is really indefensible.

If the target group is a group that is in need of assistance, whether it is a pensioner who has land that has improvements on it or a pensioner who has land that does not have an improvement on it. It should make no difference to the Government. A pensioner who has land with improvements on it is presumed to be better off than a pensioner who cannot afford to do so.

Improvements to land refer to construction on the land, the degree of what lawyers called “annexation to the land” which in most cases is a fixture on the land that changes the character of the land. Therefore, a pensioner who can only afford a chattel house on his land is in a different position from a pensioner who can afford to do the kind of development that will attract the relief contained in this amendment.

As far as I am concerned, that distinction is indefensible. Persons who do not have buildings or fixtures on their land might not have them on their land for a whole set of reasons which are pardonable, having regard to the circumstances which explain them. For example, many persons who have land on which there is no development - and there is quite a bit of land like this around Barbados - are living abroad and are not ready to do anything with the land yet.

If you are saying that this amendment captures everybody, not only pensioners, there are persons who own land that has no improved value because they live abroad and have not got around to do anything with the land yet, or they have left the land for their children for them to do the development on it when the necessary transfers are done.

There are people in Barbados who own land which would not be regarded as having development on it, but which takes some of the burden off the National Housing Corporation. These people rent these lands to the owners of small chattel houses which cannot be treated as development on the land because development by its very definition means that the development is a fixture and not a chattel or moveable, so there are a whole set of reasons for lands being vacant in Barbados.

Another reason is that in some cases the land is intended for use as agricultural land. I am aware that under the Act, if this is drawn to the attention of the Land Tax

Relief Board, relief can be had in those circumstances as well, so why subject the land owner to the need to have to apply to the Land Tax Relief Board when you are bringing an omnibus amendment to cover all persons who own land that has an improved value of \$125 000 or less. We in the Democratic Labour Party believe that the amendment would make more sense and would be more socially, politically and economically defensible if no distinction were made between improved value and site value.

11.50 a.m.

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SENATOR F. J. STUART: Sir, no distinctions were made between improved value and site value because, by definition, it seems to me that a person who has land with an improved value is presumed, until the contrary is proven, to be better off than the person who has land without an improved value because an improved value entails a significant expenditure of the land. This amendment limits itself to improved value rather than site value and, in the submission of the Opposition, we think this is where the Bill falls far short of social expectations.

Mr. President, I am aware that as long ago as 1991, the Barbados Labour Party in its Manifesto of that year, had committed itself to bringing tax relief to persons who own properties with an improved value of \$150 000 or less. Twelve years later, we are starting at \$125 000 but, as the Honourable Minister quite candidly stated, this is just a start and, therefore, we expect that in the fullness of time, the \$150 000 ceiling would be reached.

Sir, this amendment, I contend, can only apply to pensioners since we are only amending Section 6.2(2B) but in order to apply to all the other land owners in Barbados we would have to go one step further and amend Section 6.2(2A) since that section is the subsection that deals with any person who owns land.

Mr. President, beyond those considerations, we do not think that the amendment, as it affects pensioners, is a bad idea. What the Government has not said here today or in the Other Place is what is the projected tax revenue loss from this amendment and how does that revenue loss relate to the revenue gains which are presumed to flow from the recent revaluation of properties in Barbados?

I would have loved to hear the Honourable Minister telling us about the projected revenue gains from recent property valuations because then it might well be shown - and I think it would show - that the Government is giving up nothing. All that has happened is that there has been a shift of the tax burden from the lower echelons of the society, with which I find no fault, to the middle class, which is screaming because of the burden of over- taxation.

Therefore, critical information, in my view, has been omitted by the Honourable Minister, for one could only properly evaluate the economic sense of this amendment in the context of what the Government is giving up, compared with what the Government is gaining. It would help us to know, for example, how many appeals were made to the Land Tax Board as a result of the last valuation exercise. I know that a significant number of persons were flabbergasted when they received their valuation notices at the last valuation.

Sir, one property I can recall, to which nothing was done to it during the valuation period, was moved from \$300 000 to \$750 000. That property owner was so angry that he said he was prepared to go to jail if it came to that, but he certainly was not going to pay tax on \$750 000. Fortunately, the matter was resolved before the Appeal Tribunal and he did not have to face the perils which he said he was prepared to face.

Sir, that is the critical information which I would want to hear, so that when Government is thumping its chest, we could see what it is that the Government is giving up to the masses of the people of Barbados. For our part, it is politically indefensible to distinguish, in the case of pensioners or anybody else, between improved value and site value, and give the benefit to those who were able to afford improved value as against those who are presumed to be unable to afford it, for whatever reason.

Mr. President, in the case of persons using their lands to facilitate small chattel house owners, that is, renting their land out and taking the burden off the National Housing Corporation, those persons, in my respectful submission, should be able to benefit from amendments of this kind.

Sir, unless Government can show me that Section 6.2(2A) was already amended, I do not know how, by any interpretation of this amendment, could it be claimed that a subsection that limits itself to talking about pensioners could refer to all of Barbados. It cannot be true and, therefore, I would like to hear the Government's position on that. I do not claim to be on a mission in this matter.

If subsection 6.2(2A) has already been amended, the question falls but as long as subsection 6.2(2A) still states that a person who owns land on which a dwelling house is erected and the dwelling house is used exclusively as a residence should pay taxes on the rates as specified in subsection 6.2(1A) but the actual amount shall be calculated on 70 per cent of the improved value of the land, Sir, as long as the Act still says that, an amendment

of subsection 6.2(2B) cannot embrace those persons referred to in subsection 6.2(2A).

Mr. President, apart from those concerns, we think the intentions behind the amendment are laudable. We think that any relief brought to pensioners in Barbados is welcomed.

Sir, with those few words, I want to repeat that the amendment has the support of the Opposition and I look forward to hearing from the Honourable Minister how he got subsection 6.2(2B) to cover all persons in Barbados.

I am obliged to you.

SENATOR I. St. C. LINTON: Mr. President, I rise to express a matter of concern in relation to land tax in Barbados but before that, I would like the Honourable Senator Stuart to know that I have gotten an improved site value but my property has not exceeded \$125 000 and I have not paid any more tax on that property.

12:00 noon

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SENATOR I. St. C. LINTON: My daughter who is away has an improved value of \$130 000 and I have paid \$5 for her. In the case of a second daughter who lives overseas, her improved value has gone up. She has no dwelling house on the land but she is paying less than she paid before.

Mr. President, my concern is that I look after a property for an elderly person in King Street and I have discovered through meeting with the head of the Land Tax Department a few years ago that there are several persons who own property, have the requisite papers but individuals are paying taxes on their properties without their knowledge.

This individual inherited an estate for about 17 parcels of land in Barbados and in 1986 through wills and Letters of Administration, without any challenge, this individual became the owner of these properties. The legal person did not title any of those properties in her name and subsequent to, that persons have trespassed, put dwelling houses on some of her properties, and people are squatting on some of her properties.

Sir, I discovered this in June 2000 as I visited her. In August 2000, I approached the then Attorney-General of Barbados as Minister of Home Affairs and asked him to establish an enquiry in relation to this lady's business in Barbados. He appointed a lawyer but this is three years that these matters have been under investigation and neither the lady nor I can get no response from authorities in this island about this matter.

Sir, she complained to the Surveyors Association who sent back a plan to her but it was not the original plan which had the squatters on the land and which showed that the road was cut to facilitate the ABC Highway. This means that surveyors, as well as legal personnel are involved in trespassing on the properties of this lady. Here is a woman, the successor to several properties but in the Land Registry, the properties still bear the original owners' name yet groups of lawyers and other people have claimed ownership and are paying taxes on these properties.

I seek to draw this to the attention under this matter of land tax before this August body. I took the steps of seeking to get certain matters through to the Prime Minister. The matter went to his office but it never reached the Prime Minister.

There needs to be an investigation in property ownership in Barbados because this elderly lady of 80 years is not the only person with this problem, there are several other persons. I am happy on this occasion that I am here to champion the cause of elderly people and property owners who are being dispossessed of their property by legal entities and surveyors in this country.

I thank you very much.

12.10 p.m.

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SENATOR P. E. PARRIS: Mr. President, thank you for the opportunity to lend my support to this Bill before this Honourable Chamber this morning. The Bill before us speaks to making an amendment to the Land Tax Act. This amendment shows the people of Barbados that the Barbados Labour Party Government continues to provide a better life for the people of this country. It also shows the people of this country the high level of confidence they must continue to have in this Government.

Sir, in May 2003, in the Barbados Labour Party's Manifesto, "Every Bajan A Winner", on page 8, it promised further ease on taxes. It says that it would be exempting properties valued at \$125 000 from paying taxes. Today we are here to make this promise a reality.

Asides.

SENATOR P. E. PARRIS: Sir, unfortunately we would not be able to say this about the Democratic Labour Party because they clearly stated that their Manifesto is not a social contract, leading us to believe that they are not bound by what it said therein.

Sir, I would like to encourage the people of Barbados to continue to have that confidence in the

Government of the Barbados Labour Party and we are eternally grateful to them for giving us a third term in office.

Mr. President, the amendment to this Act will see 18 000 property owners not paying any taxes in this financial year. As a result of this amendment, we will also see persons who had a property value of \$150 000 who, last year paid \$150 in taxes, would be paying 125 this year. Sir, this is the caring Barbados Labour Party Government that is making these things a reality.

Mr. President, these savings can also be used to assist persons to enhance the value of their homes. It is the dream of most persons to own their home and with such incentives offered by this Government, it would afford them the opportunity to do so. We are aware that when you build a home, at the end of that project you have very little or no money available. Therefore, you would not have to bother about exorbitant land taxes.

Sir, my Government recognises the significant contribution of pensioners of this country and that is why we are debating this Bill today, so that a pensioner who had a property value at \$175 000 and paid \$87.50 for land tax last year would only be paying \$25 this year, a savings of \$62.50.

The Barbados Labour Party Government believes that the health of the nation is the wealth of the nation. I am using this opportunity to appeal to all those property owners in and outside of Barbados who are committed to paying taxes, to inform them that there are unoccupied houses which are posing a health threat to this nation.

I am encouraging them to use the savings from the property taxes to ensure that these properties are cleaned up. Do not leave it for the Government to do. These conditions provide a haven for rats and other vermin which would threaten the lives of the residents in the area and by extension the health of this great nation.

Sir, with this plea I support this Bill and I urge persons to clean up their properties that are unoccupied and assist with the health of this great nation.

I thank you.

SENATOR G. P. B. NICHOLLS: Mr. President, the Bill before this Honourable House represents Government's ongoing efforts to reform the taxation system in this country. It is being done not only to give some sort of assistance to the most vulnerable in our society, but it is being done in order that this country would be placed in a position in which we will take complete advantage of the new economic arrangements that we are entering into as we proceed in this millennium.

Sir, the Land Tax Amendment Bill also forms part and parcel of Government's proposal to give relief to what this country can afford. It is well-known that this country is now creeping out of an economic recession. It is because of the prudent fiscal management of this Democratic Labour Party Administration we have been able to hold tax rates over the last three or four years when the Opposition and other persons in this country have been crying out for relief.

Sir, it is the same prudent fiscal management and the foresight and vision of the Barbados Labour Party that we can bring a comprehensive reform of our tax system in the form of these various amendments to the Land Tax Act.

Mr. President, the Honourable Senator who spoke on behalf of the Opposition would want us to believe that Government is falling short of its mission because it cannot bring a Bill to deal with tax relief that embraces all people at all times. Mr. President, we must be very wary of those whose attitude displays that a government must cut everything because it could only lead to some sort of disaster down the road.

Sir, this Bill follows previous adjustments in the land tax rates that were made by the Honourable Minister of Finance, pursuant to Section 6 of the Land Tax Act. When we look at the adjustments to the land tax rates in this country, we see that every successive financial year the Honourable Minister of Finance has come to the people of Barbados making sensible adjustments to the tax rates to allow relief to the landowners in this country.

On January 13, 2000, under Section 6 of the Land Tax Act, the basic tax rate was such that in 2000-2001 the first \$200 000 of the properties owned in respect of the improved value, the tax rate was 0.2 per cent. In 2001-2002, the rate of 0.2 per cent increased from \$200 000 to an improved value of \$350 000. It encompassed a greater proportion ...

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SENATOR G. P. B. NICHOLLS: It encompassed a greater proportion of the people of Barbados in respect of the improved value.

In 2002-2003, the first \$350 000 on the improved value of properties in Barbados was reduced to 0.1 per cent. In 2003 and 2004, the first \$125 000 of the improved value is now zero rated. The next \$225 000 is at 0.1 per cent. The next \$500 000 is at 0.65 per cent and the excess at 0.75 per cent.

Sir, this amendment to the Land Tax adjustment rates, coupled with the Bill before this Honourable Senate, speak volumes of how this Barbados Labour Party Government has committed itself to a tax reform system in this country, in keeping with what the country can afford, because we must be ever mindful of the precarious position that an economy as open and as small as Barbados finds itself, not only within the context of our international deliberations, but within the context of securing a competitive advantage as an emerging financial services sector within CARICOM.

The Government of Barbados is also conscious by bringing these amendments to the tax system, particularly in the Land Tax, of fostering the creation of a property-owning democracy in this country. Some of the Honourable Senators on This Side have spoken about the culture of saving and investing those tax savings from land taxes to do things to their properties. I would endorse the suggestion made by the last Honourable Senator who spoke on this Bill.

We need to reduce the tax burden on the more vulnerable in the society at times when the society can afford it. The Honourable Senator charged the Government with the responsibility of justifying the distinction between pensioners who did nothing to improve the value of their property, as opposed to pensioners who improved the value of theirs.

I was waiting for the Honourable Senator to give the justification why there should be no distinction. He shifted the burden on the Government to justify the Bill in its present form, without speaking about the harm that is being done to those persons who do not improve the site value of their properties.

Mr. President, I do not want to get into the Honourable Senator's mind, but one would think that if a person owning property in Barbados spends their savings or goes to the commercial banks, credit unions or any of the financial institutions to improve the value of their property, whether it is for themselves or their families, or whether it is because they want to make rooms in the house so people can rent, for whatever reason they want, that they will have some priority in terms of the tax relief, Sir, because by the virtue of their spending money to improve the value of their homes, they are creating economic activity. They are creating jobs and they are helping to generate revenue, as far as the Barbados economy is concerned.

The Government wants to generate economic activity at the smallest level, so it is wise thinking to make a specific distinction between persons who might want to improve the value of their property, as opposed to those persons who do not. Part of the aspects of a property-

owning democracy means that people acquire property that would improve in value. We have this notion in Barbados that when the Evaluation Department does evaluations on properties that the Government Valuation Department is doing it so that the Government attaches a tax upon people's properties so that the Government can get more revenue.

I want to stop that heresy, Mr. President, because the notion of owning property to which no value accrues, is nonsense. Nobody in Barbados at this present time, would want to acquire property to which no value accrues. I am from a generation, Mr. President, that we do not view the acquisition of a dwelling house as the sum total of our assets that we can acquire.

Quite frankly, Mr. President, young people in Barbados are acquiring homes as tools and vehicles of future investments down the road. They do not acquire a house today with the view of retiring or dying in that home, but making an investment in their future.

Sir, the notion that the Government must not reward persons who are willing to improve their own homes, by giving specific tax relief on an improved value, and to suggest that the Government is punishing persons who do not make improvements to their homes, is nonsense. I believe we must be honest to ourselves. When we look across Barbados, we are known for the development from moving the chattel house into a stone dwelling.

Sir, we know where there were starter homes in certain districts in Barbados, that when those districts were planned and people moved into those houses, when you drive through them, you would not expect that those houses could be the three-storey and the big massive buildings that we see today. Barbadians have always been consistently improving their dwelling houses.

Sir, without giving any scientific information as to the disadvantages to those persons who do not improve the value of their homes, the Government is being challenged with the burden of proving why this Bill, in respect of pensioners, would not disadvantage anybody.

Mr. President, as I was saying earlier, the Land Tax (Amendment) Bill before this Honourable Senate, reflects a broad and comprehensive tax reform regime being embraced by this Government. We are faced with an emerging global consensus about our offshore sector. Our ability to compete in the offshore world today has implications even for our own domestic taxation system.

In respect of our commitments at the hemispheric and international levels, in terms of trade in services and investment, we have to justify why we incorporate companies and welcome companies to come to Barbados to

buy property in this country to facilitate in our own development, whether it is in terms of getting jobs, the infusion of technology in this country or the earning of foreign exchange. We must justify why our tax rate is lower on international companies or foreign companies coming into Barbados and why those tax rates are higher on local domestic companies.

The Government has committed itself to the philosophy of corporate conversion where we are reducing over the next seven years, the rates of corporate taxation in this country, on domestic companies. This is in line with the guidelines and the thinking coming out of the said emerging global consensus, because we want to protect, not only the integrity of our tax system, but we want to protect the integrity of our international financial services sector. We also want our domestic corporations and entities to feel that they are competing on even footing with the international financial services sector.

We have a situation in Barbados where our domestic financial services sector lags significantly behind our international financial services sector. The Government's broad-based tax reform programme must take into consideration that we must reform our tax system, so that we would stay in line, even with our regional obligations under the Caribbean Single Market and Economy.

12.30 p.m.

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SENATOR G. P. B. NICHOLLS: It is envisioned, with the harmonisation of tax policies, the portability of pensions and all the contingent rights thereto, that when persons move freely throughout the Caribbean they would be subject to a single tax on their income, on their properties and on the capital they have acquired. All of these amendments we see from time to time speak to Government's focus and commitment to make Barbados a competitive financial services sector.

Our fiscal system in this country must feature attractive incentives not only to young people or small businesses but to pensioners, people who want to come to retire in Barbados, people who would bring their collective wisdom from their years of experience working abroad and especially those Barbadians who have toiled abroad, so that they can come back to this country either to build homes or to engage the other sectors of our economy in the building of their homes.

We must promote savings and investments. That is why Senator Parris in her contribution this morning challenged Barbadians not to use the opportunity of not paying land tax on the first \$125 000 on their property as a

means to go into Bridgetown to start spending but to invest that money in the Barbadian economy.

Mr. President, I support this amendment. Every time the Government of Barbados brings a form of tax relief to this country, it meets bipartisan support on the issue. We must not nitpick on who gets and who should not get.

SENATOR F. J. STUART: On a point of order. There is no nitpicking, Mr. President. I just want Senator Nicholls before he sits to explain to the Senate how an amendment to the Land Tax Act in respect of pensioners can cover everybody in Barbados. Once I hear that, I am comfortable. I am obliged to you.

SENATOR G. P. B. NICHOLLS: We must come to this Honourable Chamber and be very honest and conscientious about the Bills that we want to debate. I am sure that all Honourable Senators do that.

In closing, I just want to reiterate that this Bill is part and parcel of Government's treatment of land tax reform in this country. The Honourable Senators who have spoken so far on this side and the Honourable Members who spoke in the Other Place have taken the opportunity to laud the Government's broad-based reform in land tax. While this Bill deals with pensioners only and putting provisions in place to relieve pensioners of their burden - when you look at the tax rate adjustment made for the next fiscal year 2003 - 2004, you will see that a pensioner would get a zero-rated \$125 000 off the improved value plus a 50 per cent reduction on that rate - we must let the people of Barbados understand that the Government, the Minister of Finance, by Order under the Land Tax Act section 6 has made adjustments to the tax rate so that a pensioner getting his or her land tax bill for the year 2003-2004 would not only see a reduction coming from this Bill but would see \$125 000 which is zero-rated before the application of the effects of this Bill.

That is why I said that the approach to land tax reform in this country by this Government is not piecemeal but broad-based. The Government must give relief where it can afford it. We are not going to give tax relief in one fell swoop, which was a statement made by the Honourable Senators from the Other Side, like if we are about to give away free houses and so forth. We must be prudent and we must continue to be eternally vigilant in the fiscal management of our country affairs.

We must not treat issues such as tax reform when we are ever conscious of our mandate to bring democratic justice to this country. The treatment of taxation in this country has never been one to be punitive on the people of Barbados. Tax reforms in this country, whether adjustments upward or downward, have always been to

maintain the integrity of the social contract that all of us have vowed to support.

Mr. President, I am obliged to you.

SENATOR Sir ROY TROTMAN: Mr. President, I would like to make a brief intervention in this debate and commence it with the thought that land in Barbados is very limited and that therefore we have need to exercise great care in how we utilise it.

Any attempt that is made by this Government or by any other government to embark upon a programme which allows the usage of that land to be as broad-based as possible is action worthy of our approbation and support.

I would wish to read into the item before this Chamber an attempt by the Government so to do. In that regard I would wish therefore to lend them the support, but as always I would wish to make sure that it is understood that that support is critical support.

At the very outset in this debate the question arose as to where was the authority for the \$125 000. It looks attractive initially but, perhaps, there is need for further discussion. I think we need to recognise that the Minister responsible, at Section 6 (1), has the responsibility vested in him to specify the rates by statutory instrument from time to time.

We, therefore, have to make the assumption that from time to time that Minister who may now have set the rate at \$125 000 might be persuaded to increase it to more than that, or circumstances demanding, as he sees fit, might reduce it even further.

In that context, and given the assurance of Senator Parris that this is a social contract and that when once the Government says \$125 000 it means that and it is not dictated to or directed to make another presentation, I am satisfied that I will be properly refunded for my taxes which I paid early. I am a good citizen and I like to have my discounts.

That matter aside, Mr. President, I wish to say that what is much more critical to me in this debate is the opportunity it provides for me to repeat a position I have taken in the Other Place and in here over the years that occasions like this should be occasions which would allow Government to revisit those land areas which are recognisably highly productive in Barbados and for Barbados. These are areas nonetheless which are allowed to fall into disuse and to become the havens for lawlessness and perhaps an underground economy.

12.40 p.m.

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SENATOR Sir ROY TROTMAN: There must be the opportunity that we ought to be able to take possession of those lands, in the name of the people of Barbados, for the development of Barbados, rather than having ourselves being blackmailed into a situation where we have to remain looking at the best parts of real estate in this country but being apparently helpless in the face of cynical exploitation by forces which might not have the welfare of our country at heart. To those of you for whom that might have a nebulous interpretation, I refer to properties such as the former Paradise Hotel, among others. I know there are difficulties but I am satisfied there can be a way where there is a will.

Mr. President, I have said this before, will keep saying it, and will never tire of saying it, that is, there ought not to be any group in this country which might so cynically approach the welfare of the total masses of the people in this country, that they could misuse the limited wealth we have, in the way that it is being misused in that part of the country.

I would like to say that land provides an opportunity for us to hold out hope, so that if there is a land tax issue that is being discussed - though I am not going to suggest that wherever there is land, it must now be exploited in such a way that it becomes useless because of the way that we would treat it - I would still argue that we have to be careful that we have to recognise the value of land to our people and we have to be able to know and to appreciate that land is one great hope for our people.

If we were to ask the question regarding what would best energise or empower the young people of Barbados, even those who want to be part of the informal economy, then I would say to you that it has to do with those who do not want to be in the informal economy. It has to do with the provision of employment. It has to do with having a piece of property in whatever form they might choose. If they are going to have a piece of property, it has to be centred around the ownership of a piece of land.

Therefore, recognising the very limited supply of land that we have, we ought to be in a position to be moving towards a better well-defined policy for the use of that land.

I know there is a policy which is within the Government but I would venture and say that were I to ask my other Honourable colleagues, they would be forced to tell me that they do not know what that policy is - and we are the privileged.

Sir, if we, the privileged, do not have that knowledge, then I believe that within the vast majority of

the people of this country, there is no clear understanding of that policy and so people are not capable enough to articulate or to map out for themselves, those areas of exercises into which they might enter, with a view to becoming property or land owners, and I think it is important that we should move in that direction.

Sir, for the benefit of one of my Senator colleagues, I wish to say that personal, corporate and land taxes relate to all workers and to all property owners in Barbados, and not just to the private sector. Therefore, when programmes are formulated and, as part of the formulated programmes that we have, we use the argument that taxes for land or income taxes are part of an overall programme in any remunerative package, we must understand that the public sector is only one of the many beneficiaries.

Mr. President, in my view, this legislation is part of poverty alleviation. Sometimes we might not tend to think so but any effort that is made to bring relief, especially to those persons who are at the lowest level of the income chain, must be seen as being part of a poverty alleviation effort. Again, I think we have to compliment the Government for this interest and this ongoing concern.

I would think, Mr. President, that what is required here is to bring more and more persons out of the area of the landless, bring more and more persons out of the area of the hopeless, and infuse those persons with hope and present them with the opportunities for land because anyone who has hope or property, is a committed member of a society. In the final analysis, a person who does not have property, who perceives that he or she has no hope might ask the question, why should he or she be positive in his or her contribution to that society since he or she has no stake in it.

Sir, we are seeing far too many examples of persons who have been turned off and turned away from the structure of the ordinary society. I would not venture to argue that, in many instances, they perceive that they have no investment in the society. We have to invest more people with the wherewithal through which they could become persons who are willing to take the side of building it up, rather than of tearing it down. Let us assist them to use this measure and other measures to alleviate their economic circumstances and the circumstances of those around them.

Sir, the question might arise how we might do that and I think that increasingly we have to realise that there are very many learned persons but who still need educating. They have a lot of learning how to read a book and how to quote Shakespeare but yet need a significant amount of guidance, training and example-setting.

There are far too many of us in this country who believe that we have climbed the ladder and have no need to show anybody else how to climb it. Indeed, we sometimes kick it down so that nobody else can get near to us. We do not understand that enlightened self-interest should make us want to show the other person how to make a small piece of property become a piece of property which might inject the capacity for a living in that individual because we fail to realise that if a person has his own, then there is no need to look for somebody else's.

12.50 p.m.

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SIR ROY TROTMAN: It is still true today what was said 50 years ago that a hungry man or woman is an angry man or woman. I am of the view that this legislation and other legislation should work towards building a greater sense of belonging and a greater commitment to nation building within our society.

The legislation that we are attempting to amend speaks to value enhancement and within the framework of the enhancement of the value of property, I wish to sound one word of caution to the administration. There are a number of people who, under the pretext that they are enhancing their private property, are taking small houses, sometimes nothing more than a 18 x 10 with a shed and converting those rooms into something that looks more like a stable and charging \$125 weekly to poor exploitable Barbadian people and visitors from Guyana who are forced to take the subhuman rent facilities, share common kitchen and latrine facilities.

They have not even registered but are significantly gouging the poor Barbadian and visitors to Barbados who are forced to accept this reprehensible form of behaviour. It seems to be that if we are talking about enhancement of value we must talk about enhancement in performance and behaviour of those people who are beneficiaries from the kindness of the Government.

I would wish to suggest that there is need for an inspectorate within the Ministry of Housing that would, as a matter of alacrity, move to examine this kind of explosive situation with a view to bringing those inhuman kinds of behaviour to a level and standard which Barbados can justly be proud. There is no point in making efforts at the expense of the taxpayer to bring a level and a measure to the whole of Barbados if there are some pockets of people who are going to use the occasion to make themselves fat at the expense of the greater public of this country.

Sir, I support the matter before the House but I am hoping that the Minister would express to the appropriate other Ministers the concerns that we have expressed and

that there will be swift remedial action in bringing ease to those levels of persons who are very badly disadvantaged.

SENATOR Dr. F. L. CHANDLER: Mr. President, since we are a relatively highly tax society, I am sure that the zero rating of the first \$125 000 of the improved value of residential properties will be welcomed by all. Senator Stuart mentioned the payment of 70 per cent on the property. I questioned the Land Tax Department about this and I was told that it was no longer relevant, but I do not have any document to support their claim.

What concerns me in Section B is the criterion stated for the calculation of tax on 50 per cent of the additional, over the \$125 000, of improved value. In my opinion, this needs to be reviewed. If the objective is to give relief to senior citizens who have a limited disposal income, a number of self-employed people who reach the age of 60 do not receive a pension and are therefore, in a worse position than those receiving pension. Also, there are people who receive pension at age 60 who have jobs and in that case are in a better position than those who have no pension.

Mr. President, in my opinion, anyone who reaches the age of 60 should be eligible. Then there is the option of a person reaching age 60 whose income, whether from earnings, pensions or a combination of both, is below a certain level.

I remember years ago there was a penalty put on agricultural land that was not used, but this regulation is no longer enforced. I think it would be necessary to define the word "use" because two sheep on 20 acres of land is not agricultural use of land. In my opinion, if land is not being used for agriculture, it should be taxed at the non-agricultural land tax rate.

Bearing in mind the dire need for housing, I would agree that a number of lots are owned for many years, not used, allowed to go into bad condition, thus decreasing the value of the surrounding owners as well as harbouring criminals and rodents, et cetera. There is no policing of these lots and if people are not penalised by paying higher taxes at least they should be made to clean them because usually the residents of the area have to clean these lots in their own interest.

In addition, all lots with derelict buildings should be cleared at the expense of the owners. Where owners cannot be located, the Government should put these lands on the market and make land available for people who want to build houses.

Mr. President, I support this Bill and I think the areas I spoke on should be review in some way.

SUSPENSION

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

The question was put to the Senate and agreed to and Mr. PRESIDENT suspended the Sitting accordingly.

1.00 p.m.

Tuesday, October 22, 2003

RESUMPTION

Mr. PRESIDENT: This Honourable Senate is resumed.

Her Honour Senator Dame Patricia SYMMONDS: Mr. President, as a pensioner I am happy about this amendment and, as one associated with this Government, I am proud because it is progressive and compassionate. This amendment would help to make property more affordable, as had been pointed out, but after buying property there are a number of accounting responsibilities. Senator Parris and the Leader of Government Business referred to one such responsibility as maintenance.

In addition, seeing that properties are kept in good condition, there is the question of making them bright and beautiful, paying insurance and tax when it is due, especially when the tax is so considerably reduced. It has been mentioned that the reduction in property tax of a value up to \$125 000 makes the ownership of property easier.

Sir, the tenants who are the prospective purchasers of 41 000 terraced units owned by the National Housing Corporation will also benefit from the policy and they will no longer be subject to tax. It has already been said that in keeping with the 2003 Manifesto, it is a positive thing for Government and the country in keeping with Government's commitment and it shows clearly that this is a Government that can be trusted.

Mr. President, the increase in property ownership is demonstrated by the level of growth in the mortgage market. It is something I want to dwell on for a little while and to point out some statistics.

For instance, there has been a considerable increase in mortgage loans at the Barbados Mortgage Finance Company (BMFC) between 1993-2002. The current mortgage balance is \$164.2 million. For the year 2000, there were 2 797 mortgagors; 1993, there were 2 320 mortgagors with balances totalling \$97.2 million. The current outstanding mortgage balance is \$264.2 million.

Sir, among the major projects financed are Cane Garden, Grove Cottage and Mount Brevitor. If we look at the Central Bank Report, we will see that money outstanding for residential mortgages for Barbadians for the period 1984 were \$224.9 million and 1994, \$591.3 million. In 2002, the annual statistic shows that mortgages increased to \$989 million. I think that is important to note that.

Mr. President, Government is seeking to increase the base of property ownership in Barbados by a number of measures by making land available at \$2.50 per square foot through subsidies in urban tenancies, making 100 per cent mortgages available through the Barbados Mortgage Finance Company, the sale of terraced units, which will benefit the poorest in the society, and the sale of lots through joint venture programmes with the private sector at subsidised prices.

Sir, the Government is also creating a land bank to ensure that land prices are below average market prices. 2.10 p.m.

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Her Honour Senator Dame Patricia SYMMONDS: There is going to be a new spate of housing development which will be let by the Government guaranteeing a quality of housing stock. The Government is setting high standards with certain specifications, such as protection in cases of hurricanes.

New housing construction all over Barbados will also bring ancillary development and support services. We have already seen such ventures in some developments, such as opening minimarts or grocery stores, even such small things as selling newspapers. We see where the World Gym was set up, in a development, so that wherever there is housing development, entrepreneurship will follow. I am sure that Senator Husbands will agree with me.

Mr. President, we can see how very necessary and important this amendment is, and if I may quote from an extract of a speech given by the Minister of Housing at the Barbados Building Fair:

“It was stressed that Barbados has witnessed a building boom in the last 10 years. Out of this, the mortgage market has moved from flows of \$17.195 million in 1993 to \$32.936 million in 1998 to \$105.764 million in 2001 and \$122.814 million in 2002.”

This building boom, Mr. President, has resulted in increased economic activity, the birth and growth of a number of businesses in the wholesale, retail and manufacture of materials for the building industry. What is also very significant, the Samuel Jackman Prescod

Polytechnic, the Barbados Community College and skills training programmes had to almost double their intake of students, in order to meet the demand for trained artisans to work in the construction industry.

Sir, we can see how very important this amendment to the Land Tax is, in areas such as poverty alleviation, leading to poverty eradication to social and economic continued development of our country.

Therefore, Mr. President, it is with the greatest pleasure that I support this amendment.

Thank you, Mr. President.

SENATOR R. W. GRANT: Mr. President, I rise to give my support to this Bill which amends the Land Tax Act and facilitates the opportunity for benefits to pensioners. I would want to add, as other Senators have stated previously, that this amendment must be seen not simply by itself, but it must be seen in the context of continued tax reform which this Government continues to bring to the people of Barbados for their betterment.

At page 8, Sir, of the Barbados Labour Party's Manifesto, we speak about ensuring that there is an exemption of the first \$125 000 on property value from the payment of Land Tax.

Sir, I heard the chief spokesperson for the Opposition make the point that there would need to be an amendment - I should say the chief spokesperson for the Opposition in this Chamber so as not to be confused - he would wish to give the impression that persons outside of pensioners would not be able to get the relief from the \$125 000 exemption.

The point has to be made, Sir, that the existing Act provides at section, 6. (1) for the Minister to make an order. I must tell you, Mr. President, that this is nothing new. I have here a statutory instrument, 1991, Number 127 and this is an Order which facilitated an amendment to the Land Tax rate in 1991.

Mr. President, the impression must not be given that what was facilitated by this Administration through an order to allow Barbadians an exemption of the payment of \$125 000 on their property value, is anything new or that it has not been facilitated by an Order. Sir, that point has to be made, that this Government has facilitated Barbadians to be exempt in the payment of land tax on their first \$125 000 value.

Mr. President, I hope that by making reference to an Order which had been previously issued by another administration, with respect to the same Land Tax Act, Cap. 78(A) that the Opposition will accept that what this

Government is doing, is well within our right and has been done before.

Sir, to say that you do not know how it can be done, and that there must be an amendment to section 6. (2)(a) is really in my view, misleading this Chamber, when in fact the political party to which the Opposition Senator is a member also used an Order to facilitate adjustment in rates in 1991 and that point has to be made.

Mr. President, I also wish, in my brief comments, to touch on the point which the Opposition Senator made about having the provision of the tax for both site value as well as improved value. As a Government, we have to act in a responsible manner. I speak to this issue because there are property owners in Barbados who are pensioners who have substantial land to which there has been no improvement.

I think, Mr. President, that it would be wrong for a Government to seek to give relief to property owners by way of a reduction in tax on land that was not being improved.

2.20 p.m.

Wednesday, October 22, 2003

SENATOR R. W. GRANT: I think it would be wrong, Mr. President, even though those persons are of a pensionable age, 65 years and over, to give those persons who have significant quantities of land concessions by way of a reduction in land tax. Sir, to give tax relief to pensioners who have no dwelling place on that land would by broad application allow those persons of means to benefit.

Mr. President, the Act provides for pensioners who are unable to make property tax payment to seek remedy through the Land Tax Department. As a caring Government, we will ensure that those persons who are in difficult situations will get the relief that is necessary. We cannot as a responsible Government allow those individuals who would have substantial property and substantial land which are not improved in any way to benefit from that.

This Government is a sensible Government. This Government is a caring Government and we will not utilise any policy which will advantage a few to the detriment of many. So, Mr. President, that is one reason why we could not provide an amendment in the way recommended by the Honourable Senator from the Opposition.

Mr. President, in speaking to this Bill, I would wish to touch on section (2B). There has been quite a bit of emphasis on section (2A) which relates to the fact that

there would be a 50 per cent reduction on the improved value of \$125 000 for pensioners. That is very laudable and it has to be greatly supported.

Section 2 (b) makes reference to the fact that:

(b) by renumbering subsection (2C) to (2E) as (2B) to (2F)...

I need not go through all of it.

Section (2C) states:

“A hotel shall pay tax at the rate specified under subsection (1) and the actual amount payable shall be calculated on 50 per cent of the improved value of the land; but no such reduction shall be permitted unless it is a hotel within the meaning of section 2 of the Tourism Development Act, 2002.”

I make reference to that because as Government seeks to ensure that we expand the tourism sector by having more visitors to Barbados, by ensuring that the tourism product that we have is enhanced and developed, as we prepare for the English tour of 2004, and as we prepare for the 2007 World Cup, we need to ensure that the hotels in Barbados also enhance and improve their facilities.

Mr. President, the amendment to this Act facilitates and provides for additional investment in the tourism sector. It facilitates and provides for both local and foreign owned hotels to get to the level to provide the necessary availability of rooms that will be necessary with an increase in visitor arrivals not only this year but in 2004 and 2007.

Sir, as you know, the Grantley Adams International Airport is under expansion. As you know, the Government of Barbados expects an increase in tourist arrivals. Sir, we will be having additional flights by British Airways and American Airlines. Continental Airlines will start flying into Barbados in December. We will be having additional flights by Virgin Atlantic.

The point I am making is that as we seek to ensure we bring new airlift capacity and more visitors to our shores, we have to ensure that we have the available room capacity and investment in hotel properties. Mr. President, this amendment facilitates such investment because now on the improved value hoteliers and hotel owners would be paying a rate of 50 per cent less on that improved value.

Mr. President, the amendment to this Act is progressive. The amendment to this Act represents part of a comprehensive programme of tax reform. It will be for the benefit of all Barbadians. It is in the interest of all

Barbadians. It will assist in the continued development growth investment within our land and to the benefit, as I have said, to all of us.

I am obliged to you, Sir.

SENATOR I. G. P. GOODING-EDGHILL: Mr. President, I rise in support of the Bill before this Chamber. This Land Tax amendment signals the Government's commitment to continue the economic charter it presented to Barbadians in May which resulted in the return of this Administration for a third consecutive term. It also propels Barbados for take-off to another successful term of economic, social and financial development. Mr. President, this Land Tax amendment is but the first of a series of fully thought-out measures which are designed to engineer the further development of Barbados and to empower Barbadians.

The Bill before us provides an opportunity for financial relief for Barbadians. Mr. President, it is estimated that the owners of approximately 1 800 properties would no longer pay land taxes in the current financial year. The relief for pensioners who own a dwelling house which is used exclusively by the pensioners is designed to give the pensioners of Barbados the relief they deserve. It is an attractive concession, but it cannot be extended beyond those who are currently occupying the dwelling house because you might have a situation where you have several persons who are very fortunate and who would have a lot of property and who can afford to use the property that they own for commercial use and commercial value.

2.30 p.m.

Wednesday, October 22nd, 2003

SENATOR I. G. P. GOODING-EDGHILL: Mr. President, at the same time, it is imperative that we recognise Government has a responsibility to ensure that it collects a fair share of revenue in order to keep Barbados in a healthy financial state.

Sir, in face of this, we have the responsibility to manage the financial affairs of Barbados and Government cannot be so irresponsible as to follow the Opposition's suggestion to extend land and taxation relief in totality to those who are very fortunate.

Sir, I want to reply to the Opposition's suggestion that it appears as though Government is shifting the economic burden to the middle-class. It is not true, Mr. President, because if one looks at what has happened with the improved value, one would see those persons in the middle-class who, perhaps, would have paid on the

improved value of \$250 000, where they would have paid \$250, today they are being asked to pay \$125.

If we go beyond that and look at those persons in the \$300 000 improved value range, one would see that in 2002-2003, where the tax commanded was \$300 on a value of \$300 000, today under the proposed improvement, one would only pay \$175. To take it further and go to \$350 000, back then they would have paid \$350 in land tax, today they are being asked to pay \$225.

Mr. President, I believe it gives a lie to the Opposition's charge that the Government is seeking to shift the economic burden to the middle-class in Barbados. It is not true and I do not want the message to leave this Chamber that Government is shifting its responsibility or trying to shift the economic burden to the middle-class of Barbados.

Mr. President, in stark contrast to what obtained in the past, this Government has a proud record of reducing land tax to the benefit of all Barbadians. It has taken a progressive approach to a land tax adjustment and featured with the significant concessions, has been designed to encourage Barbadians to pay their taxes and also to acquire properties.

Mr. President, in relation to the payment of land tax, I would want to encourage Barbadians because all the incentives and adjustments that we are making, it is fair to say that we are now moving from a burdensome position. The time has come where we are reducing land taxes and where we have to run a country and maintain that country's financial base.

Mr. President, whereas we know there is a significant challenge with tax collections in Barbados, it behoves all Barbadians to come forward and pay their land taxes.

I also want to touch on Section (2C) regarding concessions. Sir, concessions also apply to the tourism sector. It is important that we recognise that within the tourism sector we have now given a further incentive to hotel development. We are now witnessing where hotels are improving their plants, which is very necessary, and with improved value, they would now have the opportunity to benefit from the Bill that is before this House.

I also want to encourage Barbadians to take advantage of the opportunities within the Land Tax Bill and to pursue their interest and try to get themselves more into business development opportunities with respect to land development.

Mr. President, I conclude by saying that this Bill before this Chamber is, indeed, a Bill that all Barbadians

can be proud of and one which I fully support in the interest of further improving the economic position of all Barbadians and Barbadian businesses.

I am much obliged, Mr. President.

SENATOR T. E. BARKER: Thank you, Mr. President. I want to join my colleagues in supporting this piece of legislation which once again demonstrates fully that this Government is a caring one which understands the needs of the people. It is a Government that is prepared to put into effect those things which were promised. Government has made certain promises to the people of Barbados and with God's help, we intend to carry them out.

Sir, the Bill basically allows pensioners to pay half of the tax that the non pensioners pay. This is consistent with Government's attitude towards pensioners.

Sir, when we came into power, one of our first acts was to increase the income threshold for pensioners on income tax to \$30 000, whereas for the rest of the population, it is \$17 500. This is but yet another example.

This Government has gone further and has ensured that under the Barbados Drug Service Scheme, old age pensioners receive their drugs free of charge. Sir, this is Government's consistent behaviour towards the pensioners of this country. We believe they have made this country what it is today. Where we are today is as a result of our parents and grandparents and we believe that as they come to the end of their days, they should be allowed to live in dignity and in comfort as far as their circumstances merit. Sir, any pensioner who gets National Insurance Scheme Pension, does not pay tax on it. Sir, by this action, Government ought to be commended for putting these measures into effect.

Sir, I cannot agree with the suggestion by the Honourable Member on the Other Side that this should be extended to those persons who have land only.

2.40 p.m.

Wednesday, October 22, 2003

SENATOR T. E. BARKER: Sir, we in Barbados have limited land space and we cannot afford to have much of our land lying idle. A few years ago, a count was done and it showed that in St. Michael alone, 1 800 properties were derelict. In the urban corridor, there are many properties that are not utilised yet we will have to encroach on other lands for housing.

The demand for housing is insatiable but at the same time land in the urban corridor is not fully utilized. Whether it is a commercial or housing property, we have to

ensure that there is a rational and sensible use of all our lands. Therefore, if a person wants to speculate, keep the land idle or if they live overseas, we believe that he or she ought to pay the full tax on it and reserve tax relief for persons who are improving the land.

Sir, I heard cynical comments on the call-in programme that the National Housing Corporation is selling its units to people because Government wants to get land tax. This is obviously false, because under the Order that the Minister of Finance has put in place, the property must be over \$125 000 to be taxable and none of the NHC properties will be worth this amount so the talk we hear that Government is only doing this to get land tax is obviously false.

Sir, if we look at it carefully, land tax as a percentage of Government revenue had declined. In 1996, Government land tax in the form of revenue was 5 per cent but it has declined to 4 per cent in the last fiscal year. We want to encourage land ownership so we cannot, at the same time, penalise a person for owning land. Over the years we have sought to reduce the incident of tax so that most Barbadians are now paying less tax than a few years ago, except for those living on the West Coast whose properties have appreciated for other reasons and this is a statement of fact.

Sir, the last nine years under this Government most Barbadians are paying less tax than they were before. The records show that in 1995 and 1996 the Government collected \$54 million in land tax for residential and commercial property and in the last fiscal year it collected \$66 million. Sir, even though properties were re-evaluated, revenue went from \$54 million to \$66 million at a time when we know there was a tremendous revaluation of properties and a tremendous increase in the number of houses built and at a time when a large number of chattel houses, which were not previously on the tax roll, have been transformed into wall structure and would now have an improved value.

In spite of the above, the amount of land tax taken by the Treasury has grown only slightly from \$54 million in 1996 to \$66 million last fiscal year, therefore, Government has not used land tax to swell its coffers. Over the same period the total tax revenue has gone from just over \$1 billion to \$1 600 million. Over the past few years, if anything, there has been a decrease in real terms.

We on This Side are proud of our record with regard to tax. Those who legitimately worry about pensioners because even though some pensioners are called upon to pay tax, the Land Tax Relief Board is still fairly generous in its operations and most pensioners get some form of relief.

Asides.

SENATOR T. E. BARKER: Sir, we must never assume that all pensioners are poor because there are some who can afford to make a contribution to the Treasury but most of them are not in that fortunate position and, as I said before, the Land Tax Relief Board has been generous to those who cannot afford. We feel that because you are a pensioner does not mean you have to get significant relief but that it should be given to those who need it.

Sir, I support the measure and I know that pensioners in this country, if they were in this Chamber, would applaud the Government for putting in place another measure which is going to make their lives even more comfortable and this Government will continue to do so.

Sir, not only would the pensioners get relief but hotels would also get because, as you know, their operations at times tend to be marginal and any relief given to them would redound to their benefit as a whole because 15 per cent of our GDP comes directly from tourism activity. The fact that we are giving some relief to the hotel sector must be commended because we should not kill the goose that lays the golden egg. We have to ensure that all our productive sectors are given the opportunity to progress and grow in a manner which will benefit the country as a whole.

With those few words, I support the measure and urge that this Honourable Chamber do so because it is to the benefit of all Barbadians.

I am obliged to you, Sir.

2.50 p.m.

Tuesday, October 22, 2003

SENATOR the Hon. E. R. GRIFFITH: Mr. President, I wish to thank Senators for their contributions on this Bill. I have taken note of the issues raised but I feel compelled to respond to a few matters simply for the sake of clarifying the issues.

Mr. President, ordinarily, changes are made to land tax without the need for any amendment to the Act. Section 6 empowers the Minister of Finance to make Orders and that is how the land tax rates have been changed, for as long as I can remember. I spent 27 years in the Ministry of Finance and there has never been an amendment to the Act to change the rate.

I made the point earlier when I indicated that this Bill was before us simply because of legal advice that we have to make it abundantly clear that the 50 per cent to the benefit of pensioners was on the excess above the first

\$125 000. Sir, were it not for that, we would not have been discussing any amendment to the Act because in the usual way, the Order would have dealt with the issue.

The Order has been done and it exempts the \$125 000 and it then sets the rates. The first rate is zero, second 0.10 and it goes on. That is how it has been done for as long as I can remember.

Mr. President, we must not mix up the issues...

Asides.

SENATOR the Hon. E. R. GRIFFITH: Sir, the Bill has been prepared on that basis. If you look at the Bill you will find that it has been prepared on the basis of the exemption of the first \$125 000 and that is so for everybody. It is the excess that is subject to appropriate rates as you move up the categories. I think we need to make that clear.

Mr. President, I have taken note of concerns raised by Senator Trotman and Senator Chandler about the idle tracks of land and the possibility of punitive taxes on those land. Sir, you will remember that previously a Barbados Labour Party Government had imposed a levy on idle lands. It was subsequently removed by another administration, so maybe the time has come for us to revisit it.

However, at the time that was done, it was done on the basis that we wanted to encourage people to make use of the land. In a sense this approach here, in terms of bringing greater benefits on an annual basis to the improved value of the land, has that same principle behind it, except it does not deal with the issue of the site value. That is something we will be paying attention to.

Sir, we all know that there is a scarcity of land in Barbados and there is a huge demand for land. That is why the Government, in its programme "Land for the Landless Farmers," has been promoting the use of land by persons who are interested in farming but do not have land.

Sir, two weeks ago I visited the Spring Hall Land Lease Project. This Project was developed many years ago by a Barbados Labour Party Administration when I served on the Agriculture Development Corporation(ADC) Board. I went to see the farmers and to find out how they were doing in spite of their ups and downs. Sir, that is a project that was developed to give land to persons who were interested in farming but had no land.

I then visited the Scotland District where I visited Bordens, Sledge Pond, Turners Hall, Haggatts and Greenland, all former plantations owned by the Government, which are now in the hands of farmers who

are interested in farmers but have no land. We are now working on the River Plantation and we are encouraging private owners who have land and who are not using it to put that land into the landless scheme as well. The Government would lease the land from the private individuals who have land and are not using it.

Sir, we accept that there is a huge demand for land and we are implementing schemes which are aimed at empowering those landless farmers, so we understand the issues that are being raised.

Mr. President, I do not think that anybody can deny that the proposal, which is before us, is one that is worthy of commendation. Therefore, I have great pleasure in moving that this Bill be read a second time.

The question was put to the Senate and agreed to.

COMMITTEE

On the motion of SENATOR the Hon. E. R. GRIFFITH, Mr. PRESIDENT left the Chair and the Senate went into Committee on the Bill, SENATOR the Hon. Dame Patricia SYMMONDS in the Chair.

Madam Chairman: The Senate is now in Committee.

COMMITTEE

Clauses 1 to 3 were called and passed.

On the motion of SENATOR the Hon. E. R. GRIFFITH, Madam Chairman reported to HIS HONOUR the PRESIDENT the passing of one Bill in Committee and Mr. PRESIDENT resumed the Chair and reported accordingly.

On the separate motions of SENATOR the Hon. E. R. GRIFFITH, the Bill was read a third time and passed and cited as the Land Tax(Amendment)(No.2)Act, 2003.

ORDER NO. 3

RESOLUTION TO APPROVE IN ACCORDANCE WITH SECTION 5 OF THE LAND ACQUISITION ACT, CAP.228 THE COMPULSORY ACQUISITION OF LAND SITUATED AT SPEIGHTSTOWN, IN THE PARISH OF ST. PETER FOR PUBLIC PURPOSE OF WIDENING THE SALT POND DRAINAGE CHANNEL. SENATOR the Hon. E. R. GRIFFITH: Mr. President, the Resolution before us is seeking approval for Government to acquire a total of 297 square metres of land from five landowners in order to accommodate the widening of the Salt Pond drainage channel in St. Peter. In 1996, the Government had a study done on flooding and storm water drainage. The consultants of that study made a number of

recommendations in relation to St. Peter and other areas. 3.00 p.m.

Wednesday, October 22, 2003

SENATOR the Hon. E. R. GRIFFITH: As a result of the acceptance of the recommendations of that study, BTII was charged with the responsibility of developing an urban rehabilitation programme, which includes work being done on the Salt Pond channel in St. Peter.

Mr. President, in the study which was done, the consultants mentioned a number of problems, in relation to Speightstown and I will give an outline of some of them. They indicated that part of the problem had to do with high peak flows from a large upland catchment draining to a flat coastal plane. There was inadequate capacity west of the Round-the-Town road.

There was inadequate covert capacity at the By-pass Highway and to a lesser extent, the Round-the-Town road. The sand barrier at the sea outfall had no proper sea outfall conditions or structure to prevent excessive sand barrier height. There was a slack channel gradient, low lying lands adjacent to the channels and blockage by debris in the channels.

As a result, a project was prepared, aimed at finding solutions to these problems. Included in the proposed solutions submitted in the project which was sent to the Town and Country Planning Department for approval were the following:

1. The construction of a tidal fishing channel.
2. The reconstruction of the central span of Speightstown bridge and the clearing of the Salt Pond channel.
3. The construction of a foot path adjacent to the drain which terminates at the bridge at Queens Street.
4. The creation of an appropriate landscape development along the drain, including lighting and seating.
5. Construction of a pedestrian bridge to network from Church Street, through to Goodings Alley.
6. The connection of the Salt Pond to the sea with an outfall channel to provide for a healthier and more pleasant back beach environment, which would encourage plant and fish life.

Mr. President, the Salt Pond drain between the By-pass Highway and Queen Street, is already partially canalised. The side walls are not sufficiently high enough to hold the volume of water that passes through during the periods of flooding. The proposed solution therefore is to

increase the canalisation of the area by constructing higher embankments, and improving the alignment of the drain in specific areas.

In order for this to happen, it is necessary to acquire 279 square metres of land from the following landowners:

Fitzherbert Griffith, 27.6 square metres.

Eddy's Trading Company Limited, 100.1 square metres.

Clara Jemmott, 53.6 square metres.

Violet Doughlin and Clara Jemmott, 50.2 square metres.

Wally's Enterprises Limited, 47.5 square metres.

This is a total of 279.0 square metres.

I took time off yesterday, Mr. President, to visit the area to see the work that is already in progress. I am pleased with what I have seen so far.

Mr. President, I have great pleasure in inviting this Senate to join with us in agreeing to this Resolution. Therefore, I beg to move that this Resolution do now pass. The question was put to the Senate and agreed to.

ADJOURNMENT

SENATOR the Hon. E. R. GRIFFITH: Mr. President, I beg to move that the Senate be adjourned to Wednesday, October 29, 2003 at 11.00 a.m.

The question that the Senate be adjourned until Wednesday 29th October, 2003 at 11.00 a.m. was put to the Senate and agreed to and Mr. PRESIDENT adjourned the Senate accordingly.

3.05 p.m.

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EDITORIAL NOTES — NOT PART OF THE REPORT

Prepared with the transcript; for checking against the recording and the Minutes.

EDITORIAL QUERIES

Points noted while preparing this report from the edited transcript. The text has not been altered except where stated.

Q1. Masthead. The session is not stated in the source, so no session line is printed.

Q2. Order No. 3. The Minister first says the Government is to acquire ‘a total of 297 square metres of land from five landowners’, but later says 279 square metres, and the five parcels listed add up to 279.0 square metres. Printed as in the source.

Q3. Order No. 3. The Minister’s opening words are run into the title of the Resolution in the source (‘...THE SALT POND DRAINAGE CHANNEL. SENATOR the Hon. E. R. GRIFFITH: Mr. President, the Resolution before us...’), and the closing sentence ‘The question was put to the Senate and agreed to.’ is part of his last paragraph. Printed as in the source.

Q4. Report from Select Committees. The Report of the Standing Orders Committee read by the President stops after ‘considered the following motion to amend the Standing Orders of the Senate to provide for the establishment of a Joint Committee of Public Accounts:’; the motion and the Committee’s recommendation are not given, and there is no closing quotation mark. Printed as in the source.

Q5. Report from Select Committees. The Report refers to ‘the Third Sitting of the Senate held on July 13, 2003’; 13th July, 2003 was a Sunday. Printed as in the source.

Q6. Take-slip, about 11.20 a.m.. One take-slip is dated ‘Tuesday, October 22, 2003’; the Sitting was on Wednesday. Printed as in the source.

Q7. Order No. 2, heading and labels. The Bill is headed ‘LAND TAX AMENDMENT NO. 2 BILL, 2003’, but is cited at third reading as the Land Tax (Amendment) (No. 2) Act, 2003. One of Senator Sir Roy Trotman’s speeches is labelled ‘SIR ROY TROTMAN’, without ‘SENATOR’. Printed as in the source.

DEBATE SUMMARY

(Editorial summary — not part of the record.)

The Senate met in the Senate Chamber, Parliament Buildings, on Wednesday, 22nd October, 2003 at 11.00

a.m., with the President, His Honour Senator Sir Fred Gollop, in the Chair; prayers were led by Rev. Father Errington Massiah. The President read a letter from the Governor-General, dated 1st October, saying that he would be away from 5th to 10th October for the CARICOM Heads of State conference in St. Kitts-Nevis and that the President would act in his place. Apologies were received for Senator the Hon. Mrs. L. V. Eastmond, away on Government business.

Senator the Hon. E. R. Griffith laid eighteen papers, among them the Value Added Tax Order, 2003, the Annual Report of the Barbados National Bank for 2002, the Barbados Economic and Social Report for 2002 and audit reports on four statutory funds. The President read the report of the Standing Orders Committee on a motion for a Joint Committee of Public Accounts. The Occupational Pension Benefit Bill, 2003 and the Land Tax (Amendment) (No. 2) Bill, 2003 were read a first time, and notice was given of Resolutions on land at Villa Nova, St. John, and on vesting land in the National Housing Corporation.

Under Order No. 1, on Senator Griffith’s motion, the Resolution to amend Standing Order 60 to provide for a Joint Committee of Public Accounts was agreed to, and the President referred the matter to the Committee of Selection.

Under Order No. 2, Senator Griffith moved the second reading of the Land Tax (Amendment) (No. 2) Bill, 2003. He explained that, following the Manifesto pledge to exempt the first \$125 000 of improved value, pensioners would pay on 50 per cent of the amount by which the improved value exceeded \$125 000, with effect from 1st April, 2003; he gave the example of a property valued at \$250 000 whose tax fell from \$1 062 to \$125, of which a pensioner would pay half.

Senator F. J. Stuart said the Opposition could find no fault with a Bill softening the tax burden on pensioners, but noted that the relief was limited to pensioners and questioned the treatment of site and improved values; on a point of order he asked Senator G. P. B. Nicholls to explain how an amendment for pensioners could cover everybody. Senator I. St. C. Linton gave examples from his family’s land tax bills. Senators P. E. Parris, G. P. B. Nicholls, Sir Roy Trotman, Dr. F. L. Chandler, Her Honour Dame Patricia Symmonds, R. W. Grant, I. G. P. Gooding-Edghill and T. E. Barker also spoke, the last four after the lunch suspension. Sir Roy Trotman stressed that land in Barbados was limited and should be available for the development of the country; Senator Grant argued that pensioners with large holdings should not receive the concession. Senator Griffith replied that the exemption of the first \$125 000 applied to everybody. The Bill passed Committee, with

Dame Patricia Symmonds in the Chair, and was read a third time.

Under Order No. 3, Senator Griffith moved the Resolution under section 5 of the Land Acquisition Act, Cap. 228, for the compulsory acquisition of land at

Speightstown, St. Peter, to widen the Salt Pond drainage channel, following a 1996 study of flooding; he listed the five owners and the works proposed. The Resolution was agreed to, and the Senate was adjourned until Wednesday, 29th October, 2003 at 11.00 a.m.