
THE SENATE DEBATES

(UNOFFICIAL REPORT)

PARLIAMENT 2008 – 2013

THE SENATE

Wednesday, November 11, 2009

The Senate met in the Senate Chamber, Parliament Buildings, on Wednesday, November 11, 2009, at 11.10 a.m.

PRESENT

His Honour SENATOR Dr. B. M. Taitt, M.P.A., B.A., LL.B (Hons.)D.H.L.(Hons.)(President)

Her Honour SENATOR K. F. Ifill, M.B.A., B.Sc. (Hons.), (Deputy President)

SENATOR the Hon. Miss M.P.O. McCLEAN, M.A., M.B.A., B.Sc.(Hons.), (Minister of Foreign Affairs and Foreign Trade) (Leader of the Senate).

SENATOR the Hon. A.B. WALTERS, M.A., DPSA (Oxford), (Minister of State, Prime Minister's Office)

SENATOR Mrs. V.I. SANDIFORD-GARNER, M.B.A., CIM, Dip. Mng. (Parliamentary Secretary, Ministry of Community Development and Culture)

SENATOR P.W.B. GILKES

SENATOR D.K.A. GRIFFITH

SENATOR the Hon. Prof. 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.) Duenelm

SENATOR Dr. F.L. CHANDLER, Ph.D, Bsc. (Hons.)

SENATOR R.G. CAVE, CBE., B.C.H.

SENATOR J. INCE, J.P. M.B.A., BB.A., DIP (Mgmt.)

SENATOR A.E. HOLDER, B.Sc. (Hons.), MSW., LL.B. (Hons.)

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

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

Prayers were led by Rev. Father Errington Massiah.

Mr. PRESIDENT: This Senate is in session.

ANNOUNCEMENT BY HIS HONOUR THE PRESIDENT

Mr. PRESIDENT: I am to inform the Senate that I have received communication from Senator Inniss, Senator Boyce, Senator Benn and Senator Trotman, who are all out of the country on official business.

PRESENTATION OF PAPERS

SENATOR the Hon. Miss M.P.O. McCLEAN: Mr. President, I am commanded to lay the following documents:

1. Customs Tariff (Amendment) (No.5) Order, 2009
2. Annual Report of the Fair Trading Commission for the year ended March 31, 2009.

SUSPENSION OF STANDING ORDERS

SENATOR the Hon. Miss M.P.O. McCLEAN: Mr. President, I beg to move that Standing Order 22(1) be suspended for the remainder of this Sitting.

The question was put to the Senate and agreed to.

INTRODUCTION OF BILLS/RESOLUTIONS

SENATOR the Hon. Miss M.P.O. McCLEAN: I beg to give notice of the following:

1. A Resolution to approve the vesting, in accordance with Section 5 of the Crown Lands (Vesting and Disposal) Act, Cap. 225, in the National Housing Corporation of the parcels of land, the property of the Crown, situate at the Ivy, St. Michael in the parish of Saint Michael in this Island, for housing development.

2. A Resolution to approve the vesting in accordance with Section 5 of the Crown Lands (Vesting and Disposal) Act, Cap. 225, in the National Housing Corporation of the parcels of land, the property of the Crown, situate at Coverley in the parish of Christ Church in this Island, for housing development.

PUBLIC BUSINESS

ORDER NO. 1 – PROPERTY TRANSFER TAX (AMENDMENT) BILL, 2009

SENATOR the Hon. Miss M.P.O. McCLEAN: Mr. President, I would like that Order No. 1, the Property Transfer Tax (Amendment) Bill, 2009 and Order No. 2, the Stamp Duty (Amendment) Bill, 2009 be debated together since they concern the same subject matter.

Mr. PRESIDENT: Unless I hear any objection, it is so agreed.

SENATOR the Hon. Miss M.P.O. McCLEAN: Mr. President, these two pieces of legislation speak to matters which relate to issues of taxation impositions. In the normal scheme of things, as Barbadians and others seek to do business, as we are well aware, there must be some obligations to the Crown and these are seen, not only in Barbados but in other places as components of doing business.

However, it is necessary, of course, as a Government to review, on an ongoing basis or to review periodically, impositions of duties and taxes to establish opportunities; to reduce the cost of doing business; to make the playing field level, so to speak; to facilitate or make easy the various transactions and, as such, the Property Transfer Act, which makes mandatory certain taxes on the transferring of property is one that Government has sought to amend to ensure that Barbadians, who may be transferring property of a certain type or to non-residents of Barbados, who own shares in a company, whose assets consist of foreign investment in foreign entities or foreign assets, for example, shares in foreign companies and foreign securities, et cetera. Sir, in the event that those things are sold that there is no tax attributed to that transaction.

Mr. President, as I indicated, this also creates the opportunity for Barbadians to engage in similar kinds of transaction and, in the process of doing that, should make the jurisdiction, as an investor from the perspective of an outsider and, certainly, encourage Barbadians to engage in certain types of business practices.

Mr. President, having said that, I think it is important to recognise, as we talk about making these amendments,

the significant contributions that international business activity; that activity on the part of local entities are contributing to our tax basis and to our generation of employment in a whole set of spheres.

Mr. President, we have become known in the Region and internationally as a good place to do business and that is reinforced on an ongoing basis. Sir, I believe that this is but one initiative, as was signalled in the last set of Budgetary Proposals by the Minister of Finance, as one way of enhancing the attractiveness of Barbados, as we seek to function as a destination.

Mr. President, when we look at the current situation, I am heartened to report that in my sojourns and in my communications with counterparts, in the Region and outside the Region, in my conversations and other kinds of formal and informal exchanges with members of the diplomatic corps, it is reinforced, over and over again, that Barbados is, in fact, an excellent jurisdiction in which to do business. Mr. President, I believe that as we continue to build on that reputation, it is important that we undertake initiatives such as these.

Mr. President, from the perspective of Barbadians, it is also important that we are not disadvantaged if the Rules differ significantly. I believe that while we have done very well as a country, which attracts foreign investment, that there is a lot of scope for us to encourage Barbadians to get involved in commercial activity and in business activity, in a wide variety of spheres.

Mr. President, quite recently, I was in a meeting with The German Ambassador to Barbados and we were discussing these kinds of issues.

S/A24/11:30

Sequence 3

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SENATOR the Hon. Miss M.P.O. McCLEAN: The idea is, as we look to explore the opportunities which exist under the European Partnership Agreement as Members of CARICOM, and if we look in a fuller sense as members of CARIFORUM, Barbados stands to benefit significantly. I believe that when we talk about the reduction of these duties, we should not talk about these in isolation. We need to look at them within the context of the evolving business environment, which is being shaped by our participation in agreements, such as the one I mentioned.

Barbados is also, as part of CARICOM, in the initial stages of negotiating a trade agreement with Canada. Again as one of our very active business partners in the international business sector, Canada and the Canadian

business persons obviously are looking at opportunities in the same way we need to look at opportunities.

One of the issues, I believe is very critical, when we talk about the business environment and shaping an enabling environment whether it is looking at our tax structures, looking at other incentives or looking at ways to remove other kinds of barriers, we need also to think in terms of how we can encourage our young people in Barbados to see entrepreneurship and business activity as an avenue for self-development, self-employment, and as an avenue for contributing to the economic and, by extension, the social development of Barbados.

Sir, I believe that as part of this whole process, we have to assist our young people in identifying opportunities. There is much scope for this to happen through not only a series of educational activities, but also through the engagement of our young people by the leaders in our business community. I know that already happens as there is significant opportunity for that to happen.

Mr. President, overall, when we look at the provisions to minimise or, at least, certainly, to reduce the cost of doing business, I think that as people seek to convey property, and therefore have to contemplate the stamp duties, any reduction as provided for in the legislation would certainly be welcomed, in the same way that any reduction in transfer tax is also of vital importance.

Sir, overall, this is but only one element in an effort to do two things, which are obviously related. The first, of course, is to make Barbados more competitive, but it is part of a process of seeking to build and sustain an appropriate enabling environment.

I understand the importance of this. I also believe that as we explore opportunities to which I refer to before there is the potential for Barbadians to engage in commercial activity not only at the commercial level, but looking outwards.

Sir, in talking about Barbadians, one other point I would like to make is the importance, or the necessity of engaging Barbadians in the Diaspora. I am sure you would have heard reference to this from time to time, and I am happy to say there is an ongoing programme in which such an engagement is being undertaken. Our Missions overseas have become very much involved in a structured team approach.

As you would imagine, the functional entities, Ministries, or there is a tendency oftentimes to compartmentalise the activities of those respective agencies, but that does not necessarily lend itself to the most efficient and effective use of the resources of this country. Clearly, as a small destination, our financial

resources are limited and, therefore, must be put to good use.

I am happy to report that the Ministry of Foreign Affairs, as a support Ministry, as I would want to describe it, has invested in a system which would facilitate video conferencing. That has been demonstrated to the media quite recently. The importance of that is not simply to demonstrate a new electronic toy or telecommunication toy, which it is not. It demonstrates that we are able to sit and share information. For example, information such as this, when this legislation is passed, can be discussed with a range of our Missions at the same time. That is a very simple explanation.

Sir, what we have been able to do as we strategise not only to build this environment...

Mr. President, I know you do not hear asides but they can be very distracting, so you may want to assist me.

Mr. PRESIDENT: As soon as I become aware of one I will.

SENATOR the Hon. Miss M.P.O. McCLEAN: Thank you, Mr. President.

As I was saying, the opportunity to strategise about matters of business opportunities, of sharing and updating our Missions simultaneously is very well the case. It also will help to reduce our expenditure on travel and things of that nature. All of this is important.

I stress that because these are elements of creating the enabling environment to which I spoke before. We want to be in a position as opportunities arise, as issues are put on the table, we are able to discuss those collectively in a way that was not possible before.

Sir, overall, I believe that these two Amendments, though simple, in essence, and setting out to make the process more competitive for all investors. I stress all investors because we are talking not only of Regional investors but also indigenous, our local investors.

Sir, with those few words, I beg to move that this Bill be read a second time.

Mr. PRESIDENT: Senator Thompson.

SENATOR Miss H.E. THOMPSON: Mr. President, I really want to speak very briefly and to indicate that we on This Side have no objection to anything which reduces the cost of doing business and helps to make Barbados a more competitive jurisdiction. It is something that we are going to support and going to support strongly. So there is, in, fact a support for this measure.

In the transfer of property, money is lost through the tax process. Sometimes persons who are doing business transactions are not necessarily anticipating beforehand what percentage is going to go towards the tax take. It affects their planning and so on, certainly from the perspective of the attorney, when you have to sit down and advise what will be stamp duty, what is going to the property transfer tax, and how much is going to be taken out by fees and so on, people are sometimes a little concerned.

I would want to, in supporting this, make two wider observations. Our banking sector is an extremely conservative one that assumes little or no risk. There are those who believe that banking is not the kind of activity that should assume risk, but I am concerned that even in an environment where there are oppressive economic circumstances in which people are trying to operate, the current economic climate has caused a conservative banking sector to now become ultra conservative and increasingly rigid. So it is harder to access property loans. It is harder to get the support of the financial system for property and related investment, and you are paying extremely high cost in fees that go to the banking sector.

In fact, often you are asked to give triple layers of insurance, personal insurance, insurance on the loan, insurance of the property, then they want to hold a term insurance policy as well. So you can be buying a property and have to pay four additional insurance policies to support that loan.

11.40 a.m.

Sequence 4

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Senate A24, Sequence 05, 11.40 a.m.

SENATOR Miss H. E. THOMPSON: Sir, very often I see it at the lower end, where people are really trying to acquire, not a property for investment but a first property, and they have no idea at all that say, to buy a property of \$100 000 they would lose probably \$15 000 out of that by way of fees, to various aspects of the banking sector because the bank pays for nothing.

Sir, when you come to borrow the loan, you have to pay the mortgage over its entire life and then you pay all these policies that will support and carry it. You pay for their attorneys, the banking services and all kinds of things. Even if you are getting 100 per cent mortgage, you in fact have to walk with substantial capital, or be aware of where you are going to find it because once these deductions are made, the amount of money that passes from the financial institution, or its attorney to the property purchaser, is so

significantly varied above what they expected, that it really impacts on them in a substantial and significant way. Sir, this is something that I think we need to review and perhaps our ultraconservative banking sector needs to look at its practices.

It is all right to say that what happened in the international climate in the sub prime mortgage market of the United States of America would not happen in Barbados because of the kinds of measures that are put in place. Sir, at the same time, even among the people who are lower income owners, the level of default on property is between 2 per cent and 4 per cent, which is really very low.

Barbadians are believers in property ownership. I think that of the 85 000 households in Barbados about 63 000 are actually owned by the people who live in them, which is a marvelous statistic when you do an international comparison but, at the same time, measures need to be put in place, particularly in the current economic climate, to help give support to those persons, who are seeking to own property for the first time and are having to deal with the expenses at the level of the banking sector, which they do not anticipate.

Sir, very often when they go for loans and nobody sits them down and explains to them that even though they are borrowing \$100 000 please understand that by the time this gets to their attorney, this is going to be \$15 000 short, so they are only going to get \$85 000, and they have to look for additional money to make up the difference and, quite frankly, that is not always easy to do. I have seen it delayed transactions, as people talk to the mother, grandmother and godmother to try to get money from somewhere to help them.

I would not like to suggest that it only happens at what we consider the lower end of the market. It happens to middle income earners as well, who are unfamiliar with the processes, the systems and the costs of these transactions and who are - I do not want to say - ambushed, but really if you do not know what is coming and it is going to have a harmful financial effect, then it does, in fact, amount to an ambush.

Sir, I could speak at length - but I would not want to do so today because I do not know that what we are discussing truly allows it - about the conservative nature of our banking sector, and the implications for not only property ownership, but doing business.

Sir, when you do business, that is property as well, because money is property, you are growing your income and your status and the level of assets that you have, so it is all property but the measures used by the bank are not necessarily helpful to customers and it is often difficult to get information.

I recently had to say to a bank with which I have a relationship, when I was trying to get information and finally, after I virtually cross-examined the officer of the bank, I was able to get to the point that I wanted, that the bank, in fact, did have a measure that could be used to deal with an issue that I was having. Sir, it was because I was a lawyer and I was able to ask targeted questions. It was because I understood something about business, having myself been a BM understood something about the banking sector.

I said to him at the end of the exercise do you recognise that I extracted that from you with all of the difficulty that a dentist extracts a wisdom tooth, but with no wisdom coming from you?

Asides.

SENATOR Miss H. E. THOMPSON: Sir, he very pleasantly and politely chuckled and then said, well Miss Thompson I did not think about it and, really, that is what happens that banks are called on to be facilitators for their clients, that there is information, there are products to which they can help to give access, particularly in these times when small businesses are looking for options to keep their businesses afloat and to pay their staff and so on. There are measures that banks can put in place that would be more facilitative and helpful.

Sir, in our ultraconservative market, we are not seeing the emergence of the kind of product and support that would give benefit to persons whether at the level of property ownership or business ownership, who are operating and living in what is recognised by everyone to be extremely difficult financial and economic times, nationally and internationally.

I would wish to turn to my second point which is that if in fact the Government wants to deal with the issue of property and reduce the cost of doing business and make it more competitive, and the Government is dealing with property matters, then I would urge the Government to revisit the issue of land taxes in Barbados, property taxes, which are really extremely high, which have gone up significantly and which the Government again can put in place.

Sir, under the Barbados Labour Party, a measure was put in place where persons did not have to pay if the property was worth up to \$150 000, or on a property worth more than \$150 000 you did not pay the first \$150 000 in land tax. It substantially reduced the tax payments made by individuals who own property.

For instance, Sir, if you owned a property worth \$200 000, your Land Tax payment became negligible. It helped. I am not suggesting that the Government needs

necessarily to use that measure. I am just suggesting that the burden of property taxes is very high and we need to look at that and to determine what mechanism can be put in place that seeks to cushion those persons in the lower income and the middle income sectors.

I am speaking particularly of people within the middle income sector bracket because very often we speak in these hallowed halls and on political platforms of poor people, but really there is a level of pressure that middle-class people are under because the brunt of what is being paid to carry services in the country is being paid by them. They are the ones who felt all of the increased taxes that we saw over the course of the last two Budgets.

Sir, very often the people in the lower income are shielded. They have the Reversed Tax Credit benefits, they do not pay certain levels of taxes, there are certain things which they cannot pay for, and they are getting free or subsidised housing, et cetera, Sir, but the middle-class person who is paying for a car or two, carrying a mortgage or paying rent and having to pay significant other bills, is really impacted when there is an increase in the tax take or in the tax burden.

I believe that if we want Barbados to be a property-owning society, Sir, if we want Barbadians to be regarded as a property-owning class, then such measures as are necessary to help them not only to get but to hold on to their houses, even in difficult times, have to be put in place.

Senate A24, Sequence 05, 11:50:14

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SENATOR Miss H. E. THOMPSON: I am becoming deeply concerned by the fact, when I look at the newspapers on Sundays, that there is a significant increase in the number of properties being sold by mortgagees, banks and other financial institutions. That will always happen when there is an economic crisis such as there is now.

It is critical, therefore, that a mechanism and policy support be developed by the Government to help those persons who are under pressure at this time and who need support in order that they can hold on to their properties and keep a roof over their heads. It is a critical time.

Although it is said that the glimmers of a recovery are being seen, particularly in the United States of America, because in the other metropolitan countries the commentators are still saying that they are not seeing the beginnings of the recovery yet, it would be some time before any aspect of the recovery can reach us.

Sir, given the level of taxation, it may well be that a number of people who cannot afford the additional increases and expenses and whose disposable incomes have significantly been reduced by increased tax measures are going to be impacted. While people would do their utmost to hold on to their homes, there are those whose dreams slipped away from them in the quick sands of this current economic crisis.

Sir, while I support this measure, which would help new property owners and people who are engaging in transactions either for the first time or for investment purposes relative to property, I am therefore urging the Government to look at the increased number of cases of persons whose homes are being put up for sale, as is evident by advertisements in the Sunday newspapers, and put a mechanism in place that would help Barbadians to hold on to their homes in the present economy as well as to reduce the level of property taxes that persons have to pay as well.

Sir, those are the two issues to which I wanted to speak. Both are of concern to me. I really do not have anymore to add to the debate. I am not, I think, speaking in any sort of contentious or political way. I am really trying to speak to an issue that is affecting all Barbadians because everybody who owns properties has to pay the property taxes and anybody who is doing the transaction has to pay and therefore some mechanism needs to be developed to give them support in this time of straightened circumstances so that we are able to stop Barbadians from losing their homes.

Sir, that is my contribution today. I am much obliged to you for the time.

Mr. PRESIDENT: Senator Cave.

SENATOR R. G. CAVE: Mr. President, I welcome these two Bills which have been brought before us, they have been some time in coming, nevertheless they are here and they would help to facilitate the international business regime.

Mr. President, as you know, I spoke on this matter to do with international business the last time the Senate met. I do believe that this part of Barbados' economy is a sleeping giant so I think the opportunities here for us and for our young people are huge.

As I see it, these two Bills were part of various amendments to our taxing statutes that were required to facilitate the establishment of a regime for international holding companies. Regrettably however, there are two issues with the legislation. The exemptions do not cover the transfer of quotas equivalent of a share in an ordinary society with restricted liability or an international society

with restricted liability, and they also do not cover transfers to a local resident. Those are the two missing factors.

The Property Transfer Tax Act is silent on SRLs. The problem that goes on is that if you telephone the Registry and ask a question as to whether the transfer of a quota in a society with restricted liability is subject to property tax and stamp tax, you would be given an answer yes, we are subject to taxation. On the other hand, if you do go to make the transfer, the Registry would pass it without tax.

Mr. President, the service providers are in trouble when they have to quote to international businesses when they come here as to what is the position. Is it free of tax or is it subject to tax? In effect, the day-to-day activity is not tax, but if you go and ask for a quotation, the answer you are given is that it is subject to tax. That is the dilemma that the business world lives in.

Sir, as you know when we pass legislation, we think that everything is fine, but when persons in business have to deal with it, then they find the problems. I am bringing that to the powers that be and I consider that we can do things about it.

The other matter I would like to raise while we are talking about transfer taxes has to do with transfer taxes in companies that are not public. If you are transferring a share in a public company, it goes through the Stock Exchange and this happens in minutes and within days your transfer is finished.

However, if you are transferring shares in a private company, the system that prevails is that you have to apply to the Corporate Registry for an assessment of the property transfer tax. The application stays in the Registry often for some time and then it is sent to the Income Tax Department for valuation. I believe that the quickest time you would get back a result of this would be six weeks, but often it can take six months.

I know of a case presently pending that is over two years old. In the world of business today, we cannot live under that kind of regime. I do not know who could do something about it but we do need to look into that matter and make sure that we find a way to have it done more efficiently. We have very good quality firms here that are in the business of doing valuations, so if it even has to come to a position where valuations have to be done by private companies then there is no reason why that could not be so at all. All I am saying is that it is a problem in business.

The other matter I would like to raise is the fact that both the Property Transfer Tax Act and the Stamp Duty Act are somewhat archaic. Under the Stamp Duty Act right

now we have a system where if a receipt is given for a transaction of \$20 or over, you have to affix a 10-cent stamp. I believe that this Act is more often breached than carried out in the sense that any time you operate within the business world and you shop for something a 10-cent stamp does not go on it.

Senate A24 Sequence 6

12:00 noon

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SENATOR R. G. CAVE: Mr. President, if you are going into a bank, there are Automatic Teller Machines where people draw money out; people also transact business every day through those machines and there are no taxes paid. In other areas of business, I do not think it is carried out. Nowadays everything is done by credit card; very little cash is ever posted and so credit cards are charged and paid and no tax goes on them.

Sir, the Property Transfer Tax Act is probably outdated. Mr. President, the point I am making is that this is probably all right for us living in Barbados but where we are trying to attract a regime of people to come into this country to facilitate this "sleeping giant", we have to make it right. We have to have our legislation up to date. We have to be spot on, we have to be the best, and we can be the best. We have the resources. We have university students coming out, looking for good jobs and so we have the best available to us.

Mr. President, what we do need to do is maybe set up a Standing Committee for legal affairs to look after those Bills, so that we are constantly updating, particularly our corporate world.

Mr. President, the other issue associated with this area is the area of exchange control, in respect to offshore companies. Sir, unlike with our legislation for International Business Companies, Societies with Restricted Liability, International Trust and International Banks, there is special legislation governing those people. Sir, what we are dealing with today is International Holding Companies, and there is no special legislation covering them. They fall under the same legislation as us, whether it is the Property Transfer Tax Act or the Stamp Duty Act.

Sir, in relation to exchange control, in each case they have to apply especially to the Department of Exchange Control for these things. Mr. President, again there is need for special legislation to govern International Holding Companies, so that when they come into the island, we can put the legislation before them, then they would know exactly what is taking place.

Mr. President, I wish to support this Bill. I consider that we are stepping forward. We are making one good step and let us hope that we would make many more good steps with this.

Sir, I would want to say that there is good need for a Standing Legal Committee to review our legislation, constantly bringing it up to date. Sir, that is the major point I would wish to make today.

Mr. President, with those remarks, I am obliged to you.

Mr. PRESIDENT: Senator Newton.

SENATOR the Hon. Prof. V. E. NEWTON: Mr. President, I rise to support the two Amendments before us today but, to some extent, it is with mixed feelings, especially in relation to the Amendment to the Property Transfer Tax Act. Mr. President, I know it is Government's answer to the problem of foreign companies purchasing properties in Barbados through the shares device, with no money passing and no property transfer tax being paid.

Mr. President, a few years ago, I was involved in a discussion on the topic, and it was thought best to remove the payment of the Property Transfer Tax altogether. I am sure that studies must have been done to convince Government that this was the best procedure but as I said, I have mixed feelings on the matter because I know, as Senator McClean has said, it maybe a device used by some Barbadians living overseas to acquire properties at home, and that it does indeed make transactions for persons wishing to do business in Barbados easier. Sir, I do know that just the other day the device of purchasing shares in properties was being used to avoid paying taxes locally. Therefore, it is with mixed feelings that I support it.

Mr. President, the other matter raised relates to the length of time land transactions take in Barbados. This is a concern. It has been a concern of the real estate industry and others for some time. Sir, the main concern has to do with the fact that since the late 1980s, a project was established for land registration in Barbados where it was anticipated then that the project would have been completed in a few years' time. Since then, there were more parcels of land coming with more and more subdivisions in the island, and the end of that project seems to be farther and farther away from reality.

Mr. President, the importance of land registration is that when a piece of land has been adjudicated and a certificate is issued by the Land Registry, anyone purchasing or selling that land thereafter does not have to pay to have searches done, which can be time-consuming and expensive. The certificate is conclusive evidence that the land is owned by the person to whom the certificate

states owns it and the land is the size mentioned in the certificate.

Sir, until the land registration process is completed, I am afraid that the land transactions would continue to take long and that they would be more expensive because the legislation that provides for land registration would result in a substantial lowering of attorneys' fees in relation to these matters.

Mr. President, some persons have said that the process of moving the project forward is deliberate but I had attended a conference about two years ago on the subject, specifically on that subject, and I am not convinced that is so. I think the problem more has to do with staffing and the Government Departments concerned. I think it also has to do with some overlapping or a lack of clarity in relation to certain functions regarding the process. Sir, I would urge Government to see what it could do to ensure that the process for registration of land is speeded up. That would be of great assistance. Mr. President, I thank you.

Mr. PRESIDENT: Senator McClean.

SENATOR the Hon. Miss M. P. O. McCLEAN: Mr. President, I want to indicate that the general consensus of the positive value of this legislation is a clear indicator of its usefulness, as we seek to create the necessary enabling environment. I, therefore, believe that it is not necessary for me to engage in any long wrap up.

I, therefore, beg to move that the Property Transfer (Amendment) Bill, 2009, be read a second time.

The question was put to the Senate and agreed to.

On the motion of SENATOR the Hon. Miss M. P. O. McCLEAN, the Senate resolved itself into Committee on the Bill. Madam DEPUTY PRESIDENT in the Chair.

S:No.A24 (7)12:10 noon.

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COMMITTEE

Madam DEPUTY PRESIDENT: The Senate is in Committee.

Clauses 1-2 were called and passed.

On the motion of SENATOR the Hon. Miss M.P.O. McCLEAN, Madam DEPUTY PRESIDENT reported the passing of one Bill in Committee and Mr. PRESIDENT resumed the Chair and reported accordingly.

On the separate motions of SENATOR the Hon. Miss M.P.O. McCLEAN, the Bill was read a third time and passed and cited as the Property Transfer (Amendment) Act, 2009.

ORDER NO. 2

STAMP DUTY (Amendment) BILL, 2009

SENATOR the Hon. Miss M.P.O. McCLEAN: Mr. President, as you are aware, at the beginning of my contribution in respect of the first item, I did indicate that the Stamp Duty (Amendment) Bill, 2009, was of a similar nature to the Property Transfer Tax Bill and would have been debated together. Therefore, I ask that the Stamp Duty (Amendment) Bill be read a second time.

The question was put to the Senate and agreed to.

On the motion of SENATOR the Hon. Miss M.P.O. McCLEAN, the Senate resolved itself into Committee on the Bill, Madam DEPUTY PRESIDENT in the Chair.

COMMITTEE

Madam DEPUTY PRESIDENT: The Senate is in Committee.

Clauses 1-2 were called and passed.

On the motion of SENATOR the Hon. Miss M.P.O. McCLEAN, Madam DEPUTY PRESIDENT reported the passing of one Bill in Committee and Mr. PRESIDENT resumed the Chair and reported accordingly.

On the separate motions of SENATOR the Hon. Miss M.P.O. McCLEAN, the Bill was read a third time and passed and cited as the Stamp Duty (Amendment) Act, 2009.

ORDER NO. 3 – RESOLUTION TO APPROVE THE VESTING IN ACCORDANCE WITH SECTION 5 OF THE CROWN LANDS VESTING AND DISPOSAL ACT, CAP. 225, IN THE NATIONAL HOUSING CORPORATION OF THE PARCELS OF LAND, THE PROPERTY OF THE CROWN, SITUATE AT THE IVY, IN THE PARISH OF ST. MICHAEL, IN THIS ISLAND, FOR HOUSING DEVELOPMENT.

SENATOR the Hon. Miss M.P.O. McCLEAN: Mr. President, the Government has indicated as part of its philosophical position and certainly, as part of its broad policy, in relation to issues, both economical and social, that housing is an essential requirement to this country, maintaining the standard of living and its achievements to date. Certainly, the gains that we have made post-Independence have been grounded very much in the ability

of Barbadians to realise a major ambition; a major desire and that is for accommodation for housing.

Mr. President, this Administration brings to the table a position, which is a longstanding position, as I have said, as one of the philosophical underpinnings of the Party which forms the Government, that is, the quality of one's life; social issues, social concerns and social solutions must underpin our efforts to develop our economy.

Mr. President, we all know that for Barbadians the ownership of a house is something that is very much desired and for many people, it is a No. 1 priority. This is recognised, not only as a means of satisfying the wishes of people because it is their wish but Government's role in satisfying this desire is seen as an important ingredient into the building of a society, which produces citizens that are productive; that are contented and that strive for better things.

Mr. President, Barbadians are "house proud", as some people like to say, by and large and that applies to those persons who live in very humble and modest accommodation right through the full spectrum of economic circumstances and financial circumstances.

Therefore, Mr. President, the vesting of Crown lands in the parish of St. Michael, in the Ivy, to be specific is part of the ongoing exercise of ensuring that Barbadians, of all financial circumstances, across the full spectrum of the socio-economic categories of our population would be satisfied.

S/A24/12:20

Sequence 8

Wednesday, November 11, 2009

SENATOR the Hon. Miss M.P.O. McCLEAN: In solutions that are contemplated by this Administration range from the provision of land, for those persons who may want to construct on that land, the particular design following their plans and ambitions.

It includes the provision of, as the term is popularly proffered these days, housing solutions, which range from units provided in middle income locations, but most importantly, it is part of the strategy of the housing policy. It is not only to provide accommodation to persons who can purchase a house or a plot of land upfront.

Sir, as you would appreciate, in Barbados, as in any other society, we have persons of humble means who, in the short-term, cannot anticipate or cannot meet the criteria normally required of persons seeking to secure a mortgage,

whether this is 100 per cent mortgage or a 90 per cent, or around the ball-park which is also fairly traditional.

There are persons in this society who work for small sums of money who, while they are earning small sums may have a number of dependents. Therefore in the short-term, and I want to emphasise the short-term, and even medium-term cannot anticipate outright ownership. That does not mean however that as they rent properties that over the life of that individual's families, they may have paid in rent the cost of the accommodation that they are renting.

Therefore, this reality is appreciated and is best accommodated with a new proposal to provide Rent to Own Units. Sir, you would have heard, perhaps, or read in the local media people's appreciation of this. I believe that as we seek to offer those solutions, it is important to understand the impact that access to housing can have for our people. I will share an example, not from Barbados, but from a member country of the CARICOM.

Sir, some years ago, while employed as a lecturer, I had to visit a number of member countries for Examiners Meetings and so on. I recall very vividly, about 15 years ago and I want to flag 15 years ago, because when we talk about inflation and so on, the time frame would make sense. I will come back to that. About 15 years ago I was attending meetings, and was staying with some friends of mine from another Caribbean country, and one of her colleagues, a teacher, came to visit. This was a person who was older than I was at the time, and who would have been a University of the West Indies graduate for several years, a senior teacher in a secondary school in another Caribbean island.

This is what she said to us because we were discussing housing prices in that country. She said. "If I did not own a house now, notwithstanding the fact that I am a university graduate, a senior teacher in our system of several years tenure, I would not be able to afford a house." To me that was a very telling statement. What I then thought about was the situation in Barbados. Up to this point in time many Barbadians who had never seen the doors of a university or even other tertiary institutions can still aspire to owning a home, however modest.

Sir, here you have somebody who would have benefitted from tertiary education, who would have anticipated that by acquiring that education they not only acquire the skill, knowledge and ability to function in a professional area, but they also anticipated that it would have enhanced their earning capacity and earning power. Yet, you are hearing a person who would have worked several years as a professional, lamenting the fact that she could not at that time, about 15 years ago, on her salary afford to buy a home in another jurisdiction in the Region.

I contrasted that with the situation in Barbados and this is something that is important. As I reflected on that society, I asked myself, what are the implications of that person's inability to own a home, when that person perhaps falls into a category of one in which is not average, it is above average?

Sir, in other words, I was asking myself what happens to the blue collar worker on that island? What happens to the person who is low skilled or unskilled? Is he or she able to even contemplate owning a house? And the answer is "no". So if the answer is "no", what would be the consequences of that?

Sir, one of the things clearly that would become obvious, there is a level of alienation that would typically occur, a level of frustration and despair. Therefore, deferring, not only deferring but forgetting of a dream.

A dream, perhaps, in that circumstance would become a nightmare, because the person is a university graduate of several years, earning in the context of that country, and even in this country, a salary that is better than those at the bottom levels, notwithstanding our concerns about the levels of salaries that are paid to teachers and so on across the Region. Sir, you have a situation where a significant percentage of the population of that country would not have been in a position to even contemplate owning a home.

Sir, fortunately, that situation has not reached Barbados, but notwithstanding the fact that many Barbadians of modest or low middle income means can anticipate owning a home. Barbadians by and large still can realise that dream, and part of making sure that dream is realisable is the introduction of a range of options to Barbadians.

Over the last several years we would have seen a building boom in Barbados. A significant portion of that was not the provision of housing solutions or housing options for the average Barbadian. Fortunately, however, we have seen within that boom opportunities where Barbadians, by the dint of their desire to own a home, commitment and resolve to save, they would have invested substantially.

In fact, my almost 25 years as a volunteer in the Credit Union Movement would have shown me that a significant percentage of the loans of those institutions, certainly the larger credit unions in Barbados, would have gone to offering solutions for members. Persons were able to borrow to buy land and after a couple years they went back and borrowed to build their homes et cetera.

We saw many Barbadians equipping themselves, using whatever mechanisms the credit unions, commercial

banks and mortgage companies, and independently would have been able to do so. Government, of course, over the years would have also provided some solutions.

As we look around the landscape of Barbados it was becoming more and more evident that there is a significant percentage of persons in the lower socioeconomic bracket who were unable to contemplate this. We also saw pressure being placed on those households. Therefore, it is important to recognise the negative fallout from that pressure.

I believe that we are all aware that in some of our family situations, or family settings, we have circumstances where may be up to 10 or more persons are living in a single household, a household which was constructed with perhaps two bedrooms. We would have heard elsewhere of the challenges of that kind of situation.

12.30 p.m.

Sequence 9

Tuesday, November 10, 2009

House A48, Sequence 10, 12.30 p.m.

SENATOR the Hon. Miss M. P. O. McCLEAN: Mr. President, when we look at this particular vesting of a parcel of land in the Ivy in the parish of St. Michael, it is clearly illustrative of what this Administration is seeking to do:

1. What it has prioritised as one of its approaches to addressing what is a major desire on the positive side of many Barbadians.
2. Remedying what is a negative situation, that is, the overcrowding that we would have heard about, and we witness in some of our neighbourhoods.

Mr. President, I believe that as we look to create a range of options for Barbadians, as we focus as a priority - as I said before - on the categories of Barbadians who, traditionally, would not have been able to contemplate purchasing a home and would look to access rental units, that this is an area in which these kinds of situations would happen.

What we have is a situation as well, Mr. President, I have been talking about new opportunities, the building or construction of new units, whether these are stand-alone units, terraced units, condominiums or other types of options.

We also have a situation, Mr. President, where over many years, persons have been living in what we call

Government units and have been paying rent. As I started, Mr. President, I suggested that for an individual is in a rental unit, if we do the mathematics, calculate those monthly payments, the future value of that property, and look at the present value, at the end of the day we can see that what the tenant would have paid over several years, that tenant would have, in fact, paid the price of that unit.

Sir, as part of the whole broad policy of housing, this Administration took the step, very early in our first year, to transfer ownership for persons who would have occupied Government units for 20 years and over.

Sir, I would suggest that if we want to, anyone taking the weekly, monthly or yearly payments and converting them to a value and then comparing that value at the end of 20 years to what was paid to construct the unit - as I said before - having resided continuously in that unit, that person in fact would have bought it. Sir, that is the very basic principle underlying the decision to transfer those units to those persons.

Of course, I am also happy to say that as I drive around some neighbourhoods, I notice that there is a freshness to a number of units. In other words, persons who have participated in that programme have taken an additional interest in the properties and have spruced them up in true Barbadian style.

I believe, Mr. President, that when we talk about housing and when we speak specifically about the vesting of this property, we are doing this as one of many vestings that will take place, as Government transfers ownership of lands to the National Housing Corporation to ensure that we are able to achieve what we identify as a critical pillar in our socio economic and overall development strategy for Barbados.

I really believe we have to stress that when Barbadians leave home to go to work, they should feel good about themselves and one of the contributing factors about feeling good about yourself is what you leave as you leave your home, if you own it, if you are able to own it in the future, if you are comfortable with your surroundings however modest. Sir, when you go to work for somebody else, this is something that makes you feel good, and Government recognises that it has a major responsibility to contribute to this.

Sir, when we talk about housing, one of the realities of housing construction is that if we are looking at it strictly from private sector commercial objectives, profit orientation, et cetera, lower income houses are the ones which will generate fewer returns for the property developer and therefore we see that Government gets involved in this.

However, I want to say again, quite recently I was in Jamaica and I was speaking to an ex patriot investor who had been involved in hotel development and one of the points that she stressed is that as she and her husband engaged in property development in Jamaica, they paid attention also to the development of housing for the persons who would have worked in those hotel properties.

Sir, of course, that is laudable and excellent and I believe that is a model that can be followed but this Administration is not waiting on private sector developers to do that.

This Administration recognises that Government must provide housing in the same way that it provides other public goods such as transportation and proper infrastructure because these are all elements to building a society in which the people, who make up the society feel good about themselves and feel part of that society.

Clearly, if a Barbadian is to drive around this country and go into certain areas on the West Coast and looks at the excellent housing developments which cater to the wealthy and that Barbadians feel that they cannot go back to a place, which does not look like that, of course, because we are talking about the villas and so on, but who can go back to a house that is theirs, that is comfortable, which they can anticipate passing on to the next generation and the generation after, then we will have an input or a situation where that person feels that they are taking their rightful place in the country.

On the other hand, if you are required to go to work in excellent surroundings, whether it is in a hotel, an office complex, a school room, whatever the case may be and you leave that place of employment and go to a place that is crowded, that is not yours, for which you are being exploited by an unscrupulous landlord, in some places referred to as slumlords, et cetera, based on what it is that they are renting, Mr. President, then you can anticipate that there will be some negative fallout.

I believe that as we talk about this vesting of land in the Ivy that we look at it, not simply as a vesting which facilitates the transfer of property but we see it as one element of a bigger plan to house Barbadians in housing that is comfortable and appropriate to their circumstance, in terms of their ability to pay, et cetera, but housing which contributes to the maintenance of a dignified people.

Mr. President, with those few words, I ask that this Resolution do now pass.

Asides.

Mr. PRESIDENT: Senator Thompson.

SENATOR Miss H. E. THOMPSON: Thank you very much, Mr. President.

I want to use this opportunity to speak to an issue as I did earlier that I think is important and which we are not really addressing. On my way to doing so, however, I would wish to make some observations, following on the comments made by the Leader of Government Business.

Senate A24, Sequence 10, 12:40:14

Wednesday, November 11, 2009

SENATOR Miss H. E. THOMPSON: First of all, Sir, there is support on This Side for the measure before the Chamber today. It is a fact that there has been a good and long tradition of providing public housing in Barbados by both Administrations which is unprecedented anywhere else in the Caribbean.

The Barbados Labour Party Government during the period 1994-2008 led the country into a massive building boom from which Barbadians at all levels benefitted significantly, including those at the lower end of the scale for whom housing was provided, not only through the mechanism of the 100 per cent loans.

The increase in the Housing Credit Fund and the increase in the General Workers' Loan Fund, the increase in resources through the Barbados Mortgage Finance, which dealt with people at the lower and lower middle end, but through the provisions of rental houses, houses for purchase and rent to buy terraced units, which is not new but a policy which already existed.

In fact, if I could draw just two examples of low income housing, these are at Flat Rock and Kensington Lodge. There are many others to which I could speak today but I do not want that to take up the bulk of my time as there are other observations, as I was indicating, that I would want to make.

Mr. President, the Barbados Labour Party is proud of its housing record. Insofar as persons can point to errors that were made, they were made in an attempt to give housing to Barbadians at a rapid rate. We have nothing to be remorseful about in relation to the quality or the quantity of work which we did in respect of housing.

Mr. President, I wish however to raise two concerns which I think need to be addressed, and then I want to go on to the observation about which I want to speak.

Mr. President, the last Administration had committed to the relocation of persons from the area around the Sewerage Plant, Emmerton and beyond. A buffer area needed for the Sewerage Plant was agreed on and it was

decided that all of the persons there would be moved. The process of starting housing for the affected parties was initiated and houses were built at Barbarees Hill. I believe that they were, in fact, completed by this Administration. The houses were all allocated to persons who were living within the affected areas and whom it was identified should be moved to the new location.

I am concerned today, Sir, that as one passes Barbarees Hill, one can see some of those houses empty, overgrown by vines and bush and unoccupied. I think it is a waste of taxpayers' resources that those houses, after all this time, are unoccupied and overrun in some cases with bush and vines. They are unsightly on the main road.

Mr. President, that also raises the question of what happened to the persons who lived in the affected area for whom these houses have been identified. Where are they now? What are their circumstances? Why is it that these houses are empty? If those persons have been put elsewhere, then surely these houses can be sold, rented or given to somebody else. It is a waste of resources and I think it is an issue which needs to be looked at and addressed.

The second thing is that I heard the Honourable Senator McClean speak to the issue of terraced units. I want to make a point that I have repeatedly made and will keep on making, which is, that despite all of the hurrahs, the self-applauses and self-patting on the back by the members of this Administration, the reality is that the vast majority of those persons who indicated that they would have an interest in owning their property are yet to be given conveyances.

Under the Barbados Property Act, you cannot own property by way of a letter. All those persons have received is a letter evincing an intention to transfer the property but the letter indicating an intention to transfer does not itself constitute a legal transfer of that property, so the majority of persons who should be the beneficiaries of the policy have, in fact, not benefitted because no conveyances or no significant number of conveyances have been executed.

It remains therefore a wonderful PR ploy, but it leaves those persons who should be the beneficiaries really wondering what is to happen to them in the context of the non-execution of the alleged policy.

I put it in that way, Sir, because if in fact there is a discussion about what the Government intends to do, unless legal measures are taken to perfect and execute the policy by way of putting signed conveyances in people's hands, then the policy is only an alleged policy from which people are not benefitting except the PR posers. This needs to be addressed.

Sir, having made the observations about which I am concerned and wanted to make relative to the policy, there is one more.

In the Special Audit of the National Housing Corporation, the Auditor General observes at page 33 that the overdraft of the National Housing Corporation was at \$4 million, but under the previous Administration it was operated at \$8.9 million, double the legal limit and that now the National Housing Corporation's overdraft is at \$23 million which speaks to really bad management by any measure. I really want to hear how it is proposed that this is going to be addressed, because even if the National Housing Corporation has sold some units which they are building...

SENATOR D. K. A. GRIFFITH: On a point of information.

Asides.

Mr. PRESIDENT: Senator, you are either on a point of order or a point of...

SENATOR D. K. A. GRIFFITH: On a point of order. I think the Honourable Senator is misleading this Senate. She is quoting information and not accurately so. She needs to actually go back and look at the dates that she quoted that are in that last statement.

SENATOR Miss H. E. THOMPSON: I would wish to thank the Honourable Senator and therefore read from page 33 of the Report, which is a document of this Senate.

"The Corporation has an overdraft facility whose limit is set by the Ministry of Finance. However, the Corporation has been operating in excess of this limit. For example in 2003 the limit was \$4M" - the figure I said, Sir - "while the overdraft reached \$8.9M. In 2008 the limit was \$7M while the overdraft reached as high as \$23M."

I read verbatim from the Special Audit, the words of the Auditor General. They are as exactly as I said.

I therefore want to ask, as I did just now, how it is proposed to address this when clearly the sale of any properties by the National Housing Corporation which have not been realised by the organisation's coffers. How could it be at \$23 million in overdraft and what is being done to deal with it? This is not an example of the good and prudent management to which the Administration perpetually but falsely alludes that it is practising.

Senate A24 Sequence 11

12.50 p.m.

Wednesday, November 11, 2009

SENATOR Miss H. E. THOMPSON: Mr. President, I now turn to the issue which I said is a more generic one to which I wanted to speak. Sir, it is an issue which I have raised before and which, in the context of this debate, I am revisiting. Mr. President, if an attorney-at-law was preparing, drafting and completing a conveyance for an individual...

SENATOR D.K.A. GRIFFITH: On a point of order. Sir, I rose earlier and I would like to quote something which clarifies the misinformation that I think is being put forward before this Honourable Senate. Sir, I do think the Honourable Senator is misleading this Honourable Chamber. Sir, the quotation is from page 45 of the National Housing Corporation's Special Report, the same place from which the Honourable Senator has chosen to quote:

"The Corporation has essentially been funding much of its operations by way of a bank overdraft facility. At March 2008, this facility was \$23 million. In addition, the Corporation has debts in excess of \$120 million owed to developers, its pension funds and a former contractor."

Mr. PRESIDENT: Honourable Senator, can you slow down, so that the reporters will be able to get what you are saying?

Asides.

Mr. PRESIDENT: It does not matter if it is a document of the Senate, you have to speak in such a manner that other people who are trying to get a note, can get that note.

SENATOR D.K.A. GRIFFITH: Mr. President, the point is, the Honourable Senator has indicated that this debt was created in a period that is not being said here. The document says nothing to that effect. Therefore, it needs to be clarified that this debt was not created in 2008. The document says that at 2008 the debt was there, which is a very important distinction.

SENATOR Miss H. E. THOMPSON: Mr. President, I read from page 33 of the document where the Auditor General said that in 2008 it reached \$23 million. That is what the Auditor-General said. If the Honourable Senator is trying to suggest that figure did not come between January and March, then that is another point.

SENATOR J. INCE: On a point of order. Mr. President, the Honourable Senator is misleading this Chamber. Sir, I think we need to be fair and honest in these matters. Sir, the Barbados Audit Office, in its Special Audit on the National Housing Corporation, at page 3 of 4.5, paragraph 14:

“The finances at the Corporation are in a precarious state. The Corporation has essentially been funding much of its operations by way of a bank overdraft facility at March 2008. This facility was \$23 million. In addition, the Corporation has debts in excess of \$120 million owed to developers, its pension funds and a former contractor. The Corporation is primarily funded by the rental and sale of land and properties; however, these sources of revenue are unable to meet its day-to-day operations.”

Mr. President, this Administration came to office on January 16, 2008, a mere 10 weeks between January 16 and March 31, 2008. Sir, we cannot take any blame for that.

SENATOR Miss H. E. THOMPSON: Mr. President, I am horrified that between January and March the overdraft had reached \$23 million. If, in fact, the Honourable Members on the Other Side are now suggesting that, I would like the Honourable Members on the Other Side to say to me what is the legal overdraft now. What is the real overdraft at the National Housing Corporation in dollar terms? How much it has increased or decreased between March 31 2008 and today?

Sir, when I read page 33 of the Special Audit Report, it does say that during 2008 it reached this limit. Sir, our term of office finished within two weeks of January 2008. Therefore, if the Auditor General is saying in 2008 it reached this limit, then we could only have been responsible for the period up to those first two weeks in January. Sir, the Government has to take responsibility for the rest.

Sir, nobody on That Side is telling me what is the legal limit of the overdraft today or what, in fact, is the real overdraft. Nobody is telling me what has been done to address it, not a soul. Sir, people are picking at parts. People are reading parts of the Report and picking at it but they are not telling me anything.

SENATOR J. INCE: Mr. President, on a point of order. Senator Thompson is misleading this Honourable Chamber, as well as the listening public of Barbados.

Mr. PRESIDENT: I am not concerned with the public of Barbados at this point. If you are saying that the Honourable Senator Thompson is misleading this Honourable Senate, then that is sufficient.

SENATOR J. INCE: Mr. President, it is amazing. They have been in office for 14 years and are still driving on the wrong side of the road. Sir, when we are speaking of overdraft facility in financial terms, the Government would have to meet obligations that were left behind by the previous Administration. Sir, those obligations have to be met through the overdraft facility. That is clear.

Mr. President, we came to office and within six weeks, how do you expect the country to run? Do you expect to say to the contractors, the pension holders and whosoever else that we cannot pay them? That is how the overdraft facility is conducted.

Mr. President, I am always surprised that Senator Thompson said previously that she is confused and I just want to clarify that, so that she would not be confused anymore.

SENATOR Miss H. E. THOMPSON: Mr. President, I regret that Senator Ince is unable to bring any degree of illumination, convoluted though that attempt at a point of order was. I have made the point and gone on to something else. Sir, I will continue with the other point I was making, which is a serious matter to which I had spoken about before.

Mr. President, an attorney-at-law who is charged with the responsibility of protecting a client on a property transaction, either house or commercial building, can be sued in the event that he or she makes an error. There can be allegations and charges of professional negligence, failure to meet a fiduciary responsibility and so on. The work that the attorney performs within the context of a conveyance or transaction in our culture, because in the United States of America, England and other countries you have significant systems of registration and the process is not complex.

1.00 p.m.

Wednesday, November 11, 2009

SENATOR Miss H.E. THOMPSON: Sir, in fact I can recall, when I was previously in practice between 1999 and 2001, doing a land transaction on a substantial property, which had been subdivided to do sales and a critical mortgage, which was part of the title had never been paid off or released or, if it had been paid, it had not been released, which means that the title, which my client would have taken would not have been a perfect title in Law, it would have been fLowed.

Mr. President, the work that the attorney must do is central to the protection of the client and the property purchaser. Sir, for that, the attorney, on a \$200 000 transaction would earn \$3,750.00 or thereabout, not including monies that would have to be paid for the registration of the property, stamp duty, et cetera.

This is the legal fee on the conveyance, not the mortgage because I have not calculated a mortgage in this instance. A realtor, who would have shown that property or parcel of land for the same \$200 000 to the individual would have spent two minutes or three minutes walking

them through the house or pointing out the parcel of land to them. Sir, the realtor has no responsibility even to point out line marks, or to ensure they are in the ground. We have had instances where realtors have pointed out to purchasers the wrong parcel of land and the attorneys have had to correct it. The realtor would earn on that same transaction \$10 000, with no legal responsibility; with no legal liability and if he had, in fact, pointed out the wrong property boundaries, there would be no liability attached to him.

Mr. President, let me also make the point that as an attorney of 20 years standing, I have said what the fees would be, would pay \$2 500 as their registration fee at the beginning of the year but the realtor would pay \$750. If, in fact, a person wants to be a realtor, there is a requirement for registration and, as I have indicated, it is \$750. There is no screening, no training is required. There is A code that says what the responsibilities of a realtor are.

Sir, outside of Barbados, persons who want to present themselves to the public as realtors or real estate agents have to be licensed. They have to be trained and they have to go through extensive screening. We have had instances in Barbados where realtors have fled the jurisdiction with a lot of money belonging to clients.

I know we have had problems with attorneys as well, but there are mechanisms in place through the Bar Association, other professional organisations and oversight mechanisms which would allow a level of policing of the attorney. That is not allowed of the realtor, who is also receiving money.

In fact, on one occasion, I tried to make an inquiry about a purchase for a client and I was immediately advised by the realtor on how a mechanism had been set up so that the transaction appeared to be done offshore Barbados transferring company shares, although the shares constituted the parcel of land, so that no taxes and fees were really payable within the context of the transaction in a way they would normally be, if a parcel of land in Barbados is being sold from Mr. "A" to Mr. "C".

Mr. President, the point I am making is that this morning earlier, we were dealing with a matter involving reducing the cost of business and dealing with property. Sir, further steps need to be taken to equally give oversight to what is happening at every level of the market and, Sir, it is my view, that the time has come....

Asides.

SENATOR Miss H.E. THOMPSON: Sir, I do not want to reduce the realtor's earning but I would like to increase Lawyers' earnings, given the level of responsibility that they are carrying vis-a-vis realtors on the transaction. I believe that property transfer, property

ownership, the holding and ownership of the freehold of parcels of land in a country that is only 166 square miles, that we must have a mechanism for overseeing those persons, who are engaged on a daily basis in transactions which see the movement of capital facilitating the transfer of land.

I would wish to urge the Administration that consideration be given to a proper licensing and training regime and mechanisms for oversight and screening in very much the same way that you have a Police Complaints Commission. You have mechanisms for complaining to the Bar, if you have a difficulty with an attorney and so on, that we look at the role that realtors are playing and seek to determine whether or not this is an area of activity and enterprise, which should receive some degree of supervision.

Mr. President, let me also say that I think it is fast approaching and that increasingly there is regulation of professional services because of the possible implications for the impact on the financial resources of people and for fallout in the wider economy. If there is significant tampering with fees and the resources coming into the firm and owned by clients, that can impact not only on that individual firm, but on the wider economy.

Therefore, in repeating this, I think I may, in fact be reflecting what is sentiment in some circumstances. I believe that if, in fact, we are handling clients' monies, as indeed both realtors and lawyers, do that the time has come when we have to require that the client's accounts should be audited and properly managed.

Sir, many lawyers still operate in a very informal way. I must confess that, as an attorney, I am also guilty of that. Sir, in many Law firms and in many legal practices, if the lawyer drops dead today, people would have hell sorting through the accounts and the finances. Sir, not because the attorney is dishonest but because a lot of the information is being carried in the head of the person and so, if they are struck down sick; if they leave the jurisdiction or if they drop dead, there is nobody who knows what is going on.

Sir, the Secretary might have some idea but there is no account officer within the firm. There are no audited accounts and you cannot get the lawyer then to explain how much money Miss Jones paid or what happened to this or that.

S/A24/13:10

Sequence 13

Wednesday, November 11, 2009

SENATOR Miss H.E. THOMPSON: In fact a lot of the information is still being recorded manually, in long hand. So you will have to pick up form by form, going through them to see what is paid. There must be some kind of software that the Bar Association can access on behalf of its attorneys, at a concessionary rate, which would allow Lawyers to use that financial software to better manage clients and people's accounts.

The technology exists, but we have to start to use it within the context of our culture. Equally, we need to move to auditing those accounts because it is not necessarily that attorneys are not being honest. It is that the mechanisms which are needed to run a practice like a business is not always put in place. Therefore, the society is becoming more litigious. In addition to that, there are also greater mechanisms being put in place for oversight.

I spoke last week of Sarbarnes-Oxley being put in place following the ENRON crisis. I believe that before we have what appears to be a crisis at the level of the Bar or at the level of realtors, that it behoves us to put mechanisms in place upfront to help deal with these situations.

Sir, I was told, and I would thank the Clerk, that there is a very popular software developed in Canada, now very much in use, called PC Law, which helps to manage legal accounts. You can have training systems for Lawyers, if they want, to assist them. This is definitely, in my view, a matter that would need to be addressed and I am using this opportunity now that we are talking about housing, because these things do impact on individuals, clients and purchasers of property.

I want to use this opportunity to ask for regulatory mechanisms to be put in place relative to the protection of the public and oversight of the real estate market, given our small size and the fact that you have a body of people out there, who are dealing with property in a way that is very ungoverned. We do need some degree of regulation and proper governance systems. Those are the observations I would wish to make relative to this matter and to indicate in closing, as I said at the start, this is a measure that the Opposition Barbados Labour Party supports.

Thank you very much, Sir.

Mr. PRESIDENT: Senator Chandler.

SENATOR Dr. F.L. CHANDLER: Mr. President, I would like to support the Resolution before us, but I would like to make a few comments. When one takes a loan and is making mortgage payments, you make sure to maintain that home and protect your investment. Senator McClean was speaking about the Rent to Own Programme of Government, which I think is a good programme

I am a bit concerned about whose responsibility it is to maintain the home, while the tenant is paying rent towards his ownership, because Government is not known to maintain its buildings. If you look around you will clearly see that. If the tenant has no responsibility for repairing it, after the 20 years when the tenant then gets the ownership of this house, I suspect the dilapidated wreck would need significant funds to put it into any kind of state that you would want to be proud of.

Sir, I was just wondering if any particular regulations would go into place to clarify that.

Thank you very much.

SUSPENSION

SENATOR the Hon. Miss M.P.O. McCLEAN: Mr. President, I beg to move that this Sitting be now suspended for one hour for lunch, to be resumed at 2.15 p.m.

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

13.15 p.m.

Sequence 14

Tuesday, November 10, 2009

House A48, Sequence 15, 2.19 p.m.

RESUMPTION

Mr. PRESIDENT: This Sitting is resumed.

Senator Griffith.

SENATOR D.K.A. GRIFFITH: Mr. President, I feel the need to stand today and speak to the issue of the vesting of land situate at the Ivy in the parish of St. Michael, having sat and listened to the contributions of previous Senators. I am particularly concerned that we establish once and for all, that it is important for these vestings to continue, if we are to have a decent and sustainable housing policy in Barbados.

Mr. President, we continue to have debates in this Chamber where we look towards the fact that much was promised by the previous Administration with regard to housing and little was delivered.

House A48, Sequence 15, 14:20:15

Wednesday, November 11, 2009

SENATOR D. K. A. GRIFFITH: It must be said that we have to analyse what went wrong in order to go forward and to deal with the issues, especially those that the National Housing Corporation is having.

I say this because when we look at the comments of Senator Thompson this morning, I am particularly concerned that we need to address, and sufficiently so, the fact that housing has not had a clear vision in this country over the 14 years of the Barbados Labour Party Administration. Several programmes were attempted and several programmes were thrown to the side. It is important that we understand that that cannot be the method of developing sustainable programming.

We had primary homes and all sorts of public/private partnerships were attempted but the results never achieved what they were selling. In the case of primary homes, I think the objective over the five-year period was supposed to be 1 600 homes but those were never realised, so we have to go back and see what was the problem.

Mr. President, much was made this morning of the Special Audit on the National Housing Corporation, a Report laid in this Senate. It is important that we look to some of the recommendations made in that Report for going forward.

One of the primary concerns was the fact that lands were not vested in the National Housing Corporation, so it makes what we are doing here today very vital and important to the aim of providing housing for Barbadians. Whether it is on par with other Caribbean countries or with the world, the point is that we have clear guidelines of what needs to be done.

Mr. President, so far, we have not heard a debate on why it is necessary to go about doing these things through legal channels. This morning I heard some very wild interpretations of Law and what situations as they stand now mean. I heard that because somebody has a letter that they have no comfort because the process is not finalised. Mr. President, that letter, in relation to the passing of housing units, is a letter of comfort. Those people have a promise from this Government that they would get title to their lands, and the process has started. This seems to be something that slips the attention constantly. People are getting title to land and to their homes. A home for a Barbadian has always been a powerful thing.

I commented to one of my fellow Senators this morning that for a Bajan there is no place that can be as good as his home. You can put them in the fanciest five-star hotel and they would tell you that at home they have such and such. It is a proud thing that we hold dear to our hearts.

Mr. President, we therefore have to look at how we can build access. Sir, 100 per cent mortgages and mortgage finance companies are things that are important, but our problem has been the capacity to build the houses and the procedures for getting those houses from the developers to the people who need them, especially when we talk about low income housing which has had to be a priority for us because we have so many people, especially in hard economic times, who do not have the available capital to actually go into home ownership, no matter how low you price those houses. I do not think that the National Housing Corporation's policy of now having rent-to-own properties is going to be a very powerful vehicle for dealing with this.

Mr. President, in looking some more at the National Housing Corporation and the need for them to go forward from some of the problems we have because there have been a number of attempts at having things done...

Mr. President, we have had people living in homes for over 20 years, and we have said continuously that if you look at the amount of rent they have paid, they have already paid for the cost of building that unit. This would allow them to own a piece of property which can lend to the development of their family and create a space that is theirs. We have to now understand that different ways have to come towards doing this.

I think the primary concern, and the one point that I can agree with Senator Thompson on from her presentation this morning, is that enough had not been done up to the beginning of 2008 for establishing houses for low income earners. Like I have already expressed, primary homes needed to be more well-organised and orchestrated. That is not my assessment, but the assessment of the Audit Office in that it was not properly financed and it was not expedited and implemented quickly enough.

These are facts that we have to look at because it speaks to levels of bureaucracy that, in turn, fight against the social policy that we are trying to implement. We need to make sure that we put into place a structure that allows people to go out there to buy into their Barbadian dream of owning a home, and we do not bog them down.

Speaking with regard to housing, one of the things that I am particularly concerned about is the fact that we do need help to have a better structure. This Report that I keep quoting from highlights a number of areas where better can be done from the process of allocating houses to people, including the fact that people have been on a waiting list for all of the 1990s and still have no clear idea of what it takes from them to get access to housing solutions. It is a situation that is far from ideal and we need to find ways of addressing it, and we need to start going forward with that. I think that is the process that has been started.

Mr. President, I think it is unreasonable, going on from that point, to say that we believe that everything now should be done instantaneously. I can see the efforts of the changes taking root. I was fortunate enough to speak to a young lady last week about her efforts to get a property at Greens in St. George. She said that she did not think that she would be able to afford a property of that nature that quickly but this has now given her hope. She is in my age bracket.

These are areas that you have to look at clearly. You cannot just put the promise out there of homes. You actually have to look at how much they are going to cost and the ability of persons to pay off the mortgages over a number of years and to add to the stability of their lifestyle. How they are going to get the mortgages is important but the fact is that there are a number of persons who qualify for mortgages but cannot get the land. We have land in a land bank and people have qualified for the mortgages but they are not in a position to actually go and build the house because one of the problems that we have in our financial sector is that banks are far more willing to lend money to young Barbadians for a home that is already built as opposed for them to go and build their own home. Mr. President, we have a penalty built into our system of borrowing for that because it requires banks to take a little bit of extra risk but the banks would prefer not to do that.

Mr. President, the situation of getting money to buy a home that is already built seems to be the one that is most convenient because the home is literal collateral for the bank and it is somewhere the young person can move in to. If they are paying rent, they switch out the rent for the mortgage.

Senate A24 Sequence 16

2.30 p.m.

Wednesday, November 11, 2009

SENATOR D.K.A. GRIFFITH: Mr. President, it helps them to have a sustainable goal where they have the property, they live in it, they maintain it and it is collateral for their mortgage. Sir, for that to happen, we need to continue development. The biggest problem that I can say continued existed was the lack of new developments of housing and I think that is being quickly turned around.

It is going to be difficult to clear off a back log of some 14 000 persons that the National Housing Corporation indicated they had on file, who are waiting for housing. Sir, it is a process. If we start now and work, piece-by-piece, building developments of 80, 100 and 200 homes, we will slowly but surely get people to a place where they can realise their dream of owning a home, of being in control of their own destiny.

Sir, therefore, I believe that we are starting to do a good job. We have several options. We have several packages. Mr. President, while I do agree with a comment made earlier that the middle-class has been overlooked, to a large extent, we now have packages that are aimed at them. There are low income homes, there are middle income homes. We can actually look at those to see what is appropriate. We can target it to the population that needs access to it. We can then have clear policies about what it entails for someone to get access to that housing.

I think for far too long it has been - and the Report spells it out - luck of the draw or chance that you would get a home, as opposed to putting in place a structure of merit where you can build a case for ownership of that home. Sir, those sorts of things are necessary to come into our own system. Sir, for years, even our neighbouring territories have understood those things.

Sir, this is not to compare the two countries by any stretch, but one simple concept from the Jamaican experience is that Jamaican workers are able to work within their structure, within their means of gaining points, so that you can say it takes 100 000 points to be able to access Government starter homes in Jamaica and you get 50 000 points for being a longstanding civil servant. Sir, different things add up, different qualifications, so that one knows what he or she qualifies for quite clearly and there is no problem with people wondering if they would have to speak to a politician to be able to get access to housing.

Mr. President, housing should be available for all. That is one of the areas I think we should be able to put a lot of correction into from the past, for example, people feeling that they have been victimised; people on a waiting list; people dying while still on that waiting list and still not getting access to property.

We have to look to streamline this system. It would not happen overnight. I think much has gone on already that gives me great hope. Whatever the naysayers might say, it gives me great hope that we are getting the solution to the problem correctly. We are building houses which stand up to code. The National Housing Corporation, as the arm of Government that is spearheading this housing drive, should be the head person to make sure that they are building appropriate houses.

Sir, far too many of the housing programmes that we have reviewed in here have been sacked because of poor quality workmanship; because of problems of actually supervising people with whom you have agreements, to make sure that they are doing what they have agreed to do. It is a simple principle of business, and perhaps we need to start understanding that Government is just a large business. When you sign a contract, somebody has to make sure that the terms and agreements in that contract are met.

Mr. President, we have to go back and make sure that when we do housing projects that we are getting the best quality; that we have access to the best contractors for the work; that we can spread the work around so that many small businesses are employed. Sir, it does not make sense for Government to be paying people to do substandard work. We need to ensure that when we pay for work, that we get what we paid for. That, far more than anything else, is one of the concerns with the housing programme over the last number of years. Sir, I can go through lists of development sites where some problems have forced this Administration to go back and rectify them.

Mr. President, we are hearing talk about buildings that are sitting idle, buildings that are unsuitable for people to go into, but quite frankly - and I take this issue quite seriously - given the experiences of the recent past in Barbados, we do not want anyone to be in a home that is detrimental to his or her health. We do not want anyone to be in a home that has structural integrity problems because the outcome of that is quite clear.

We want Barbadians not only to have access to home but to have access to safe, high-quality homes. Sir, that, I believe, is the fundamental difference in the policy of this Administration and the last one.

Mr. President, I will leave my contribution there for today. I think I have summarised sufficiently my concerns about what we need to go forward doing, which differentiates our policy from what has happened over the last 14 years.

Mr. President, with those remarks, I am obliged to you.

Mr. PRESIDENT: Senator Mrs. Sandiford-Garner.

SENATOR Mrs. V.I. SANDIFORD-GARNER: Mr. President, I did not intend to speak today because I did not think this was going to be an extended debate. Sir, I was moved to make my notes after hearing a former Minister of Housing, Senator Thompson, telling Barbadians that they have nothing to be remorseful about. Sir, that was her quote. She said:

“We have nothing to be remorseful about, as far as our housing programme is concerned.”

Mr. President, I believe sometimes that a little humility is a good thing in a politician. The reason the Honourable Senator's former Government is in Opposition today is because of the arrogance I saw reflected in the Honourable Senator this morning. Sir, I cannot comprehend from where this arrogance originates.

SENATOR Miss H. E. THOMPSON: On a point of order. Mr. President, it is the tradition of this Honourable House that one does not make derogatory remarks about another Honourable Member. Sir, I have never done so. I may refer, in the course of my comments, to the nature of a speech but I do not make derogatory remarks of a personal nature while I am on my feet.

Mr. President, I was very careful to qualify what I said. I said that albeit that errors had been made that, there had been made in pursuit of an attempt to give housing to people quickly and of good quality. Sir, I was very careful to qualify the comments. I am not to say that we had not made errors. Sir, it was in that context.

I said in pursuing that policy, there was nothing to regret. That is not to say that errors had not been made, nor that it was a matter of arrogance. We are out of Government because people wanted change and in wanting that change, they were willing to accept something of lower quality.

SENATOR Mrs. V.I. SANDIFORD-GARNER: Mr. President, I withdraw the statement and I will repeat that the Honourable Senator told this Honourable Chamber that they have nothing to be remorseful about. Sir, it is my humble opinion that the former Administration has a lot to be apologetic about.

What the former Administration would have attempted to do, would have been to provide housing for Barbadians but in doing so, a number of their initiatives caused undue hardship and suffering to many Barbadians. Their policies also cost the taxpayers of this country an inordinate sum.

2.40 p.m.

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SENATOR Mrs. V. I. SANDIFORD-GARNER: Mr. President, when we hear about the \$23 million in the Auditor General's Report, in the overdraft facility and so on after two months of being in power, there are many reasons Barbados is in that position today.

Sir, I would wish to address some points made in the Senator's...

SENATOR Miss H.E. THOMPSON: Mr. President, on a point of order. The Honourable Senator is misleading the House, if the Honourable Senator is suggesting that the \$23 million had anything do with the last Administration. On December 11, 2007, this Parliament approved \$33 million for the National Housing Corporation in respect of outstanding debt and that overdraft was accumulated by the Democratic Labour Party Administration.

SENATOR MRS. V.I. SANDIFORD-GARNER: Mr. President, I would refer the Honourable Senator to page 3 of 45, paragraph 14, in the National Housing Corporation Special Report which states that the Corporation had essentially been funding much of its operations by way of a bank overdraft facility at March 2008. Sir, in March 2008, this facility was \$23 million and I am making reference to it because the Honourable Senator made reference to it. I would wish to make it clear what the Report said.

Mr. President, the Senator queried the conveyances that are owed or pending for persons who living in housing units that we have said, as a Government, we will give to them. The Senator wants to know when they will have a paper in their hands so that those persons know they own the unit. Sir, the people are not paying rent and the Government is not taking rent from any of those persons. Sir, the intent is clear, they will own their properties. What the Senator needs to tell Barbadians is why persons from Bonnetts and Lammings have received their conveyances in 22 months. The former Government started a programme in 2005 and those persons, many of them, did not receive conveyances. Sir, Senator Thompson would know about a programme to sell units that were not vested in the National Housing Corporation. Sir, Senator Thompson would know to date that we have done 38 divestments in 22 months but her unapologetic Administration did 23 in five years out of the 2 000. Sir, I wonder if she is possessed of that information because I am.

SENATOR Miss H.E. THOMPSON: Mr. President, on a point of order. The Honourable Member is misleading the Senate. There was no need for 2 000 vestings because that would suggest that 2 000 properties, relative to the National Housing Corporation needed to be vested and, Sir, that is not so.

Mr. PRESIDENT: I believe you were on a point of elucidation. Senator Sandiford-Garner, you may continue.

SENATOR MRS. V.I. SANDIFORD-GARNER: Sir, we are speaking about conveyances but do not let us nitpick. The point is, we did 38 conveyances in 22 months and the former Administration did 23 conveyances in five years and that is the point I am trying to make. Mr. President, we are doing what we told Barbadians we would do, that is, make them homeowners.

Sir, Senator Thompson said they tried their best in an effort to provide Barbadians with houses. Sir, they are not apologetic or remorseful because they were trying their best. Sir, I still feel that the Senator and her former Administration should still apologise to the residents of Kensington Lodge. I feel they are owed an apology because Kensington Lodge was cited by the Senator earlier as one

of their achievements. The Senator knows that Kensington Lodge would have contracted someone to remove asbestos from the roof. Sir, you know asbestos is damaging to your health...

SENATOR Miss H.E. THOMPSON: Mr. President, on a point of order. The Honourable Member is misleading the Senate. I cited London Bourne because Kensington Lodge was not built during the court of the last tenure.

Mr. PRESIDENT: Senator Sandiford-Garner continue.

SENATOR Mrs. V.I. SANDIFORD-GARNER: Sir, I write notes copiously when I wish to quote persons because it was my job. The Senator spoke about Kensington Lodge, that is why, if we want to, we could call for the records and we would see that the Senator spoke about Kensington Lodge.

Mr. President, I would wish now to find out if the Senator was aware that the person who was contracted to remove that asbestos was not a person who was favoured by the environmental officials in Barbados to do the job. Sir, today, this Administration has to clean up that mess. Sir, I am sure the Senator is familiar with that case. I do not know if anybody after me would add to it but I would say that for that, at least, they should apologise to the people of Barbados.

Mr. President, the work that we are doing today, the former Administration had 14 years to do it. We are...

SENATOR Miss H.E. THOMPSON: Mr. President, on a point of order. Since the Honourable Member mentioned Kensington Lodge, I am aware that the contractor or the company which won the contract, which was tendered for that work was, in fact, qualified and had done removal of asbestos before; had been experienced in that area and it was on the basis of that experience that I imagine the National Housing Corporation would have contracted them.

SENATOR Mrs. V.I. SANDIFORD-GARNER: Mr. President, I am dealing with facts, not imagination or figments of the Senator's imagination. The facts are, that the environmental officials in Barbados did not favour that company. Sir, they are the facts.

Senator Miss H.E. THOMPSON: Mr. President, on a point of order. The facts also are that it is a matter that was dealt with by the Board of the National Housing Corporation.

SENATOR Mrs. V.I. SANDIFORD-GARNER: Mr. President, I am glad the Senator agrees with me that is a matter that was dealt with by the Board of the National

Housing Corporation of which she would be familiar and the Senator understands that they owe Barbados an apology. Mr. President, I know you do not hear asides but, Sir, I do not hear them either.

Mr. President, I do wish to lengthen this debate because I know there are others after me, who would wish to speak but I do feel that we are in a position now to take homeowners in Barbados to another level. We are not engaged in the public relations exercise of which Senator Thompson is so familiar with. We are here to do the work of the people and I would wish at this point to commend the young energetic Minister, who is doing the work of the people.

Today, what we are doing, is doing work that should have been done a long time ago. If we have to do it, we shall do it because we understand our mandate as a Government that is socially conscious and, as a Government with a social conscience, we have that responsibility to the people of Barbados. Sir, we will not take Barbadians' money for anything which they would wish to pay us, knowing that they do not have title to what we are about to sell them.

Mr. President, I would also wish to say that in the last CADRES' poll, which is causing so much unrest in the Opposition today, it said that this Government scored 6.3 out of a rate of 10 when it came to housing and in 11 years, which is up to 2005, in the former Administration that they had only reached 4.85 in the minds of the Barbadian people.

Mr. President, I would think, given this poster is the poster that is currently setting the agenda for the former Administration, we can go by their analysis of what we are doing and comfort ourselves that we are on the right track and we must continue.

Mr. President, I thank you.

S/asbestos50

Sequence 18

Wednesday, November 11, 2009

Mr. PRESIDENT: Senator Ince.

SENATOR J. INCE: Mr. President, I stand to support this Resolution in the vesting of lands to the National Housing Corporation. Housing is indeed important to minimise any social dislocation among individuals. Housing also creates small businesses. It creates unity among families, so it is important that we have a housing initiative that meets the housing obligation of families.

Sir, this current Administration came into office and found a challenge in housing. That challenge was 29 000 applications. I am not talking about 2 900. So we had to deal with a situation where a former Administration.

Mr. PRESIDENT: Order, please.

SENATOR J. INCE: Sir, 13 years in office by accumulating 29 000 applications and had no strategic plan. There was no strategic plan as far as housing was concerned. Senator Thompson spoke about this robust building boom between 1994 and 2008, and I agree with it. It was a robust building boom but a building boom targeted for whom? Who was that building boom targeted for? That building boom was a result of capital inflows, investment inflows into Barbados that were targeted at condominiums and hotels on the West and South Coast.

SENATOR Miss H.E. THOMPSON: On a point order. The Honourable Senator is misleading the Senate. The building boom, certainly from the figures given by the Central Bank for housing mortgages, which grew from possibly in the Region of \$200 million to \$1.2 or \$1.4 billion, I do not have the figures in front of me, had nothing to do with the West Coast construction or capital inflows. It had to do with the construction of homes by average Barbadians and wherever one went in Barbados one saw the evidence of it, by comparison with the way quarrying, construction, mining and every sector of the economy is now down.

Mr. PRESIDENT: Senator Ince.

SENATOR J. INCE: Sir, that building boom had nothing to do with the National Housing Corporation. They started four programmes. Whenever they could not meet the objectives of the demand for housing, they started a new programme. We can recall the programme that was started at Queen's Park. The Settlement 2000 Programmes; failed; Joint Venture Programmes, failed; primary homes programme, a failure; sale of land and property. If they want us to talk about the sale of land and property let us refer to...

Asides.

SENATOR J. INCE: It is important if you are going to discuss any special report do not just refer to any section that suits your objectives, but let us refer to the land at Kent.

Sir, if they were talking about providing low income housing and looking after the poor, because Senator Thompson has this agenda where she is now looking after the poor. She is now talking about human development, human index, but when they were in office it was not the

poor. She is now talking about the houses at Barbarees Hill, how it was embarrassing to see the grass.

Sir, they sold land at Kent to the tune of \$16 million, \$7 per square foot and the money was supposed to build the homes at Country Park Towers. Year after year that place was run down and was filled with grass. It was not an embarrassment to them. How come Barbarees Hill is an embarrassment when you see it but not Country Road? Let us get our facts right.

Sir, Kent was supposed to be for low income. Do you know what was the result of Kent? They sold the land at Kent to private companies although loan applications for 198 low income applicants wanted lots at Kent, but they sold 53.95 acres to a company in 2008; 15 acres again in 2008, and another 3.5 acres to private individuals. Not one of those 198 applicants that applied for lots at Kent was able to get a square foot.

SENATOR Miss H.E. THOMPSON: On a point of order. The Honourable Senator is misleading the House. As I understood the policy, the demand for housing was high. National Housing Corporation on its own could not build all of the houses that were required. Therefore a number of mechanisms were used to bring private sector partners into the programme to accelerate and enhance the building programme.

Kent was not allocated for low income housing. It was allocated for middle income housing, and the arrangement with the private sector persons was that they would do the building, and National Housing Corporation applicants would have those houses. It was not that they were sold to private entities for their own personal private use. To accelerate the building programme they were to do building on the land, and National Housing Corporation applicants were to be the purchasers. It was a mechanism to accelerate the programme.

SENATOR J. INCE: Sir, we have seen the programme. Not one house was built, but the land was sold and the record shows that it was sold for \$16 million and the money was supposed to go to build the houses at Country Road, and 198 lots were supposed to be allocated at Kent to the middle and lower income persons, not one. The evidence is here, 14 years.

Sir, all of us went to Queen's Park, like Noah in the Ark, every bird after its kind went to Queens Park; every human after its kind went to Queens Park, and we heard about the beautiful houses, the Lady Birds, the Bumble Bees, the Dove Tails, the only thing that was missing was the wood ants' nests. We heard of these things and to date not one house was built under that project.

SENATOR Miss H.E. THOMPSON: On a point of order. The Honourable Senator is misleading the Senate. I know that it has become fashionable in the Democratic Labour Party, to say that no houses were built under the Private Homes Programme, but there are at least 3 to 4 Primary Homes Developments in Barbados, the largest of which is situated at Mount Poyor, St. Lucy.

It has 'Bumble Bees', 'Lady Birds' and 'Butterflies', the full range of houses in the programme and there are other private home developments also having a range of the homes in wood and wall. It is not a fact to say that no houses were built under the Private Homes Programme.

The Honourable Senators on the Other Side could at least try to tell the truth.

Mr. PRESIDENT: I want to caution Honourable Senators that under the Rules of this Senate, the language used must necessarily be language that is not insulting or otherwise. I just caution Senators. Please continue.

SENATOR J. INCE: Sir, the Report would show, and it is documented, that the former Administration, when you look at the Report to the result, cannot go to the public of Barbados and speak about this phenomenal housing programme.

Sir, a former Representative of St. George South in Another Place, and at another time spoke on this housing issue, and that former Representative said that he was ashamed in his Constituency...

15.00 p.m.

Sequence 19

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Senate A24, Sequence 20, 3.00 p.m.

SENATOR J. INCE: He saw six houses in six years and he was corrected, saying no, it was not six, it was 60, so you built 12 houses in five years. What was the result? The result was when Senator Thompson talked about this Primary Programme, this is what it was supposed to do. It was supposed to provide 250 starter homes, Sir, 1 612 residential lots, 52 commercial lots, 104 terraced units, 8 shops for rent, 2 374 loans to low income earners, 812 loans for home construction and the Primary Homes Programme produced little or nothing.

Sir, there is no point that Senator Thompson is going to talk about this outstanding housing programme. There was no outstanding housing programme under the former Administration. It was all stress and disappointment, and the National Housing Corporation was plunged into

financial difficulties. It was not this Administration that created that situation, and what we are doing now is that we have a housing programme in place. I think the problem with the former Administration is that they cannot appreciate what we would call a results-oriented Cabinet who can produce houses in a short space of time.

Sir, when we look at the sale of the terraced units' programme, that programme was started by the former Administration. It was not the Democratic Labour Party and what this present Administration did, we enhanced the programme but they were the ones who collected deposits on the units. Sir, as Senator Sandiford-Garner stated, in less than a year, we were able to transfer 38 titles.

Senator Thompson spoke about London Bourne Towers. This Administration did not build London Bourne Towers as far as I know but, to date, London Bourne Towers has not been vested in the NHC, and they built it, so tell Senator Ince what type of programme was successful, as far as the previous Administration is concerned, but we are now on the path of developing a programme for the benefit of Barbadians.

Mr. President, we have issued 165 loans as far as home construction is concerned. We have started the development at Coverley and to date we are on schedule as far as the developments in the parish of St. George, a parish that was neglected, as I stated before. They had the opportunity to do it and they did nothing and now Senator Thompson wants to say in this Upper Chamber that they have this outstanding record of housing construction but with reference to Kensington Lodge, it is an embarrassment.

Kensington Lodge is an embarrassment and Senator Thompson knows well that the contractor was not on the list of preferred contractors for Kensington Lodge, and if Senator Thompson needs the list she could have it and, yet, that contractor was approved to remove asbestos from Kensington Lodge.

It created a situation that was chaotic and now this Administration has to correct those problems and go forward. Sir, I am saying that if you are going to question the objectives of this Administration, then you should look at the Report and see what it states, as far as the previous Administration was concerned.

Mr. President, we have an objective. Sir, 24 units costing \$4.5 million are earmarked for Haggatt Hall. Sir, 20 units costing \$4.5 million at Tweedside Road have already started and I can go on because the track record is there. Sir, we in the Democratic Labour Party know and understand the needs of Barbadians. We know what the Barbadians want as far as a Government is concerned.

Mr. President, the Barbados Labour Party could not solve the problems when they had these four programmes. Do you know what the previous Administration did? They went to the Urban Development Commission. When they could not solve the programmes and the programmes were not working they said, you know what, let us create something else and they created the Urban Development Commission, which built houses that you could not find. The first time in my life I am hearing about a construction practice called, invisible houses. As far as I know when you are building a house you should be able to see it but, in order to solve the problem, they built invisible houses, dug invisible wells, invisible contractors, invisible jack hammers.

Sir, what they were saying to the people is that all you have to do is to go and buy your furniture. Go to the lot that is invisible. Do not worry about it. The house is invisible so when you put your furniture on the lot you can live. That was the type of strategy, houses that you could not find; wells dug and paid for, yet, when you go there, the wells are not there and that was their strategy in meeting the needs of persons in Barbados.

There is no doubt, they have absolutely no right - in fact they do have a right to stay up and address housing problems in Barbados - but on the other hand, they must understand that 14 years in office, 225 houses and a National Housing Corporation that is chaotic. Sir, and that is what they left.

Sir, the Democratic Labour Party came into office and we have set an agenda and that agenda is working well and it is working to the benefit of Barbados. I am going to say to all Barbadians that this Administration has their interest at heart and we are going to lead this country and develop a housing programme that is beneficial to one and all.

Mr. President, I am obliged.

Asides.

Mr. PRESIDENT: Senator Holder.

SENATOR A.E. HOLDER: Mr. President, it appears to be natural that whenever the issue of housing arises, it evokes emotion. Often that emotion tends to be misplaced and misguided. It is also important that when we examine the issue of housing that it should be examined from a holistic perspective understanding what it is as it relates to the social environment in which we live, understanding, quite naturally, that ownership of a home is a most important and tangible asset of every Barbadian.

House A48, Sequence 20, 15:10:10

Wednesday, November 11, 2009

SENATOR A. E. HOLDER: However, in order to peer into the future and examine the future, one must look at a number of variables. The present Administration came into office on a wind of change and a promise to do so much, some of which they incorporated in their Manifesto, especially as it relates to housing.

I do believe, Mr. President, that the Manifesto of the Democratic Labour Party of 2008 is testimony to such. Indeed, at page 10 of that Manifesto, they speak to a number of issues relative to housing. I do believe that Manifesto is a document of this Honourable Chamber.

At page 9 of that Manifesto a number of things are espoused by this present Administration, chief among them is to provide 500 lots in five months at \$5.00 per square foot, building 2 000 housing solutions per year in the first term of a Democratic Labour Party Government and within the first 100 days of a Democratic Labour Party Administration, to remove VAT from building materials. All of these things were said by the Democratic Labour Party Administration.

Mr. President, it is therefore important that this Administration should come to the public after 22 months and explain to the public if those obligations have been met. Can the good Minister, the Honourable Member for St. Philip North, tell us if, for example, they have provided 2 000 housing solutions per year?

Mr. PRESIDENT: There is no Member for St. Philip North in this Senate.

SENATOR A. E. HOLDER: The Minister of Housing and Lands. I am obliged to you, Sir. I want to know from this Administration if the VAT has been removed from building materials up to \$400 000. Not only that, Mr. President, Senator Griffith...

SENATOR J. INCE: On a point of order. Mr. President, Senator Holder is misleading this Senate. Senator Holder said that he wants to know if this Administration removed VAT up to \$400 000. This Administration never stated that we were going to remove VAT. I would like him to explain the meaning of his statement about this \$400 000 because he is misleading this Upper Chamber.

Mr. PRESIDENT: Point made.

SENATOR A. E. HOLDER: Mr. President, I would wish to read from page 9 of the Democratic Labour Party's Manifesto which states quite pellucidly that in the first 100 days of the new Democratic Labour Party Administration, they will remove VAT from building materials of houses

valued up to \$400 000. The rhetorical question is being asked, has that been done?

Mr. President, the Honourable Senator Damien Griffith spoke of the issue of a letter of comfort but as it relates to the transfer of property, ownership and conveyance, a letter of comfort is analogous to an agreement for sale which has no binding capacity subject to contract.

Mr. PRESIDENT: I am sure that you would not wish me to have to say to you anything concerning this matter. I am positive that you know that an agreement for sale is just as good as a sale. That is standard functional fundamental Law. I know that you know that.

SENATOR A. E. HOLDER: I am obliged, but a letter forms no part of such a contract, so that for elucidation one can have a letter from now ad infinitum, or ad nauseam, it does not constitute a transfer or is good enough to evince a sale. If this Administration wishes to place in the hands of prospective homeowners 1 000 letters, that means nothing as it relates to vesting a title, so that nothing has been done. I think they said they have vested 38 in 22 months and that is deemed to be an achievement, having promised so much. Mr. President, there is an old adage which I would not repeat.

In addition, Mr. President, there was the concept of free housing units which was branded all across the length and breadth of this country that persons who would have rented for 20 years and up would be entitled to ownership at no cost. It is a fact that there are over 1 000 persons who would have paid deposits...

SENATOR D. K. A. GRIFFITH: On a point of order. I think the Honourable Member is misleading the Senate unintentionally so. The statement that I think he is trying to make is that the Democratic Labour Party did make the promise to transfer title of the homes to people who have been renting them for over 20 years. There is no promise of them being free because they have been paying rent for 20 years, which is analogous to the cost of building the units. They have paid for the unit already and therefore they are not free.

SENATOR A. E. HOLDER: Mr. President, my point deals with the more than 1 000 persons who have paid deposits. Have they been refunded by this Administration? It was said earlier that the former Administration had no proud record relative to housing. Perhaps one should understand and be cognisant of the fact that mortgages to the residential sector moved from \$392 million to \$1.9 billion under the Administration of the Barbados Labour Party. If that is not an achievement, then there is no achievement at all.

Senate A24 Sequence 21

2.20 p.m.

Wednesday, November 11, 2009

SENATOR J. INCE: Mr. President, on a point of order. The Honourable Senator Holder is misleading this Honourable Senate. Sir, private residential mortgages have nothing to do with any initiatives of the National Housing Corporation. Private residential mortgages are individuals who apply to a financial institution to build their private homes.

The National Housing Corporation has a programme called the General Workers' Loan Fund, and as far as I know, the National Housing Corporation is not a financial institution that issues mortgages to individuals, as far as residential building is concerned. I know they also have ceilings on loans. In addition, one has to be a general worker.

Mr. President, this idea about mortgages increasing under the Administration, that is driven by a private individual, so let us get our facts clear.

Mr. PRESIDENT: Please continue, Senator Holder.

SENATOR A. E. HOLDER: Mr. President, perhaps Senator Ince did not hear when I first started to speak. Sir, I indicated that in examining the concept of housing, or the National Housing Corporation, it must be examined from a holistic perspective, so that it cannot be confined just to the National Housing Corporation. It must be looked at in its totality. Sir, that is what I am thereby seeking to do.

Mr. President, even though we are speaking of the vesting of land, we need to move away from that narrow perspective and examine housing in its totality. Sir, what I am saying to Senator Ince relates to that. It relates to what was done for the ordinary man and woman in this country under the Barbados Labour Party regime.

Mr. President, the 500 house spots were bandied about. Have they been identified and sold in the first year? Sir, what we have is not broken promises but promises made without any actualisation of them and unfortunately persons fell for that.

What has been done as it relates to housing under this Administration for persons working for \$200 and \$300 a week? What has been done as it relates to ownership, not only from the National Housing Corporation's perspective but from the issue of mortgages and the capacity to obtain a mortgage? This is what this Administration must speak to.

Mr. President, while we on This Side have no problem with the vesting of land as it relates to assisting low income owners, I believe that we must go further and explain to the country to whom all the promises were made, if you have kept those promises. If you have not, you need to explain why you have not done so.

Mr. President, in truth and in fact, a lot of promises have been made but have not been delivered, and we are fast approaching two years. One would, therefore, assume that by now there would have been a commitment to the 4 000 housing solutions. One would have hoped that there would have been 1 000 lots of land for sale. Where are those promises? Are they still in limbo? Where is the provision for the 2 500 house spots for sale? What has been done?

Mr. President, all This Side is saying is that there has been a lot of chaff but no substance. I would say with all respect that this Democratic Labour Party Administration has no record as it relates to housing and that it can merely promise but not deliver.

Mr. President, with those remarks, I am obliged to you.

Mr. PRESIDENT: Senator Crichlow.

SENATOR the Very Reverend H. E. CRICHLLOW: Mr. President, it is very tedious discussing this problem. It is going to come up time and time again and I do not think that we are going to get very far with it. Over the last 50 years, successive Governments have tried to do their best for the neediest of our people.

Sir, anyone going around Barbados today is bound to say that our housing, when compared to 50 years ago, is splendid. There is no comparison, really. I am talking about housing the needy. I think that when we talk about housing in Barbados, we ought to speak of housing the very needy.

Sir, despite the reply of the Leader of Government Business, I have never been able to understand what is meant by the acronym H.E.L.P. (Housing Every Last Person) in Barbados. I understand what it means to look after those who live in very bad homes. I have seen a lot of that over the last 50 years. There are some people who do not think that we have many poor people in Barbados.

I used to be talking about poverty all the time and people would ask me where is this poverty I am talking about. They would say that they do not see any poverty. Mr. President, if you drive from Bridgetown to the Airport, or drive along the main highways, you would not see it. You would have to go into the tenancies to see it.

Mr. President, furthermore, you have to be careful how you step in some homes because the conditions of some of those homes are so bad, that while walking you would fall through the flooring, and if you look up you can see the sky. You can imagine how people who live in those houses experience life?

Mr. President, there is poverty in Barbados, not abject poverty as you would find in some parts of Africa, India and some other countries. Even in the United States of America you will find abject poverty in some areas. Sir, there is poverty in Barbados, but over the years there has been an improvement in the lives of poor people.

Mr. President, some time in the past people were given about a shilling or thereabout per week to assist them, but now the poorest person gets about \$160 or almost \$350 a month in non-contributory pension.

3.30 p.m.

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SENATOR the Very Reverend H.E. CRICHLAW: Mr. President, we are a poor country, generally speaking, and successive Governments have tried to develop human capital and develop people and there has been much development in this area through widespread education, at every level now from nursery to the university, and because of this widespread universal education, people have been able to improve their lots. Sir, when the last Senator spoke about a holistic approach to housing, I think it is something we have to be conscious of.

Mr. President, Governments are not here to give people everything they want and our Government, certainly, cannot and, we have already provided a lot of services that people do not have to pay out of their pockets for. Sir, a small Government like Barbados without any natural resources or mineral resources is not able to provide free university education. Sir, Britain cannot do this; America cannot do this or Canada cannot do this and now, if we are going to add housing to that list, I just cannot understand how we would be able to do it.

Mr. President, when I think of housing in Barbados, I think of a very small number of people. I do not think that any Government of Barbados should think of housing every last person. There are some persons that you cannot house in any case because they would not be able to bear the responsibility of looking after a house, so some people have to be accommodated in hostels and so on because they cannot look after a house.

Mr. President, we try our best to see that they are off the streets and so on but even in Europe, take the gypsies, you cannot force those people to live in houses. Sir, the

gypsies wanted to live by the wayside and feel free as the air and they are free to do so. The gypsies in England, for example, if they give an address they would get all the things that people normally get but they have refused to give an address because they want to live in this free manner.

Mr. President, I think we should continue to do what successive Governments have always done. We should try to help where we can and also help people to help themselves. It is no good providing all this education if we are still going to expect people to sit down and wait on the Government to provide everything.

Mr. President, in our democracy, they must learn to help themselves and if they cannot help themselves then Government should respond. I do not think that we ought to get people in the habit of thinking that Government is there to provide everything for them. I think it demeans and you cannot develop in that way.

Mr. President, a number of houses have been built over the years by successive Governments and many people have not paid the small rent. If they had paid the rent, we would be able to build more houses. Sir, some people, who can do much better have moved out of their houses, rented them out and have been living in National Housing Corporation's houses paying very little rent and making a lot of money they get from their bungalows and so on.

Sir, this is part of it and we cannot forget it. Sir, those people out there, who have done this, know full well that the National Housing Corporation houses were not built for people who could do better. We have to be conscious of the fact that there are always people who are there just living to exploit Government and the Government must not allow people to do this because it is not fair to everybody.

Mr. President, all of us pay taxes and, therefore, people who can afford to live in bungalows should not be living in those small houses that were built by the National Housing Corporation for people who could not help themselves. Sir, I do not know if it serves much purpose in going over all this. Certainly, I do not think one should be comparing what has been done over one year with what has or has not been done over 14 years. You would have to wait until some time expires otherwise, we are just dividing up people all the time. I really think that at this particular time in our history, in the two-party system we have, we need the Parties to find some way of pushing Barbados along by producing ideas that could be tried.

Mr. President, I know our system is adversarial, but there are times when we have to put the country before the Party. I fear there is a lot of wrangling about housing and

actually, you see it in every Government and when this Government goes after 10 years or 15 years, the same thing would be said.

Mr. President, actually, in Barbados, we do not have to fight like this because both Parties...

SENATOR Miss H.E. THOMPSON: Mr. President, on a point of order. The Honourable Senator is misleading the Chamber if, in fact, he is suggesting that we are merely fighting in the normal political course of things. I do not think the misleading is deliberate but I would merely wish to point out that, on This Side, all we are suggesting is that in 2008, the Democratic Labour Party set an agenda for itself of 5 000 units and lots per year and that it is doing about 100 per year, far less that it said it would do.

Sir, all we are attempting to do is to hold the Government accountable to the commitment that it made to the people who voted for them. We are not wrangling in the normal course of things.

Mr. PRESIDENT: No point of order.

SENATOR the Very Reverend H.E. CRICHLAW: Thank you, Senator. I am not getting into these statistics and so on. I am really talking about the good of Barbados and I was not thinking really of that particular point. I was just saying that we need to push things along.

S/A24/15:40

Sequence 23

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SENATOR the Very Reverend H.E. CRICHLAW: Two weeks ago we had a similar exercise and it is very tedious. We are doing well in Barbados and we have always been a people who were able to save something of what little we have and survive. I feel that we should continue to do this. The question of housing will always be there. We have spent a lot of time on housing and there are a lot of other things we have to look at.

Thank you very much, Sir.

Mr. PRESIDENT: Senator McClean.

SENATOR the Hon. Miss M.P.O. McCLEAN: Mr. President, I rise to wrap up this debate and, hopefully, can do so before my voice disappears. Let me start by correcting something which was raised on a point of order by the Honourable Senator Thompson, when she made reference to 5 000 houses in a year. I believe that I should go into the records of what was stated in the Manifesto of

the Democratic Labour Party 2008, Title Pathway to Progress.

Mr. PRESIDENT: I presume it is already a document of the Senate.

SENATOR the Hon. Miss M.P.O. McCLEAN: Mr. President, it is a document of the Senate. It was referred to by Senators on the Other Side during this debate today.

Mr. PRESIDENT: I just want to know if it is a document of the Senate.

SENATOR the Hon. Miss M.P.O. McCLEAN: Mr. President, for the record, it is a document of the Senate.

Mr. PRESIDENT: Thank you.

SENATOR the Hon. Miss M.P.O. McCLEAN: I quote:

“The Democratic Labour Party is philosophically committed to ensuring that every Barbadian resident has access to comfortable shelter. We commit to housing every last person. Under the HELP programme, the Democratic Labour Party Government will, in the first 100 days as a new Democratic Labour Party Administration remove VAT from building materials and houses valued up to \$400 000;

Establish a home ownership revolving fund for public sector workers providing interest-free loans for appointed public servants with five years’ service, who are first time owners. This fund will be capitalised with a initial injection of \$40 million;

Provide 500 lots of land in five months at \$5 per square foot for first time homeowners. These lots have been identified and land will be acquired by private treaty where necessary to speed up the process;

Provide 2 500 house lots for sale to lower and middle income wage earners in the first term of a Democratic Labour Party. Government commit to 2 000 housing solutions per year in the first term of a Democratic Labour Party Government. These will include rental units, terraced units and starter homes.”

Sir, there is absolutely no reference in there to 5 000 as was referred to.

Sir, I believe that as I seek to wrap up this debate I did not need in my opening comments nor do I need to be creative in building a case for this vesting. Let me say clearly this vesting is part of a strategy to service the need for houses. Sir, I will in fact correct some of the errors because it would be remiss of me to walk away from the debate as Leader of Government Business here.

Let me start by helping the speaker, the Honourable Senator the Very Reverend Harold Chrichlow in understanding the concept of HELP and understanding that programme. From what the Honourable Senator said, it would come across to be that, he interprets it as Government trying to build houses for everybody, in some kind of welfare arrangement. That, of course, is a very simplistic interpretation of the acronym HELP.

I believe that if you listen to what I said just now, and I will read it again, HELP is an initiative to address a facilitator of citizens of this country, as Government as the facilitator, to offer a range of options for all ranges of potential and existing homeowners to ensure that people have access to homes.

I could move outside of the provisions in relation to housing to speak to housing those persons who are perhaps not able, I believe persons who may be challenged, mentally for example, who may need institutional care, but that is not the debate. So to suggest that Government is trying to be all things to all people in a way that is strictly welfare is, with all due respect, Mr. President, over simplification of the reality. I hope that helps in the understanding. Sir, moving away from that, there are some other things that I need to correct.

There is a suggestion by the first speaker on the Other Side, Senator Thompson, that this Government in some magical way did something to increase the overdraft facility at the National Housing Corporation. I believe I saw several Members of this Honourable Chamber reading from the Special Audit on the National Housing Corporation. I believe that if you read that carefully, and for those who did not read it carefully, if they listen to me carefully they will understand, not what people want to make the Report to say, but they will understand what it says.

An audit report, whether it is a special audit or a routine audit, as an external auditor, covers a financial report of a period of a year. A financial reporting period that year can vary depending on the entity. For Government the financial year is April 1 to March 31. In accordance with the standard of audit procedures and indeed general accounting procedures, this Report speaks to the auditing of a financial year, or even if it was for financial years it would reflect sums of individual financial years.

Therefore, this audit report speaks to the financial year April 1, 2007 to March 31, 2008. This Report which ends on March 31, cannot speak to the actions, decisions, activities, or whatever you may want to call it, of this current Administration beyond March 31.

Sir, a Government that came into office in January 2008 would have spent the first quarter, between January

and March would not be a full quarter, getting its house in order, making assessment and starting to put programmes in place. The purpose of my saying that is to simply say that what is captured in this Report reflects the good, the bad and whatever, might have been the decisions, actions and programmes of the previous Administration and former Ministers of Housing would have to take full responsibility for what is captured here.

It is therefore important that I also speak to evidence that this is not a figment of my imagination when I talk about the financial year, but when we look at the Report, captured in the Report is clear evidence of that fact. If I could look at page 1, Special Audit of the National Housing Corporation, Executive Summary, at the second paragraph it says:

“At March 31, 2008, the Corporation had a data base of....” that is one example. That is what I am talking about.

If I go to page 3, paragraph 14, it says:

“At March 31, 2008, this facility was \$23 million.” If I go to Page 5, and this is very important, paragraph 1.5 of chapter 1, the Introduction, a quote of the audit. I believe that this captures a standard element of any audit or financial report. It says:

“The audit sought to evaluate the efficiency and effectiveness of the actions of the Corporation...”, not only of one year, but over a five-year period, April 1, 2003 to March 31, 2008.

15.50 p.m.

Sequence 24

Wednesday, November 11, 2009

Senate A24, Sequence 25, 3.50 p.m.

SENATOR the Hon. Miss M. P. O. McCLEAN: It examined aspects related to the construction of houses, the sale of housing units and the sale of land. Special attention was also paid to the institution's financial capacity in relation to its mandate.

I have taken time to explain that, Mr. President, because at the end of the day, that is one of the things that has to be done. I know that the last speaker, the Honourable Senator Crichlow, talked about the tedious nature of this but I believe that we could avoid the tedium if these discussions would be factual, and if Senators would stick to providing us with comprehensive, accurate information and do their research before they make claims.

Let me go back, Mr. President, to speak to the matter of this Report and the timing of this Report. If we look at the information provided under the section page 25, of the Report, it talks about lack of financing. Sir, just to demonstrate again without a shadow of doubt that we are talking about a report that covers a period of five years in this instance, ending 31 March 2008, and I quote:

“3.10 The Corporation had difficulty in obtaining financing for this project, until 2007, when it was able to obtain a loan of \$7.3 million to finance the programme. At March 31, 2008, there were five years at which infrastructural work was being conducted by the Corporation.”

Mr. President, that was one of the areas that I wanted to correct.

Mr. President, I also believe that there was some discussion about Kent and that was an area that I could not allow to go unchallenged in terms of the facts because if we listen to the contribution and the queries made and the responses to those queries, we would have had some difficulties. In relation to Kent, Mr. President, it is under Chapter 4 of this Report, Sale of Land and Property, paragraph 4.13 on page 29.

Mr. President, for the records, as I said I need to make sure that the record reflects what was, in fact, the case. This Report says the following, and I want to pay special attention to the dates, reflecting that Elections would have been called in Barbados in very early December 2007, if I recall:

“Land sold at Kent, Christ Church

4.13 In November 2007, 28 acres of land at Kent Christ Church...”

SENATOR Miss H. E. THOMPSON: Mr. President, on a point of order. The Honourable Member is misleading the Chamber because in seeking to draw a nexus between the actions of the National Housing Corporation, and the timing of the elections, no nexus can, in fact, be drawn because the Board of the NHC, the officers of the NHC, and the Minister of Housing would not have known when Elections were going to be called. The only person who would have known that Elections were going to be called would be the Prime Minister.

In fact, at the time November, he may not even have known then that he was calling Elections in six weeks so it is a very unsafe and dangerous thing to seek to draw a nexus where one cannot support that by any evidence, particularly because persons in the decision-making process relative to this could not have known that, Sir.

Mr. PRESIDENT: No point of order.

SENATOR the Hon. Miss M. P. O. McCLEAN: Mr. President, if I may continue to correct the information that would have been presented earlier, and I read from page 29 of the Special Audit.

“Land Sold at Kent, Christ Church

4.13 In November 2007, 28 acres of land at Kent, Christ Church, were vested in the Corporation for housing purposes.”

“4.14 By letter dated January 10, 2008, the Sales and Marketing Section offered two parcels of land for sale at Kent, Christ Church, totalling 28 acres to two companies (15.1 acres to one company and 13 acres to another). Both entities responded the same day, accepting the offer. Sale instructions were then issued to the two firms, which paid deposits to the Corporation on the 14th and 18th January 2008. The Audit found no correspondence on file indicating that these entities had expressed any interest in purchasing land from the Corporation or were selected through any competitive process.”

“4.15 According to the Minutes of the Board, an emergency meeting was held on January 9, 2008, and the Board was told by the Management of the Corporation that the Ministry of Housing had recommended that the lands be sold to the two companies. It was indicated that the sale of this land was to provide capital to execute the Corporation’s projects.”

“4.16 It was reported that one parcel contained 15.1 acres, and the Town and Country Planning Department had already given permission to subdivide it into 73 lots for residential purposes. This permission will expire on the August 17, 2009.”

“4.17 After these lands were vested in the Corporation in November 2007 for housing purposes, they were not placed on lists to be made available to the wider public.”

“4.18 The information trail did not provide sufficient information to determine how the decision-making process was arrived at.”

The Corporation’s response, usually is the case in an audit, went as follows, because all of this, Mr. President, is not to take time but to explain and to provide full and comprehensive information:

“Corporation’s Response

It should also be noted that the land sold to one of the developers at Kent was advertised by Public Tender by

the Ministry of Housing and Lands and an agreement was in place before the land was vested in the Corporation. The land was subsequently advertised by the Corporation and another developer won the bid, but the first developer subsequently got a Court injunction to prevent the sale. The Corporation was then committed to finding an alternative site and the one at Kent (13 acres) was offered, 3.5 acres of which was offered at the agreed price for the first offer.”

“Audit Comment

4.19 The Board made the decision to sell the land to the two entities based on the reported recommendation of the Ministry. However, there was no evidence of an application from either entity for land at Kent ever being made to the Corporation or the Ministry.”

“4.20 Over a five-year period to March 2008 approximately 85 acres of land at Kent has been sold in large tracts to the three (3) private developers, and a private citizen. At the same time the database of the Corporation indicates that the Corporation indicates that there were some 198 applicants who applied for housing solutions at Kent between 1998 and 2003, but they had not been offered these lots.”

“4.21 The sale of land to these developers has resulted in substantial land being taken out of the Corporation’s control, and diverted from the intended purpose of alleviating the housing problem among lower/middle income segments of the population.”

Mr. President, I believe that in taking time to put the facts as set out in the Special Audit would help to remove any doubt as to the situation, relating to Kent.

Senate A24, Sequence 25, 16:00:07

Wednesday, November 11, 2009

SENATOR the Hon. Miss M. P. O. McCLEAN: On that basis, Mr. President, all I am left to say in relation to the vesting of lands at the Ivy is that I am confident that we in this Administration will make sure that we look at this and ensure that we do not find ourselves being written up in the future like this.

Mr. President, it is this Government’s intention to use the resources vested in the National Housing Corporation to offer help to Barbadians. By using the Housing Every Last Person initiative as one of many mechanisms to address the needs of persons who cannot afford to construct a house, we would provide additional rental units, we would make land available to first-time homeowners and we will provide tax incentives. Mr. President, these programmes have all started.

With those remarks, Mr. President, I am happy to say that this approach of vesting land will continue as it is one that would ensure that Barbadians across the socio-economic spectrum are housed in conditions deserving of the decent people that we are in Barbados.

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

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

ORDER No. 4

RESOLUTION TO APPROVE THE VESTING, IN ACCORDANCE WITH SECTION 5 OF THE CROWN LANDS (VESTING AND DISPOSAL) ACT, CAP. 225, IN THE NATIONAL HOUSING CORPORATION OF THE PARCELS OF LAND THE PROPERTY OF THE CROWN SITUATE AT COVERLEY IN THE PARISH OF CHRIST CHURCH IN THIS ISLAND FOR HOUSING DEVELOPMENT

SENATOR the Hon. Miss M. P. O. McCLEAN: Mr. President, I rise to speak very briefly. This second vesting of land in accordance with Section 5 of the Crown Lands (Vesting and Disposal) Act, Cap. 225 in the National Housing Corporation of parcels of land, the property of the Crown, situate at Coverley in the parish of Christ Church is again for housing development.

Mr. President, this particular vesting is intended to facilitate a joint-venture housing programme. I believe that all that has been discussed here in relation to two very broad issues would apply. The first is that we recognise that the vesting of lands would be critical to the housing policies and the achievement of those policies.

The second issue that I would want to mention before I sit is that as we seek to pursue our housing programme and deliver on that housing programme, there are serious lessons to be learnt in respect of a joint-venture housing strategy.

I spent time, Mr. President, in my wrap up in relation to the previous vesting before us to talk about the problems as documented in the Special Audit Report of the Auditor General. I would therefore suggest to my honourable colleagues here that they perhaps should spend some time familiarising themselves with the comments on joint-venture activity.

What I can say very briefly is that what the Report offers is not a rosy picture. It identifies a number of problem areas. It is a strategy which makes sense in a society in which Government has limited resources and

where for special aspects of a housing programme it can seek to utilise the resources of the private sector to ensure the achievement of the objectives. What should not happen however, Mr. President, is that we have a situation where, when we review the allocation of contracts, we find that they have been given to persons with no track records and a litany of obvious problems. If we look at some of those things, we would clearly see that a number of problems arose.

As I said, Mr. President, given the challenges I have with my voice, I certainly do not want to stretch my vocal chords to the limit, I need to be kind to them. It is how I make my living for many years and I have to respect my vocal chords. However, I believe that in looking at this Report, my colleague, the Honourable Minister of Housing, recognises the kinds of major errors and weaknesses as the strategy was rolled out by a previous Administration. I am convinced that given our commitment to transparency, et cetera, that this Administration will not find itself in that kind of situation.

I certainly can tell you, Mr. President, that in my interactions with Cabinet colleagues and other Honourable Members of this Administration that this is not what we would seek to have reflected as our record.

Mr. President, I will move away from that briefly to say that in looking at this joint-venture arrangement, even though I made the point that the major players, in this instance in construction, as joint-venture partners with Government would have the advantage of financial resources et cetera, this Administration has made a commitment to ensuring that Government contracts also benefit smaller business operators. That is a process which we are working hard to ensure.

Clearly, Mr. President, in these challenging times as we seek to roll out our very ambitious housing programme, we recognise that with financial constraints Government will have to rely heavily on the larger players in the construction sector. However, there is also a commitment to negotiating subcontracting arrangements. Therefore, Mr. President, as we engage in joint-venture activities such as would happen at Coverley...

I would not want to detain this Honourable Chamber to share with you some of the kinds of complaints that would have been heard in the past, but I believe, on a very positive note, that this is a strategy which should be beneficial to the private sector which would allow the Government in a very rapid manner to achieve its very ambitious targets which are essential to us addressing the dire shortage of housing, especially in the lower middle, middle income and lower income categories of Barbados.

With those few words, Mr. President, I beg to move that this Resolution do now pass.

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

ADJOURNMENT

SENATOR the Hon. Miss M. P. O. McCLEAN: 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 A24 Sequence 26

4.10 p.m.

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EDITORIAL NOTES — NOT PART OF THE REPORT

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

EDITORIAL QUERIES

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

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

Q2. Order No. 1, title of the Bill. The heading gives ‘PROPERTY TRANSFER TAX (AMENDMENT) BILL, 2009’, but the Leader of the Senate’s motion for second reading and the third-reading note give ‘the Property Transfer (Amendment) Bill, 2009’ and ‘the Property Transfer (Amendment) Act, 2009’. Printed as in the source.

Q3. Order No. 3, size of the waiting list. Senator J. Ince speaks of ‘29 000 applications’ at the National Housing Corporation, while Senator D. K. A. Griffith refers to ‘a back log of some 14 000 persons that the National Housing Corporation indicated they had on file’. Printed as in the source.

Q4. Take-slip, about 12.10 p.m.. One take-slip reads ‘S:No.A24 (7)12:10 noon.’ Printed as in the source.

Q5. Order No. 4. The Resolution on the Coverley lands has no Order heading of its own in the source beyond a plain line ‘ORDER No. 4’, and both vesting Resolutions were the subject of notices given earlier the same day. Printed as in the source.

DEBATE SUMMARY

(Editorial summary — not part of the record.)

The Senate met on Wednesday, 11th November, 2009 at 11.10 a.m., with the President, Senator Dr. B. M. Taitt, in the Chair; prayers were led by Rev. Father Errington Massiah. The President reported that Senators Inniss, Boyce, Benn and Trotman were abroad on official business. The Leader of the Senate, Senator the Hon. Miss M. P. O. McClean, laid the Customs Tariff (Amendment) (No. 5) Order, 2009 and the Annual Report of the Fair Trading Commission for the year ended 31st March, 2009. Standing Order 22(1) was suspended, and she gave notice of two Resolutions vesting Crown land at the Ivy, St. Michael, and at Coverley, Christ Church, in the National Housing Corporation.

By leave, Orders Nos. 1 and 2, the Property Transfer Tax (Amendment) Bill, 2009 and the Stamp Duty (Amendment) Bill, 2009, were debated together. Senator McClean presented the reductions as part of making

Barbados more competitive for international and local investors, in the light of the Economic Partnership Agreement, trade talks with Canada and the work of overseas Missions. Senator Miss H. E. Thompson supported the Bills, warned that first-time buyers were seldom told the full cost of a mortgage, said about 63 000 of 85 000 households were owner-occupied, and expressed concern at the number of properties being sold by mortgagees. Senator R. G. Cave said the Property Transfer Tax Act was silent on societies with restricted liability and that assessments on private company shares could take over two years. Senator the Hon. Prof. V. E. Newton supported the Bills with mixed feelings and urged completion of land registration. Both Bills passed all their stages, Madam Deputy President taking the Chair in Committee.

Under Order No. 3, Senator McClean moved the Resolution vesting the Ivy lands in the National Housing Corporation as part of the Government’s housing policy, including the transfer of units to tenants of 20 years or more. Senator Miss Thompson supported it but, reading from page 33 of the Auditor General’s Special Audit of the Corporation, said its overdraft had exceeded a limit of \$4 million in 2003 and reached \$23 million; Senators D. K. A. Griffith and J. Ince rose on points of order that the figure related to March, 2008, ten weeks after the change of Government. She also argued that attorneys’ fees on property transactions were low compared with realtors’. Senator Dr. F. L. Chandler asked who would maintain units while tenants paid towards ownership.

After the luncheon suspension, Senator Griffith said housing had lacked a clear vision and pointed to a backlog of some 14 000 applicants. Senator Mrs. V. I. Sandiford-Garner withdrew a remark after a point of order from Senator Thompson and said 38 conveyances had been completed in 22 months against 23 in five years; Senator Thompson rose on several further points of order. Senator Ince spoke of 29 000 applications and the sale of land at Kent for \$16 million, and said 165 home construction loans had been issued; the President cautioned Senators against insulting language. Senator A. E. Holder asked whether the Manifesto pledges of 500 lots at \$5 a square foot and 2 000 housing solutions a year had been met and whether over 1 000 deposits had been refunded, and the President reminded him that there was no Member for St. Philip North in the Senate. Senator the Very Reverend H. E. Crichlow regretted the wrangling over housing and urged that the country be put before party.

Replying, Senator McClean read the Manifesto’s housing commitments, said the Special Audit covered the five years to 31st March, 2008, and read its account of the vesting of 28 acres at Kent in November, 2007 and their

offer to two companies by letter of 10th January, 2008; the President found no point of order in Senator Thompson's objection. The Resolution was agreed to.

Under Order No. 4, Senator McClean briefly moved the Resolution vesting the Coverley lands for a joint-

venture housing programme, drawing attention to the Special Audit's comments on joint ventures and to the Government's commitment to sub-contracting for smaller contractors; it was agreed to. The Senate was adjourned sine die at 4.10 p.m.