THE

SENATE DEBATES

(UNOFFICIAL REPORT)

PARLIAMENT 2008 – 2013

THE SENATE

Wednesday, November 26, 2008

The Senate met in the Senate Chamber, Parliament Buildings, on Wednesday, November 26, 2008, at 11.20 a.m.

PRESENT

His Honour Senator Dr. BRANDFORD M. TAITT, B.A., M.P.A., LL.B.(Hons.), D.H.L. (Hons) (President)

Her Honour Senator Miss K. F. IFILL, M.B.A., B.Sc. (Hons.) (Deputy President)

Senator the Hon. H. LaV. BENN, J.P., E.M.B.A. (Marketing)(Minister of Agriculture)

Senator the Hon. A. B. WALTERS, D.P.S.A (Oxford) M.A.(Minister of State in the Ministry of Labour, and Immigration)

Senator the Hon. D. W. BOYCE, M.B.A. (Finance), B.Sc.. (Econ.), C.M.A., F.C.A. (Minister of State in the Ministry of Finance, Investment, Telecommunication and Energy)

Senator P. GILKES

Senator D. McD. ALLEYNE, M.A., B.A.

Senator D. K. A. GRIFFITH

Senator Rev. P. MILLINGTON, M. (Theol.)

Senator Mrs. V. I. SANDIFORD-GARDNER, M.B.A., C.I.M., Dip. Mng.(Parliamentary Secretary in the Prime Minister's Office)

Senator Miss P. INNISS, B.Sc. (Hons.)

Senator K. D. SYMMONDS, B.A., LL.B.

Senator Miss H. E. THOMPSON, LL.B.

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

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

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

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

Senator R. O. MARVILLE, M.A. African Studies, B.A. (Hons.), M.B.A.

Senator JOHN A. C. HUTSON, B.C.H., M.R.A.C.

Prayers were led by Rev. Father Errington Massiah.

Mr. PRESIDENT: The Senate is in Session.

ANNOUNCEMENTS BY HIS HONOUR THE PRESIDENT

Mr. PRESIDENT: Distinguished Senators, I have received an excuse of absence from Senator Trotman who is out of the country on official business.

PAPERS

SENATOR D. McD. ALLEYNE: Mr. President, I am commanded to lay the following documents:

1. Duties, Taxes and Other Payments (Exemption) (National Council on Substance Abuse) Order, 2008.
2. Duties, Taxes and Other Payments (Exemption) (Needham's Point Holdings Limited) Order, 2008.
3. Duties, Taxes and Other Payments (Exemption) (Coronation International Golf Limited) Order, 2008.
4. Duties, Taxes and Other Payments (Exemption) (The Ladies' Association for the Relief of the Indigent, Sick and Infirm) Order, 2008.
5. Duties, Taxes and Other Payments (Exemption) (Elsie, Pamela Williams) Order, 2008.
6. Annual Report of The Enterprise Growth Fund Limited for the year 2007.
7. Annual Report and Financial Statements for the Rural Development Commission for the year ended March 31, 2004.

8. Financial Statements of World Cup Barbados, Inc., for the years ended December 31, 2006 and December 31, 2007.

9. Statutory Boards (Pensions) (Pensionable Officers) Order, 2008.

10. Shipping (Incentives) (Silver Moon, Inc.) Order, 2008.

11. Shipping (Incentives) (Jammin Catamaran Cruises Barbados) Inc.) Order, 2008.

12. Betting and Gaming Duties Order, 2008.

13. Annual Report of the National Petroleum Corporation for the Financial Year ended March 31, 2006.

14. Liquor Licences Order, 2008.

15. Customs Tariff (Amendment) Order, 2008.

16. Excise Tax (Rate of Tax) (No.2) Order, 2008.

17. Custom Tariff (Amendment) (No.2) Order, 2008.

18. Annual Reports of the Operation of the Barbados Drug Service for the Fiscal Years April 1, 2005 to March 31, 2006 and April 1, 2006 to March 31, 2007.

19. National Insurance and Social Security (Non-Contributory Old Age Pensions) (Amendment) (No.2) Regulations, 2008.

20. National Insurance and Social Security (Benefits) (Amendment) Order, 2008.

21. Archives (Record Management) Regulations, 2008.

SUSPENSION OF STANDING ORDERS

SENATOR D. McD. ALLEYNE: Mr. President, I beg to move that Standing Orders 22(1) and 45(2) be suspended for the remainder of the Sitting.

The question was put to the Senate and agreed to.

INTRODUCTION OF BILLS

SENATOR D. McD. ALLEYNE: Mr. President, I beg to give notice of the following:

1. The Special Loans (Amendment) Bill, 2008.

2. Local Loans (Amendment) Bill, 2008.

3. The Barbados International Business Promotion Corporation (Amendment) Bill, 2008.

FIRST READING OF BILLS

Mr. President, I beg to move the First Reading of the following:

1. Barbados International Business Promotion Corporation Bill, 2008.

2. The Profession, Trade and Business Registration (Amendment) Bill, 2008.

3. The Barbados International Business Promotion Corporation (Amendment) Bill, 2008.

The question was put to the Senate and agreed to.

SENATOR D. McD. ALLEYNE: Mr. President, I beg to give notice of the following:

Resolution to approve in accordance with Section 5 of the Crown Lands, Vesting and Disposals Act, Chapter 225, the vesting in the National Housing Corporation, of a parcel of land, the property of the Crown, situate at Six Roads, in the parish of St. Philip in this island, for the purpose of housing development.

Senate A8, sequence 03, 11.30 a.m.

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GOVERNMENT NOTICES

SENATOR the Hon. H. LaV. BENN: Mr. President, I beg to give notice of a Resolution to approve in accordance with Section 5 of the Crown Lands (Vesting and Disposal) Act, Chapter 225, the vesting in the National Housing Corporation of a parcel of land, the property of the Crown, situate at Six Roads in the parish of Saint Philip in this island for the purpose of housing development.

PUBLIC BUSINESS

ORDER NO. 5 – SPECIAL LOANS (AMENDMENT) BILL, 2008

SENATOR the Hon. D. W. BOYCE: Mr. President, before I introduce this Bill, I will ask your permission to treat with both the Special Loans (Amendment) Bill and the Local Loans (Amendment) Bill at the same time.

Mr. PRESIDENT: Unless I hear any objections to the request, I intend to approve it. Honourable Senators, understand that what is required here is that the two Bills be debated in a single debate. You can feel free to interchange ideas concerning the respective Bills.

SENATOR the Hon. D. W. BOYCE: Thank you, Mr. President.

Mr. President, the purpose of these amendments, in the case of the Special Loans Act, is to change the limit of the borrowing that the Government may undertake from institutions from $500 million to $1 500 million, and in the case of the Local Loans Act, to move the limit the Government may borrow by way of securities from $3 500 million to $4 000 million.

Mr. President, the limit under the Special Loans Act of $500 million has been the limit since 1987. Mr. President, there are a number of circumstances that have risen in the last year which require us to propose the change of the limit from $500 million.

Mr. President, the Government of Barbados took a decision to move its system of accounting from cash-based accounting to accrual accounting. When that happened, some consequential adjustments had to be made in respect of newer financing arrangements. In the last year, central Government has also had to bring to book and take over responsibility for a number of financing initiatives that had been taken.

Mr. President, the first initiative was the repayment of a working capital debt owed by the National Housing Corporation of $33 million. The second situation was the bringing to book of $6.5 million in respect of paving works being undertaken by C. O. Williams and $12.4 million by Rayside Construction Limited and RS Paving.

Mr. President, Government has also had to bring to book an amount of $59.5 million for the Barbados Coast Guard Headquarters, $131 million for the Integrated Coastal Surveillance System and an amount of $3.1 million in assistance to LIAT.

Mr. President, these amounts, along with cost of the Prison at Dodds in the amount of $288 million, have brought the total amount outstanding under the Special Loans Act to $638.9 million.

Mr. President, the decision to go to accrual accounting in the context of the way in which this lease and financial arrangement in respect of the new Prison were done, requires that lease payments be capitalised and brought to book as a liability of the Government since the financing, the operations and the maintenance were the Government's risk.

At the time these arrangements were conceptualised, Government had been using the cash-based accounting system and therefore, there would not have been the need to bring these things to book.

Mr. President, once the decision had gone to accrual accounting, then you had to make the consequential decision to bring those things to book. When the decision to go to accrual accounting was taken, no decision was taken, to the best of my knowledge, to bring any legislation to cover the public/private sector partnerships under which the Prison facility would have fallen. As a result, the authority for covering that liability would have had to come from the Special Loans Act.

Mr. President, we are at a stage where we are over the limit because of that transaction, therefore we have to regularise that matter. Mr. President, quite apart from the projects I have mentioned, there are a number of other projects that are currently in progress which started last year and before that.

One of those is the Judicial Centre. The expected cost of that at this stage is $117.5 million.

Secondly, the second loan from the World Bank of $171.4 million for the HIVAIDS Prevention and Control project was continued and entered into.

Thirdly, the cost of the ABC Highway project also had to be covered by the Special Loans Act. That amount is estimated at this stage to be $120 million or a little somewhat in excess of that.

Fourthly, there is a small amount of $15 million for the Integrated Coastal Surveillance System for the cost of some equipment which has to be brought to account.

Senate A8 Sequence 4

11.40 a.m.

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SENATOR the Hon. D. W. BOYCE: Mr. President, these amounts are for ongoing projects and as mentioned, total approximately $324 million. This amount, along with the previously mentioned amount, when these projects are completed, would bring the total amount to be covered under the Special Loans Act to approximately $963 million. Mr. President, these are all for projects which have either been concluded or restarted a year or two ago, and which have to be continued.

Mr. President, in that light, it would make sense for us to seek to have approval to move the limit from what is now $500 million to $l.5 billion, because by the end of the fiscal year when these projects are completed, we would have already moved close to $l billion. Therefore, we are asking for the limit to be moved from $500 million to $l.5 billion, to regularise the excess by which we are over, to cover those projects which are currently in train, and to provide for any further projects which would have to be financed by way of this mechanism.

Mr. President, in respect of the Local Loans Act, the limit of $3.5 billion is now being proposed that it be moved to $4 billion. Unlike the Special Loans Act, the limit on the Local Loans Act has changed very frequently. It changed in l993 by $447 million, in l994 by another $203 million, in l997 by $500 million, in 2002 by a further $400 million, in 2004, by $550 million, and in 2007 by $750 million. This particular limit covers the debenture issues by Government.

Mr. Speaker, as of September 30, the amount used was $3.1 billion, leaving an amount of $400 billion available. We propose that in order for us to be able to conduct the business of the country, particularly our capital works programme at this time, that the limit be moved to $4 billion, to allow room for us, over the next two or three years, to be able to conduct the capital works programme which is very necessary, which we know we have to do, and are preparing to do for the next few years.

Mr. President, the move from $3.5 billion to $4 billion is $500 million, and that is not out of line with previous movements of the Local Loans Act. It gives us room to execute the kind of programmes that would have to be executed over the next few years, in order to manage the economy well and to keep it on a reasonable growth path.

Mr. President, together with the Special Loans Act, we are asking for a total movement of $l billion on the Special Loans Act, and $500 million on the Local Loans Act. Sir, of that amount, already $500 million has been committed because of previous projects or ongoing projects which have to be continued.

Mr. President, with those few words, I thank you.

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

SENATOR K. D. SYMMONDS: Mr. President, if I may, in a very short interjection, make some comment on this matter which is now attracting the attention of this Honourable House.

Mr. President, I think it is useful to begin on a note of reflection that perhaps, since the time of Independence, we have seen in Barbados, with respect certainly to the Local Loans limit - and I think Senator Boyce has briefly alluded to this phenomenon - frequent intervals at which the Local Loans limit would be set, would subsequently be met, exceeded, and then raised again. The Special Loans Act, perhaps less frequently, carries a similar pattern.

Sir, we need to accept out front that the Special Loans Act is resorted to, when Government is seeking to engage in a loan exercise in which we are dealing with large sums of money, the sources of the funding, inevitably, will be abroad, and the terms of the loan are long-term loans.

These inevitably raise the question of a debate which would turn on the state of the national debt. In fact, as you go through Hansard, you will find that in l973, when the Democratic Labour Party came to Parliament, with a view to raising the Special Loans limit, at that time, from $20 million to $30 million, the debate turned specifically on those issues of the national debt, and I think appropriately so, then and now, the foreign component of the debt.

Mr. President, these are issues which I think we have to look at, and I would want at the outset, to indicate that as in the Other Place, the Opposition here will support this measure, but has to do so, I think, while critically evaluating Government's management of the economy up to this point in its term, and of course the circumstances which have caused us to be here.

Mr. President, there is a lot of uncertainty generated, at the present time, internationally, with respect to the question of the economic climate in which we are functioning. It goes without saying that with Europe, a major trading partner for us, indicating that she is in recession, with Japan indicting that it is in recession, with the United States of America debating whether it is in recession, we have to be very careful about the strategy we intend to be using as a Government, as we chart our way forward during the course of what has been called "an international economic crisis" and as we chart our way out of it.

Mr. President, one of my concerns, and I say this perhaps more academically than anything else, is that there has been an emergent trend, under both administrations through the years, with respect to the question of management of the Special Loans ceiling. Sir, my concern is that there has not been a practice of bringing a specific Bill for a specific project. Therefore, in effect, what happens is that the legislation governing the Special Loans Act has been amended upwards, to give Governments additional elbow room. Government comes to Parliament and makes a plea for space, Government varies the loan upwards, almost within a vacuum.

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SENATOR K. D. SYMMONDS: Then in keeping with the provision of Cap. 105, Section 3, which is the legislation that governs the Special Loans, you then come back down the road with a Resolution saying that particular amount of money is what I want to spend.

Mr. President, perhaps it is an academic argument but, Sir, this is the Senate and the Senate is supposed to be a reflective Chamber and, perhaps, a more dispassionate Chamber than the Other Place. One of the concerns we have to accept in Barbados is that throughout the years, we have moved the ceiling upwards. Sir, as I told you, we went from $20 million and we now find ourselves talking about $1.5 billion...

Asides.

SENATOR K. D. SYMMONDS: Mr. President, I was saying that my concern is the practice of bringing the legislation to amend the ceiling without there being a specific project articulated and laid before the House. Sir, why is this a concern? It is a concern because this piece of legislation, Cap. 105, is intended for the legislature to govern any potential excess on the part of the Executive, so that you do not simply access foreign loans without having to go through the check and balance of the legislative process.

Mr. President, there is a debate, I am sure, that could take place as to the extent of the control that is allowed, once you have to come back to deal with it by way of a Resolution. I think that one of the first questions we would have to ask ourselves is what is the type of Resolution. Is it a negative Resolution or is it a standard Resolution?

Sir, one of the other things we have to look at - I know this has attracted the attention of other civilised democracies around the world - is the extent of control that Parliament may, in effect, actually be seeking, when once a Minister of Finance comes and says that he wants the additional elbow room. Sir, that is not the language used by this Minister but, in principle, that is what is taking place. We are asked to accept that the ceiling goes up to $1.5 billion. We are not told that there is a specific project or projects on the table that equate to carrying the ceiling up there but, for the purposes of prudent administration, or so we assume, Government says it needs this additional space.

Mr. President, in other jurisdictions, a question of a certain level of majority has arisen so that in order to access this type of money, do you, therefore, have a simple majority or should there be even a greater check and balance of what is potentially a request from the Executive for a blank cheque?

Sir, the danger is that once we have carried the ceiling there - in fact, it is no danger. It is now part of the history of Barbados. The mere fact that we are here to talk about $1.5 billion and we began with a ceiling of $20 million, suggests that the ceiling has been met and surpassed throughout time.

Sir, the logical conclusion is that at some stage someone has got to say, not necessarily, how do we bell the cat, but how do we curb this enthusiasm on the part of successive administrations? Sir, it is not a political partisan point. It is a point of national development. How do we curb the enthusiasm manifested historically for persons to call for more money and then, once they have achieved that elbow room, unvariably, you come back and say how it will be spent.

Mr. President, in a real way, this is what the Congress of the United States of America is faced with now. Their concern has been, to what extent do you grant a blank cheque to an Administration.

Sir, it is exceptionally worrisome in times of economic difficulty, internationally, because of the fact that as patriotic Barbadians, we all feel that you must do whatever is necessary to support the Government's initiatives, howsoever that initiative is framed, because you do not want to stand in the way of Government delivering on behalf of the people and the society, which we are all part.

Mr. President, as I have said to you, that is perhaps an academic argument, but it is a source of personal concern for me. I do think that as part of the civics of Barbados, we have to come to a point where we think this true.

Mr. President, my own judgment on it is that perhaps there needs to be a Law Reform Committee of sorts, looking at matters of this nature. Sir, I will demonstrate this later on in this discourse.

When we are talking about $1.5 billion, in the context of a US$6 billion, effectively we are talking about one-eighth of the size of the Barbados' economy, which potentially, at this stage, is not a debt that is incurred. It is a potential capacity and, potentially, Government can borrow to that extent.

When once you are in a context of a contracting global economy and you assume, therefore, there will be some measure of contraction felt in Barbados, that one-eighth may translate itself into one-sixth, or even one-half, and it then becomes a very worrisome potentiality. Sir, I can put it no higher than that. I am trying to register a concern that generally, we in this country have taken for granted.

Mr. President, if you go back through the debates, Sir Richard Christopher Haynes, the late Sir Harold Bernard St. John, the late J. M. G. M. Tom Adams and the Right Excellent Errol Walton Barrow, the titans of our history, have been embroiled in this debate throughout time, but Sir, I do not think we have done the country

justice by trying to bring some resolution to that particular issue I have raised.

Mr. President, two things come out of this amendment to the Special Loans Act and the Local Loans Act. On one hand, I think very positive and, on the other hand, not so positive. Sir, the positive side is that we could see some very good project and, to be fair, this country has got its money's worth through this type of facility.

Sir, one could reflect on the Bridgetown Sewerage Plant, the Cement Plant, Heywoods Holiday Village, the Samuel Jackman Prescod Polytechnic and a number of them have been accommodated via this facility but, Sir, the reality is that there is also a practice of using the access to the special loans facility and the power of a parliamentary majority...

Asides.

SENATOR K. D. SYMMONDS: Sir, perhaps the reason why I speak in this tone is because I am speaking in the context of what we all know to be a parliamentary majority of two-thirds and, Sir, that is a considerable amount of power. Therefore, there is the capacity for projects, which are not necessarily generators of foreign income. They could either be short-term, medium-term or long-term to become, as historically has happened, the object of allocation of funds achieved under this type of approach.

Mr. President, I remember in the 1983 debate, I believe it was Dr. Richard Haynes, then the Honourable Member for St. Michael South Central, raised this matter. Again, it is a recurring decimal as we look at the particular issue, the extent to which you now marry the elbow room to the Government, on one hand, via expanded ceilings for loan borrowing externally and then, on the other hand, the same Government having an overwhelming majority and then, Sir, the incapacity, thereafter, in the event that money sourced is not allocated in the most optimum way in terms of building capacity and earning foreign exchange in the country.

S/A8/12:00

Sequence 6

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SENATOR K. D. SYMMONDS: Dr. Haynes, in his debate, and I am not laying this claim at the feet of the Honourable Members of the Senate on the Other Side, but in that debate, and it is worthwhile going back to it, made the point that there are instances and have been instances in Barbados where funds so sourced, as we are discussing today, have been used basically for the furthering of the political business cycle to meet short and medium-term election demands. That was a caution that he echoed.

Again, I am saying I want to make it clear, it is not an allegation I am laying at the feet of this Government, but I am only entering a caveat, entering a caution, a warning, that these are some of the dangers of potential abuse that this country has to be wary that it does not walk into.

Sir, as I said, in the United States of America and Great Britain today, the issues are precisely the same, because all of the Governments around the world now are facing this international crisis and are speaking very similar language of bailout et cetera, emergency bills and so on, and effectively there is a concern globally that you want to help a Government and legislation must not stand in the way of a Government acting in the best interest of a country in a time of emergency, but how much is too much and when do you rein in the authority of the Executive?

Sir, again, one has to speak in this language, because the potentiality to which Senator Boyce has asked us to sign on can place significant stress on the economy. Let us not fool ourselves. A $1.5 billion special loans limit, if that were to come to pass in the context of a contracting economy, means that there will be higher debt servicing ratios in Barbados, if it were to come to pass that all of that money was borrowed.

Sir, I am not going to make a blank case either against borrowing, because I know there can be some benefit. In fact, I was part of an Administration that was chastised bitterly because of the fact that we had in fact borrowed. That is a different debate. I am saying that we have now in this Chamber, and I am not aware of what happened in the Other Place, so I would not even speculate - We have now in this Chamber heard with specificity the exact plan of the Government. What we have heard is that there is a request for additional elbow room.

Sir, borrowing, as I said, can place additional stresses on an economy. Obviously the debt has to be serviced and the ratio of revenue paid to the Treasury, that is going to service the debt, must of necessity be a concern to the people of Barbados, because if money that would be paid into the Treasury, under normal circumstances, is going straight back out to service a debt, there is an issue in Barbados about development, money that could be going towards welfare and money that could be going towards several other things.

It is also a concern with respect to the local loans that when once you raise the local loans limit, as we have seen in the past, and that limit has been met, as we have seen in the past, very often in the context of a crunch for access to credit, which is what is likely to take place in Barbados today, as, in fact, is taking place in the United

States, England, Canada, Japan and everywhere else in the Caribbean.

There is already a problem in the Bahamas. It is already a problem in Trinidad, with the IMF cautioning them about the crunch for access to credit, but Government at this time says, "we want to raise our access to additional local funding." It means that the private sector can be crowded out.

Again, I enter a warning at this stage. You crowd out the private sector, you crowd out the drivers of the economy, you crowd out the same people whom we are hoping to reinvest in the economy. We are crowding out the same people who we are hoping to keep people employed, to keep this whole process of standard of living turning over. Sir, that is something I am not hearing from the Government's Side thus far and I want to get certain assurances before the end of this debate.As I said, there is not really an objection, but I think that one has to give this matter a measure of critical support.

Mr. President, the timing of this measure is also a matter of some interest. I want to say that I have never felt that all wisdom resides in any one political Party, clearly, that could not be.

One of the good things about this current Senate is, when we first met, we met in the context of a major economic debate. It must stand out in the minds of all Senators, because for all of us it was the first meeting of this term. It was the Estimates exercise that this Senate first met. It was during the course of that Estimates exercise I sought then, as I do now, to point out to the distinguished Minister of State, in the Ministry of Finance, that the horizon forecasted sufficient that he and his Government should be registering deep concerns.

We did not know then that the global crisis would reach these proportions. We could not have anticipated the extent to which toxic loans and subprime mortgages would cause a meltdown in Wall Street and other financial centres. We could not have anticipated the fact that the DOW Jones Industrial now fluctuates like a bouncing ball, but we could see clearly, or what we did see, certainly when we were in Government and sought to articulate it to the country was, there were a number of fundamental underlying problems with the global economy, not the least with which that commodity trade prices were escalating, going through the roof, and precisely the areas in commodity trades which would impact most deleteriously, most negatively, on the Barbados economy. Food costs were high, grain and wheat in particular, energy costs, all of the petroleum products, going through the roof, steel, the inputs into industry, exceptionally high.

Sir, it was said in March, during the Estimates exercise, that this was a source of great concern. It was not only said, but recommendations were made on the Floor of this Place,and of the Other Place, as to potential courses of direction which we could take as a country if we were to avoid going into a state of stagflation, or otherwise put an inflationary spiral in which there is also a contraction or stagnation in the economy. Essentially, that is what happened to Barbados.

Sir, we came to a point where the cost of every single transaction increased at a time when the number of transactions were decreasing, and the fallout has been registered by the Central Bank of Barbados. We have seen an increase in unemployment figures, 3 000 people within the first six months of this year, $129 million in foreign exchange lost within the first six to seven months of this year, and even now, on top of all of that has been added the very clear reality of a meltdown in the financial capitals of the globe. This Government still dwells in the land of lethargy without a clearly defined way forward having been put to the people of Barbados.

Sir, up to this day I cannot tell you what would happen Friday. I can only tell you what has happened today. Up to today all that we have heard from the financial powers in the Government have been, we need more borrowing room, and that is a source of concern.

Sir, what is the purpose of the increase then? As I said, you cannot ask for a blank cheque, and then on the other hand we have seen from this Government that its prognostication was very poor, and anyone who is even passingly familiar with the medical fraternity would tell you that when the prognosis is poor, you can repose no confidence in the prescription. Sir, if the prescription at this point is that we have to prepare ourselves to borrow, then, Sir, we have to be very guarded in accepting the prescription.

12.10 p.m.

Sequence 7

THE SENATE

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Senate A8, sequence 08, 12.10 a.m.

SENATOR K. D. SYMMONDS: Now, what we have seen from the Government as well, is a tremendous amount of what the Americans call, "flip-flopping." I do not particularly like the term but let us use that phrase now.

Sir, we were confronted in April with an astronomical increase in the price of petroleum products.

We were told then that it was due to the need to offset an alleged $80 billion debt at the Barbados National Oil Company Limited. Sir, the very least that my colleague, Senator Boyce could do in this debate, is to indicate to us what is the status of that debt situation now, because, we as a country have adsorbed a tremendous increase. Sir, I do not want to just posture on this point. Perhaps some hard dollars and cents' figures help.

Mr. President, on January 14, the day before the Election, the price per barrel of oil, internationally, was $112. Sir, that is a fact. Today, the price per barrel of oil, internationally, hovers around $50 to $54. Mr. President, in January, we were paying $1.46 per litre of gasoline at the pump. Today, Sir, it is $2.06.

SENATOR Miss. P. I. INNISS: Mr. President, on a point of order. The Honourable Member is misleading the Senate. I think that price is now $2.04 and it makes a big difference to those persons who are purchasing, so I would ask that the Senator does not mislead the Senate.

SENATOR K. D. SYMMONDS: I am obliged, Sir.

I am grateful for the correction. I assume that the figures are right, but it helps to make the point that four cents, as Senator Patricia Inniss is quite rightly saying, can make a world of difference, not only to the person paying it, but also to the revenue. Therefore, Sir, given the volume of petroleum sales in this country, we must now ask the question again of Senator Boyce, to report progress in the language and if needs be, ask leave to come again, because in April, he would have had us accept that we had to close a margin of $80 million virtually instantaneously.

Sir, let me rephrase that, so as not to cause my friend any discomfort, his political boss would have asked us to accept. Sir, I give Senator Boyce credit, perhaps which he does not wish to take. He may be too modest to accept it, because we know that the cerebral power within the Ministry of Energy now resides in Senator Boyce's bosom.

Mr. PRESIDENT: I do not like interrupting the Senator, but you know that there is a stand that the debate must be in the language that we all use. I do not know how the cerebral power could be in his bosom.

SENATOR K. D. SYMMONDS: Thank you, Sir. The cerebral power could not be in his bosom. Sir, he is seized with the cerebral power.

Sir, in all fairness to him, I think that my friend, Senator Boyce, the distinguished Minister of State whom, I believe, has the opportunity in this debate, which is very relevant in this exercise to apprise the country of the state of affairs with respect to the BNOC debt.

Sir, what we have to accept is that the price we are paying for oil imports into Barbados today, is less than it was in January, but you and I are still paying more at the pump than we were in January. This is a very serious situation, in the context of a Government which has said to us that the cost of living is their first of three priorities, in the context of a Government which has taken great pleasure in telling the people of Barbados how often they have reduced energy prices - of course, when you hear them say that, they do not at the same time tell you how astronomically they increased it - but the fact of the matter is that it becomes a matter of concern.

Sir, it is equally a matter of concern that in April that fuel which drives industry in Barbados and therefore is almost singularly responsible for the condition of our productive sector, diesel was made for the first time in living memory in this country, comparatively expensive with gasoline.

SENATOR Miss P. I. INNISS: Mr. President, on a point of order. If the Honourable Senator would take note of the cost of the price of gasoline and the price of diesel, the cost of diesel has, for years, been more expensive than gasoline. What has happened is that there has been a cross subsidy, where those persons who are using gasoline have been paying, and have been taking out a charge for those persons who are using diesel. So that for the Honourable Senator to say that the cost of gasoline is more expensive, is totally not only misleading this Senate, but misleading the entire Barbados as has been done for years. This is the situation that we are dealing with. Mr. President, I ask that you deal with this matter because it is misleading.

Mr. PRESIDENT: The point has been taken.

Asides.

SENATOR K. D. SYMMONDS: Sir, it is not a debate of how the price is calculated. I understand how it is calculated and I do not think there is anybody in Barbados now, who does not understand how it is calculated. The point is that the Government has placed, virtually on par, the price of diesel and gasoline. When I go to the pump from my pocket, that is what I am calling the cost.

I am not concerned with how the gurus sit behind the bureaucratic desk calculate it, neither do I suspect most people out there feel that it is important to them. I think they want to know what they are paying. The point that I am making therefore, Sir, is that we were placed at a stage in April, where diesel became equivalent in price to gasoline.

SENATOR Miss P. I. INNISS: Mr. President, on a point of order. I would like to suggest, in due respect to the Honourable Senator, that when he is making these points

on facts of cost, as it relates to petroleum products, that he comes with the correct prices. He is misleading the Senate again. In April, the cost of diesel at the pump was $2.57 and the cost of gasoline at the pump was $2.67. Even though the cost to purchase diesel was more expensive. What happened is that the Government, for the first time, subsidised the cost of diesel. Therefore, he is misleading the Senate to state that in essence this Government put on par the cost of diesel and gasoline, in April, Sir, that is not the case.

SENATOR K. D. SYMMONDS: Therefore, the point that I am making is that failure to continue the age-old subsidy of the diesel price in Barbados, has allowed the consumer...

SENATOR Miss P. I. INNISS: Mr. President, on a point of order. There has been no longtime subsidy of diesel in Barbados. The Senator is misleading the Senate. If you need, I can go through the specifics to show how that breakdown occurred in Barbados, in the last five years. I will continue to stand, if he continues to mislead the Senate.

Senate A8, sequence 08, 12.20 p.m.

Wednesday, November 26, 2008

SENATOR K. D. SYMMONDS: Mr. President, the abandonment of that policy, which existed throughout the annals of time prior to January 15, when the Barbados Labour Party left office, has caused Barbadians to shoulder the brunt of an increase in petroleum products.

Mr. President, I will not be sidetracked in this debate by the nipping at my heels. There was a time perhaps when I would have been very keen to engage on that, but I cannot do that now.

Mr. President, the issue today for many people out there is that they have been asked to shoulder a burden that they were not previously being asked to shoulder.

SENATOR Miss P. I. INNISS: On a point of order. This is also inaccurate. Mr. President, the cost of diesel and gas to Barbados has been rising since April 2007. That difference was shouldered by Barbadians because, in essence, the Barbados National Oil Company Limited incurred that debt. That is where the $80 million expense and interest that had been rising has been occurring. Therefore, we have been incurring the debt. The debt was in the form of a big loan taken out which we now have to repay. Sir, for the Honourable Senator to say that Barbadians have not been incurring the debt is again misleading the Senate.

SENATOR K. D. SYMMONDS: Mr. President, you have ears which I think work as well as mine and I do not recall ever saying anything about Barbadians not having incurred the debt.

Sir, I am saying in very simple language that there has been a practice historically prior to the Barbados Labour Party Administration leaving office. Sir, I want to get past that because I think that point has been made. I will not allow myself to be sidetracked by that. Sir, what we are hearing in here represents one of the ugly faces of political discourse.

Sir, people are seeking solutions. They are not seeking the bickering. They do not tune in or follow the newspapers in the hope of hearing who quarrel with who. They are hoping to hear an engagement on solutions that can help their bottom line, what they can put on the table.

Mr. President, as I said to you, the reality is that industry in Barbados - however you wish to calculate the price of diesel - in my judgment and in my respectful submission...

Only two Cabinets were picked since January 15. Senator Inniss is not in either one of them, but in her considerable wisdom, I am sure she would be able to articulate a lot of the reasons why industry is perhaps not, in fact, facing a problem in this country, but in my humble judgement it is.

Mr. President, I want to say to you that the condition that now confronts all of our productive sectors is directly linked to that exercise which took place in April, to which I alluded in which energy prices were so significantly affected.

Sir, I am not going to just simply lay a charge of mismanagement. I feel that it was inappropriate economic Administration for the time. Sir, I feel that way because, as I indicated to you, prior to that, in the month of March, in this Chamber and in the Other Place, Government had been placed on notice. Even if the attitude was that all wisdom resides on That Side, the Opposition for whom several people of Barbados voted.

Sometimes you have to remind people in the excitement and euphoria of newness, that there are only 1 500 votes that separate these two political parties in Barbados from Government. Therefore, when we speak, we do not speak just for the sake of speaking. There is a legitimacy. There is a base out there whose interest we too represent. Mr. President, I remember drawing to this Chamber’s attention the fact that looking into the horizon at some of the difficulties that were taking place in commodity trade, that we were in a circumstance in Barbados where, if you went the route of increased

taxation, you were liable to place an undue burden not only on the productive sectors of the economy, but an unbearable burden on the middle-class of this country.

I drew to the House's attention the Barbados Labour Party's Manifesto. There are those who would be quick to say that it was rejected and I would accept that. The fact of the matter, Sir, is that it made a commitment to look at the fact that the middle-class of Barbados was struggling and would in all likelihood, given the very foreseeable realities in the context of increased food prices, increased fuel prices and increased inputs into construction, would be carrying an even greater burden if you went the road of taxation.

Mr. President, we said that we would lower the top tax rate on personal income tax from 35 per cent to 25 per cent for families on income of $7 000 a month. In addition to that, we said we would seek a reverse tax credit and allow persons earning between $15 000 and $25 000 to benefit from a $1 300 rebate.

The reality, Mr. President, is that those things were put on the table as alternative paths. An Opposition can only seek to implore and to advise, it cannot govern from the Opposition Benches.

Sir, in retrospect, 10 months later, what we have seen is a sluggishness and a pain in this economy, a dislocation of over 3 000 persons in this economy and a loss of $129 million in foreign reserves.

Mr. President, no matter how often Honourable Senators jump up in here and want to nip at my heels, those are the unbearable realities.

Mr. President, we went further. We said that we wanted to see Government establish a Wages Protection Fund that was aimed at assisting small vulnerable groups, persons like the janitors, the security guards, the gas station attendants people who, because the cost of living was increasing and who, because Government was already demonstrating a propensity to go in the direction of taxation as opposed to more creative ways of generating income, would be dislocated, and would suffer substantially. No attention was paid to the wages protection fund.

Again, Sir, we cannot force it to happen, but we are where we are today in no small measure because of an inappropriate Administration of the economy.

Sir, it comes to the next question which is really the timing of this exercise that we are asked to discuss. Mr. President, Senator Boyce must, in my judgement, be able to tell Barbados whether this is about a bail-out. Is the $1.5 million a bail-out and, if so, who is being bailed out? Is this $1.5 million simply an overdraft facility? Is it a stimulus package? What specifically does Government intend to do once it has achieved this excess potential and now seeks to meet the potential? What is it about? That is not an unreasonable question to ask.

In fact, one could go further and enquire whether or not Government actually has the absorptive capacity to properly allocate the sums of money that we are talking about borrowing.

Senate A8 Sequence 9

12.30 p.m.

Wednesday, November 26, 2008

SENATOR K. D. SYMMONDS: Mr. President, I make the point that in an Estimate Debate, where financial discourse in this Honourable Senate began for this term, not a word was said about new projects which Government was putting on stream. Sir, questions were asked in this Honourable Chamber, which remain to this day unanswered.

We pointed out, for example, in the Ministry of Agriculture and Rural Development, as it then was, that there was a situation where fish markets in Barbados - if you were able to make the most out of an economic partnership which we were about to sign - needed then to have the necessary investment made in the market place for sanitary and phytosanitary upgrades to be done, including a major set of capital works projects, so that people in the fishing industry could export to Europe, which they cannot now do.

Mr. President, at this time, people in St. Vincent and in Dominica are exporting to Europe. Sir, the reality is that it was put on the table in this Honourable Chamber, but there has not been any word about capital works project in the Estimates Debate just finished in March. We are now being asked to accept that you are going to want to have the capacity to borrow up to $1.5 billion, when you sat down on your laurels and missed the opportunity to put in place a plan, so that you could have earned your way forward and out of a difficulty. That is the concern that we have.

Mr. President, added to that concern is the very obvious issue of the inconsistency of the Democratic Labour Party on this matter. Mr. President, the Democratic Labour Party signalled alarm bells around Barbados, as to the state of the debt of this country, prior to the Election. Sir, nobody in his or her right mind could believe that the Democratic Labour Party of January and the Democratic Labour Party of November could be so fundamentally different. In fact, when you talk about differences in the Democratic Labour Party, you could go back to the

Democratic Labour Party of today and the one that Senator Alleyne once loved, under the leadership of the late Right Excellent Errol Walton Barrow.

Mr. President, Mr. Barrow said to this Honourable Chamber, on June 30, l967, and I quote:

"Any time a Member of this House honestly believes that the country should not incur further debt, he should have the courage to stand up and be counted among those opposed to development, rather than to take advantage of the financial innocence of uninformed bystanders, when he has slunked away from the legislative building."

Mr. President, that was the Democratic Labour Party of an Errol Barrow era. It was also a Democratic Labour Party of a Brandford Taitt era, before he became Senator and now President of this Honourable Senate.

Mr. President, times have changed. There was a Caribbean that we once knew, that understood development economics and that development economics was about that which I have just quoted Errol Barrow as saying. When you think of the Manleys of this world, in anything that Manley has written would you ever find all this talk about remittances and philanthropy. You cannot build growth and development on the hope of goodwill, on the hope of someone else's serendipity or on the hope of a little largesse. That was not the language of a Manley, or of a Dr. Williams, or of an Errol Barrow, but this is the language that we are hearing today.

Mr. President, in the Estimates Debate, the question was asked, why are we not seeing plans in this debate that would help this country to earn its way out of what we saw then as being difficulties on the horizon? Nobody could have known the difficulties would have been so severe, but you could have seen there were difficulties. Sir, is the answer that you are going to hold out your hands to the Diaspora?

Sir, let me tell you a little bit about the Diaspora. It is the Diaspora in the United States of America today that is faced with the reality of losing a home. It is the Diaspora in the United States of America today that is faced with the reality of losing their jobs. It is the Diaspora that is faced with the difficulty of making a choice, whether or not I can come home and visit friends and family, or do I have to hold on to what I have here because things are somewhat difficult in the United States of America.

Mr. President, there was a lack of serious vision on the part of this Government. There was a substantially inappropriate mis-administration of this economy. Mr. President, I want to say that we have done all that we could have done. We said to the Government that the impost of land taxes was something that you needed to stymie. You needed to sit down with the Commissioner and find a way, not to impact on the middle-class of this country in the way they have.

Mr. President, I want to say to you very frankly - and it brings water to your eyes - the middle-class of Barbados cannot take any more. I have seen a land tax bill brought to my office where the property valuation was $300 000 in the last cycle. Today, under this new cycle, it is $l.3 million. Sir, the difference has to be paid in taxes. There are people, when the Barbados Labour Party was in Government, who were taken off the land tax roll. That was a very brilliant policy.

Asides.

SENATOR K. D. SYMMONDS: Mr. President, the reality is that there are some of those folks who are now back on to the land tax roll, and we ask the question: Can Government not intervene to adjust the land tax rates and adjust the bands, even if they do not adjust the rates? Sir, it is a substantial burden. Sir, all we are hearing in this ridiculous, meaningless mantra: cost of living No. 1, cost of living No. 2. So what, when the reality is biting your pocket?

Mr. President, it is the same thing with the price of petroleum products, it is the same thing with tax cuts for the middle-class. Sir, you name it. It has not been an Opposition in the last l0 months that has not offered solutions and advice to the Government, but so contemptuous and indeed haughty has this Government been, that even when there was a national economic consultation, not a fellow, not an Honourable Member of the Opposition who sits in these legislative Chambers was invited.

Asides.

SENATOR K. D. SYMMONDS: Mr. President, I make the point....

SENATOR the Hon. A. B. WALTERS: On a point of order. Mr. President, that last statement about an invitation to the national consultation is incorrect. I am the Chairman of the Sub-committee of the Social Partnership and all Members of Parliament were invited to the national consultation.

Mr. PRESIDENT: Honourable Member, your point is made.

SENATOR K. D. SYMMONDS: Mr. President, perhaps the middleman has been delinquent and has not gotten there yet, but it is unfortunate that this has also been an observation made in the Other Place, and perhaps you

could get a colleague in the Other Place to rectify that over there as well.

Mr. President, the point is, to the best of my knowledge, I have not come across a single colleague who could say that he or she has received an invitation. If Senator Walters is giving this Honourable House the assurance that invitations were sent out, well, these things happen. If they slipped off the back of the truck, if they fell between the cracks, these things happen.

12.40 p.m.

Wednesday, November 26, 2008

SENATOR K. D. SYMMONDS: Mr. President, the point is that it is not for want of effort on the part of the Opposition, because the Opposition has, on every turn, not been trying to be adversarial. Sir, even here, I am not trying to be adversarial, but I am trying to point out to this Government that there has to be a willingness to be more receptive to alternative views, especially when those roots you are following are proving, at least in the short-term to the medium-term, to be causing the country significant and substantial pain. Sir, that is a reality.

Mr. President, the Opposition again felt duty bound to query the tax burden on this country when, during the July 7 Budgetary Exercise the Prime Minister increased, in one fell swoop, road taxes and the Licensing Authority registrations. He increased the taxes paid by corporate Barbados in the insurance sector and in the banking sector. Sir, on top of that, we were going through a phase with the land tax, which I have just spoken about.

Mr. President, you know the Prime Minister of Barbados actually dressed himself, put on his tie, suit and so on and came down to Parliament to raise taxes on a fellow who owns a bicycle. Sir, it got that far. Mr. President, I do not want to anticipate the House, but on this Order Paper there is a Professions Trade Act, which is going to go down the same route.

Sir, I will not anticipate it because the Rules will not allow me to but, Sir, the fact of the matter is that we are into a cycle in this country, where there seems to be an unwillingness of the fact that people can only carry so much of a burden when, at the same time, the economy is contracting.

Mr. President, one is really almost at a loss with this regime. Sir, one of the private sector magnates in industry, whose name I will not call, even though I could call it, because I am not saying anything bad about him, made his presence felt on a call-in programme one day. This is a man with substantial experience here and in the Caribbean in the construction sector and he was predicting that the construction sector in Barbados will probably, by January, see a fall-off of 3 000 jobs. Sir, I do not know what it was based on because I am not in the sector, but this is what is being said and felt out there by Barbadians like you and I, and Honourable Members on the Other Side.

Mr. President, all of us are in it together, so the pleading that you are, is not a pleading that is saying something adversarial against you or bad about you. It is a pleading for the country, whose passports we all hold, whose birth certificates we say we are proud of.

SENATOR the Hon. H. LaV. BENN: Mr. President, on a point of order. He just mentioned the figure about 3 000 jobs that will be lost in January, but earlier in his submission he mentioned that since January to now 3 000. Could the Honourable Member, please enlighten the Chamber?

Mr. PRESIDENT: No point of order.

SENATOR K. D. SYMMONDS: Sir, perhaps that explains it all. Sir, it was not me. It was the Governor of the Central Bank of Barbados who raised the issue of the 3 000 jobs having been lost within six months of this year.

Mr. President, I take no pleasure in drawing that to the attention of Senator Benn. Sir, again, it was not me who made the dire prediction, the chilling prediction of the construction sector losing one-fifth. If you look at the Economic and Social Report, the construction sector is probably 15 000 people and if you lose 3 000, you understand where you are.

Mr. President, through you to Senator Benn, I am not making the prediction. Sir, we will old talk, have lunch and talk after, but we cannot treat this with levity. This is a matter of substantial magnitude. It is a matter of substantial concern because, Sir, I am not concerned about whom Barbadians voted for. I am concern with how they are going to put food on their table.

Mr. President, we are at a stage where the economy of Barbados, I think the Leader of the Opposition used the language that the Government has been the biggest price gouger. I think she used the language that the Democratic Labour Party has triggered a meltdown in the Barbados economy and, Sir, we could go on and on. Sir, in the Estimates debate, I remember Senator Thompson trying to raise with Senator Boyce and, again, he studiously decided not to entertain the matter. She raised with Senator Boyce the fact, that in her concern as the immediate outgoing Minister of Energy, that we were in danger of losing out on millions from our oil exploration programme because Government appeared not to have been getting it right.

Sir, since March and now, we have not heard anything. Sir, I know I will hear from Senator Inniss because we know how that process works but, Sir, we want to hear from the Minister in charge. Sir, not a word on the energy programme yet, still we are going to be faced with a situation where we come to the Chamber with a bald and naked request to get elbow room to borrow $1.5 billion, as a ceiling, from overseas.

Mr. President, there has to be something wrong with the approach. I do not see how it squares with the promise of the Democratic Labour Party of integrity and good governance. I am not satisfied that they have turned their attention to the panic cries of Barbadians and I am not satisfied that they have taken this matter at all seriously.

SENATOR the Hon. D. W. BOYCE: Mr. President, on a point of order. I cannot continue to allow the Honourable Senator to mislead the Chamber any longer on this matter.

SENATOR K. D. SYMMONDS: Mr. President, I make the point again that we are talking about a request for elbow room to a potential capacity of $1.5 billion. There is a gulf between $800 million and $1.5 billion.

12.50 p.m.

Sequence 11

Wednesday, November 26, 2008

SENATOR K. D. SYMMONDS: Mr. President, if Senator Boyce would allow me to develop the point before he rises...

SENATOR the Hon. D. W. BOYCE: On a point of order. Sir, I am merely stating that the limit when those projects are brought to book will be very close to $1 billion. Therefore, not $800 million.

SENATOR K. D. SYMMONDS: Mr. President, this perhaps tells the tale. The vague uncertainty, the lack of specificity. A Minister of State in the Ministry of Finance who is telling us I believe, will be close too, who speaks in the language...

SENATOR the Hon. D. W. BOYCE: On a point of order. In my introduction, I said very clearly that the amount at the end of when these things have been booked, would have been approximately $963 million.

SENATOR K. D. SYMMONDS: Mr. President, I go back to the point. The language does not repose in me any level of confidence. Sir, I think we go further. Whenever Senator Boyce is finished, and let me give him all the benefit of the doubt in the world, let us assume that it comes to some total of a billion dollars, there is still an extra $500 million that he is asking for, potential space to play with. To do with what he has not said. That is the issue. Sir, he is requesting virtually a blank cheque. That is the issue.

Mr. President, I take issue as well with this thing about bringing these things to book. Nobody in their right mind could have started a prison and did not understand how it was being paid. Government has taken a specific position with respect to the payment of the Prison, but a contractual relationship existed and still exists, because it has not been varied yet, under which the Government of Barbados would be paying back.

If you choose now, overnight, to bring it all to book, then again it raises the question as to your prudence. Why would you wish to bring it to book at this particular stage, at this particular climate, when there is already existing a contractual relationship under which the Prison is going to be paid for anyway?

May I say as well, this Prison is not unlike several others that are being built in North America, Canada, England and so on. Just as the hotel sector, very often Governments are not finding the wherewithal immediately. Even in the industrialised and so-called developed world Governments are hard press to find the capital at short-term in order to invest in enterprises of that nature. Therefore, they enter into the BOLT relationships.

Asides.

SENATOR K. D. SYMMONDS: If you are getting confused by people like you...

Sir, if in the United States, England and other parts of the so-called industrialised developed world we are finding a situation in which those powers, with far more liquidity than us and far more capacity than we have, are entering into the same BOLT arrangements, what is the pressing need to bring the Prison to book today?

SENATOR the Hon. H. LaV. BENN: On a point of order. Mr. President, I wish to draw to your attention that the Honourable Senator has exceeded his time. The Senator has one hour in which to respond and he has exceeded that, and I am drawing it to your attention. I urge that you rule.

Mr. PRESIDENT: Would Senator Benn be so kind to tell me what Rule he is raising the question under?

Asides.

Mr. PRESIDENT: Order, please.

SENATOR K.D. SYMMONDS: I am grateful to Senator Benn. I would not press the issue because we are approaching the luncheon interval.

Mr. PRESIDENT: We approached the luncheon interval some time ago.

SENATOR K. D. SYMMONDS: I plead injury time, Sir. I will wrap up very soon.

Mr. PRESIDENT: I will grant you injury time because I can understand injury when I see it.

Asides.

SENATOR K. D. SYMMONDS: I am grateful to you. We feel that there has been an inappropriate approach to this exercise. As I said, on the basis of a sense of patriotism and goodwill towards the Administration, one must not stand in the way, but one I must also stress the point that it is in my judgement, insufficient and inadequate, just to ask for elbow room and ask for potential room to borrow. There is a reason why a ceiling is put in place, and one of the reasons why the ceiling is put in place is to act as a check and balance on potential excesses. Sir, this is a Government, in terms of numbers, potentially very strong and we have to be very guarded against the possibility of excess and abuse of that strength.

Sir, in addition to that, as I have said and articulated, in virtually every sector of this economy there has been a phenomenal level of tax take which has impacted negatively on the people of Barbados. That Government is taking excessively at a time when the economy is contracting and at a time when employment is falling, is a matter of deep concern. Sir, we ask that this Government reflect long and hard on the route it has taken and, as I said, we will support this Bill, but only in the most critical way.

I thank you.

SUSPENSION

SENATOR the Hon. H. LaV. BENN: Mr. President, I beg to move that this Sitting be suspended until 2.00 p.m.

The question that the Sitting be now suspended until 2.00 p.m. was put and agreed to, and Mr. PRESIDENT suspended the Sitting accordingly.

1.00 p.m.

Sequence 12

THE SENATE

Wednesday, November 26, 2008

Senate A8, sequence 13, 2.03 p.m.

RESUMPTION

Mr. PRESIDENT: This Sitting is resumed.

Senator Goddard.

SENATOR Sir John STANLEY GODDARD: Thank you, Mr. President.

We heard two very interesting contributions this morning, one from Senator Boyce and the other one from Senator Symmonds. At a very superficial level, you would think they were going at each other, but deep down, they were not, because they both understand the fundamental issue facing all of us, is the international, financial and economic crisis, and there is no escaping that.

Mr. President, as a retired person, I probably have more time than most of my colleagues here, to follow what is going on in the Region, and in the world on television, radio and newspapers. This situation today - and this is only the beginning of this situation - is being compared with the Great Depression of the 1930s.

There is no inevitability about it because I think we have a better understanding now of the causes and remedies for dealing with such an important situation, but I can only say it is serious. It may have started in the United States of America in the housing situation, sub prime rooms, but it is quickly spreading to Europe, Canada, China, India and Brazil. It is truly international and it can only be resolved over time by the efforts of all the countries of this small world that we all occupy.

There is no blueprint. This is quite unique, given the new technologies that have taken place since the 1930s, so they are playing it by air. Even the mighty United States of America has been pumping more and more money into their economy to try and get spending and credit going again. They are referring to this as a meltdown. I do not think it is any exaggeration and, as I follow it closely, it is worrying, not so much for me, but for my children and their children, and that goes for everyone.

We will recover from this, but it will not be quick and those are the words of the President elect Barack Obama, who has been very outspoken, forthright and direct in accessing the situation. It will probably continue through next year and 2009, into 2010 and if we are lucky, we may start to see some sort of recovery in 2011.

I had hoped that this morning’s contributions would have given greater consideration to how it affects us here in Barbados. I do not think we really felt the impact of this situation yet. We know it will affect the offshore sector,

because President Barack Obama, in his platform presentations bemoaned the fact that so many wealthy American countries were seeking tax advantages offshore. Sir, that means us and other places like the Bahamas, and the Cayman Islands. We do not know yet what he plans to do, how he plans to do it and when he plans to rein in that, but he would soon realise he cannot just think of the United States of America. He has to think globally, as he takes office.

Sir, speaking locally here in Barbados, I have already heard of certain construction projects that have been put on the back burner. This means that masons, carpenters and other workers in the construction industry would be out of work, or would soon be out of work.

Most of our tourists here come from Britain, the United States of America and Canada, and people would have fewer discretionary funds to spend in this economic climate. Fortunately for us, we have the English Cricket Team coming here early next year, but that is only temporary. We may have a reasonably good tourist season but thereafter, there are signs that things would not be as good as they had been in the past.

Senate A8, sequence 13, 2.10 p.m.

Wednesday, November 26, 2008

SENATOR Sir JOHN STANLEY GODDARD: Mr. President, the main pillars we are talking about are construction, tourism and the offshore financial services. If they are not striving, we as a people cannot strive. That is why I am happy to support the increase in the limits on these two loan facilities because I am sure that our Government, in order to keep the economy afloat and to prevent any catastrophic decline in employment, would have to embark on public sector works, which may mean going into a larger fiscal deficit next year, and the year after than normally would have been the case. Other countries have had to do exactly the same thing.

Mr. President, we normally think of borrowing for capital purposes, but this might be a good time for Government to embark on a capital programme. They have already done a lot of work on the roads, but there are things that have a productive effect, like drains and cleaning the wells in the fields.

We have just had tremendous rainfalls in October and November and we have seen how much of that water has run off into the sea. That does us no good. There must be ways and means of channelling the excess water into the underground aquifers on which we rely for our drinking water. We have talked about this, but there has never been any serious attempt to do it. There are many gullies in this island. Some of those gullies could be dammed, again for the same purpose of preserving and channelling rain water into the aquifers.

Beautification of the island: I was pleased to see this morning as I was driving down here that they are cleaning up the bush on the side of the highway. That is important. We are a tourist destination and those impressions mean a lot to the tourists. Are these people proud of where they live? Do they really care, or they just want to take us for granted? We must never let it be that. We as Barbadians have to be proud of where we live and we must be proud to maintain it. Efforts are being made, so I am not being critical at that point, but more could be done.

All I am saying is that I think Barbadians generally are aware that we are in rough waters and the waters would get rougher over time for the next one or two years. What I think the people need and expect is an action plan by Government. Given that this is the situation, what does Government, working with the private sector, plan to do to address this problem? I cannot say I am sure, but I will be surprised if Government has not already taken steps to get ideas, suggestions and recommendations from the private sector to combine it with their own thinking. Mr. President, what can we do to keep the economy in better shape, if nothing was done?

Mr. President, time is not on our side. This, I think, should be a priority of Government. I am not talking about a strategy here, I am talking about an action plan to address a particular problem. The effect of the world economic and financial crisis is on us and on our neighbours. It can be done. I would like to believe it will be done, but this plan to have effectiveness has to be communicated to the people of this island.

This Government which we elected at the beginning of this year is aware of the situation. They have taken stock of the situation and they have announced their plans, and we as citizens have a responsibility to assist the Government. There is no party politics in this. We are now talking here as Barbadians. We have a duty to make our own contribution, because we are all in this boat together.

Mr. President, I remain the eternal optimist, and I am sure that the remedial action would be taken.

I thank you, Sir.

Mr. PRESIDENT: Does any other Senator wish to make a contribution?

SENATOR the Hon. D. W. BOYCE: Mr. President, I beg to move that this Bill be read a second time.

The question was put to the Senate and agreed to.

On the motion of Senator the Senator the Hon. H. LaV. BENN, the Senate resolved itself into Committee, Her Honour, SENATOR Miss K. F. IFILL in the Chair.

COMMITTEE

MADAM CHAIRMAN: The Senate is in Committee.

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

On the motion of SENATOR the Hon. H. LaV. BENN, 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. H. LaV. BENN, the Bill was read a third time and passed and cited as the Special Loans (Amendment) Act, 2008.

Senate A8 Sequence 14

2.20 p.m.

Wednesday, November 26, 2008

ORDER NO. 6 – SECOND READING OF THE LOCAL LOANS (AMENDMENT) BILL, 2008.

On the motion of SENATOR the Hon. H. LaV. BENN, the Senate resolved itself into Committee on the Bill. Madam DEPUTY PRESIDENT in the Chair.

COMMITTEE

Madam DEPUTY PRESIDENT: This Senate is now in Committee.

Clauses 1 - 2 were called and passed.

On the motion of SENATOR the Hon. H. LaV. BENN, Madam DEPUTY PRESIDENT reported to His HONOUR the PRESIDENT, the passing of one Bill in Committee and Mr. PRESIDENT resumed the Chair and reported accordingly.

On the separate motion of SENATOR the Hon. H. LaV. BENN, the Bill was read a third time and passed and cited as the Local Loans (Amendment) Act, 2008.

ORDER NO. 1

RESOLUTION TO APPROVE THE GUARANTEE BY THE MINISTER OF FINANCE OF THE PAYMENT OF THE PRINCIPAL SUM OF BDS $8.2 MILLION AND INTEREST THEREON, TO BE BORROWED BY NEEDHAM'S POINT LIMITED FROM THE NATIONAL INSURANCE BOARD, IN SETTLEMENT OF A DISPUTE BETWEEN THAT COMPANY AND JOHNSON INTERNATIONAL LIMITED, ARISING OUT OF THE CONSTRUCTION OF THE HILTON HOTEL.

SENATOR the Hon. H. LaV. BENN: Mr. President, this matter before this Honourable Chamber is for the approval of a Guarantee for $8.2 million loan from the National Insurance Board, to Needham's Point Holdings Limited, to assist in meeting the cost of a settlement in the dispute arising out of the contract to construct the Hilton Hotel. Mr. President, the background to this would indicate that Needham's Point Holdings Limited was engaged in an arbitration process initiated by Johnson International Limited, arising out of its contract to build the Hilton Hotel.

Mr. President, the original contract price for building the hotel was set at a mode of $117 million, but that figure was later revised to $123.7 million. As of May, 2007, the amount of $120.6 million had been paid to the contractors and the remaining $3.1 million was held by the Needham's Point Holdings Limited as retention, pending the outcome of the arbitration proceedings.

When Johnson International Limited failed to meet the adjusted date of the substantial completion, which was set for July 21, 2004, Needham's Point Limited called in the performance bond issue. The bank honoured the bond and Needham's Point Holdings Limited was paid an amount of $3.7 million. The completion was not achieved until March, 2005. During May, 2006, Johnson International Limited, submitted the sum of $l66.7 million for payment, including claims of $42.9 million. This was subsequently reduced from $l66.7 to $l52.5 million, including claims of $28.8 million.

2.30 p.m.

Wednesday, November 26, 2008

SENATOR the Hon. H. LaV. BENN: Sir, Needham's Point Holdings Limited was advised that the claims were determined in accordance with the construction contract by the architects, but that the claims were not valid since Johnson International Limited had not substantiated these claims.

The arbitration process proceeded and Johnson International Limited submitted claims in the amount of $4.1 million to the arbitration panel. Sir, Needham's Point Holdings Limited had made an offer to Johnson International Limited of $128.2 million, exclusive of Needham's Point Holdings Limited counter claim of $23.1 million, which was rejected by Johnson International Limited.

Mr. President, however, the mediation did not offer a settlement and Johnson International Limited indicated its willingness to settle the dispute for US$4 million, with each party absorbing its legal expenses. Sir, based on the report and the inherent risk that the Tribunal could rule in Johnson's International Limited favour, Needham's Point Holdings Limited's attorney recommended the settlement with Johnson International Limited in the amount of $8.2 million. The Ministry and Government had recommended that Needham's Point Holdings Limited use the assets of the Hilton Hotel to obtain a loan from the National Insurance Board and subsequently Needham's Point Holdings Limited approached the National Insurance Board to obtain facility in the amount of $8.2 million.

This was approved and the National Insurance is now requesting a guarantee from the Government of Barbados in support of this loan application. It is the desire of Cabinet to bring this matter to a close and Government has indicated its intention to guarantee a loan in the amount of $8.2 million under the Guarantee of Loans Company Act, Cap. 96.

Mr. President, it is our intention, as I have indicated earlier, to have this matter brought to an end and we are indicating here this afternoon, in this Honourable Chamber, that we support this Resolution so that the matter could be resolved and be out of the way. I am happy to report that from all indications from all the financial reports, the Barbados Hilton Hotel is doing well. It is very sound financially and is able to guarantee repayment to the National Insurance Board for this loan.

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

The question was put to the Senate and agreed to.

Mr. PRESIDENT: Senator CHANDLER.

SENATOR Dr. F. L. CHANDLER: Mr. President, the matter between Johnson International and Needham's Point Holdings has dragged on since about 2005 and the arbitration process seemed to have been fraught with as many problems as the building process itself. A decision has finally been made, so I do not know any way of avoiding the guarantee of the payment of US$4 million settlement at this time, since you cannot go back in time.

I assume that if Government feels it has a strong case against anyone individual or company, involving the project, that they will bring the appropriate action against them in due course. Perhaps, Mr. President, this is the right time to examine the arbitration procedure presently in use. I note that the Chartered Institute of Buildings, their representative in Barbados and the Caribbean are quoted as saying that commercial disputes legislation in the Caribbean needs updating, modernising and stardardising. The use of alternative dispute resolution Procedures, such as conciliation, mediation and adjudication has been recommended by them.

Mr. President, it is interesting that on the website of Johnson International it states that the company has specialised in construction and related services throughout the Caribbean since 1966. It further states that Caribbean construction poses many logistical challenges. I am not sure what these are but in their website, it states that Johnson International has established reliable processes to deliver any size project, on time, on budget and of unrivalled quality. Apparently, these reliable processes are not so reliable after all.

Mr. President, concern is the prevention of similar occurrences in the future. It is noteworthy that we seldom see these problems occurring in the private sector but we are well aware of the problems experienced with the Oistins' project, the Newton's project, the Warrens' project and the ABC Highway Expansion in addition to the Barbados Hilton's project. I suppose the difference is that the private sector does not have a pot of gold to dip into to bail them out.

Mr. President, those responsible for implementing Government's projects, in my opinion, need to put more safeguards in place, in order to avoid such disputes as we have seen with the Barbados Hilton and these other projects. They also need to be more accountable for their actions.

I understand that the FIDIC contract is generally used in these projects. Apparently, apart from the general conditions of the contract, you also have special conditions, which could be introduced to suit the particular project. It appears that more attention needs to be paid to these special conditions so that the project starts off on the right foot, continues so and we do not end up with the problems we have seen.

Mr. President, the Chartered Institute of Builders have also recommended that the industry in the Caribbean should have access to the new engineering contract, which is a modern day family of standard contracts that truly embraces the concept of partnership and encourages employers, designers, contractors and project managers to work together to achieve the objectives of the clients. I think this new engineering contract needs to be looked at more seriously.

Mr. President, reference is made in the Press to the matter of foundations and comments regarding the foundation of the building. Sir, bearing in mind the problem at Arch Cot and Warrens, perhaps the use of more modern technology than test holes is needed to do proper

and thorough soil investigation before any project is implemented, especially where large buildings like the Barbados Hilton are concerned, so that problems like these do not arise.

Mr. President, as I was saying, we cannot do anything after the fact now, but my concern is that we should put proper procedures in place that will go a long way towards preventing this again.

Mr. President, I thank you.

SENATOR Miss P. I. INNISS: Mr. President, I want to make a brief contribution towards this Resolution and, of course, to say I totally support the Resolution as it stands.

In echoing the sentiments of Senator Chandler in this regard, while supporting the Resolution, we can clearly see that a mess occurred and a programme, which dragged on from 2005. Sir, in my ears, I even heard one Honourable Senator say, "Oh Lord."

2.40 p.m.

Sequence 16

Wednesday, November 26, 2008

SENATOR Miss P. I. INNISS: Mr. President, we have to speak as dutiful citizens of this country's concerns with problems and, more importantly, concerns that what goes forward and what the Government does is in keeping with what is right and what is fair for Barbadians.

I think it is very important that we begin to speak in non partisan terms, but speak to what is right for Barbadians. This is why I am speaking and this is why I wanted to make a contribution in this regard.

Sir, there was an awful mess with regards to Needham's Point and soil investigation. I am not going to go through it. Even to go through the list of concerns and problems which occurred because this issue would drag this Session on indefinitely. There were issues with the cleaning up of oil in the area, the long periods, injunctions and a number of other things.

Sir, I want to say clearly that a major reason for such a drag was the bad action by a former Government. I am encouraging this Government not to follow the footsteps of a past Administration. I think it has not because this has now been resolved. I rise in support of this Resolution primarily because of that fact. This Government has managed to resolve an issue which dragged on for over three years, and I am happy to see that it has now been resolved.

Sir, in order to resolve issues as it relates to Barbadians, our progress, our development and our buffering these trying times ahead, I would support this Resolution and add that I hope this Government continues to hold the mantle and do what is right for Barbadians as it relates to such as these.

Sir, I believe earlier in this Session we spoke of certain energy issues which are not far related. We spoke of bundling by a former Administration and the need to have a clear path forward. I am terribly concerned about the bad report which was spoken about in the Other Chamber in recent months, even as it relates to energy, even as it relates to oil and other issues. I just want to speak on one or two issues that are of concern to me.

This Government has to look at ways to deal with some pending crises that Barbados may face. We know of the global market meltdown and the concerns that would be facing Barbadians. Many Barbadians would be asking the question, what will this Government do to deal with such matters? How can this Government face such? I am sure that in the near future the Minister of Finance will deal with and relate such issues quite clearly. Sir, I think it should be laid on the table the manner in which issues were dealt with in this country.

Mr. President, for two years, if not more, we have had a situation in Barbados, not dissimilar to the confusion with Needham's Point Holdings Limited, for we have been in a situation of confusion where, for instance, the cost of our diesel products was more than the cost of our gas products. What did the former Administration do? Again, compounding confusion, the former Administration made a price offset and, in essence, caused gas users to pay for the price of diesel.

To compound it further, we had a situation in this country, in 2005/2006, where we were selling gas for more than we were buying it. This is in the context of confusion. Then to compound matters, we were selling gas for less than we were buying it. We had a situation where the Barbados National Oil Company Limited sought loans. It is not discussed to any large extent, but the Barbados National Oil Company Limited sought loans to pay for utility bills in this country.

Sir, for a number of months in the Other Place there was banter and discourse from Ministers speaking of a clear way for Barbados in the form of accepting more loans, taking out more bonds to a debt of over $80 million, and rising. Mr. President, all of this is in the context of confusion. The confusion which occurred in the case of Needham's Point Holdings Limited and Johnson International Limited, a similar confusion. Sir, I am supporting this Bill because this confusion has to end.

Sir, the settlement by this new Administration clearly shows that we will not be taking out a loan or a bond to pay a utility bill. What happened in a former Administration was, and I am speaking as a Barbadian, bad structuring and organising. Sir, we had a situation where the cost of diesel was more than gas and we were selling gas for less than we were buying it, and we incurred a large loan. Sir, therefore, that Government said to Barbadians, we have to incur this debt. We have to pay our utility bills. That is what the Government did.

Sir, to hear this morning, after such a situation occurred in Barbados, the Honourable Member is now suggesting that they should know what is happening with BNOC's bill, when it was a former Administration who caused such confusion, because it did not do the right thing. The former Administration did not adjust excise taxes to deal with rising oil costs. It did not adjust excise taxes.

For the first time in history, in 2008, excise taxes were adjusted, not under a former Administration, but under the Democratic Labour Party. It was adjusted and excise tax was taken off. There was a reduction in a dealer's margin and this is the first real ease we have had in Barbados as far as diesel is concerned.

Sir, this is what is presently happening:

1. there is a real subsidy for diesel users;
2. Barbadians have a true picture of fuel realities;
3. with the uncertainties in oil there is now a continuous reduction in the cost of fuel products.

All of these programmes are helping Barbadians to cope with the cost of living issues. Therefore, the Government has been able in these matters to help ease the burden.

2.50 p.m.

Sequence 17

THE SENATE

Wednesday, November 26, 2008

Senate A8, sequence 18, 2.50 p.m.

SENATOR Miss P. I. INNISS: Mr. President, I am in support of any Resolution and policy, which is not a lot of talk back and forth on a political level, but a direct attempt to deal with the issues of the cost of living and the reduction of prices to help Barbadians. Sir, even resolving this issue with Needham's Point Holdings Limited, which is now laid to rest and we can move forward to develop this country and improve our infrastructure, energy, building, and capital works, which are the plans and the policies of this Government.

Mr. President, I hope that we would soon see an end of discourse in any House, asking about what is the BNOC's bill now, how it is being managed and concerns about Needham's Point Holdings Limited, because this Government is settling its issues and moving on.

Mr. President, we can now look forward to some exciting times, I am hoping, as far as the Hilton Hotel, the concerns of oil and soil in that area, as well as the entire energy situation in Barbados. The future now is on the right path towards resolving issues, looking at a problem face on, not borrowing for utilities, not doing things under the carpet, letting Barbadians be aware of what they are truly faced with, passing on concerns that a Government has to its citizens and letting them help to deal with the matter.

Thank you, Mr. President.

Mr. PRESIDENT: Senator Griffith.

SENATOR D. K. A. GRIFFITH: Good afternoon. I rise to offer my support for the Resolution. Let me first acknowledge the necessity of this guarantee to the process of moving forward, as the last Senator said, and also to acknowledge that in doing so, I have some concerns with the process, like the two preceding speakers before me, have said.

I believe that, in looking at the process of the execution of the contract with Needham's Point Holdings Limited, and the process of arbitration, after that, there are some serious concerns to be levelled at how we manage the Government's money and the people of Barbados' money. Sir, that is the overwhelming concern to be placed before us today.

We have to understand, in developing Barbados that we need now, more than ever, to be precise in our spending and to use the resources with which we are allocated more effectively, because we keep speaking of a global crisis and that means there is a need for us to tighten our belts. The wastage can no longer continue and we must find ways of doing that, Sir.

In looking at this issue, it is quite clear that better contract Administration was necessary. We continue to have contracts that have overruns and time delays occurring. Yet, there is no clear evidence that we are prosecuting these breaches of contracts, and we are going after them adequately to ensure that we are getting the best value for our money, which is supposed to be our aim and our objective.

If you speak to the average Barbadian, who is trying to build a house, and he has agreed upon a date of entry into that house with a contractor, and that date comes and goes, there are penalties that must be paid. Why is it that we can see our Government undertaking contracts, the penalties are unclear, and if something happens and it is not finished to time, the penalties are not being enforced? There cannot be two standards. If anything, the standard must be higher for us, as the protectors of the people's money, than for the people themselves.

We cannot be giving two sides to the story, and saying that we expect this much from the average person, saying that you must look after yourself, you must look after your finances and then not applying that same care to the finances of the people of Barbados.

Sir, I think this goes back to the issue of management. We need to look at how we go about managing the businesses that are controlled under the Government. We need to look at it even in the context that we have such guidelines already, but the implementation has often been lacking. We need to look at tightening them.

When we implement guidelines, they must be followed. They must be clear and easy to understand so that businesses, which are majority Government owned, are making the best use of the money that is invested in them. Sir, that goes back to looking at the ideals of project management and general management.

Sir, we see several large projects going on across the country and in noting Senator Chandler's speech, there is a disparity in the level of management, the level of attention to the management of these projects, between what the Government is funding and what is being funded by the private sector. One does not see the large overruns translating into the private sector, because there is that clear understanding that when you are managing the investment of money, you have to meet goals and guidelines.

Sir, in rapping up my conclusion, I also want to look at the concept of making sure that we benefit from the projects that we choose to undertake. My concern with the Hilton Hotel project that Needham's Point Holdings Limited undertook, was the fact that we spent large sums of taxpayers' money, and raised money with the guarantee of the taxpayers for this project and yet, we are faced with a facility that is of comparable size to what was there before.

We all know and are aware that for us to continue to reap the benefits of tourism in this country, we need to increase room capacity. Why do you demolish a hotel to rebuild something comparable? Why do you then spend all of this money not to be one step ahead of where you were before? It is just that it is so blatantly clear that there was a lack of foresight in the planning of the project, that someone could go ahead and not look and say: "we started with around 300 rooms. We should be looking to 500 or 600 rooms because the demand is there."

Sir, if we look to our neighbours, we can see that the hotels of this caliber need to undergo renovations, but this was not a simple renovation project. It was a major capital project. It overhauled the hotel and there was a great opportunity lost there, to my mind, to develop a property that could have been a flagship, not only in Barbados, but in the Caribbean.

I am sorry that we have not had that foresight to date. I hope that this new Administration will start to implement policies that understand the need for us to continue to develop sustainability, and to implement with the vision of the future in mind, not just the immediate.

Senate A8, sequence 18, 3.00 p.m.

Wednesday, November 26, 2008

SENATOR D. K. A. GRIFFITH: Mr. President, far too many of these policies that we are now reviewing do not show that concept of what the future of Barbados would be like.

Mr. President, in our capacity as a review body, I think it is up to us to step in and say you need to slow down, you need to look more carefully at what you are developing to make sure that we are getting the best products for the people of Barbados.

I thank you, Mr. President.

SENATOR the Hon. H. LaV. BENN: Mr. President, I rise to bring this Resolution to a close. I am very pleased to note that there has been some support for the Resolution. Senator Chandler, I appreciate the concern you expressed about the matter dragging on for too long. You did indicate that it is time to examine the arbitration process. I also do believe that we need to examine this very closely. You also indicated that special attention ought to be paid to these projects, especially the problems associated with them.

Mr. President, oftentimes things like this happen because either the architects, the developers or whoever are responsible for the project do not sit and examine the issues and seek to resolve them. I heard of many cases where after buildings are completed, the Town and Country Planning personnel have not complied with the regulations of the Town and Country Planning Act. I have also heard of people who actually started building without approval from the Town and Country Planning Department, therefore it is my desire that these matters be examined and resolved.

Mr. President, I am happy to report that this matter is now at an end. This Government has moved to settle this long outstanding dispute which dragged on for nearly four years. This demonstrates a degree of understanding by the new Administration.

I want to assure you that this is not the only one that has dragged on, neither is it the only issue that we are seeing before us that has caused us to have to incur expenditure through either a loan or whatever the case may be. There are also a number of other issues that are outstanding.

Mr. President, one of the things that I wish to report is that the Hilton Hotel continues to hold its own despite these issues. Over the years, the Hilton Hotel has had improvements in its occupancy level going as high as 77.15 per cent in 2006. Its gross revenue has continued to increase since 2005, moving from $23.4 million in 2005 to $66 million in 2007. I say this because I want to give you the assurance that the Government is sensible in guaranteeing the loan for the Needham's Point Holdings Limited from the National Insurance Board.

Mr. President, it is our desire to see the Hilton Hotel continue to do well. Its gross operating profits have increased from $2.8 million in 2005 to $24 million in 2007. I am sure that those of you who are associated with the project would also want to indicate that the owners' return has also increased from $1.7 million in 2005 to $17 million in 2007. The Hilton Hotel is doing well, so Government had no difficulty in having the Resolution discussed at the level of Cabinet, and Cabinet has given its blessing to this matter.

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

The question was put to the Senate and agreed to.

ADJOURNMENT

SENATOR the Hon. H. LaV. BENN: Mr. President, I beg to move that the Senate do now adjourn sine die.

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

Senate A8 Sequence 19

3.10 p.m.

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BOYCE, Senator the Hon. D. W.
CHANDLER, Senator Dr. F. L.
GODDARD, Senator Sir John STANLEY
GRIFFITH, Senator D. K. A.
INNISS, Senator Miss P. I.
SYMMONDS, Senator K. D.
WALTERS, Senator the Hon. A. B.

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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. *First Reading of Bills and Government Notices.* Notice of the Resolution to vest Crown land at Six Roads, St. Philip in the National Housing Corporation is recorded twice: first after Senator D. McD. Alleyne's words 'I beg to give notice of the following', and again under Government Notices from Senator the Hon. H. LaV. Benn, in slightly different wording. Both are printed as in the source.

Q3. *Order No. 5, Senator the Hon. D. W. Boyce.* In the Senate the Minister addresses 'Mr. Speaker' and says that of the $3.5 billion limit '$3.1 billion' had been used, 'leaving an amount of $400 billion available', presumably $400 million. Printed as in the source.

Q4. *Take-slip about 12.10 p.m.*. One take-slip reads 'Senate A8, sequence 08, 12.10 a.m.' immediately after another reading '12.10 p.m.'. Printed as in the source.

Q5. *Order No. 5, Committee.* The procedural note reads 'On the motion of Senator the Senator the Hon. H. LaV. BENN'. Printed as in the source.

Q6. *Order No. 6.* The heading reads 'SECOND READING OF THE LOCAL LOANS (AMENDMENT) BILL, 2008', but no motion or question for the second reading is recorded; the Senate goes straight into Committee. The Bill had been debated together with the Special Loans (Amendment) Bill. Printed as in the source.

Q7. *Order No. 1.* The note 'The question was put to the Senate and agreed to' follows Senator Benn's opening speech, before Senators Dr. Chandler, Miss Inniss and Griffith spoke, and is repeated after his reply. Printed as in the source.

DEBATE SUMMARY

(Editorial summary — not part of the record.)

The Senate met on Wednesday, 26th November, 2008 at 11.20 a.m. with Mr. President in the Chair; prayers were led by Rev. Father Errington Massiah. The President announced that Senator Trotman was absent on official business overseas. Senator D. McD. Alleyne laid twenty-one papers, among them five Duties, Taxes and Other Payments (Exemption) Orders, the Financial Statements of World Cup Barbados, Inc. for 2006 and 2007, the Betting and Gaming Duties Order, 2008 and the Archives (Record Management) Regulations, 2008. Standing Orders 22(1) and 45(2) were suspended, notice was given of the Special Loans (Amendment), Local Loans (Amendment) and Barbados International Business Promotion Corporation (Amendment) Bills, three Bills were read a first time, and Senator the Hon. H. LaV. Benn gave notice of a Resolution vesting Crown land at Six Roads, St. Philip in the National Housing Corporation.

Under Order No. 5, with the President's leave, Senator the Hon. D. W. Boyce introduced the Special Loans (Amendment) Bill, 2008 and the Local Loans (Amendment) Bill, 2008 in a single debate. The first raised the Special Loans limit, unchanged since 1987, from $500 million to $1 500 million; the second raised the Local Loans limit from $3 500 million to $4 000 million. He explained that the move to accrual accounting required liabilities such as the $288 million Prison at Dodds to be brought to book, which with items including $59.5 million for the Coast Guard Headquarters and $131 million for the Integrated Coastal Surveillance System put the total at $638.9 million, over the limit. Ongoing projects, among them the Judicial Centre at $117.5 million and the ABC Highway at about $120 million, would bring it to about $963 million.

Senator K. D. Symmonds objected to raising the ceiling without specific projects being laid before the Senate, arguing that Cap. 105 existed to control the Executive, and cited Dr. Haynes on borrowing to serve the political business cycle. He questioned the April increase in fuel prices and the end of a diesel subsidy, drawing several points of order from Senator Miss P. I. Inniss, who said there had been no long-standing diesel subsidy. Senator the Hon. A. B. Walters rose on an invitation to the national consultation, Senator Benn questioned his figure of 3 000 jobs lost, which Senator Symmonds attributed to the Governor of the Central Bank, and Senator Boyce said the borrowing would be close to $1 billion when the projects were brought to book. When Senator Benn complained that the Senator had exceeded his hour, the President granted 'injury time'.

After the luncheon suspension, Senator Sir John Stanley Goddard spoke of the international financial and economic crisis, compared by some with the Great Depression, and called for a Government action plan, water conservation and the beautification of the island. The Special Loans (Amendment) Bill was read a second time, passed in Committee with Senator Miss K. F. Ifill in the Chair, and read a third time. The Local Loans

(Amendment) Bill was then taken through Committee and read a third time and passed.

Under Order No. 1, Senator Benn moved the Resolution to approve the guarantee by the Minister of Finance of BDS $8.2 million to be borrowed from the National Insurance Board in settlement of the dispute with Johnson International Limited over the construction of the Hilton Hotel. He said the contract price had been revised from $117 million to $123.7 million, that the contractor had later submitted $166.7 million including claims of $42.9 million, and that on legal advice a settlement of $8.2 million had been recommended. Senator Dr. F. L. Chandler called for the arbitration procedure to be examined and listed other troubled public projects; Senator Miss Inniss and Senator D. K. A. Griffith supported the Resolution while noting concerns about the process. Senator Benn replied that the dispute, which had dragged on for nearly four years, was at an end, and the Resolution was agreed to.

On the motion of Senator Benn, the Senate was adjourned sine die.