
THE

House of Assembly Debates

(OFFICIAL REPORT)

SECOND SESSION 1976 – 81

HOUSE OF ASSEMBLY

Tuesday, 13th March, 1979.

Pursuant to the adjournment the House of Assembly met at 12.20 p.m. o'clock.

PRESENT

His Honour W. C. B. HINDS, J.P. (Speaker); Mr. R. ST.C. WEEKES, J.P; Hon. L. S. CRAIG, (Minister of Housing, Lands and the Environment); Hon. C. L. BOLDEN, LL.B., (Minister of Communications and Works); Mr. D. A. C. SIMMONS LL.M.; Hon. Miss B. A. MILLER, (Minister of Health and National Insurance); Hon. L. B. BRATHWAITE, (Minister of Agriculture, Food and Consumer Affairs); Mr. M. C. C. WARD; Hon. H. B. St. JOHN Q.C., LL.B., (Deputy Prime Minister, Minister of Trade, Tourism and Industry) (Leader of the House); Mr. V. L. JOHNSON M.A.; Hon. L. R. TULL, M.A., (Minister of Education and Culture); Mr. DeL. O. BRADSHAW; Mr. L. L. SISNETT; His Honour E. E. ALLEYNE, LL.M., (Deputy Speaker).

Prayers were read.

Dr. HAYNES and Mr. SANDIFORD entered the House and took their seats.

MINUTES

Mr. SPEAKER: I am advised that there are no Minutes ready for confirmation at this Meeting.

PAPERS LAID

Hon. H. B. St. JOHN: Mr. Speaker, on behalf of the Prime Minister I beg to lay the Public Officers Loan and Travelling Allowances (Amendment) Regulations, 1979.

On behalf of the Minister of Finance and Planning, the Draft Estimates for 1979–80 and Schedules of Personal Emoluments for 1979–80.

GOVERNMENT NOTICES

Hon. H. B. St. JOHN: Mr. Speaker, on behalf of the Minister of Finance and Planning I beg to give notice of a Bill to grant the sum of money out of the Consolidated Fund and to appropriate the same for the service of Barbados for the year ending 31st March, 1980.

On behalf of the Attorney General I beg to give notice of a Bill to provide for the extension of the monetary limits of the jurisdiction of magistrates and related matters.

NOTICES OF QUESTIONS

Mr. SPEAKER: There are a number of questions to be tabled by the hon. member for St. Michael South Central. They are still being processed to some extent. He will be able to table them later in the day. I am informed that there are also a number of questions to be tabled by the hon. member for St. Michael South.

PRIVATE MEMBERS NOTICES

Mr. SPEAKER: The hon. member for St. Michael South Central – his Resolution relating to the rise in the cost of living.

Dr. HAYNES: Mr. Speaker, I beg to give notice of the following Resolution:—

Whereas the cost of living continues to rise significantly; and

Whereas increases in the cost of living if not cushioned, can lead to a deterioration in the living standards of Barbadians;

Be It Resolved that this Honourable House call upon the Government to give consideration to an increase in the deductions which may be claimed under the Income Tax Act in respect of married persons, single persons, children, incapacitated dependant relatives, other dependants, housekeepers and also in respect of medical expenses.

Mr. SPEAKER: The same hon. member — his Resolution respecting old age pensioners.

Dr. HAYNES: Mr. Speaker, to move the passing of the following Resolution:—

Whereas the cost of living in Barbados has risen consistently over the past two years; and

Whereas the old age pensioners amongst others in our community are experiencing severe hardships as a result of that rise; and

Whereas the life expectancy of the population is rising, with a consequential increase in the number of persons aged over 60 and living on fixed incomes, especially pensions;

Be It Resolved that this Honourable House of Assembly set up a Committee to inquire into the problems confronting the Senior Citizens of our community.

FIRST READING OF BILLS

Hon. H. B. St. JOHN: Mr. Speaker, I beg to move that a Bill to grant the sum of money out of the Consolidated Fund and to appropriate the same for the Service of Barbados for the year ending 31st March 1980. be now read a first time.

Hon. L. S. CRAIG: I beg to second that.

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

Hon. H. deB. FORDE: Mr. Speaker, I beg to move that a Bill to provide for the extension of the monetary limits of the jurisdiction of magistrates and related matters, be now read a first time.

Hon. L. S. CRAIG: I beg to second that.

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

SUSPENSION OF STANDING ORDERS

Hon. H. B. St. JOHN: Mr. Speaker, I beg to move that Standing Orders Nos. 6, 16, 18, 20, 42, 43 and 44 be suspended for the remainder of the day's sitting.

Hon. L. B. BRATHWAITE: I beg to second that.

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

Hon. H. B. St. JOHN: Mr. Speaker, I beg to move that Item No. 3 be the first Item of Government Business.

Mr. SPEAKER: Item No. 3.

RESOLUTION TO APPROVE THE COMPULSORY ACQUISITION OF LAND AT CHEAPSIDE, ST. MICHAEL

Hon. L. S. CRAIG: Mr. Speaker, this Resolution should not pose much of a problem since it only sets out to acquire a portion of land for the construction of the new General Post Office. Much about the building of this Post Office has been played up for a number of years and it was left for this Government to relieve some of the problems which the present Post Office is now experiencing, and in my capacity as Minister of Housing and Lands I am not in a position to speak at length on the Resolution which relates to the actual building of the Post Office, my duty here is to seek parliamentary approval for the purpose of acquiring that parcel of land to carry out construction of the new General Post Office.

I beg to move that this Resolution do now pass.

Mr. BRADSHAW: I beg to second that.

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

RESOLUTION TO APPROVE THE COMPULSORY ACQUISITION OF LAND AT WHITEPARK, ST. MICHAEL

Hon. L. S. CRAIG: Similarly, Mr. Speaker, this Resolution seeks to acquire a parcel of land for the provision of an access road to the Roebuck Secondary School. If there is any question on this Resolution I am quite sure the Minister of Education is fully qualified to answer anything which may relate to the actual school.

I beg to move that this Resolution do now pass.

Hon. H. B. St. JOHN: I beg to second that.

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

RESOLUTION TO APPROVE A GUARANTEE TO TO THE CANADIAN IMPERIAL BANK OF COMMERCE FOR THE REPAYMENT BY BARBADOS FEEDS LTD. OF AN AMOUNT OF U.S. \$360,000

Hon. H. B. St. JOHN: Mr. Speaker, though this matter stands in the name of the Minister of Lands, I am asking leave to deal with it.

The object of the Resolution is to seek parliamentary approval to guarantee the sum of U.S. \$360,000 by Govern-

ment to the Canadian Imperial Bank of Commerce who is lending Barbados Feeds Ltd. a sum of money. This feed mill will be a joint venture between Maple Leaf of Canada and the Government of Barbados.

As it is well known, this agreement was negotiated a considerable period of time ago, and the feed mill was not expected to be erected at the same time as the flour mill, but subsequently the directors of the company came to the conclusion that it would be in the best interest of the economic operation of Barbados Feeds Ltd. if the decision were taken to implement the plan for a new feed mill at a much earlier date than had originally been anticipated.

As part of the terms of the agreement between the Government and the other partner, Maple Leaf Mills Ltd., it is our duty to act as coguarantor with them in respect of the loan of U.S. \$600,000 which the Canadian Imperial Bank is lending to Barbados Feeds Ltd.

Accordingly, I beg to move that the Resolution do now pass.

Hon. L. S. CRAIG: I beg to second that.

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

COMMITTEE OF SUPPLY

Hon. H. B. St. JOHN: Mr. Speaker, I beg to move that Your Honour do now leave the Chair, and the House go into Committee of Supply to consider the grant of sums of money for the service of the Island.

Hon. L. S. CRAIG: I beg to second that.

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

Hon. H. B. St. JOHN: Mr. Speaker, I beg to move that the Hon. member for St. Philip North take the Chair in the absence of the Chairman of Committees for the remainder of the day's sitting.

Hon. L. S. CRAIG: I beg to second that.

Mr. SPEAKER: I take it you are seeking the leave of the House that His Honour does not yet leave the Chair.

Hon. H. B. St. JOHN: I so move, Sir.

Hon. L. S. CRAIG: I beg to second that.

Mr. SPEAKER: I take it that there is no objection from hon. members and consequently the motion is withdrawn.

Hon. H. B. St. JOHN: I will move now that during the absence of the member for St. George North the hon. member for St. Philip North take the Chair.

Hon. L. S. CRAIG: I beg to second that.
12.40 p.m.

Mr. SPEAKER: The question is that the hon. member for St. Philip North act as Chairman of Committees during the absence of the hon. member for St. George North.

Hon. members in favour please say "Aye", those against please say "No". I think the "Ayes" have it.

RT. HON. E. W. BARROW: Divide!

Mr. SPEAKER: A division has been called for. Before I put the motion, I want to make a brief announcement. When a division has been called in this Honourable House, those hon. members who are not in their places are expected to come into this Honourable House consequent upon the ringing of the Bell, but it is an insult against the dignity of this Honourable House for any hon. member during the calling of a division to vacate his seat and walk out. It is an insult and I am asking hon. members not to do it again.

The question is that the hon. member for St. Philip North act as Chairman of Committees during the absence of the hon. member for St. George North.

AYES: Rt. Hon. J. M. G. M. ADAMS; Hon. H. B. ST. JOHN; Hon. L. S. CRAIG; Hon. L. B. BRATHWAITE; Hon. Miss B. A. MILLER; Dr. CHELTENHAM; Mr. WARD; Mr. SISNETT; Mr. JOHNSON; Mr. BRADSHAW; Mr. ALLEYNE; Hon. C. L. BOLDEN; Hon. L. R. TULL and Mr. SIMMONS — 14.

NOES: Rt. Hon. E. W. BARROW; Dr. CADDLE and Dr. HAYNES — 3.

Mr. SPEAKER: Consequently the hon. member for St. Philip North will act as Chairman of Committees during the absence of the substantive holder of the office.

COMMITTEE OF SUPPLY

Hon. H. B. ST. JOHN: Mr. Speaker, I beg to move that Your Honour do now leave the Chair and the House go into Committee of Supply.

Hon. L. S. CRAIG: I beg to second that.

The question was put and resolved in the affirmative without division, and Mr. SPEAKER left the Chair and the House went into Committee of Supply, Mr. SIMMONS in the Chair.

SUPPLEMENTARY ESTIMATES 1978-79 No. 31

Rt. Hon. J. M. G. M. ADAMS: Mr. Chairman, there are a number of small bills which have presented themselves in respect of Government House in the last few months and for which provision was not made at the time of the Estimates. The Head now contains seven items which require supplement. The first item relates to the Waterworks Department. This is perhaps as much the fault of the Waterworks Department as of the Accounting Officer at Government House. The relevant Accounting Officer has recently retired from the service.

The Waterworks Department often sends bills very late to Government Departments and apparently this is what has happened. It does seem that supplies and materials were underestimated, maintenance of property was underestimated, ditto the operating expenses. On maintenance of vehicle and plant we have had to spend a good deal more money at the start of the financial year on the old Government House car. Indeed the bill was presented in the last financial year and the bill was not paid, but anyhow we had to spend more than was anticipated. There are outstanding claims for buildings and lands and there are also small supplements due to under-estimation of the cost of the State Car and a lawn mower.

We would not normally be seeking a supplement of this sort so late in the financial year. We would have put it into the new Estimates, but, Sir, it would have distorted the new Estimates to have these small amounts inserted when in fact they really represent past claims and not current claims, claims which may be expected to recur. I have made enquiries, for instance, as to the reason for the outstanding bills not being paid, and I think that in many ways it is probably human error, and therefore I would not seek to apportion blame at this time.

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

Hon. L. S. CRAIG: I beg to second that.

Dr. CADDLE: Mr. Chairman, there can be no serious quarrel with the passing of this Resolution for the items here listed, because I accept it as one of the responsibilities that we have to pursue in maintaining the dignity that goes with that office. However, what should be of importance to us is whether or not the holder of the office is maintaining the dignity and position which one normally associates with the office. We have to be concerned whether the holder of the office is acting as a representative of the people and Government of this country, or whether there can be any occasion when he can be seen to be acting as a private individual.

I am concerned, Sir, because recently, as has been drawn to my attention, an invitation was sent to the

Governor-General to attend the present cricket going on in this country and a number of complimentary tickets were sent to him.

Mr. CHAIRMAN: I do not wish to limit your freedom of speech in any way, but I draw my own attention to Standing Order No. 28(9) which precludes, as I understand it, discussion of the conduct of certain persons including His Excellency the Governor-General except upon a substantive motion. I would therefore have to ask the hon. member to desist from comment which casts aspersions upon the conduct of His Excellency the Governor-General. It can be entertained upon a substantive motion.

12.50 p.m.

Dr. CADDLE: Thank you, Mr. Chairman, for your direction, however, as I was saying, I will desist from dealing with this particular issue but I think that we in this Honourable Chamber and the general members of the public would like to know that the holder of the Office is acting at all times in a way which will cause us to withhold all trust in him and therefore at anytime when Bills of this nature are not before the House for money to maintain the status that surrounds that office and to enable the holder to maintain the provisions that go with the office, our agreement would be forthcoming, but if that does not occur, there will always be occasions when we will have to doubt or we would be a bit hesitant in wanting to agree to any Resolution which comes to cover expenses relative to that office and for the house in which the holder lives.

Rt. Hon. J. M. G. M. ADAMS: Some time ago, Mr. Chairman, His Excellency the Governor-General drew my attention to certain political meetings which were being held close to his house in the constituency, I believe, of the hon. member who has just sat down and at which certain offensive, and indeed when I saw the details, I would say defamatory remarks were made about Her Excellency Lady Ward by a Mr. Eric Sealy and I also discovered that this Mr. Sealy apparently has been seeking to hold meetings close to Government House in order to abuse the Governor-General and Lady Ward and I could not believe that those who normally sponsor Mr. Sealy and provide him with money and equipment, money to put advertisements in the Newspaper to curse members of the Government and other people, were also providing him with money to abuse the Governor-General and more particularly, Her Excellency Lady Ward.

I could not believe it then but having heard the hon. member who has just sat down, I can believe it now. I know something of the matter to which the hon. member is adverting relating to cricket and since I am not going to be critical of His Excellency, I think that possibly I may refer to it.

Mr. CHAIRMAN: I am asking the Hon. Prime Minister...

Rt. Hon. J. M. G. M. ADAMS: I am not casting any aspersions on misconduct, Sir.

Mr. CHAIRMAN: I did say in my ruling that the hon. member for St. Michael North Central was attempting to cast aspersions but the Rule is even stricter than that. The Rule just says "the conduct." I will rule (*Asides.*) If the Hon. Prime Minister will allow me, I will let the House know what the Rule says:

"The conduct of Her Majesty the Queen, Members of the Royal Family, His Excellency the Governor-General, Members of either House of Parliament, Judges, or the performance of judicial functions by any person may not be referred to except upon a substantive motion."

It is a very wide provision and it says "the conduct" and even though a liberal interpretation would assume that it refers to the adverse conduct I will rule that I am not allowing any discussion on the conduct of the Governor-General, be that discussion adverse or even for today's purposes, praiseworthy.

I will hear the Hon. Prime Minister.

Rt. Hon. J. M. G. M. ADAMS: All I would say is that since we are dealing with a vote for the Governor-General, and the Governor-General has an expense allowance plus a salary I would just say that we are not seeking that part of the vote to the Governor-General which relates to his allowance and his salary in respect of the tickets for the Packer Meeting which he himself had bought and paid for in order to go and watch cricket and support World Series Cricket financially out of his own pocket. We are not seeking any Supplementary for that. I believe he had a chance to go free.

Mr. CHAIRMAN: The point has been made, Mr. Hon. Prime Minister. I even saw the Governor-General at cricket myself.

Rt. Hon. J. M. G. M. ADAMS: Thank you, Sir. When you want to drag down somebody, sometimes the truth, the logic, the decency, sometimes those things do not appear important at all and unfortunately we have seen a little of this, not from the hon. member for St. Michael North Central, and certainly not in here. I would not like to reflect on his conduct in here in anyway.

If the only objection that hon. members have is that the Governor-General did not go to cricket, I understand they would have no object because he did, and I do not think that there is anything that I can add to the Debate.

I beg to move that Head, 1 stand part.

Hon. L. S. CRAIG: I beg to second that.

The question that Head 1 stand part was put and resolved in the affirmative without division.
1.00 p.m.

SUPPLEMENTARY ESTIMATES 1978-79 - PART II

Order No. 1(b) was called - To move the passing of a Resolution to grant the sum of \$2,478,300 from the Consolidated Fund.

Head 108 - Ministry of Finance and Planning - \$2,458,000.

Rt. Hon. J. M. G. M. ADAMS: We are going into the last lap now of International Sea Foods, and after giving the matter careful consideration and bearing in mind the history of the matter and the findings of the Duffus Commission, and taking into account the contribution of the Leader of the Opposition both at the Duffus Commission and at the meeting which he held in New York with two officials of First National City Bank of New York, the Government has decided that notwithstanding there may be no legal liability - as Sir Herbert Duffus pointed out - to pay the particular debt referred to in the Addendum, as a matter of good faith we will pay a part of it and come to a settlement with First National City Bank.

I do not want to open old sores, because the history of the Government's involvement in International Sea Foods is well known. The Company was formed in 1972 and a Resolution brought to the House of Assembly. It was indicated when the Resolution was first presented that some hon. members would have preferred the Government to hold a majority interest in International Sea Foods. Those of us in the House at the time will remember the present Leader of the Opposition moving from his seat and going to the other side and talking to the hon. member for St. Peter - now the Speaker - as a result of which the Resolution was postponed. And the Government came back to the House with the news that the Barbados Marketing Corporation and the Barbados Development Bank would hold 50% of the shareholding in International Sea Foods. On that basis the House proceeded to approve the Resolution for a guarantee. On that occasion I warned the House that it was fundamentally bad business to lend out \$5 million to people who had only \$¼ million of their own to put up. I think I said that a debt equity ratio of 26 to 1 was utterly bad business and should not be allowed. Nonetheless, the then Opposition took the promises of the Government on good faith. We believed that International Sea Foods could give employment to a

large number of people said to run into hundreds, and we were anxious, bearing in mind the record of the former International Sea Foods as a foreign exchange earner. With this in mind we let the Resolution go though. But it was not made entirely clear to us at the time that although the Government ostensibly had a 50% shareholding, the effective control remained in private hands because some of the Government's interest was in non-voting stock; and I don't think the Leader of the Opposition will deny the statement that it was left in private hands because it was considered safer than putting it into the hands of Government that had proved a bit inefficient in the past.

Well, the private operation proved just as inefficient. What was predicted came to pass. As we now know, a Cabinet paper prepared by the then Financial Secretary, Mr. Neville Osbourne, warned of possible disaster in this approach. I was very pleased and indeed flattered at my own judgment when I read the Cabinet Paper and realized that Mr. Osbourne had given the Cabinet exactly the same advice I gave the House of Assembly, for there had been no contact between the then Opposition and any member of the Public Service; the conclusion was arrived at entirely independent of any assistance from public officers. I see hon. members opposite laughing who to my knowledge have made contact with public officers to obtain information about the workings of Government since they are in Opposition. I do not know if hon. members intend by their laughter to indicate that they are more successful than we were in obtaining what they think are secrets of Government. But I would say this, we carry on open Government, and the Leader of the Opposition is as free as the Editor of the Advocate to ring up the Minister of Finance and get any information that is not secret or confidential at any time, whether it applies to the IMF or any other matter. The Leader of the Opposition is Chairman of the Public Accounts Committee, and I assure him that I will extend all the courtesies that were denied me when I occupied that position.

Rt. Hon. E. W. BARROW: On a point of order, Sir. I will like to ask the hon. Minister of Finance on what occasion was he denied any privileges as Chairman of the Public Accounts Committee. I would like to assure him that I have never telephoned the Ministry of Finance or any public officer and asked them any questions. Any questions that I ask I will ask on the floor of this House.

Rt. Hon. J. M. G. M. ADAMS: That is the hon. member's choice.

Rt. Hon. E. W. BARROW: The Hon. member is suggesting that he was denied information. As the hon. member knows, members of this House were free to go

to any Ministry and ask any question at any time; they did not have to come to the House. I prefer to ask questions here. But he is suggesting and has made a statement that he was denied the opportunity to get information when he was Chairman of the Public Accounts Committee, and the hon. members knows that that is incorrect.

Rt. Hon. J. M. G. M. ADAMS: The hon. member should speak of his own knowledge. I think, but I cannot be absolutely sure at this passage of time, that the matter I was about to relate I have drawn to the attention of the hon. member, but if he cannot remember, that is past. But on one occasion when we had a Resolution in here dealing with a loan for which the brokerage had been done by West Indies Stock Exchange or some such name — an organization in Trinidad run by friends of the hon. member — I telephoned the same Mr. Neville Osbourne requesting information on that loan and was treated with some discourtesy in the matter. We may find reference to this in the debates.

Rt. Hon. E. W. BARROW: On a point of explanation, Sir, I know of no such organization run by friends of mine; I know one or two Directors of that organization. But the matter to which the hon. member is referring I gave him the information. Mr. Osbourne is a brother of his — he will understand what I mean — and he would see him more frequently than I saw him.

Mr. CHAIRMAN: You mean Masonic.....

Rt. Hon. E. W. BARROW: I did not say anything like that, but the hon. member had more access to Mr. Osbourne than I had. But the information he tried to get from Mr. Osbourne I gave him. 1.10 p.m.

Mr. Chairman.....

Mr. CHAIRMAN: I will not encourage the Hon. Leader of the Opposition to make his speech at this stage. He will have the opportunity to make his speech in reply.

Rt. Hon. J. M. G. M. ADAMS: Mr. Chairman, barring the part about access to Mr. Osbourne, the facts on this occasion as related to the hon. member are far from my recollection. It is an example of the inability in the atmosphere and tempo of those days to obtain information from public officers, even those not incline to be hostile for one reason or another. I am only saying this in passing. International Seafoods lost a great deal of money. The Government guaranteed a loan of \$3.297(U.S.) million to buy 20 fibre glass boats. They bought the boats. They said that they made a profit for a year or two. I do not believe that they ever made a

profit, with the servicing of the boats taken into account along with the allowance for depreciation. They say that fuel oil went up in price and they began to make a loss. I believe that I am correct in saying that the price of shrimp actually went up more than the price of oil, multiplied by a greater factor. I believe that the price of shrimp may well have gone up by a factor of over 4 also; but for whatever reasons, Seafoods began to make substantial losses.

Of course, Sir, the directors were all drawing salaries. The shrimp boat captains and crews — mostly non Barbadians — it may be noted in passing, Sir — were also earning salaries. The matter dragged on and International Seafoods lost more and more. I would not even like to go over all the figures other than that given in a recent parliamentary answer. The Government in 1976, in December had to act on its guarantee given to pay the First National City Bank the amount of \$4,080,000. That is, that over \$8 million was paid in December. I cannot remember exactly which year. I have a note saying December 1976, but I think that it was paid subsequently too that; but it was agreed to be paid at that time.

Now, at the same time there were a series of other debts, and the basis of these other debts was three notes, totalling, I believe, an amount of \$3 million in Barbados currency, at slightly different rates of interest. I think that one was for \$2.3 million, and the other two were for different amounts. There were two term loans of \$2.3 million and \$7 million. One of the past Government's operations is contained in a file that cannot be found; but I will not go any further into that. I believe that the hon. member for St. Michael South West has said that there is a particular file that has never been found in respect of Seafoods. I think that he referred during his evidence before the Duffus Commission to another file which has never been found. I do not know who made away with it, Sir. It was surely made away with before we came into power.

Anyhow, this term loan of \$3 million was advanced by City Bank to International Seafoods without security. That this is a breach of good banking practice is undoubted. That it did not create any liability in the Government to repay it is also undoubted. That the hon. member for St. John, the Leader of the Opposition, did not promise to repay them, I have no doubt. I know that there are a couple of negatives there; but what I am saying is that I believe the hon. member in his evidence before the Duffus Commission that he made no promise to City Bank to repay that loan. I think that the hon. member is accurate; and certainly the files available to the Government do not bear out that any promise was made.

City Bank, when pressed by counsel at the Duffus Commission could not give any evidence as to which Minister of Government had told them to go ahead and advance the money. Well, with all of this in mind, Sir, the Government had to consider whether or not it would honour the debt. As against the arguments which I think I am right in saying were put forward by the Leader of the Opposition before the Duffus Commission, and the arguments which I have just put forward to the House were the findings of the Duffus Commission that the Cabinet had agreed to pay off this amount. That the Government had assumed responsibility for the payment of approximately \$4 million (Bds) which it had not guaranteed.

This was apparently based on a meeting which was held at Paradise Beach Club between Mr. Barrow and two of the Ministers from Trinidad and Tobago which was attended by Mr. Brandford Taitt. I think that he is referring to the hon. member for St. John and the hon. member for St. Michael South West. Apparently there was an agreement that the Government would assume full responsibility for the total indebtedness to the bank, and so on.

The Government had to balance all these things against each other and against one over-riding factor to which I will refer in a moment. It had to balance the fact that we had no apparent liability in law to pay City Bank against the fact that we had become 100% shareholders in International Seafoods; and indeed had operated the overdraft account and paid some interest on the loans through Seafoods and had therefore taken up the same responsibilities *per se* that the previous regime at the request of the Government of Trinidad and Tobago had agreed to take up over the debts.

I do not want to say too much about the agreement with the Government of Trinidad & Tobago. Let me say that the agreement may have appeared to be very firm to the hon. member for St. John and the hon. member for St. Michael South West. It might have appeared to be something very solid, as something just waiting to be taken over; but when we got into power we found that agreement as ephemeral as the sands on which Paradise Beach Club is built — not perhaps the sands on which it is built, but the sands where he walk, and where the tide ebbs and flows. Efforts to come to grips with the agreement, and to find out exactly what was the time table, if there was any time table, and how it was to be brought about proved negative when it really came to the point. There were arguments and counter arguments as to where the processing of the shrimp should be done; as to what would be the benefit to Barbados if all of the Trinidad stipulations were accepted; and what would be the benefit to Trinidad if all of the Barbados stipulations were accepted. Meanwhile, interest was running up and we paid for the

boats so that the Government now stands as a creditor against International Seafoods to the tune of \$8 million and more.

1.20 p.m.

We now come, Sir, to the other point which I said I would make on this matter. I was most disappointed when I read a transcript of a speech made by the hon. member for St. John at the Ivy, St. Michael in the later days of June, 1978. I read in that speech that the hon. member said that he had been to a lunch in New York with a Vice President of City Bank and that the Vice President had told him that if Tom Adams does not pay City Bank the \$12 million the Government owes it that he would make bad for Barbados on the international market; words to that effect. He dwelt on this not paying the \$12 million.

Rt. Hon. E. W. BARROW: On a point of order, Sir. I wonder if the hon. member would produce the transcript of the speech, because I have the tape of my speech and I am sure that what the hon. member is saying is a distortion of what I said, so if the hon. member has the transcript I should invite the hon. member to produce the transcript of the speech here and now.

Mr. CHAIRMAN: This is not a court of law and no tape is going to be produced in here so long as I am in this Chair. You can do it outside.

Rt. Hon. J. M. G. M. ADAMS: Anyway, Sir, if the hon. member wishes to make an issue of the fact that he went to New York to discuss the non-payment of the Government's debts with a non-Barbadian, he can make it. If he wants, I can get the tape, the transcript and the letter I wrote to City Bank asking them to confirm or deny that an official of the Bank had told the hon. member that, if he wants to see the copy of the letter. Nonetheless, Sir, whatever happened there, it was also a matter to be taken into consideration, because there is a little thin-faced nuisance who is a Vice President of City Bank who ran about behind me at Vancouver, pulling at me, begging for my attention, who apparently is a friend of the hon. member. Well, he must confine his pulling and his begging for attention to the hon. member, he must not bring it to me, and if he and the hon. member had some business and he is since ratting on the hon. member and is anxious to tell me adverse things about the Leader of the Opposition, and how the Leader of the Opposition came to New York to ask them for some money, and so they took him out to lunch and at the lunch this was said, if he wants to do all that the Hon. Leader of the Opposition is welcome and entitled to that gentleman's company, I do not want it. He cannot come in my office and he cannot, with my consent, speak to me, he can walk about behind me and call out

at me. I can't stop him from doing that, that is his privilege, although if he accosts me anywhere to tell me any nonsense about the Government of Barbados paying money, and I can possibly take steps to stop him, I will. Anyway, an international financial nuisance, an associate of the Leader of the Opposition, made these threats, and in the face of the threats, Sir, I must tell you that I was very strongly persuaded that if we are dealing with people like that, that I should have reported the matter to the Federal Bank Examiners and asked them to query how is it City Bank could advance \$3 million to a company, not a Government, to a company in commercial business in Barbados without security and let him take it from there, see who could perhaps end up with the better case in an international forum, and if it came to the point, Sir, I would not have been above going to the International Monetary Fund just as the Leader of the Opposition had to do on one occasion and say a few words about international banks that push money at Governments of Third World countries and then threaten them when they are at fault and not the Governments.

I would hope that today the hon. member for St. John will deny that in any way he encouraged City Bank to threaten the Government of Barbados, or to give the Government of Barbados a bad name in respect of this particular matter. City Bank wants a favour from the Government of Barbados. That is exactly and precisely what they want.

Rt. Hon. E. W. BARROW: On a point of order. The hon. member makes so many allegations that if I don't take him up on them *seriatim* he will get away with a lot of things. I have never at any time invited City Bank or anybody to look upon this Government or any Government with disfavour. As a matter of fact, it was to the contrary, it was exactly to the contrary, I was trying to encourage them to invest money in Barbados, not for my own purposes, Sir, but for the Government, although he may not be aware of it.

Rt. Hon. J. M. G. M. ADAMS: They told me the hon. member was seeking investment funds, but I will go no further than that. Anyhow, this was one of the factors that had to be taken into account, but in the end, Sir, what prevailed was the fact City Bank had advanced the money, the money was spent by International Seafoods, the Government decided that in all the circumstances it was better to come to a compromise with City Bank, let them carry a part of the loss and let the Government carry a part of the loss. I am not entirely satisfied that City Bank was without encouragement in advancing the money, I am not entirely satisfied even though no official of City Bank will say which Minister told him to advance the money it will be all right, I believe, not the hon. member for St. John — I don't know so much about

that — but I believe it is possible that some hon. member, formerly a Minister, may have encouraged City Bank.

The Government has but one identity to the outside world. Political parties come and political parties go, we may not like the investments made by the former regime, we may think they have wasted the people's money — the total losses of Seafoods, Sir, if all were added up they might reach very nearly \$20 million, if everything plain was taken into account, 16 to 17 million dollars — we may not like the investments, but if there is a possibility that the good faith of the Government is at stake, I think it is incumbent on every Government to make sure that we appear as persons in good faith.

The Bank has assured us over and over again that the money was advanced only because the Government was becoming a full shareholder, a hundred percent shareholder and so on and so forth, the account it is true has been frozen from July 1976, they have assured us of that, and in the end we have said that it may be better for the Government to pay its reasonable debts and not leave any scintilla of doubt of good faith where the future is concerned. City Bank, in fact, was claiming an amount, I think when it was all added up, Sir, two months ago they claimed an amount — well, Sir, up to the end of January 1979 if you add on \$72,000 it would come to over \$5.2 million. Of this Seafoods has managed to pay \$500,000 of its own account, but they claim as at the end of January 1979 an amount of over \$4.7 million; it would be a little more than that now. We have agreed with them for an amount of 3.892 which is the amount found at the time of the Duffus Commission, which Sir Herbert Duffus found to be due according to the books and the materials which were produced to him. We are therefore saving the Government, depending on when it is paid, something in the region of \$800,000 on the settlement.

I have set out every conceivable matter to the House relating to the debts of Seafoods. I have set out the reasons why the Government did not wish to repudiate those debts.
1.30 p.m.

I have set out the Government's views on some of the matters that led up to the Seafoods debacle. There may still be a few other debts, but these are in the nature of trade debts which will have to be paid before any conceivable debt could be paid.

There are a great number of misconceptions about International Seafoods. One of the fundamental misconceptions is the amount of employment it gave. It is commonly and popularly stated to have employed 500 people. This should be taken to mean no more

than that there were 500 people who were available to be called at some weekends when shrimp was in and had to be processed quickly. The permanent employment of Seafoods is perhaps between 80 and 90 persons. I have not got the parliamentary answer which would have given this figure. Any of them indeed are not Barbadians; they represent crews of the shrimp boats. There is a small staff presently. The Government is in the process of reorganising the entire approach to fishing and the future of the present boats is under consideration. It has already been stated that the operations as at present constituted will be wound up.

A lot has been said and it will no doubt be possible to identify contradictions in statements made by officials of Seafoods and Ministers both of the previous Government and of the present Government. That is symptomatic of the confused situation which should never have been allowed to start. Seafoods was always a bad job, and I hold that opinion now quite unashamedly. The amount of money invested into Seafoods by the Government could have been put into other areas where real employment would have been created and perhaps capital assets created as well. If you take the \$8 million that we paid for the boats, the \$4 million that we are paying now, take that \$12 million and invested it, you could in fact be paying the wages of all the people at Seafoods out of the interest alone and still have the capital in fact. Many times over we could be employing people, but we have thrown that money away. I hope this is the last instalments that will have to be thrown away.

The supplement required is set out in the Addendum. I believe it is \$2,458,000. We would like to pay it before the end of the month and close therefore the whole chapter of losses and confusion this year and not have to carry it forward any longer. We paid part of Seafoods debts in the last financial year and we are hoping to pay the remainder of Seafoods' debts at the present time.

I therefore beg to move that Head 108 — Ministry of Finance and Planning, stand part.

Hon. L. B. BRATHWAITE: I beg to second that.

Rt. Hon. E. W. BARROW: Mr. Chairman, the Hon. Minister of Finance started off by saying that they supported the Resolution for Government participation in Barbados Seafoods because they felt at the time — I do not want to misquote him, Sir — that it would be a foreign exchange earner and that also it would generate employment, and as he put it at five minutes after one, they let the Resolution go through at that time when he himself was Leader of the Opposition.

Now I just want to get the records straight. That Resolution was postponed because the hon. member for

St. Peter as he then was and still is suggested that the Government's participation should be much larger, and the Government of the day postponed, as the then Leader of the Opposition now the Prime Minister and Minister of Finance has stated correctly in the midst of a host of incorrect statements, the Resolution, and that we came back to the House and secured 50% equity participation for the Government institutions, notably the Barbados Marketing Corporation and the Barbados Development Bank. What the hon. member did not state of course was that the Government did not put up any cash money as such for the shares, but the use of the facilities at the Barbados Marketing Corporation was considered to be the collateral, if I could put it that way, for the shares which were held by that particular institution.

Now to come here today and say that they only supported it because it was going to be a foreign exchange earner, the Governor of the Central Bank himself on more than one occasion pointed out that the sale of shrimp by Barbados Seafoods, apart from tourism, was one of the major foreign exchange earners in this economy and at one time was earning as much I believe as something like \$7 million a year. The hon. member then said that they made money, they claimed, for the first two years but he does not believe it. Now that is a lot of nonsense if I may say so with due respect because everyone knows that it is a matter of history that the company formed as it was in 1971 or 1972 first ran into difficulties as a result of the fuel crisis where the cost of fuel did not go up by 14% but by 400% and the accounts of Barbados Seafoods clearly indicate this. The hon. Minister of Finance says it is true that we had a fuel crisis and that the price of fuel went up, but the price of shrimp went up, and he claims that the price of shrimp went up more than the price of fuel. Now for the price of shrimp to have gone up more than the price of fuel, the price of shrimp would have to have gone up more than 400%, but even then that was a fallacious argument because the price of shrimp today is not \$5 or \$6 a pound, and it was more than \$3 in those days in 1974/1975, and today the price of shrimp in Barbados is \$8.80 Bds. per pound for the high count, that is the jumbo shrimp, whereas in 1974-75 the price of shrimp was round about \$4 and \$4.50; so it has not even gone up 100% in that interval of time.

Now how can anyone by any stretch of the imagination begin to make an utterance of that kind, that the price of shrimp went up out of proportion to the price of fuel is more than I can understand. But the other factor which he did not take into consideration was this; and it was said here on the floor of the House, that the reason, when I discussed the matter with the hon. member for St. Peter, why we could not get more than 50% of the shares was because the

overseas head offices of the Bank insisted that the plant and the undertaking should be managed by private enterprise. It was not only my belief, it was one of the conditions under which the loan for the purchase of the shrimp boats was advanced by the Bank, and that is a matter of public and general knowledge.
1.40 p.m.

The alternative is that if Mr. Osbourne is informing the Minister of Finance, as he did subsequently *expost facto* after the oil crisis, that the Company was under-capitalised and the Debt Equity Ratio was too large, the Debt Equity Ratio was out of proportion after the fuel crisis. It was not so before the fuel crisis. As a matter of fact, after the first year of operation. . .

Rt. Hon. J. M. G. M. ADAMS: On a point of elucidation. The hon. member has just said that the Debt Equity Ratio was out of proportion after the fuel crisis. I said in my speech that a Cabinet Paper was presented before it came to the House saying that the Debt Equity Ratio was out of order. Is he denying that? That was put to the Cabinet. The Government was advised not to go into SeaFoods before it started on the grounds that the Debt Equity Ratio was out of order. I can bring the Cabinet Paper and have it read in here.

Mr. CHAIRMAN: Before you resume your speech I wish to draw to the hon. member for St. Michael South West's attention that I heard some very offensive. . . (Asides) I wish the hon. member for St. John will take his seat and do not try to direct this Chair while I am speaking to the House.

I only wish to draw it to the hon. member for St. Michael South West's attention that I heard some remarks in here which were offensive and insulting to another member, in fact to the Prime Minister. I will make this the first and the last warning that I will give to the hon. member or any other member on either side of this House.

You may resume your speech.

Rt. Hon. E. W. BARROW: The Prime Minister has come in and said that the Government was advised not to go into SeaFoods. I want to make my position clear, Sir. No former Minister has any recollection of that advice and if the advice had been given by a civil servant, I would not like to say particularly by Mr. Osbourne who was the informer of the then Leader of the Opposition. . .

Rt. Hon. J. M. G. M. ADAMS: On a point of order.

Mr. CHAIRMAN: Both members cannot be on their feet at the same time. One hon. member must give way.

Rt. Hon. J. M. G. M. ADAMS: The hon. member is reflecting on my motives. He is reflecting on me. I have said that Mr. Osbourne was not in contact with me on the matter. The first that I knew that advice had been given to the Government was when I became Prime Minister and read the Cabinet Paper.

I categorically and emphatically deny any false allegation to the effect that I was advised by Mr. Osbourne. It is below the dignity of any member of the House of Assembly and unworthy of the hon. member to suggest it.

Rt. Hon. E. W. BARROW: I entirely agree with the hon. member that any false allegations are below the dignity of the House but true allegations are not.

Rt. Hon. J. M. G. M. ADAMS: On a point of order. The House just cannot go on and on reflecting.

Rt. Hon. E. W. BARROW: Anyhow, Sir, if I may continue my speech. I will do so without any reference to Mr. Osbourne being an informer of the hon. member.

Mr. CHAIRMAN: When it refers to the hon. member.

Rt. Hon. J. M. G. M. ADAMS: On a point of order, Sir.

Rt. Hon. E. W. BARROW: I will take my seat when the Chair invites me so to do.

Mr. CHAIRMAN: The Chair is inviting you to continue your speech without reference to Mr. Osbourne being any informer of the Hon. Prime Minister.

Rt. Hon. J. M. G. M. ADAMS: I challenge the hon. member to say that on a platform. That is all. Just say it and let Mr. Osbourne crucify you. . .

Mr. CHAIRMAN: There will be no crucifixion in here at all.

Rt. Hon. E. W. BARROW: Will you give us five minutes so that I can go outside and repeat the allegation to the hon. member.

Mr. CHAIRMAN: Continue your speech and do not get side-tracked by time-wasting.

Rt. Hon. E. W. BARROW: I just want to say, Sir, let us pursue purely for the sake of argument that Mr. Osbourne or any other civil servant had advised me or any of the other Ministers that we should not have taken any equity participation in Barbados Sea Foods. In the light of the fact that the Government came to

Parliament and got the approval of Parliament, and in light of the fact that we considered and we still consider that it was profitable to this Island to provide employment in this Island as he himself said during his speech that he was persuaded at the time that it would be beneficial for employment, and that it would bring foreign exchange for the earner. I am saying that the Government would have been entitled to ignore such advice if it were given because civil servants did not ruin the Government in my time because it was one of the matters which we put in our Manifesto.

The former Shrimping Industry was closed down by the action of some of the members on the other side and we were personally in some respects glad to see them go because the Industry was not controlled by Barbadians at the time and we were glad to have an Industry which was being owned and controlled 50% by Government and its Agencies and 50% by private enterprise in Barbados. Now this was a unanimous vote of the Legislature and I do not see how Mr. Neville Osbourne or any other public officer can supercede or be more powerful than Parliament, a Parliament in which the Hon. Minister of Finance was Leader of the Opposition and which he could investigate and that he was persuaded that it was good for the Island and indeed he has quoted Mr. Neville Osbourne as if he were Jesus Christ Almighty.

I do not wish to deal with Mr. Neville Osbourne, he has now gone where he belongs, with the Conservative Sugar Producers Federation, but it was not on the recommendation of the outgoing Financial Secretary that he was appointed to the post which he held. It is the old Civil Service game of musical chairs and I have never regarded Mr. Osbourne as a person who was sympathetic to any socialistic measures or undertakings by Government, this Government or any other Government so I do not want to hear any further in here of the authority, *ex post facto* on something which Parliament ruled upon and was supported by both sides of the House.

Now if for Election purposes the people who are now presiding over the Government of this country thought that they would use the financial difficulties of International Sea Foods as one of their electioneering gimmicks in order to get the Government, that is their business. I am not criticising the hon. member for that.
1.50 p.m.

But what I am saying is this, that after International Sea Foods got into financial difficulties because of the fuel crisis, remedial action was taken on the initiative of the directors who have been so abused by the Minister of Finance, directors who in July, 1976 demonstrated their abilities when they turned a substantial deficit into a surplus for the first seven

months of 1976, and I can quote from the record to support this.

Now some time early in 1976 the Ministry of Trade held a meeting at Paradise in St. Michael — I don't know why the hon. member resents Paradise. I happen to live there. The hon. member is a little further south, but if he wants to move up to Paradise then Paradise regained is Paradise enough. But we held a meeting at the behest of the Government of Trinidad and Tobago to amalgamate the shrimping efforts of International Sea Foods and National Fisheries of Trinidad and Tobago; and the top officials of that organization came up and we had to run into the Sunday because the Managing Director observed a Sabbath different from most of the rest of us except the hon. member for St. Michael West. So we went into the Sunday, and it was no part of the business of the Governor of the Central Bank — I want to get that clear for the record — and we arrived at an agreement which would have solved all the financial difficulties no matter how the debts of International Sea Foods had arisen. Some time before when we had had a CARICOM meeting, the Government of Trinidad and Tobago had offered an oil facility to all Caribbean countries, but Barbados had not taken advantage of this because we did not need it. We did not have any balance of payments problem up to August, 1976, and the Government of Trinidad and Tobago was perturbed that Barbados had not taken any advantage of the facility; and Mr. Mahabir, Mr. Padmore and Dr. Joseph said they had brought a message from the Prime Minister of Trinidad and Tobago that it would be a good idea if we could draw down on this loan to refinance, among other things, Barbados Sea Foods, at a very low rate of interest, which would be the prevailing average between the Treasury Bill rate of Trinidad and Tobago and the Treasury Bill rate of Barbados — something like 4 5/8% — provided that the Government of Barbados took over 100% of the shares of International Sea Foods and paid out the private shareholders and paid off the liabilities of International Sea Foods. Now all the liabilities of International Sea Foods in 1978 would have to be lower than they would be say at the end of January, as they mount up at the rate of \$72,000 a month — the Minister has corrected me, \$36,000 a month. That is about \$400,000 a year, or nearly ¾ million more over two and a half years. What they are telling us is that there was no agreement between the Government of Barbados and the Government of Trinidad and Tobago. There was more than an agreement; not only was there an agreement, but I held a Press Conference and I came to the House and I made an announcement.

Mr. CHAIRMAN: I think you are speaking metaphorically now, because I do not think that the Prime Minister said that there was not an agreement. I

think what he said was that the agreement was virtually useless.

Rt. Hon. E. W. BARROW: I made a note of what he said: "When we got into power we found the agreement as ephemeral as the sand on which Barbados Beach Club was built, arguments and counter arguments about the processing of shrimps." Did that invalidate the agreement? All I can say is this, the Government of Trinidad and Tobago was accustomed to dealing with the Democratic Labour Party Government and I don't want to say anymore than that. But if you go and draw down the same money three or four months after getting into power, you get the money, you say you didn't spend it on Civil Service salaries, but sometime in February, 1977 the money that was to be used according to the agreement — there was a Cabinet Paper and there was a Press Conference release — knowing the Prime Minister of Trinidad and Tobago as I do, I would not even put out a release until he had approved it because if it contained one word he did not approve of he would say that he knows nothing about it; so I made sure I had his previous consent before I published the release. And then in May 1976 a Senior Economist in the Ministry went down to a meeting with Mr. Preston Barker — the Managing Director of National Fisheries, Mr. Ian Gianetti — the general manager of National Fisheries, Mr. G. Fergusson Jnr., representing International Sea Foods and Mr. Richard Leslie of the Barbados Development Bank. Mr. Barker acted as Chairman of the meeting, and they sat down and worked out costs, a survey of the vessels, the management of the company, the return on equity, etc. I will not extend your patience by going through all that but what I want to draw your attention to is the fact that a report of this meeting was given to the Cabinet and produced at the Duffus Commission hearing, and this is what was said:

"The final proposal as formulated and agreed upon between the two Governments is set out in stages for implementation below:

- (a) That Barbados draw on the oil facility loan offered by Trinidad and Tobago to free from all liabilities the 20 vessels now operated by International Sea Foods (Barbados) Ltd. and take full ownership of the company and boats.
- (b) That the Governments of Barbados and Trinidad and Tobago form a joint venture company (say Trin-Bar Ltd.) with a 50/50 ownership share capital structure for the purpose of shrimp fishing only and this Company be registered in Barbados.

- (c) That 'Trin-Bar Ltd.' purchase from Barbados 20 shrimp vessels for a sum to be determined by a market valuation survey to be conducted by an independent surveyor.
- (d) That 'Trin-Bar Ltd.' enter into a Management Contract with National Fisheries Ltd., for the management of its vessels.
- (e) That the 20 vessels for 'Trin-Bar Ltd.' obtain their fuel from National Fisheries Co. Ltd. at the 'special' price and market 50% of their total annual catch in Trinidad.
- (f) That a new shrimp marketing Company, International Sea Foods (Barbados) Ltd. 1976 be formed in Barbados.
- (g) That the vessels of 'Trin-Bar Ltd.' take 50% of their annual catch to Barbados for sale to International Sea Foods (Barbados) Ltd. 1976."

2.00 p.m.

Hon. H. B. St. JOHN: Mr. Chairman, I am sorry to interrupt the hon. member, but the Standing Orders were suspended, and it is now three minutes after two. I beg to move that you do now report progress and ask for leave to sit again. The hon. member for St. John will be able to continue his speech.

Hon. L. S. CRAIG: I beg to second that.

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

Mr. CHAIRMAN reported and Mr. SPEAKER resumed the Chair and reported accordingly.

SUSPENSION OF SITTING

Hon. H. B. St. JOHN: Mr. Speaker, I beg to move that this sitting be now suspended until 2.55 p.m.

Hon. L. S. CRAIG: I beg to second that.

The question was put and resolved in the affirmative without division, and Mr. SPEAKER suspended accordingly.

2.05 p.m.

RESUMPTION

On the resumption:

Mr. SPEAKER: This sitting is now resumed. It is now Question Time. I am advised that there are no replies to questions; but I have given the hon. member for St. Michael

South Central the undertaking that I would allow him to table some. The hon. member for St. Michael South Central — his question as to the number of houses constructed by the National Housing Corporation.

Dr. HAYNES: Mr. Speaker, to ask of the Minister of Housing, Lands and the Environment:—

1. How many houses have been constructed by the National Housing Corporation during the following periods:—
 - (1) September to December 1976?
 - (2) January to December 1977?
 - (3) January to December 1978?
 - (4) January to February 1979?
2. If any houses were constructed as at No. 1 above, how many were actually under construction on September 2, 1976; and what is the location of any such houses?
3. Will the Minister indicate how many, if any, completely new housing projects have been implemented since September 2, 1976, and will the Minister give the location of any such projects?

Mr. SPEAKER: The same hon. member — his question about the U.S. Naval Facility.

Dr. HAYNES: Mr. Speaker, to ask the Minister of Labour and Welfare:—

- (a) How many Barbadians have been regularly employed at the U.S. Naval Facility in St. Lucy?
- (b) What steps are being taken by the Government to provide alternative employment for those workers displaced consequent upon the closure of the facility?

Mr. SPEAKER: The same hon. member — his question about capital projects.

Dr. HAYNES: To ask the Minister of Finance and Planning:—

- (a) What capital projects were undertaken or started by the present Government since September 3, 1976?
- (b) If any projects were undertaken, will the Minister state which of these projects have been completed during that period to February 28, 1979?

- (c) What was the cost of each of these projects so started or undertaken?
- (d) Were there any increases in the cost of any of these projects, above the original estimated cost?
- (e) If the answer to (c) is in the affirmative, would the Minister give the reasons for increase in costs of each project?

3.05 p.m.

PRIVATE MEMBERS' BUSINESS

Mr. SPEAKER: It is now Private Members' Business.

RESOLUTION EXPRESSING PROFOUND REGRET AT THE LOSS OF LIFE AND HARDSHIP SUFFERED BY BARBADIAN CREW OF INTERNATIONAL SEA-FOODS LIMITED VESSELS

Mr. SPEAKER: When this Item was last before this Hon. House, the hon. member for Christ Church South Central seconded the motion on the amendment. Does the hon. member desire to exercise his right? The mover of the amendment is not now in his place.

Hon. H. B. St. JOHN: The amendment has been moved and seconded.

Mr. SPEAKER: I must now put the amendment to this Resolution which reads that the Government must be commended on the steps it had taken to ensure and guarantee the well being of Barbadians in Brazil and of all persons serving on the vessels of International Seafoods Limited.

Hon. members in favour please say "AYE", those against please say "NO". I think the AYES have it. (A VOICE: Divide). A division has been called for.

Rt. Hon. J. M. G. M. ADAMS: On a point of order, is the motion that the words proposed to be deleted stand part, or that the amended motion be carried, Sir?

Mr. SPEAKER: That the amended motion be carried.

The question was put and resolved in the affirmative, the House dividing as follows:

Ayes: Rt. Hon. J. M. G. M. ADAMS, Hon. H. B. St. JOHN, Hon. L. R. TULL, Hon. C. L. BOLDEN, Hon. L. B. BRATHWAITE, Dr. CHELTENHAM, Mr. WARD, Mr. SISNETT, Mr. ALLEYNE, Mr. BRADSHAW and Mr. SIMMONS — 11.

Noes: Rt. Hon. E. W. BARROW, Mr. TAITT, Dr. HAYNES, Mr. SANDIFORD and Mr. WEEKES — 5.

RESOLUTION CALLING UPON GOVERNMENT TO ENSURE THAT THE INTEREST OF LOCAL ENTERTAINERS AND RECORDING ARTISTS ARE PROPERLY PROTECTED

Mr. SIMMONS: Mr. Speaker, I beg to defer debate on this Resolution as I am not yet ready to proceed.

Mr. SPEAKER: The hon. member in whose name this Resolution stand is not yet ready to proceed, and I don't think there will be any objection to deferring it. 3.15 p.m.

Mr. SPEAKER: Order No. 3 under Private Members' Business stands in the name of the hon. member for St. Michael South Central.

Dr. HAYNES: Mr. Speaker, I am not quite ready to proceed and I crave the indulgence of the House to defer this matter.

Mr. SPEAKER: The hon. member is not ready to proceed and is asking the consideration of the House for the deferment of debate on this measure.

Order No. 4 stands in the name of the hon. member for St. John.

Rt. Hon. E. W. BARROW: Mr. Speaker, I am asking that this item be deferred. I am not ready to proceed.

Mr. SPEAKER: The hon. member is seeking leave that debate on this measure be deferred until a later date. If there is no objection, leave will be granted.

This brings us to the end of Private Members' Business.

I have given an undertaking to the hon. member for St. Michael South that I would allow him to table a question which was being processed earlier during the day, and I now call upon the hon. member.

Mr. SANDIFORD: Mr. Speaker, the question reads as follows:

1. When is the estimated date for the completion of the present phase of construction at the St. Lucy Secondary School?

2. What is the value of the contract now being executed?

3. Is the present contractor the same who was awarded the contract originally? If not, why not?

4. If a new contract has been awarded, what was the value of the original contract?

COMMITTEE OF SUPPLY

Hon. H. B. ST. JOHN: Mr. Speaker, I beg to move that Your Honour do now leave the Chair and the House resume Committee of Supply.

Dr. CHELTENHAM: I beg to second that.

The question was put and resolved in the affirmative without division, and Mr. SPEAKER left the Chair and the House resumed Committee of Supply, Mr. SIMMONS in the Chair.

Rt. Hon. E. W. BARROW: Mr. Chairman, before the suspension of the Sitting I had given the details of a meeting held in Trinidad and the outcome of that meeting which confirmed a previous agreement made between the members of my Government and members of the Government of Trinidad and Tobago over the refinancing of Barbados Sea Foods. That meeting was held in Trinidad on the 4th June, 1976. On the 6th June, 1976, a Release was published in the local daily papers, the Advocate-News, and the headlines read as follows: "Joint Shrimp Company Planned; Trinidad to Lend Barbados \$20m." It went on to state that Barbados and Trinidad and Tobago had just concluded two important agreements — one creating a jointly-owned shrimp company, and the other for a BDS\$20 million loan to Barbados.

"The loan carries interest rates which are substantially below the rates now charged by commercial banks in Barbados" said a statement from the Prime Minister's office.

Terms and conditions were said in the statement to be totally acceptable by the Cabinet of Barbados.

The loan is regarded "as a tangible and effective measure in supporting the country's balance of payments," the statement added.

The shrimp company agreement, announced in a separate Press statement, indicated that the company would be owned half and half by Barbados and Trinidad and Tobago.

"The company will operate out of the National Fisheries Company's base at Sea Lots in Port-of-Spain," the statement disclosed.

"It will be able to buy fuel for its trawlers at the subsidised price which is now being offered by the Government of Trinidad and Tobago to boats which

deliver their catch to the National Fisheries Company's plant," the statement went on.

The statement said that the agreement indicated that both governments were confident the arrangement would be to their mutual advantage.

The creation of the company will provide further avenues for increased employment and production in both countries, the statement said.

The statement reporting the loan agreement, noted that Barbados and Trinidad and Tobago have been having talks about solutions to the financial effects of the 1973 energy crisis with the ensuing rise in fuel price.

"These discussions were initiated by the Government of Trinidad and Tobago in the middle of 1974 at which time the Government of Trinidad and Tobago offered balance of payments support in the form of loans to CARICOM countries," the statement said.

"These negotiations continued at ministerial level and culminated in a draft agreement between officials of the Ministries of Finance and Central Banks of Barbados and Trinidad and Tobago in May 1976," the statement said.

"The Barbados Government regards this agreement as practical evidence of the development of economic co-operation between CARICOM countries," the statement concluded.

The agreement on the joint shrimping venture was negotiated during talks in Barbados between April 16 and 19 this year.

Barbados was represented by Prime Minister Barrow; Trade Minister, Senator Branford Taitt; Permanent Secretary (Finance) M.R.L.V.H. Lewis; Permanent Secretary (Planning), Dr. George Reid; Chief Economist in the Ministry of Finance, Mr. J. Nurse; General Manager of the Barbados Development Bank, Mr. Richard Leslie; and Managing Director of International Seafoods Limited, Mr. Kyffin Simpson.

Trinidad and Tobago was represented by: Agriculture Minister, Mr. Overand Padmore; Industry Minister, Errol Mahabir and Managing Director of National Fisheries Company, Mr. Keston Barker.

Now that was a matter of public and general knowledge. The reason why I publish that, Sir, is that Barbadians have been accused of having short memories. What I wish to draw to Your Honour's attention is that the \$20 million which we agreed to draw down from Trinidad and Tobago was according to the second meeting held in Trinidad, to cover all the liabilities, not part of

the liabilities or the purchase of the 20 shrimp trawlers owned by Barbados Seafoods, but all of the liabilities at the insistence of the Government of Trinidad and Tobago.

Now whatever may be the legal position, I am not prepared to argue what a legal position is as the Prime Minister and Minister of Finance rightly said. At no time did I guarantee any further loan to the Bank over and above what all the members of the House of Assembly unanimously sanctioned during the debate on the formation of the company. The reason is very simple. Number one I was not asked, and that is a good enough reason. And if I had been asked, then I would have had to come to the House to get approval for a further guarantee.

3.25 p.m.

That is the second reason. The third reason is this, Sir. It is a very simple one. (*Asides* – Like Carib West). I beg your pardon? That was not any guarantee and the hon. member knows that, so do not let us get into that department.

The third reason is, Sir, that both the private citizens and large private companies here in Barbados, and let us deal with Barbados, the country in which we live, the banks of this country looked at an operation, a business, and decided that they would extend the overdraft facilities for the purpose of tidying up those Companies through difficult periods and normal periods. In the case of one Company here in Barbados, I happen to know that the Bank's overdraft is something like \$17 million. In the case of private people sometimes they ask the small companies for personal guarantees but they do not ask directly of these big undertakings for any additional guarantees when they are running up overdrafts of \$11 million and \$7 million.

Now with reference to International Sea Foods, after the Parliament of Barbados had approved of this they are now saying that they knew from the beginning that it was not good and to say that the 500 people who were employed were only employed occasionally? Those people who were cutting cane before we introduced the guarantee for agricultural workers, people employed in the staple industry of Barbados were only employed occasionally as well, and the dockers in London before 1976 when Sir Ernest Brennon – I cannot say before 1926 because it was certainly much later than that – Sir Ernest Brennon introduced a guarantee week for dock workers who used to turn up in the cold and even the West Indian dockers waiting for ships to come in just as the same way the shrimp workers here would have to wait for the trawlers to come in off the ships. Employment is employment and employment of 500 people for half a month is better than no employment at all and we do not have to go to Confucius to get that but the point is that as much

as 500 workers, and most of them female workers, would be employed when those trawlers were in Port.

The Sugar Industry extends from the 1st March to 30th November but what we have here in this country is this kind of business that any kind of nonsense that sounds new, even although it will cost this country a fortune, is taken up as if it is some new development that the Almighty has singled out for this country and this new disposition of wisdom and economic viability no matter how beneficial it is for this country has got to be scrutinised and if feasible, liquidated. They are now liquidating the Shrimping Industry in Barbados at a time when shrimps will be in great demand when the Capital assets of the trawlers have gone up considerably.

The replacement value, in fact the Sandy Lance Commission under Lord Sandy Lance who was the most prominent actuary in the U. K. some two years ago was set up to go into this whole question of depreciation and replacement value and make recommendations and in the new concept the replacement value of those trawlers far exceed any liabilities that they may have incurred so the Government of Barbados if they do not allow the ships to deteriorate will have Capital assets in the same way that they have Capital assets to cover all contingent liabilities that were ever incurred under what they call "the previous administration".

The Prime Minister and Minister of Finance himself has said that all the contingency legislation that they met did not exceed \$20 million and up to now does not exceed \$20 million. He has found Capital assets for all the contingent liabilities and the Government of Trinidad and Tobago extended to us – in fact they went to the extent of almost enforcing it upon us because we were reluctant borrowers, and asked why did you not take this money at the most reasonable rate of interest that has ever been charged for an Overseas Loan, but in January, 1977, this Government drew down the first \$10 million of the Trinidad loan. In December 1977 they drew down the other \$10 million of the Trinidad loan and they have continued negotiations with the Government of Trinidad and Tobago in an amiable way and I do not want to hear anything about no agreement being made. There was nothing before this Agreement.

The Government of Trinidad was connected with the Joint Shrimping Venture. Instead of that we read in the newspaper about they going off to Guyana. Now of all places, the last place I thought that this Government would have gone to was the Government of Guyana. Number 1 reason why I said that. The Guyana shrimps are notoriously inferior in quality and this is not a criticism of Guyana. It is a fact. Inferior in quality and in size to the Brazilian Shrimps.

Number 2, no Government has been abused, no Head of State has been criticised with such vehemence and regularity than Mr. Burnham, the Prime Minister of the Co-operative Republic of Guyana on the Floor of this House, on public platform by members of the Barbados Labour Party and particularly by the Prime Minister and Minister of Finance himself and by the Minister, whichever portfolio he is holding now. The Minister of Housing I believe he is now.

Rt. Hon; J. M. G. M. ADAMS: On a point of order.

Rt. Hon. E. W. BARROW: No one has been praised.....

Mr. CHAIRMAN: Will the hon. member of the Opposition take his seat. The Hon. Prime Minister has risen on a point of order.

Rt. Hon. J. M. G. M. ADAMS: I have listened carefully to what the hon. member has been saying and I believe the last occasion on which he spoke about what the hon. member for St. James said about Burnham he criticised Mr. Craig for praising Mr. Burnham in here.

Mr. CHAIRMAN: It is a point of order in my opinion, yes.
3.35 p.m.

Rt. Hon. E. W. BARROW: It is improper to call a member by name — the hon. member for St. James said when I was in office that we should take a blueprint from the Government of Guyana. I criticised him for that because I did not need a blueprint from Mr. Burnham or anybody else. But I am talking about personal vilification, in that whereas the Government of Trinidad and Tobago had extended the hand of friendship with a concrete, unassailable and saleable agreement where the shrimp boats could go to sea and not be tied up in Brazil, and be supplied with fuel at one quarter of the price and make a handsome profit we read in the newspapers that there was going to be a joint venture instead with the Government of Guyana of all places.

I have given three reasons so far, but the fourth reason is probably the most important reason, that in the same way that a lot of people I see in politics today have little or no sense, the Government of Guyana has no oil to offer anybody, whereas the Government of Trinidad and Tobago and the Government of Venezuela had offered at one time or another to give Barbados an oil facility. But they abandoned the agreement with Trinidad and Tobago and with National Fisheries Corporation because they were trying to prove that the DLP was wrong to buy 20 shrimp trawlers. But they were not ashamed to grab the

\$20 million and use it for other purposes, but not for the purpose of liquidating the debt that the Government of Trinidad and Tobago had instructed us to pay off. Not only would all of the liabilities of International Sea Foods have been paid off, but we would have paid off all the contingent liabilities arising from the guarantees which the former administration had entered into, so that there would have been no embarrassment on the part of this Government or any other Government if they had pursued the negotiations. But they started off on the wrong foot by going down there for some negotiations. We hear how well liked the present administration is by the other people, but at the time of the Cubana crisis that was not the news that was leaking out from the talks which were going on in Trinidad.

In January, 1977 the money was drawn down; but the Duffus Commission show came on, so you could not pay off the liabilities. Instead of that we heard of one of the Vice-Presidents of the company which had made the loan being abused on the floor of this House, being called a narrow-face something or other and an international nuisance, and the hon. Prime Minister provided the words international nuisance and said he was walking around tugging his jacket in Vancouver some time ago. I also happen to know that the Minister of Finance has carried this thing a little further. He wanted to know from the bank why they had to lend the money to the former administration. Now here is a bank operating in Barbados and the answer, I understand was that the bank felt it was a viable project that would create employment for the people of Barbados.

Rt. Hon. J. M. G. M. ADAMS: On a point of order, Sir. I understand the hon. member to say that the Minister of Finance asked the bank why it had to lend money to the former administration.

Mr. CHAIRMAN: This is now the third time that I have had to virtually draw it to the attention of the hon. member for St. John that when another member rises on a point of order, I expect him to take his seat. It is only on a point of elucidation that the issue of giving way arises. If that sort of thing is to try out my mettle I will show my mettle.

Rt. Hon. J. M. G. M. ADAMS: The point of order is that the hon. member continues to reflect on my motives by saying that I asked a bank why it has to lend money to Barbados. That must reflect on a Minister of Finance who has sometimes to try to raise money from banks.

Mr. CHAIRMAN: I do not hold that as a point of order, and I do not know there is anything improper if you ask a bank why it lent money.

Rt. Hon. J. M. G. M. ADAMS: But it is not true. I will give the hon. member a copy of my letter to the bank. It is about his conduct and the conduct of officers of the bank.

Rt. Hon. E. W. BARROW: I never said that the hon. member wrote a letter on that. If he wants me to withdraw any insinuation that he wrote a letter on that point I would withdraw it because I never made the insinuation. But I am saying we have to mature in Barbados. We cannot keep looking over our shoulder and saying we should not have done this or we should not have done that. You are doing things for the benefit of the people of Barbados, and the sooner we realize this the better it will be. All of us in here voted for the guarantee. Furthermore, members on the then Opposition side of the House persuaded me that we were not taking enough of the shares. There was no question of not restarting the shrimp industry; the question was that we were not doing enough. What has happened in Barbados recently is that I notice an uncomfortable thing creeping on to the political scene in Barbados, that whenever there is an attempt to socialize the economy there is the philosophy creeping up — it is true that I myself have had the reservations about giving people who have only been exposed to civil service indoctrination complete control over vital areas of the economy; I do not believe businessmen are endowed with any super human wisdom; at the same time I do not believe that civil servants are necessarily the best people to be given unfettered control. But there are certain areas where we as socialists believe that the Government has to take calculated risks because the private sector is not willing to take them. The private sector in Barbados would not buy a fishing boat, far less buy a shrimp trawler. Name even one business firm in Bridgetown that has bought even one fishing boat to try to improve the supply of protein food for the population of this country. I know of only one private individual, Challenor Jones, and he does not have to pursue that vocation because he has other talents. But he believes in surf and turf and has gone to the surf too. But name any of the business houses, name one group of merchants in Barbados that would put up money to build a modern decent hotel from the bottom up before we built the Barbados Hilton Hotel. Some of them have converted old buildings, but not one of them would sit down and plan a hotel from the foundation up. So there are several areas in which a socialist government must take calculated risks and you have to give these things time to pay off. You do not run them to the ground just because they may have been initiated by a different political party. And if the hon. member for St. Thomas can show me one project that he has initiated in an attempt to socialize the economy of this country, I give him an assurance, even if it is losing money, that we would try to make it pay and that we would try to expand and develop it for the benefit

of the country and not try to run it into the ground just because he initiated it.
3.45 p.m.

It is not very long from now. We have already passed the half way point; and we hope that he will be given every opportunity to survive the normal democratic term. We do not wish to get any rush of blood like other people down below. We will carry on; but he must make a serious attempt to get the people of Barbados believe that a Government is incapable of running shrimp boats or appointing people to run shrimp boats just because they were of a different political persuasion from yourself; and I notice that in every single matter that we tried to introduce to vitalise the economy, he ran it into the ground; and this is bad for the economy of the country. It is bad for the overall good of the country. It is bad for the industrial development of the country; and I think that we are making a serious mistake.

If the hon. member said that the shrimp boats were not being manned by Barbadians, that might be now. That reminds me, Sir, of the story of the old man who was over 80 years of age; and when his employer took him on as a gardener and he cleared off about a half acre of trees by morning time, when he came home for lunch they asked him where he had cut down the trees, and he said in the Sahara Desert. They said, but there are no trees in the Sahara Desert. He said you mean now.

The Minister said that there are no Barbadians on the shrimp vessels.

About the shrimp vessels that is now because we have some people who have deserted because there is no future, and because there is no straightforward and bold statement as to what the future of these trawlers is going to be; but we know that Barbadians were in great demand, and we managed to recruit Barbadians back into the industry after they had been disbanded, the first time that Barbadian captains were not in great demand; but we had a turn over among the crew, the average trawler carrying about four members of the crew including the captain; and sometimes Barbadians would stay on shore after they had been out to sea for 28 days, until they were ready to earn some more money; and so we had to recruit from places like St. Vincent and so on; but everyone of those captains were Barbadians. The skilled people were Barbadian captains; but now that shrimp is fetching a high price on the world market we should be cashing in on it and trying to gain some hard currency for this Island.

We are not out of the woods yet, no matter what assurances may be given to us by Central Bank, and the

Minister of Finance. I want to make the position clear. We are not out of the woods yet. The Government of Trinidad and Tobago has a foreign currency reserve of some \$6 billion; but they are still borrowing money from the World Bank and other places — something like \$200 million the other day, because they are not going to run out of their reserves.

Our reserves are paltry, very, paltry; and we do not have enough in the till to pay for our imports — I have not seen the figures last week, but I would be surprised if we have more than four or five weeks' reserves to pay for our food imports and our other consumer imports so if a single industry that can bring in hard currency, such as the shrimp industry, it will find support on this side of the House; and we are not in any way intimidated by the way in which the whole history of Barbados Seafoods has been distorted.

We are ashamed of the way in which the crews have been treated by the statements. As the Minister himself said, as the Prime Minister and Minister of Finance said — I do not want to misquote him, Sir, so if you will just give me a few seconds, I will find the quotation. He said that statements have been made by Ministers, that contradictory statements have been made by Ministers and by members on this side of the House. We are not running the Government. I am not aware of any contradictory statements being made on this side of the House; but he is saying the contradictory statements were being made on his side of the House because the situation is confused. If the situation is confused, the situation is confused because he does not have any clear policy about the shrimp industry. He is dealing with the shrimp industry as a political football. He is kicking the shrimp boats all over the place, and he will get his toes stumped because they are made out of fairly hard material.

These trawler fishermen will get other jobs. They are in great demand now. You do not have to worry about Captain Fergusson junior or Mr. Simpson. They are in great demand as well for their entrepreneurial ability. It is the people of Barbados, the people down in New Orleans, the people in Emmerton who will be hurt by this industry not being able to assist even the 60 or 80 people who are admittedly on the permanent role of unemployment; and these people are being hurt by the indecision of the Government, and the fact that the Government has been guilty of this indecision.

Those are the facts. The Duffus Commission is over now. We will support any such measure. Go back with cap in hand. I do not know where you will get the money from now because you have spent it, or Dr. Blackman has spent it; but go back to Trinidad and Tobago and say that we want cheap fuel. The only way

the boats can operate is with cheap fuel. The boats cannot operate with fuel at 49 or 50 cents U.S. a gallon. That is an economic factor. They can operate with fuel at 11 or 13 cents. Go back to Trinidad and say here are our boats. Pay us for half of them. That will more than cover the money that you have asked us for today; and what you have spent already. You will have money in the till to do your capital works and our country will prosper as well as the shrimp industry because people will get employment. That is our consideration.

Too much of political footballing has been made of this. I have to remind them that all of us voted for it; so there is no use for any one of us getting up here and pretending that we knew that there would be a fuel crisis, and we knew that the industry would never pay. It started to pay, then it stopped paying. It started to pay again. It would have paid again if there had not been a change of Government or if the Government's attitude to this important industry had not changed.

Hon. H. B. St. JOHN: Mr. Chairman, it is interesting to hear the hon. member for St. St. John, the Leader of the Opposition, speak about distortion in relation to the shrimp industry in Barbados.
3.55 p.m.

I do not think that anyone can be more guilty of distortion than the hon. member himself when he is dealing with the Trinidad situation. In 1976 I was charged by the Prime Minister to go to Trinidad among other things to discuss air talks and the alleged shrimping agreement between the Government of Trinidad and Tobago and Barbados. I went, and I am speaking of my own knowledge, into the Ministry of Agriculture in Trinidad, accompanied by Mr. Ian Archer, and I met Mr. Chambers who was the Minister of Agriculture in Trinidad. Before I went I had a meeting with Dr. Reid who was then in the Ministry of Finance and Planning. I had gone through all of the documents that were in the possession of the Ministry of Finance, because that is where Seafoods was dealt with, not under the Ministry of Agriculture, Seafoods under the administration of the Democratic Labour Party was dealt with under the Ministry of Finance, the files were kept there. I did see in the files the talks that took place between the then Prime Minister of Barbados and Mr. Mahabir. I saw also the comments of the civil servants in Barbados and the comments of the civil servants in Trinidad. A summary was there as to the implementation of this alleged agreement.

What is more, there is no doubt that there were talks between the then Prime Minister of Barbados and Mr. Mahabir, there is no doubt that broad heads of agreement in relation to a joint fishing venture were

outlined. The details of that agreement were never in fact completed and embodied into a signed document by the Government of Barbados and the Government of Trinidad. That is a fact, they were never done. As a matter of fact, let me say this, that the draft Memorandum and Articles of Association were prepared in Barbados by Mr. Oliver Browne and sent to Trinidad, and when we got to Trinidad — I can say it, it is no disrespect — the Ministry of Agriculture in Trinidad had not even got back the comments of their Attorney General on the Memorandum and Articles of Association. We requested them to send back their comments; to this day we have not got back the comments on the draft Memorandum and Articles of Association. So the Hon. Leader of the Opposition, when he tells people in Barbados that the agreement was concluded, that can only amount to a grave distortion of the position.

Rt. Hon. E. W. BARROW: On a point of order, Sir. I said an agreement was made, I did not say it was signed, but I would just like to remind the hon. member, he is accusing me of distortion and I am not even going to ask him to withdraw, Sir. The boats were down in Trinidad fishing — have you ever heard of the doctrine of part performance? I don't mean you, Sir, I know you have, but I am not sure that the hon. member has. The boats were getting the fuel in Trinidad and fishing out of Trinidad with fuel at a reduced price in pursuance of the agreement. Rawlinson and Aymes is one of the cases to which I could refer, Sir.

Mr. CHAIRMAN: Madison and Alderson, Wacom and McKenzie, all of those.

Hon. H. B. St. JOHN: Yes, all of that talk. The company, Trin-bar Ltd., the Memorandum and Articles of Association of that company were drawn here in the Attorney General's Office and were sent to Trinidad and the Trinidad Attorney General's Office has never, up to now, sent back the comments to Barbados. That is a fact, so don't let us say when you say that we never pursued it, when the hon. member gets on the floor of this House and says that this Government never pursued the joint venture agreement, I am giving the facts to show very clearly that when we came into power we went to Trinidad to finalise the alleged agreement that the hon. member talks about, but when we got there there were a number of snags, and I'm going to tell you the snags now. The snags are very clear, here are two Governments trying to combine one with fuel, the other with boats, and they are trying to combine their capital and their fuel to fish in another man's water, and the greatest snag that occurred was that the Brazilian Government in whose territorial water you were fishing refused to recognise Trinbar Ltd. The Brazilian Government said very clearly that they had an agreement with the Government of Trinidad *vis-a-vis* Trinidad boats, with the Government of

Barbados *vis-a-vis* Barbados boats, but they were not having any agreement with any Trinbar Ltd., a combination of the Governments of Barbados and Trinidad, so that to suggest.....(*Asides*)..... I am telling you the fact, I don't mind what documents you have, these are the facts that are on the file, because I went and I saw myself the company.

Now, what happened at that time was that when the snag arose with the Brazilian Government.... (Mr. SANDIFORD: Snag?) Yes, a snag arose which is a very serious thing, because if you are going to have a joint venture — a lot of people talk about joint ventures and don't understand the implications of joint ventures — two parties can sit down and agree on a joint venture, but if it is dependent upon the will of a third party, particularly a Government, the Government of the third party has got to consent to the principle of the joint venture, otherwise the implementation is frustrated, and therefore it is very wrong and nothing but grave distortion for the hon. member in here and any other place to say that this Government never pursued the implementation of any agreement that he had made. This Government, with all the best intentions in the world, when we came into power we knew that there were agreements the previous Government made, and because we are constitutionalists and we believe in the ballot box and not the bullet we always honoured agreements that were made by our predecessors. Now, Sir, that is the true story of the Trinbar company. The hon. member has never been able to point to any company, either passed by the Legislature of Barbados, the Legislature of Trinidad, or incorporated pursuant to the Companies Act in Barbados or incorporated in pursuance of the Companies Act in Trinidad, the hon. member has never been able to point to that because that is the only method of incorporation, unless the hon. member can say that the company was incorporated in another jurisdiction, which I know would be very unwise, and I am sure that the hon. member would not contemplate incorporating a joint venture company between Trinidad and Barbados, two sovereign nations, under a law other than one or the other. So this talk about Trinbar was a proposal, a step to be implemented, but as I said, it could not be implemented.

Now, in 1976 the two companies then decided that they were going to try and implement the principle of the agreement in an informal way, and there was a company agreement between the people in Trinidad and the people there, but I am telling you that there were on many occasions problems that arose with the implementation of that agreement on the ground that certain civil servants in Trinidad were saying that the Barbados boats did not come within the terms of the legislation in Trinidad which permitted them to give fuel at a concessionary rate, and very often interventions had to be made in order to continue it.

4.05 p.m.

Very often interventions had to be made in order to continue it, despite what they are saying. Right up to the time when the licensing arrangements expired, those boats were fishing under the terms of that informal arrangement. How then can any hon. member over there, how then can the Democratic Labour Party say that we refused to implement agreements made by them when right up to the expiry of the licence the boats in fact were fishing on the informal arrangements which was initiated by them? (*Asides.*) Mr. Chairman, sometimes matters are a little too high for some people. They do not understand these things.

In January, 1977, the preliminary rounds of negotiations took place between Dr. Reid, Mr. Bryan, the officials who were doing the negotiations all the time and the Brazilians, and the Brazilians made it clear from the beginning that when these licences expired under which the Barbados Government had 20 boats and the Trinidadians had a certain number of boats they were not contemplating any kind of joint venture at all to fish within Brazilian waters other than a joint venture with three companies, and they nominated three companies in Belem. That is what the Brazilians say, that from now on they would never give any consent, and what is more they say that in any negotiations in the future all shrimp had to be landed at Belem and processed in Belem, and very importantly they said not only did the Ministry of Agriculture in Brazil had to give consent to the agreement, but the overpowering boss of Brazil, namely the Navy, had to give consent too. So that any implementations of the discussions and agreements on heads that were reached between the Government of Barbados was therefore now completely out of the question because of no joint ventures.

With that in mind, we asked the Trinidadians and we put up in our bilateral talks with Trinidad that we should continue to pursue a common approach between us to see if we could change the Brazilians on the grounds that we were part and parcel of the same geographical area and that we were members of the Third World Countries, the Group 77 together. Well that did not get any kind of sympathy either, because people will know, as I have said before, that the Brazilians' attitude in these types of negotiations is very clear, that Brazil is a member of the Group 77, but as far as anything goes Brazilians' interests are dominant, that she is a super power too in the making. She has always maintained that, and if you look at it in the International Sugar Agreement, if you look at it in the Group 77 negotiations, if you look at it all around, it is very difficult to get Brazil. (Dr. HAYNES: How did we get good agreements?) Now, Mr. Chairman, poor fellow.

When the agreement was signed in 1973-74 in relation to sugar, at that time Brazil was then doing a survey. The Brazilians had not passed their Fisheries

Conservation Legislation that they passed in 1975 and amended in 1976. Brazil was anxious at that time to get exploitation of the shrimping industry, but when the agreement was subsequently negotiated and came to be renewed, the Brazilians said at that time that the only joint ventures they would have would be a joint venture in which Brazilian companies owned 50%. The position is very clear, Sir. We then were faced with a company despite the fuel cost, and shrimping is something that fluctuates. Some years it is good and some years it is bad. You were faced with that, you were faced with boats, you were faced with an agreement expiring, you were faced with the fact that Trinidad's and our efforts to carry out and implement a joint venture was frustrated by the fact that the Brazilians will not have any of it; so we had to do an evaluation of Seafoods and we started our evaluation of it. We pursued all kinds of alternatives in relation to this and there was to have been a regional project based upon the UNDP/FAO Report on the continental shelf off the coast of Guyana. There was to be a regional project funded by the BDF for a joint fishing exploitation of the continental shelf of the Guyanas. Then the Government of Guyana also said that they were not interested in a regional project, that they were interested in bilateral agreements and were prepared to enter into bilateral agreement with any of the Caricom territories, but they were not interested in throwing the whole of the continental shelf of Guyana into the pool, so to speak. So these South American countries all jealously regard their continental shelf.

The same thing happened with Surinam, the same thing happened with the EEC and Cayenne, Mr. Chairman, so that the basic position is this: (*Members of the Opposition left the Chamber*) Those who want to understand what has happened with the South American Coast will listen. Those who want to get up and make statements and not back them up and when the facts are coming out they do not want to face them, that is their business. Surinam and Guyana had a fishing war, so to speak, where there was mutual arrests of each other's boats over the 200 mile limit. The EEC introduced regulations with the coast of Cayenne extending the 200 mile limit and said they would only grant fishing on a Government to Government basis.

Mr. GREAVES re-entered the Chamber and took his seat.

Mr. GREAVES: Mr. Chairman, I would like to draw to Your Honour's attention that there is no quorum in the House and this is rank inefficiency on the part of the Government party not to maintain a quorum.

Mr. CHAIRMAN: You will withdraw the word "inefficiency" now. I will not have that it is inefficiency on the part of the Government party. You do not know

for what reason the people are out of the House. It may be for some very personal reasons.

Mr. GREAVES: I withdraw the word.

Mr. CHAIRMAN: Let the Bell be rung.

The Bell was rung and a quorum was obtained.

Mr. CHAIRMAN: We do have a quorum and the Hon. Leader of the House may continue.

Hon. H. B. St. JOHN: I just want to summarise. Barbados has now got agreements on a Government to Government basis with Guyana and on a Government to Government basis with Brazil, but we have not had agreement with the Navy of Brazil.
4.15 p.m.

Barbados has now got Agreements on a Government to Government basis with Guyana and on a Government to Government basis with Brazil but we have not got an Agreement with the Navy of Brazil, and that is the real boss. It is a fact. There is no country in the world, and we have been checking, who has been able to satisfy the criteria set down by the Navy. You can ask Captain Fergusson. He knows about the Brazilian Navy and he knows that you cannot deal with the Brazilian Navy other than a certain fashion otherwise you will find yourself ending up in jail.

We also have an Agreement with the EEC whereby Barbados is entitled to shrimp off the Coast of Cayenne. We have put in applications to the Government of Venezuela, applications to the Government of Trinidad and applications to the Government of Surinam. With all three of these at the diplomatic level active steps are being taken on a weekly basis to try and finalise the Agreements and with the Government of Guyana we have a former Agreement which started in October last year which permits us year round fishing and shrimping between the months of March and October so that far from having a policy relating to fishing, the hon. members on the other side, if they really brought out the facts, could only concur in the vote.

You really should bring out the facts, you started pursuing the myths. You want to tell the public that you had an Agreement with Trinidad and we stopped it when in truth and in fact the Agreement was frustrated. The Memorandum and Articles were never implemented. You and the Government of Trinidad were trying to fish off Brazilian waters without their consent and when the Brazilian Government said "no, no, that cannot be done" we had to face that fact. That is the position, Sir.

We also made it very clear from the beginning that we felt that fish is very important, not only shrimp and

that we would do everything in our power to ensure that the Fishing Industry in Barbados, and proper facilities will be used if at all economically feasible to increase the amount of fish which is caught off the coast of Latin America which in fact the UNDP/FAO has studied and has proven to be in a good economic position and we would be pursuing that.

The first year we came in only 280 lbs of that fish was marketed. The second year 350,000 lbs and last year I understand that that figure for the ending of the year will be somewhere in the vicinity of 480,000 lbs and the average sale price of that fish is somewhere in the vicinity of .60c to .75c a pound. Hon. members will appreciate that that fish does not compete with the Barbadian line of Flying Fish and Dolphin and the greatest period of time when that fish is sold is when our fishing season goes off around May and June and we are now in a position having assessed the value and acceptability of that fish to state that we foresee a market of that right up to two million pounds per year.

In addition to that a lot of work has been done in the area of experimenting in salting fish and things of that kind and a tremendous amount of work has been done in Guyana and other countries on it. The shrimping vessels were not interested in this kind of fish so that a whole complete and proper economic evaluation is being made of the potential for those boats bearing in mind what Agreements we are negotiating within a reasonable time and bearing in mind our desire to ensure that we can modernise the Fishing Industry in Barbados to close the deficit of some 5 million or 6 million pounds a year which come in via St. Maarten and those countries and other countries where the Japanese has a base so that in this respect far from trying to destroy something because the other side conceived it what we are trying to do is to ensure that the taxpayers in this country are not unnecessarily burdened with a liability but that we will make the best use that we can be consistent with the International Agreements we have made.

Mr. TAITT: Mr. Chairman, Sir, what I have to say will not take very long because the Leader of the Opposition put the case so clearly and so well today that in my opinion it does not bear repetition but I should like to start off by saying that in a way I will like to congratulate the hon. member who just sat down. This is the first time since the 3rd September, 1976 that anyone on that side of the House, outside of a private conversation, has had the guts to admit that there was a Meeting at Paradise Beach, that an Agreement was reached and that as he stated he found notes at that Meeting when he went into the Ministry of Finance where the files were kept. Even Sir Herbert Duffus could not get the memories of anyone jolted who appeared before him into remembering that such a Meeting was held. That note could not be found while Sir Herbert Duffus was

here but I was privileged to hear the Hon. Leader of this House admit that he found a note, that he found a summary of what had taken place at Paradise Beach. Perhaps we can now put two double lines, that would be four lines, Mr. Chairman, in red under that particular episode.

I was even more amazed to hear him in the course of his discussion, although by volume you would have had a little difficulty listening to such, but, Mr. Chairman in the course of what he had to say he contradicted himself completely. He first said there was no Agreement. He then said that when he went to Trinidad they wanted to continue the Agreement. He then said it was frustrated. Now, Sir, I am sure you will forgive me for making an incursion and in hearing it you might rule that I withdraw but you cannot have frustration of an Agreement if it does not exist at first, Sir.

4.25 p.m.

I think you will agree that there has to be an agreement before it can be frustrated.

He then went on to suggest that the only reason they did not pursue the agreement with Trinidad and Tobago was because the Brazilian Government or navy — up to now they are not sure whether Brazil is run by a Government or a navy — but whichever it is, he suggested that they did not pursue the agreement with Trinidad and Tobago because the Brazilian authorities frustrated the agreement.

Mr. Chairman, when we first went to Brazil to negotiate, the Brazilians were like the Rock of Gibraltar. They told us "No more than six boats; we are going to allow you to fish with six boats." In the end we signed an agreement for fourteen boats. That was a tribute to the tenacity of the people whose responsibility it was at the time to run the affairs of this country. We recognized that in international negotiations there are certain procedures which have to be dealt with over long, arduous and even near impossible negotiations. We on this side contend that if the Government had shown just a wee bit of humility, if they were not so intent on demonstrating that nothing the Democratic Labour Party had put forward was capable of coming to fruition, they would never have allowed International Sea Foods to accumulate \$3 million debt after they came into power. I do not have the details of the amount of wastage which apparently has been the result of their failure to take advantage of the agreement reached between the Government of Trinidad and Tobago and Barbados. I am disappointed to hear the hon. member say that when he went to see Mr. Chambers in Trinidad that the articles were with the Attorney General. Is that any excuse for giving to the public of Barbados the impression that there had never been an agreement, that the \$20 million was a figment of our imagination? You will recall, Sir, that an

hon. member of the Other Place when referring to the \$20 million was taken to task by none other than the Prime Minister in a statement released from the Government Information Service, and the gravamen of that statement was that there was no agreement, that the \$20 million had never existed and that it was never for the purpose of paying off the liabilities of International Sea Foods.

Mr. Chairman, when you talk about distortion, there are two kinds of distortion. There is distortion in which you deliberately twist information and put it in a particular way. There is distortion again when by carefully choosing the words you lead people to get an impression which, if people paid careful attention to the actual words used, they would see that the impression you are putting forward is the opposite of what you are saying. That is the hallmark of this Government. When they put out information to the people of Barbados, the words are carefully chosen. They lead the people of the country to one impression and then come back and say: "Look at the words, that is not what we said." That has been their style.

This question of International Sea Foods is a question of style. The negotiating style of the hon. member over there is different from the negotiating style which was exercised before. We feel that in some matters you have to take a position of humility; you cannot act with bombast. Mere shouting and hollering is not enough to get an agreement. Sometimes you have to accept that your position is shaky and you have to go through another route. I think the hon. member is learning — he does not have much longer — and I hope that by the time he leaves he will have learned something on how to negotiate international agreements.

Mr. Chairman, as to the Prime Minister's submission on the matter before us, I wish to remind this honourable House again, because he has put forward the impression that from the beginning International Sea Foods was a bad venture — and I wish to remind this Honourable House that at the end of the first year of operation that company made a profit of \$900,000. Anyone who has been involved in any economic operation will tell you that it usually takes two years at a minimum for any company to start showing a profit, no matter how well managed. This company, International Sea Foods, which all hon. members of this House approved, in its first full year of operation showed a profit, and even after the fuel crisis, as we went into 1976, if you look at the operations of the company you will see that there was an operating profit. Now you can get confused with words and I am not prepared to go into details of the ways people use to show figures on a balance sheet; I have no doubt that very soon from now we are going to be taking a look at the fantastic manipulation of figures to show one thing or another. But the point I am making is that no hon.

member over there who has the smallest conception of business could look at that operation and say on the face of it that it was a bad investment. And when you consider that the Government of Barbados did not have to take up one cent, that we were able to utilize what was an old, dilapidated building on the Harbour Road that had been there and had been showing no return on the property, we were able to take that and with a small bit of repair to the roof turn it into an asset for Barbados. And I am disappointed to hear the Prime Minister get up and say that all the employment was that occasionally some people would be called down to work at the shrimp plant. I challenge the Prime Minister to get information of the wages paid to these people over a year, whether they worked for one week, six weeks or fifty-two week-ends, and then let us decide whether it is true that the people were working or not; and if it is true that they were able to keep body and soul together, that their children were able to hold their heads up because some income was coming in.

Mr. Chairman, I agree with the hon. member when he says that International Sea Foods has shown some improvement in the catch of fish. It has shown improvement from the first year they took it up until the second year. But if you will go back and look at the figures you will see that the croaker and other fish that the industry used to bring into this country was sold for almost next to nothing and in some cases given away. He will also be able to tell this House that the shrimp vessels are in no way capable of performing the role of fishing boats in the same way as a vessel built for that purpose. 4:35 p.m.

The shrimp boats must have appreciated in value. They must now be worth more on a straight line basis than when they were purchased, given the inflation that we have had. I do not wish to go into those details. I would like to wind up because I know that my time is running out; but I will say that the Government of Barbados has a responsibility to provide employment for people. It has a responsibility to see that its enterprises or its initiatives to create enterprises earn scarce foreign reserves. I said this before, and I say it now, that if the same circumstances presented themselves, I would make the same decision. I would make that decision in the full knowledge that the decision was in the interest of the people of Barbados, to establish International Seafoods and to establish an industry which has brought in in 1961 foreign exchange from fishing of \$300,000. In 1968 it was \$7 million, and that was the time that we had a shrimp industry.

If I had to make a decision again in 1972 or in 1973 that decision would be made because it is the responsibility of a Government to make those kinds of decisions.

We on this side support the paying of the guarantee, but we cannot support the implication that they are suggesting that they will be liquidating the company. We have had three different statements from three different Ministers, and I think that it is time for the people on that side to get together and decide finally on one policy for the shrimp industry so that we can continue, notwithstanding the Cayenne "Nay-Nay" agreement as to those places where fishing for shrimp will not be worthwhile; but the shrimp industry can continue to bring benefits in the nature of foreign exchange and the employment of the people of Barbados.

Dr. HAYNES: Mr. Chairman, I think that we are looking here at another of the great achievements of the "great combination". In response to a parliamentary question asked by the hon. member for St. Michael North Central, the accumulated debt of International Seafoods Limited for January, 1979, was \$15,136,863. In December of 1976 the accumulated debt was somewhere approximately \$11 million; so that in a short period of two and a half years there was a substantial reduction in employment, and at the same time a very substantial reduction in foreign exchange earnings. We have had an increase in the debt to the extent of \$4 million. That is one of the achievements of the "great combination".

Now, Mr. Chairman, I have heard a whole lot of rigmarole being talked about debt equity ratios and the validity of the Government guarantee based on our debt equity ratio in this particular enterprise. I want to make it particularly clear that the capitalisation of a company is not necessarily the sum, and in some instances not necessarily the criteria that you will use in order to judge the question of debt and interest repayments that it would be able to cope with. For example, — and perhaps the Hon. Minister of Finance will be able to inform this House a bit better in this area. If somebody went and got a 100% loan capital on a one arm bandit and brought it into Barbados, equity capital not one cent, we would almost certainly make a profit within a matter of a few months. So I think that the whole principle of questioning the rightness or wrongness of a guarantee based on the debt equity ratio is nonsense, because it depends on the profit ability of the particular enterprise.

Mr. Chairman, in looking at the situation which obtained with International Seafoods in 1973, they had shrimp sales amounting to \$2.13 million, and the cost of these sales was \$1.114 million; and that company was able to show a gross profit of \$989,114; and contrary to what the Rt. Hon. Prime Minister said, the company was also able to pay its bank interest and also to account for its depreciation in 1973 to the tune of \$265,783 and end with a net profit of \$279,519 in 1973.

That is an inescapable fact now, when you move to 1974 you will see that the sales of that company

increased by approximately \$.15 million; but as was expected in the situation throughout the world, the cost of the sales rose from \$1.1 million to \$4.05 million in one year. Now, mismanagement cannot account for that. You will have to have had some significant inputs from some major sources to account for that rapid rise in the cost; and the only identifiable factor at that point in time was the increase in fuel cost; and that pattern was followed in 1975 and into 1976 when the Hon. Leader of the House admitted under pressure that the trawlers were getting cheaper fuel from Trinidad.

When the Democratic Labour Party went out of power, at least up to July 1976, that company had shown a gross profit of over \$220,000, which they succeeded in the four months that they were in office to have whittled down to just over \$4,000.

Now, Mr. Chairman, this is a matter which it is important that the public of this country should clearly understand — that International Seafoods was fundamentally in any way a bad operation because if you were to project sales of the catches to the period 1973 to December 1976 you will find that the company landed \$12.877 million in sales and that the cost of those sales was \$4,000.

4.45 p.m.

If you look at the difference between the sales and the cost of sales, the net loss over the four year period was just over half million dollars, and that is on the basis of its operations. Where were the debts accumulated? The debts were accumulated in the interest rates, some \$3.2 million over that period, and in a paper depreciation of \$2.1 million, when that depreciation is viewed against what was an effective appreciation, as was done when those boats were valued during the period of the Duffus Commission, it was nothing other than a paper loss, and that was the situation that they took over. These are the facts as extracted from the Financial Statement of that company over the four years 1973, 1974, 1975 and 1976, and for anyone to go to the public of Barbados and say that that company despite all its problems was in fact a company that was not worth Government's participation must be totally dishonest in the face of these facts, and I do not care who says so, because these are the facts. It is interesting that Sir Herbert Duffus when he was reporting made a very careful note in his summary when he said: "As to whether or not Parliament should proceed with the Trinidad agreement...." — not the question of the Trinidad agreement — "..... but the Trinidad agreement was not within the terms of my Commission."

I cannot understand the thinking of the Hon. Prime Minister and Minister of Finance in this country, because if he can say that one of the fundamental problems with the company was that of capitalisation, because the debt

equity ratio was all askew, when he had the opportunity to correct it, when he had access to cheap money in order to correct that he did nothing about it, but he could do nothing about it because he had to use the \$20 million to support our international reserves that had been substantially run down between September and December, 1976, and this went over into January and February, and even despite drawing down on the Trinidad loan and drawing down on the Special IMF Reserve Fund he could draw on, despite that you still found a situation where the foreign reserves in this country in June and September of that year were somewhere around \$20 million or so.

It is not surprising that they threatened to fire the Governor of the Central Bank when he said at that time they only had enough reserves to pay for about two weeks' goods or something like that. Anyhow, Mr. Chairman, the point I am making is that — and by the way, I looked through the Duffus Report and the Appendix to the Duffus Report very carefully, and I must say the language used by the then Leader of the Opposition and the language used by Mr. Osbourne was very similar indeed, except that the then Leader of the Opposition used round figures and Mr. Osbourne used the precise figures. I am not saying there is any connection between the two, but in the debate you will find this kind of situation going on. Anyhow, the Hon. Prime Minister of this country should tell this Hon. House how they have succeeded in throwing away some \$4 million and why they did not proceed with the opportunity when they had the money from Trinidad, because even if they said there was no agreement I understand that the money was made available to the Central Bank of Trinidad and the Central Bank made the appropriate transfer to the Central Bank of Barbados. The fact is that even if as they say there were obstacles in the way of a joint shipping arrangement between Trinidad and Barbados, the fact is that they drew down the money and they could have used the money if they wanted for the shrimping exercise, but they had to use it for other purposes, they had to use it for balance of payment support when it was offered to them. In 1974 and 1975 the Democratic Labour Party never needed it because this country never had a balance of payments crisis until 1976, the end of 1976 into 1977; it never had one. As a trading company it has had its problems with balance of payments and the whole problem of the balance of payments crisis and the economic strictures subsequent to the generation of that crisis was one created by the Barbados Labour Party Government, and in the ensuing weeks in this Parliament this will be spelt out in detail whether my questions are allowed or not.

Mr. Chairman, I hope that I have made it absolutely clear that there can be no excuse for the Hon. Prime Minister if he said that the fundamental question was one

of defective capitalisation when he had the opportunity, he had the money, he drew down the money and he could have used the money for that purpose, and clearly it was used for other purposes. But I know the purposes for which it has been used, but I would not wish to say that today because ample opportunity will arise within the next few weeks, if not next week, to say exactly how the money was used, so the money could have been used for shrimping despite whether or not there was any Trin-Bar or any other company, and the Hon. Leader of the House for the first time has now admitted that an agreement, if not a signed agreement, that there was an agreement in principle between two sovereign Governments that funds would be made available for that purpose. That was the general substance and the general burden of his speech.

Hon. H. B. St. JOHN: Mr. Chairman, at no time did I make any reference to any loan, I made reference to heads of agreement relating to an organisation, Trin-Bar. I was specific, so don't come distorting what I said.

Dr. HAYNES: Anyhow, Mr. Chairman, that does not alter my point that the Trinidad money was borrowed, that the boats were already getting cheaper fuel in 1976 and despite Trin-Bar or any other kind of bar the money could have been used for shrimping and must have been used for some other purpose.

On the other question of being able to negotiate proper international agreements, that is a matter for the present Government. When it comes to high-flown words at the United Nations and elsewhere we hear a lot of talk, when it comes to the two things that have no relevance to the economic position of the poor man in this country, that is, arranging proper facilities with Brazil and matters relating to the Naval Base in St. Lucy, then we find that the Ministry of External Affairs has been terribly neglectful and terribly deficient in its approach to these matters, but when it comes to lot of pretty speeches that have very little to do with the ordinary man in Barbados and often made in fora which the same people campaigned for years and said we should never have joined and we were wasting Government's money, but I will be mentioning them from time to time, because I was looking through the Estimates and I see where you are borrowing the money from, and you will have to tell us how you opposed and fought against Barbados' participation and now you are drawing so heavily on their money. You should be ashamed.

Dr. CADDLE: Mr. Chairman, we have heard a lot about the past history of International Seafoods, and I think what the public would be more interested in right now is the present and future history of International Seafoods. This Resolution calls for the payment of a sum of money, \$2,458,000, towards the First National City Bank for the purpose of settling an outstanding debt.

When this debt is paid the question that comes foremost to my mind and should come to the minds of many people in this country is where do we go from here?
4.55 p.m.

The Hon. Leader of the House some time in the past made a statement to the effect that Government would be considering the winding up of International Seafoods, and as a result of that statement, I tabled a question in this House on that and certain information was supplied by the Hon. Leader of the House. We are today voting \$2,458,000, but in the reply to that question he stated that the debts of the company were over \$15 million. When this amount of money has been paid, how much of the debt still remains to be paid and in what position will International Seafoods be to pursue worthwhile economic operations in this country? One cannot under-estimate the importance of the shrimping industry to Barbados. If you go back into the history of the operations from the very first time it was set up, you would recognise that it gave employment to many people, those who worked with the actual shrimp boats and those who were involved in the processing of shrimp. As a result of the selling of the shrimp overseas, chiefly in North America, we were able to gain foreign exchange and for Barbadians whose sources of protein are costly and therefore have to be restricted in their day to day diet, the shrimping operations of this country offered another avenue whereby the Barbadian could improve his diet.

I repeat, the people of this country would like to know what will happen to International Seafoods when this money is paid, and so far in the debate neither the hon. Prime Minister nor the hon. Leader of the House has attempted to satisfy the people and myself on what will happen to International Seafoods. A lot has been said and maybe a lot more may be said about inefficient operations and how they come to be saddled with the present debt and problems, but I would like to know how the present Government intend to remove or solve the problems of the company and get the company on a good financial basis to go about operations effectively, bringing back employment to over 600 people who at one time were employed by the company, and also getting foreign exchange by the sale of shrimp overseas.

It is very easy to criticise and I think one of the problems we are getting in this country as a result of adversary politics is a lot of criticism going on and going on on a never-ending stream and very little attention being paid to the needs of the people out there who are suffering or who are facing severe plight in their day to day life. I do not want to get involved in this type of never-ending criticism. I would like to hear something more positive about what would be the fate of International Seafoods after we have paid this money, because if you subtract \$2.458 million from the over \$15

million which it has been stated is the accumulated debt, we are left with nearly \$12 million more in debt, and I would like to know what action has been taken by the company itself to help defray or pay off some of the debts which have been accumulated over these years. In the reply to that question, and unfortunately I do not have the reply here before me, it was stated that they owed sundry business people in Bridgetown. This is primarily concerned with the payment of money to the First National City Bank. What arrangements are being made to pay back the other people in this country who also have money due to them by International Seafoods? And after this money has been paid back, what is the position as regards the starting of the operations?

A lot has been said about agreements between Brazil, Cayenne, Guyana and Barbados with a view to getting the shrimping industry going, but at the same time I tend to agree with the Hon. Leader of the House in the sanctions against Brazil, because too often we find that some of the big countries of the world while it suits them at one stage to play that they are developing and cannot be on the same competitive basis as the United States and other developed countries, on other occasions when it suits their interest they tend to treat the other developing countries sometimes even more harshly than the established developed countries of the world such as the United States, Canada, Britain and Western Europe, and I would like to know what attempts have been made to get worthwhile agreements going between Barbados and the Brazilian Government.

I have heard the hon. Leader of the House say that we have a good agreement except that the Navy of Brazil has not yet signed the agreement. I would like to know from him in what way can one go about getting the Navy of Brazil to sign this agreement, because if they do not sign it would appear you have no agreement, and when you look at the shrimping facilities of the shores of Brazil and compare them with Guyana and Cayenne, you would be in a far better position if you can get agreement with the Brazilian Government. It is all diplomatic bargaining or diplomatic channels not so well established with Brazil to enable us to get an agreement with these people. I do not know. I am not here to cast aspersions because there are some persons who would like me to assume that maybe there is a change in attitude in the Brazilian Government towards the present Government of Barbados due to personalities and things like this. I do not know. It is for you to come out and say so. What I do know is that without such an agreement between Brazil and Barbados, we are not likely to benefit as much from shrimping operations as we are trying to achieve in agreements with Guyana, Cayenne and maybe Trinidad. When you go a step further and look at the fishing operations apart from shrimping, one has to bear in mind that in Barbados when the fishing season comes to an end there is a great amount of difficulty for people to get

fish, or putting it another way, to supplement their protein diet, and if these fishing operations can be extended, we may very well be in a position to bridge or narrow that gap.

Mr. Chairman, one has to bear in mind that the Japanese come from thousands of miles away from Barbados into this area and fish extensively and very often sell some of the fish they catch to people in Barbados for sale on the local market. Maybe if we examine International Seafoods after the debts have been paid and look specifically at this area, one may well be able to see a good economic use for having the company properly funded and operated.

Sir, I repeat as I sit down that when we have gone through the past history of International Seafoods and the shrimping industry in this country and we pass this Resolution today, the question which I have and which I believe most Barbadians will have in their minds is, where do we go from here? What satisfaction apart from the satisfaction to the First National City Bank do the people of this country get and the operators of International Seafoods?

Hon. H. B. St. JOHN: Mr. Chairman, I beg to move that you do now report progress and ask for leave to sit again. I am only interrupting the debate for a moment.

Mr. ALLEYNE: I beg to second that.

The question was put and resolved in the affirmative without division, and Mr. SPEAKER resumed the Chair and reported accordingly.

SUSPENSION OF SITTING

Hon. H. B. ST. JOHN: Mr. Speaker, I beg to move that this Sitting be suspended for seven minutes.

Mr. BRADSHAW: I beg to second that.

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

On Resumption

Mr. SPEAKER: This Sitting is now resumed.

Rt. Hon. J. M. G. M. ADAMS: I beg to move that Your Honour do now leave the Chair and the House resume Committee.

Hon. L. S. CRAIG: I beg to second that.

Mr. SPEAKER: The House is in Committee.

Mr. SPEAKER left the Chair and the House resumed Committee, Mr. SIMMONS in the Chair.

Mr. CHAIRMAN: I have had an indication that the members on this side have all made their contributions and unless there is anyone else on the Government Bench who wish to speak I will ask the mover of this Resolution to wind up.

Rt. Hon. J. M. G. M. ADAMS: I think I can safely say that having heard the Debate that there is no opposition to the Resolution. I think there is a good deal of misapprehension and misunderstanding on the matter of International SeaFoods. I put it no higher, or I need not put it any higher, considering the mess in which we found ISL and the people who were responsible except for the hon. member for St. Michael North Central who brought a note of positivism into the debate which the Leader of the House has particularly asked me to say that he welcomes. I do not think any hon. member will show a true grasp of what was involved. I regret that the Leader of the Opposition, the former Prime Minister should have said that he was unaware of any advice given by public officers against the guarantee and the transaction which gave rise to International SeaFoods.

On the 8th December, 1972, at the request of the hon. member for St. John, an analysis was made by the then Financial Secretary and placed on a file under the control of the hon. member, a confidential file which cannot be easily shovelled off by a subsidiary civil servant. It is generally seen only by Ministers and officers above certain ranks of the Civil Service. This confidential report submitted to the hon. member with a covering note in manuscript the same day, was acknowledged by the hon. member the day following and the words "Express authority should be sought by the Legislature. Please deal with this as a matter of urgency."

I do not really see how the hon. member could say that he was unaware that the Financial Secretary, Mr. Osbourne, had advised against the matter. Mr. Osbourne said that the Share Capital of \$250,000 had a Loan Capital of \$6.588 million with an Equity Debt Ratio of 1:26. I would not consider this a sound Capital structure. The venture involves very heavy financial commitments. A commitment by a Company with a Capital structure of \$250,000 to repay the bank some of \$1.6 million a year over a 5-year period seems to me very risky. The possibility of any guarantee being implemented seems rare. Then he says something about an exchange risk and then he goes on.

"An additional fact has to be considered in relation to the guarantee as a precedent which will be set by Government guaranteeing debts of a Company carrying on for private gain."

That was written on the 8th December, 1972 and the Hon. Leader of the Opposition, then Prime Minister, acknowledged it on the following day. I believe he read it. He himself has said that we attacked International SeaFoods because it was carried on by people of an opposing political party. He has left himself open to the charge that he started it because it was carried on by people of his own political party. If he knows we attacked it because of that our adherents could say that he started it because of that.

Rt. Hon. E. W. BARROW: On a point of order. The point I was making, Sir, is I said that this was initiated by a different political party which is my political party. That is the point that I made and International SeaFoods is restructured with 50% owned by the Government and the people of Barbados and the point I made about Mr. Osbourne is I said I have no recollection of what Mr. Osbourne wrote in his Minute. Parliament approved the guarantee and I did not know Mr. Osbourne superseded Parliament in anyway. That was the point which I made, Sir.

Mr. CHAIRMAN: The point is taken, Sir.

Rt. Hon. J. M. G. M. ADAMS: In coming to whether Mr. Osbourne advised against it or not and Parliament approved it, Mr. Osbourne advised that the Government should be the major shareholder owning 80% of the equity of the Company and private enterprise 20%. I also said so in the debate. I was not even fully remembering that Mr. Osbourne had recommended this because that was excluded from the Cabinet Paper. That advice was given to the hon. member but he did not pass it on to his colleagues because when the Cabinet Paper came Mr. Osbourne. . .

Rt. Hon. E. W. BARROW: On a point of order, Sir. The hon. member cannot make statements like that. I did not prepare the Cabinet Paper, Sir. I did not know what date the Cabinet Paper was prepared. I was not in the habit of going through every Cabinet Paper. That is certainly not a Cabinet Paper that I prepared so how can the hon. member accuse me of withholding information? Mr. Osbourne was no economic genius or god to me that I had to report everything Mr. Osbourne said in the Cabinet. He may have been reporting to the hon. member but I do not have to report Mr. Osbourne's sayings or words of wisdom to the Cabinet and I certainly did not prepare the Cabinet Paper. That is another distortion by the hon. member.

Rt. Hon. J. M. G. M. ADAMS: If the hon. member did not prepare the Cabinet Paper he certainly approved it and it is normal that when a civil servant gives advice in all Governments for his advice to be reproduced in full to the Cabinet. I am not going to withhold what anybody advises me.

Rt. Hon. E. W. BARROW: I am on a point of order, Sir. If the hon. member looks very closely he will find that Mr. Osbourne himself prepared the Cabinet Paper. (*Asides.*)

Rt. Hon. J. M. G. M. ADAMS: The Cabinet Paper....

Mr. CHAIRMAN: I will call for order on the Government Benches and disuse of insulting language between members, please.

Rt. Hon. J. M. G. M. ADAMS: The hon. member must not insult the intelligence of hon. members on this side. The persons who attend Cabinet and who take part in the deliberations are Ministers. A Cabinet Secretary sits there and is normally silent. Ministers present Cabinet Papers. They do not bring the officials in to present them. The Cabinet Papers are headed up with the names of the Ministries or initials denoting the Ministries from which they come. This paper was prepared by the Ministry of Finance and would have been, and in fact was presented at Cabinet by the Minister of Finance. Open Government (*Asides.*) I do not care who prepared it. It is the Minister of Finance withholding information from Cabinet Papers and from his colleagues.

Rt. Hon. E. W. BARROW: I beg your pardon, Sir. The point I was making is that the hon. member accused me of withholding Mr. Osbourne's advice from the Cabinet. I was merely pointing out that it was Mr. Osbourne's duty to prepare the Cabinet Paper and Mr. Osbourne did not elect to put that in. I do not have the files. The hon. member has the files and he can check it.

Rt. Hon. J. M. G. M. ADAMS: The hon. member was for 15 years Chairman of the Cabinet. Is he trying to tell the House he does not know procedures in Cabinet? The Minister is responsible for the Cabinet Papers. There is nothing on the file to tell me that Mr. Osbourne said "I do not feel to bother with that." There is nothing on the file to tell me that, if that is what the hon. member wants. I am not labouring on Sir Herbert Duffus. Sir Herbert Duffus has pointed out that the advice given to the then Prime Minister by Mr. Osbourne did not all of it appear in the Cabinet Paper. That is the end of the matter.

Now the hon. member says that Mr. Osbourne's advice was one thing and the approval of Parliament was another. Now my answer to that, Sir, and it is a most important point to me when you consider that one of the contributions which the Barbados Labour Party has brought to this country is that of open Government. My answer to that is that the hon. member did not tell the House that his official had advised against the guarantee. If he had told the House then the Opposition would not have voted for it and probably he could not have got a majority on his own side. If he had told the House and

made full disclosure of the facts that an analysis had been carried out by the Ministry of Finance and recommendation against the guarantee to ISL were made I doubt that it would have passed the House in the way it did and the very least we would have insisted on the Debt Equity Ratio would have been 80:20 which was not even put to the Government and you know one of the reasons why it was not put to the Government? It was not put to the Government because it would have reduced the profits of the private shareholders. The Government would have been getting 80% of the profits and the private shareholders would have been getting 20% and would not have been able to contribute \$150,000 to the Democratic Labour Party.

Rt. Hon. E. W. BARROW: I object, Sir. I am on a point of order, Sir. The only \$150,000 which has ever been contributed to anybody, Sir, was by Mr. Johnny Simpson to the hon. member in 1976. Nobody has ever contributed any \$150,000 to the Democratic Labour Party. We have never had \$150,000 for any election campaign and I am prepared to swear that under Oath. I am prepared to take the Oath. I have been and given evidence under Oath and I want to see the hon. member give evidence under Oath on any of these matters.
5.30 p.m.

Rt. Hon. J. M. G. M. ADAMS: I withdraw any imputation of improper motives, but it is beyond doubt in my view that the hon. member did not tell the House of Mr. Osbourne's advice and that the result in the House might have been different. There is such a thing as full disclosure. If you disclose everything you can then say you told everything and the matter still went through. When you have not disclosed everything, you cannot say that Mr. Osbourne can't rule the House when the House did not know what Mr. Osbourne had advised.

Dr. HAYNES: On a point of order, Mr. Chairman, I think the hon. member is misleading this Honourable House.

Mr. CHAIRMAN: That is a serious charge. I want to warn all hon. members about accusing other members of misleading the House. People have lost their seats in the House of Commons for this.

Certain remarks were ordered to be expunged from the record by the Chairman at this stage.

Rt. Hon. E. W. BARROW: Mr. Chairman, I think a very serious breach has occurred in here today and I rise on a point of personal explanation.

Certain remarks were ordered to be expunged from the record by the Chairman at this stage.

Mr. CHAIRMAN: Will the hon. Prime Minister please continue.

Rt. Hon. J. M. G. M. ADAMS: There is a serious principle at stake in these interruptions and interventions by people who will not listen properly. There is too constant a repetition in here of things that are not true. I read from Mr. Osbourne's minute, I said it was in the Cabinet paper and I said that Mr. Osbourne went on to say that the shares should be 80% and 20% and that that was not in the Cabinet Paper.

Rt. Hon. E. W. BARROW: On a point of order, Sir. The Prime Minister said that that was in a confidential memorandum to me and I did not allow my Cabinet colleagues to know and that I did not put it in the Cabinet Paper. And I said that Mr. Osbourne prepared the Cabinet Paper. That is why the whole altercation arose about Cabinet Papers. He then said I should have told the House anyhow. It is sort of disgusting; words fail me.

Rt. Hon. J. M. G. M. ADAMS: When the record comes to be read, hon. members opposite will see what I said and they will perhaps have the good grace — not the hon. member for St. John, he does not possess those qualities — but the hon. member for St. Michael South West will have the good grace to realize — the hon. member for St. John believes what he has just said, and that is the greatest indictment of him, that when he says something that is patently false he believes it.

Rt. Hon. E. W. BARROW: On a point of order, Sir, I would like the record read back that I believe what I said. I believe what I said. Thank God I have not gone off my rocker yet and joined the Barbados Labour Party. I believe what I said and believe what I believe in and no amount of screaming and shouting and putting on an impersonation of Dracula and Barnabas Collins will frighten me.

Mr. CHAIRMAN: I will ask the hon. member to withdraw the reference to impersonations.

Rt. Hon. E. W. BARROW: I withdraw it.

Rt. Hon. J. M. G. M. ADAMS: It is one of the great strengths of the Leader of the Opposition that when he says something outrageous he believe it and I congratulate him. I very clearly read out paragraph 10.....

Rt. Hon. E. W. BARROW: On a point of order. I know he read it out but he said it was a confidential note to me which I did not put in the Cabinet Paper.

Rt. Hon. J. M. G. M. ADAMS: I am not arguing with the hon. member; the record will speak. What the hon. member did not put in the Cabinet Paper was the recommendation for the 80-20. Am I an ass, with Duffus open in front of me, the Cabinet Paper in front of me, Mr. Osbourne's recommendation — all three open in front of me, am I an ass, when the Cabinet Paper has been

published to read to the House and say it was not in it? The one thing I have never heard the hon. member accuse me of is being a fool. Blasted idiots. I beg your pardon, Sir. I have everyone of the documents in front of me. Am I such an idiot...

Mr. TAITT: On a point of order, Mr. Chairman. The hon. member just used offensive language....

Rt. Hon. J. M. G. M. ADAMS: I am sorry, I withdraw it. You can accuse me of anything but do not accuse me of being an idiot. Do not believe ever that I will read a lie in front me. There is only one Prime Minister who has ever done that in here. He picked up a document in here during the Constitutional debate and read out something that was not there and told a lie on Eric and Bernard St. John. Not me, if a document is in front of me, I read it.
5.40 p.m.

Anyhow, I do not want to go too deeply into this. I will go on from that. Sir, this is the situation with the House of Assembly and a matter of the minute. On the point about Trinidad, nobody had to frighten the hon. member for St. John. All he has to do is to look into the mirror and he would frighten himself enough, Sir. Let him look into a mirror any day, and he will be so afraid that he will go back to bed where he belongs — the poor old gentleman with the grey hair.

Mr. CHAIRMAN: Let us all try to contain ourselves.

Rt. Hon. J. M. G. M. ADAMS: The Trin-Bar Agreement deserves serious analysis. I am not going to add to it because the Leader of the House has dealt with it at great length; but there are two small points that I would like to deal with. Trin-Bar agreed to free the boats of all liabilities; but did not refer to the other debts. A new company was to be formed. That is the essence of it. It is only a small point, but it is a point which the Government's lawyers have had to take notice of and which has been taken note of in the past.

Sir, I did not mention it when introducing the Resolution; but there was no agreement to pay off all the debts of the company. The next point I will make is that under the Trin-Bar Agreement — before we come to the \$20 million — is that we did not need the Agreement to get cheap fuel. Cheap fuel was already being supplied to International Seafoods about a year and a half of its starting. Certainly by 1975 fuel at half price was being bought from Trinidad in return for processing part of this shrimp. We did not need the Trin-Bar Agreement for cheap fuel. That is another fact.

I believe that the hon. member for St. Michael South West who may not have been dealing day to day with some of these matters may not have been fully aware of, because there were so many authorities dealing with Seafoods. No report was made to the Ministry of Finance about Seafoods between 1973 and 1975. The debts were all incurred. Nobody told the Ministry of Finance what they were. They used to pour trouble on the head of the Minister of Trade; but because of the reports that he made, I am satisfied that the reports were not sent to the Ministry of Trade in 1975. The hon. member for St. Michael South West will remember quite clearly his recollection of there being files relating to this matter which have not been produced to the Duffus inquiry yet.

Now, as to the \$20 million. I heard the hon. Leader of the Opposition say that the Government of Trinidad and Tobago had instructed us to pay off the debt. As far as I am aware, the Government of Barbados is a sovereign entity; and I am not aware that any Government can instruct us to pay or not to pay. Sir, I am surprised that the Hon. Leader of the Opposition, the past Prime Minister, was prepared to accept impertinent directions from Dr. Eric Williams. I think that he should have accepted some advice. There is a lot more commonsense in Dr. Eric Williams' right ear than the hon. member has in his whole body at certain times; but still I cannot accept that there was ever any question of the Government of Trinidad and Tobago instructing the Government of Barbados to pay any debts.

What has happened was this; before the shrimp boat matter arose, the Central Bank of Barbados had negotiated a \$20 million facility from Trinidad. (Rt. Hon. E. W. BARROW: That is not true). The \$20 million facility was brought into the shrimp business and it was indicated that it could be drawn down and used for the purpose of paying off the boats' debt.

Rt. Hon. E. W. BARROW: Mr. Chairman, is the hon. member saying that somebody gave him this information, or is he using his imagination? I just want to know so that I can go to the person who gave him that information and ask him to swear to an affidavit to that effect; because what he is saying, is pure, unadulterated nonsense, and not in accordance with the truth.

Rt. Hon. J. M. G. ADAMS: Mr. Chairman, on a point of order. I rise to reply to the hon. member for St. John. Apparently his speech before the Duffus Commission was.....

Rt. Hon. E. W. BARROW: Mr. Chairman, if the hon. member said that he got information from me,

that is a blatant untruth because I have never given him or anybody such information.

Rt. Hon. J. M. G. M. ADAMS: The hon. member has brain fever, and I will not worry with him. He said that the money from Trinidad and Tobago was to be drawn down. That was the purport of his speech. The hon. member for St. Michael South West was misled by it. I was not misled by it. The purport of the hon. member's speech in here today is that it was \$20 million from Trinidad and Tobago to be drawn down to carry out our part of the arrangement. The hon. member is now denying that he said it. That is the state that the hon. member is in. I have a cup of tea in the Lobby and I would ask the hon. member to go and put his head in it before it gets too cold.

Now, the misapprehension which I have seen well developed in the Leader of the Opposition and the hon. member for St. Michael South Central — and I want to congratulate the hon. member for St. Michael South West for not falling into the same pitfall — the restriction of the words "drawing down" in respect of the facility. The Government of Barbados, as a Government, has never had \$20 million from Trinidad. When you borrow money from abroad, it is either paid into the Consolidated Fund, in which case it represents two things. It represents cash available to the Government or it represents foreign exchange in the hands of the Central Bank. If you have these facilities from abroad, the money remains no more than a debt to the Central Bank, but an addition to your foreign reserves. The money in this particular case was transferred to the account of the Central Bank; but it has never been paid into the account of the Consolidated Fund. Therefore, the Government of Barbados cannot spend it.
5.50 p.m.

You have to have a basic understanding, which is lacking in the hon. member for St. Michael South Central, of how foreign reserves are constructed.

Dr. HAYNES: Mr. Chairman, on a point of order. The hon. member is suggesting that I am ignorant of certain matters and I believe that in my speech I said that the money was transferred from the Central Bank of Trinidad to the Central Bank of Barbados and that what happened beyond that point I will be discussing in here next week or around the time of the budget, whenever that is, but that I know what happened to it and the House will be told by me what happened to it, and you know what happened to it.

Mr. CHAIRMAN: You have made your point.

Rt. Hon. J. M. G. M. ADAMS: I must congratulate the hon. member on the best point of explanation I have heard in here for a long time. When an hon. member

makes a statement that reveals his ignorance and then he can get up and explain it as efficiently as that with a little implication in detail that there was something corrupt about it, you have to admire the hon. member. He is now beginning to enter on a parliamentary career in the ranks of the Democratic Labour Party, you are learning well from your leader, Sir, you are learning well. What happened to the money after that I don't know, if you're going to try to lock up Courtenay Blackman for the money that will be between you and Courtenay Blackman; Courtenay Blackman had the money, not the Government, you have to understand there is a difference. The Central Bank has funds of its own, it isn't every penny in the foreign reserves that is paid into the Consolidated Fund. I remember the hon. member for St. John very properly correcting the newspapers during the salaries revision debate of 1976 when somebody published in the newspapers that if you had to pay the civil servants' salaries you would have to use the foreign reserves to do it, and the hon. member pointed out that the foreign reserves are not some type of bank account available to the Government for general use. You have to understand it, and I do not believe that the hon. member for St. Michael South Central has yet done it. I myself have had difficulty.

Rt. Hon. E. W. BARROW: I would just like to correct the hon. member, he is slightly wrong. It was the hon. member who had suggested to them that we could use the foreign reserves to pay the civil servants when he was asking for the 80% for them. That is the only slight variation he had, but he was on the correct theme, but I will advise him strongly not to continue, let us put the question, because he is getting into deeper and deeper trouble all the time.

Rt. Hon. J. M. G. M. ADAMS: Anyhow, I am not even going to deal with that, but in the records of the House will be found agreement between the hon. member and myself of the ignorance of that newspaper article. In the records of the House in 1976 that will be found. He knows perfectly well who was the origin of that matter, he knows it was not me, he knows that I congratulated him and he agreed with me when our positions were reversed in here on the matter. Anyway, I don't want to deal with the hon. member, I cannot deal with the hon. member, Sir.

Now, the hon. member for St. Michael South West in a careful speech — the hon. member does not like blows and he is learning how to avoid them — challenged me on the matter of wages. The wages actually paid over the eight months in 1976, the average monthly wage....

Mr. TAITT: On a point of elucidation, Mr. Chairman. I did not challenge the hon. member over the eight months in 1976, I challenged the hon. member since he had said that there were 500 people occasionally,

explaining the point of the 500 people, and I challenged him to bring the figures of the actual wages paid of all the people employed by Seafoods over the period, so to get up and give me eight months now during 1976 when the thing was in the doldrums would not be an answer to my challenge, Sir. I am perfectly willing to let him do it for the whole period.

Mr. CHAIRMAN: That would be better put in the form of a Question, surely.

Rt. Hon. J. M. G. M. ADAMS: If I had understood that I would be able to do it, but I don't propose to do any instant additions here. But what was notified to the Trinidadians were the wages that had been paid for the whole eight months was only \$114,000 T.T. The wages at International Seafoods for the 500 people were in fact less than \$20,000 a month T.T. at that time, and this doesn't include salaries, which meant that in Barbados terms they were averaging — this is the foremistress, supervisor, leg man, fork lift driver, general workers, box makers, the tally clerk, the quality control clerk and so on — they were averaging \$30 a month if it was 500 of them, so you will see they were not working for very long, but I will just say this, since speaking I have had the opportunity of obtaining from Mr. Stuart information about the wages, and I think that I should let the public know this. The longest period in which there was continuous employment at Seafoods was in fact in 1977. The hon. member said we never tried to make it work, we tried very hard indeed to make it work, and during 1977 we obtained a contract to process shrimps from Venezuela and we employed 500 people for over 18 weeks, which was the longest period of continuous employment at International Seafoods at any time for that number of people, because hon. members who negotiated previously kept on and on assuming that International Seafoods had to draw all its business from its own shrimp fleet and that if you destroyed the shrimp fleet, sold it, disposed of it or anything, that you would destroy the employment. Now this is not the case, we have made efforts to process shrimp from Venezuela very successfully, they were only stopped because the roof of the plant fell in and the Venezuelans had to take the shrimp somewhere else and we never got them back. We have tried to bring people here from Honduras to produce shrimps; we have offered the Trinidadians to facilitate their shrimp because the water here is better, and what takes two days to do in Barbados they say could take two weeks in Trinidad, and also the quality dating back to years and years of the Barbados shrimps had a good reputation, the water apparently was good, and therefore we made an effort to keep the plant and the employment going.

That is a very important point that everybody who has to talk about the affairs of International Seafoods should remember. We did not rush to say the Seafoods

must be shut down but we made an effort to utilise the plant, and hon. members will recall that the Central Bank analysis of Seafoods in 1976 pointed out that they were only catching shrimps enough to sustain a fleet of ten boats and that had been the case for some time.

I want also to analyse what the hon. member for St. Michael South Central has said about the profits. The hon. member has again perhaps fallen into the error of repeating what people tell him as if it is gospel. I believe Mr. Simpson has made available certain figures to him and he has repeated those figures as if they are engraved in tablets of stone and no contradiction can be brooked or entertained. The first five months of International Seafoods which are the 1973 figures to which he referred were good months because only six boats actually operated, and those six boats caught 462,000 pounds of shrimp, and the average operating profit made per pound of shrimp was 61 cents; they never made a profit again after 1973, never again. Now, the 20 boats in the following year caught 835,000 pounds of shrimp which is not even twice as many as the six, and in the following year 20 boats caught only 573,000 pounds of shrimp.

The hon. member has said that in 1973 a profit was being made. At the start what was patent to some observers later, and perhaps to Mr. Osbourne at that time, was illustrated by the fact that it needed only six boats to make a profit.
6.00 p.m.

That there were too many boats, that 20 boats were over ambitious. This point was lost sight of after the boats were bought. Nobody drew a lesson from the fact that only six boats made an excellent profit in 1973 to come to the further conclusion until the Governor of the Central Bank did so in April, 1976, that you needed to reduce the fleet even if you were to shrimp and find alternative sources of shrimp. The hon. member is mistaken anyhow when he said that a profit was made and it covered depreciation. He is not accurate. The operating profits was over \$1 million; the overheads including depreciation, interests and so on amounted to \$759,000, the projected amortization if that had been added, that is what was projected to the Cabinet, that is the \$280,000 which I think is the figure that he quoted might very well have meant that even that figure was inadequate for the operation.

Dr. HAYNES: I am not quite sure where you have got your information, from, but I can assure you I did not get mine from Mr. Simpson or anybody else. I got mine from the information supplied to the Duffus Commission; I extracted my information from the yearly statements. Whether they came from Mr. Simpson or wherever they came from I believe they were audited statements. (Rt. Hon. J. M. G. M. ADAMS: They were unaudited.) For four years? I would never believe that. Do you mean there were further loans for a Company

and they were not asked for audited statements for four years? As far as I am aware, there were audited statements and that is where I got my information, and I did my homework.

Rt. Hon. J. M. G. M. ADAMS: Well I will search Duffus. The file from which the information to the Bank to the best of my knowledge was supplied is here in front of me and it says they were unaudited, and it is all pointed out. I am not going to fault the hon. member. It may very well be that Mr. Simpson when he presented them by then had had them audited, but, as far as I know, Mr. Simpson gave a lot of evidence to the Duffus Commission. Because you got it from Duffus does not mean it did not come from Simpson. Anyway the point is that part of the year's operation covering the best part of the shrimping season and using over six boats cannot be taken as the whole year's projection. I think the hon. member sees the point.

International Seafoods was never viable. I do not want to plod it any further. There was no question when we came into power of the Trinidad money. The Trinidad money and all those questions raised did not arise. It was the entire concept of the matter. I am not going to labour any longer. I am not going to labour the viability and all these little essentials. The only final point I am making is that hon. members must be careful, when they read a parliamentary answer. I am constantly astonished. I read things and try to understand them and try not to mislead myself with what is said far less mislead others, but it does not mean that everybody is so, I cannot say, scrupulous, I have to say careful.

The debts of International Seafoods are \$50 million according to the answer. They were \$11 million at a certain time but who are the debts owed to? They are now owed to the Government. That is the whole point. He has missed the point. A sum of \$1 million is owed to the Sugar Loan Fund, \$8 million plus interest is owed to the Government for taking up the guarantee; we have advanced \$2½ million to pay off trade creditors, to pay off Mobil, to pay off the Central Foundry, to pay the Port Department and to pay for supplies. We have advanced all that but they are now the debts of Seafoods. The debts have not gone away. The debts have been paid but the Government had to protect itself by holding the credit in the debts. So in fact Seafoods owes us the interest. The increase in the debts that the hon. member is speaking about is an increase owed to the Government. I can give the hon. member an assurance. I doubt that Seafoods will ever make the money to pay back the Government the \$50 million. I really doubt it, but he must not say that if we had paid the debts in 1976 it would be only \$11 million because we had to pay the main debt at that time and this is the next biggest debt, and we have settled it discounting for all interests since 1976. This debt would be over \$5 million but we have

been able to settle it for \$3.8 million; so the increase which he says we have incurred on the one hand has been borne by City Bank, more than \$1 million of it, and the rest of the increase is an increase on paper only because it is owed to the Government, and the Government if it decides to liquidate Seafoods will take its loss. So it is only a paper figure. The Parliamentary Question asked certain things and it was given a straight answer. What does International Seafoods owe? As a matter of fact it owes the Sugar Fund, and it will owe the Government \$15½ million, and it probably has trade debts of a few thousands knocking about, but it is no loss to the people of Barbados because our negotiations have effectively cut off the debt at the situation at which we found it in 1976. Effectively that is what has happened. So that the point raised by the hon. member may have had validity if the substratum of fact would support the hon. member's thesis, but when you dig a little further down you find that it does not support any such thesis.

Mr. Chairman, I hope I will never again have to address the House on International Seafoods and the past. I hope that all the addressing in the future will look towards the points so cogently raised by the hon. member for St. Michael North Central, what will we do about getting fish for the people in future? I hope that Seafoods will dispose of some of its boats, reduce itself to manageable size, catch some fish for the people to eat, catch shrimp if shrimp can be caught under very advantageous terms. I very sincerely hope it might be possible to use the facilities again as we used them with Venezuela when we did employ 500 people for a period of eighteen weeks in 1977. We did employ them and I hope we will get to employ them again, but not through throwing money away like this. Remember the figures I gave for wages, \$20,000 a month, and remember the figures I gave for interest, \$36,000 a month. In other words, when we took over Seafoods more was being incurred by way of interest than was being incurred by way of wages. That well bears out what I said: if you had put the money on fixed deposit you could have paid the people more than the wages they were getting. You could employ more people. Always remember that Government's costs are not simple costs that are discharged when you vote the money in the House of Assembly. Money has an alternative use; money has a cost in every country, and the cost to the Government of a debt of \$11 million is not only the taxpayers' cost when they have to pay, it is what that money would have earned in alternative occupation giving more valuable work to people without dissipating itself.

The question that Head 108 — Ministry of Finance and Planning, stand part, was put and resolved in the affirmative without division.

Head 115 — Ministry of Education and Culture — was called.

Hon. L. R. TULL: Mr. Chairman, the supplement sought under this Resolution is to meet the cost of keeping the School Meals rolling stock going. In the 1977-78 period a number of orders that were made came in late and provision had to be met for them out of this year's Estimates, and therefore this sum of \$20,000 is required to meet the purchase of a motor vehicle chassis and the construction of an articulated body for the School Meals programme.

I beg to move that Head 115 — Ministry of Education and Culture — stand part.

Hon. L. B. BRATHWAITE: I beg to second that.

Mr. GREAVES: Mr. Chairman, I think that the time has come when one has to examine very carefully the school meals section of the Ministry of Education and where it is going.
6.10 p.m.

I think that the time has come when one has to examine very carefully the School Meals with the Ministry of Education and where it is going and probably today is just as good a time to look at it as any other time because when one looks at what is going on in the School Meals Service there are a number of questions which must be raised and I definitely intend to raise them here today. Let me say, Mr. Chairman, at the outset that the concept of the School Meals certainly in our situation here in Barbados is one which had been devised by the Democratic Labour Party and on which was built on solid and social foundations. There is no doubt that today, and indeed at the time when the concept of the School Meals was developed that they were and indeed today they are still thousands of children in this country who use this kind of service and I think that the Government of this country has to be prepared to provide as efficient a service to the taxpayers whose children can and should benefit from this Service.

Sir, we had a situation where the Government is coming to this House for money to improve the rolling stock and generally to ensure that the Service is running efficiently. We have no alternative and particularly bearing in mind the fact that the School Meals Service concept is one which is near and dear to all hearts, we have no alternative but to support it.

Mr. Chairman, there are a good number of areas, as I have pointed out, which have got to be examined. In the first place, Mr. Chairman, I think that one cannot escape the fact that the Government should always ensure that the children who are benefitting from the School Meals get a balance and satisfying meal but within recent years everything seems to point to a number of things which seem to be going wrong in the School Meals Service. There has been, as far as my information goes, a

deterioration in the standard and quality of the meals served. Just let me give you some examples of this particular criticism which I am levelling.

Whereas before the children used to get 6 ozs. of chicken, fish, or lamb in a meal, today that has been cut in half and they are only getting 3 ozs. Whereas before it was 3 ozs. of beef, today it is only a half. Whereas before it was 2 ozs. of ham or luncheon meat, today it is 1 oz. These are facts and furthermore if one is going to be talking in terms of the quality of the meals which are served, Mr. Chairman, one cannot help but stating clearly from people who have been observing what has been going on that at some Centres meals are not properly planned and children have had sometimes to make do with salt fish and rice at least twice per week. My understanding is that on the Menu it should only be served once per week. In some instances it has appeared on more than one occasion twice a week.

I want, Mr. Chairman, to make a point further on the question of the quality of the service. Around September last year the Public Health Authorities condemned large quantities of Cheese, Cod Fish and Flour and yet these items were sent out to the various Centres. The Health Inspectors ordered that these items be dumped but they were sent out to the Centres and were served to the children. It was only in November of last year when the Health Authorities learnt that this was done that they went to the various Centres and themselves collected the Cheese, Fish and Flour and disposed of them.

I think when you are talking in terms of service providing the kind of quality which is of importance to the young children of this country we have got to express these matters because one would not like to think that in this country that we are exposing our young children to the possibility which could emanate from this kind of problem and I think, Mr. Chairman, I would be failing my duty if I did not make reference to the very low morale which at present exist amongst workers in the School Meals Service and this springs from a number of reasons.

Within recent months there has been a lot of unrest over the unfair promotions and appointments — I would withdraw the term “unfair promotions and appointments”. Appointments and promotions which do not fit into the normally expected standards and I believe that the Minister should make a statement today on the criteria which is followed in the School Meals Service relative to promotion and appointment particularly at the Senior level within the School Meals Service because this is a matter which is causing some degree of concern and obviously some reduction in the morale and decor which exist in a Service of this nature because obviously what happened last year was a result of how people felt of the Service and I am suggesting that if we have a situation

where people feel that they have been working for a number of years and people come in and join the Service a year or even six months and without any experience should get Senior positions within the Service this obviously seems cause for considerable concern.

I am glad, Mr. Chairman, to learn that the Minister has certainly in this vote and I have noticed in the Estimates, and we are not discussing that now, that some provision is being made to up-grade the whole system of transportation within the School Meals Service because it is an area which is in urgent need of attention and you will recall that I raised this question a couple of weeks ago in terms of a Parliamentary Question, but there has been a very serious problem in this area with the result that a number of schools have been finding difficulty in getting meals on time because of the transportation problem and for example, at the St. Clements School Meals Centre, you find that Meals are being transported from that Centre to various schools in St. Lucy and certain parts in St. Peter in open lorries.
6.20 p.m.

And I believe that we have to make sure that the kind of service is one which meets the highest standard known to obtain in this country, and I would hope that the hon. Minister would give us some assurance that the Government has the School Meals Service at heart and that everything will be done to ensure that the service is improved, because the way in which some of us see it is that there is some lack of determination to ensure that the service is efficient and of the highest standard, and that is what we are concerned about.

Another complaint which has been voiced by a number of people relates to the absence of supplies in the medicine cabinets at a number of Centres. This is a very serious omission, because if you are in a situation where these kinds of accidents can occur, one should ensure that there are things there on first-aid basis to deal with the situation until the person can get full medical attention; and I would hope that all these things are looked into because it is very important that we do everything in our power to ensure that the morale which should exist is kept as high as possible and that the quality of the service and meals to which the children are exposed should be maintained, because I believe that there are thousands of children in this country who benefit from and appreciate this particular social programme which was initiated by the Democratic Labour Party; and I would hope that every effort would be made to ensure that the quality reaches back to the high standard which obtained before.

Hon. L. R. TULL: Mr. Chairman, I too share a lot of the concern of the hon. member for St. Lucy about what is happening in the School Meals Department, but it is not the first time that I have come before this Chamber and pointed out that a number of the problems in the

School Meals Service are problems inherited and inspired by people of the other side. Only two Sunday nights ago the hon. member for St. Michael South Central got up in Wildey and made some very nasty comments about the School Meals Service, directed against the women at the centres. Now, 95% of all the women who work at the School Meals Centres were DLP hand-picked; yet the hon. member for St. Lucy has the gall to get up and want to know about appointments and promotions and criteria. I would like the hon. member to tell me what were the criteria from 1972 to 1976. At that time you had to have a DLP passport to get a job in the School Meals Department. As a matter of fact, in 1976 there were 73 people appointed to the School Meals Service from the 1st August, 1976 to start work on 1st September. In other words, people were appointed and paid for the month of August during which period they did not work. And they were hand-picked by going into the Ministry of Education and saying So and So sent them, and that is the basis on which they got the job. So I inherited a situation where the School Meals Department was run by a lot of hand-picked DLP people. And I went around to the various centres, and the only thing that did not happen to me is that they did not throw hot water on me. There was hostility everywhere, and as soon as you turned your back they reminded you who put them there. And the hon. member for St. Lucy now asks what is going wrong with the service. The only thing that has happened is that all I have tried to motivate the people working in the School Meals Service they will not listen to me. You try to tell these people over and over again that their job is to provide proper meals for the children and forget about the politics. But they do not hear.

The hon. member for St. Lucy gets in here and says that the amount of food that is being given to children has been reduced. That is the most irresponsible statement I have heard in here for a long time, because it is indeed a fact that more money is being spent on the provision of school meals now than has been spent in any financial year previously. I hope that the hon. member will tell us that why the school meals standard had been dropping at St. Clements is because the supervisor there has been taking the school meals implements and preparing food for the DLP supporters in St. Lucy on Saturday nights for DLP parties. And the hon. member is talking about criteria for appointment and promotion.

The hon. member also spoke about condemned quantities of cod fish, cheese, etc., and said they were sent to the centres for children. That is a thoroughly perverse statement to make (*Asides*) The hon. member for St. John obviously does not know the meaning of perverse. There are five meanings in the Oxford Dictionary. But the statement is not true. The health authorities are called in from time to time to the School Meals Warehouse at the Harbour to look at the provisions there. They found some cheese that was going bad and

they told us in the Ministry and we got rid of it. But the hon. member says it was sent to the schools. I would like the hon. member to tell me where it was sent to, because this is a sort of statement that is picked up and spread about.

But I will tell him what I have done. I was not too happy about the whole situation, so a World Food Programme evaluation team was called in and asked to look over the situation and they made certain recommendations. I also asked the management division of the Prime Minister's office to do a study. They too made recommendations which were approved by the Cabinet and we are on our way to improvement.
6.30 p.m.

You will see that when we come in here next week to debate the Estimates, that what we intend to do from the point of view of the School Meals Service is providing new equipment, new rolling stock, new structures and a staff for the School Meals Service, which is one of the major problems that we have. Unlike the hon. member for St. Lucy — not all of the hon. members on the other side — my children go to primary schools, Government Primary Schools. I cannot afford to send them to any of the posh primary schools; so they go to the primary schools of the Government and eat the School Meals; so I am concerned about what they eat there. So, do not let the hon. member get up here and make these silly, irresponsible, alarmist and rude comments that can do nothing more than to cause a lot of consternation among parents in Barbados. These comments are utterly untrue.

He goes on to talk about School Meals being transported in open lorries. Why cannot they be transported in an open lorry? All of the school meals cannisters are sealed. So, whether they travel on an open lorry or on somebody's back it does not make the slightest difference because they are sealed at the School Meals Department and opened at the Schools.

Now, I have not heard the hon. member say a word about the quality of the food that was supplied when the Democratic Labour Party was in power; but I worked for one of the suppliers and represented his interest before the Ministry of Education in those days; and I was a bit ashamed of myself after the true facts came to light. I have seen masses of reports that were well known to the Cabinet of the previous administration, where scraps of food not fit for dogs were being served up in the School Meals Service. Those reports were repeatedly given.

Mr. TAITT: Mr. Chairman, on a point of order. The hon. member indicated that what he is about to say was known to members of Cabinet. Having been a member of Cabinet, I do not know and it is not true. The hon. member should withdraw that.

Hon. L. R. TULL: What does he want me to withdraw?

Mr. CHAIRMAN: He wants you to withdraw the implication that members of the former Cabinet knew that the food was sub-standard.

Hon. L. R. TULL: I will withdraw it. I will say that reports were made in 1976 that the standard of food at that time was sub-standard and that the Minister of Education at that time knew that.

Mr. TAITT: On a point of order. The hon. member who was former Minister of Education is not in his seat.

Mr. CHAIRMAN: I cannot at this stage accept that as a point of order because the hon. member is not in his seat. This is a conclusion of knowledge. The present Minister is saying that that condition was known to the former Minister. I really do not believe that you are in a position to speak for the former Minister.

Mr. TAITT: With all due respect there is a question of knowledge *per se*, but indicating.....

Mr. CHAIRMAN: This is a matter in reference to the former Minister. I really cannot entertain it as a point of order. I rule it out of order. (*Asides*). Let us have a little order on the Government benches.

Hon. L. R. TULL: I have found on a file reports written about the quality of the food that was served by Byer's Meat Market, among others. These were reports that were made to the then Minister of Education. If he did not know, he was not doing his job. These reports were being repeatedly made. Every time the tenders came up they were repeatedly given this same individual. What has happened now, Mr. Chairman, is that for certain commodities, meat, eggs, vegetables and other commodities, there are several different suppliers in Barbados. We do not have any special company or friend who is supplying all the meat. The Barbados Marketing Corporation supplies lamb as far as I remember. Somebody else supplies minced meat; somebody else supplies clod; somebody else supplies eggs. So they are all scattered. No one producer is producing at the moment more than one item for the School Meals Department.

It is remarkable how during the Democratic Labour Party administration one man seems to have been able to win a tender on every possible occasion. When I took over the Ministry of Education, there were four vehicles in the School Meals Department that were rusting either in the yard of the Ministry of Communications or at the School Meals Department yard in Country Road. I did not hear the hon. member ask any questions about that. There were reports before I came into the Ministry, including reports to the Ministry of Health, and nothing was done about it. There were complaints about the Reed Street Centre and its suitability for a food centre, and

nothing has happened about it; and suddenly the hon. member for St. Lucy has got this greatness of wisdom that he wants to impart. The hon. member must remember that there are people in the School Meals Department who are his people.

I hate to say this, but they make it quite clear that they are saboteurs. I do not go by reports. I go by what I hear with my own ears. I have heard a School Meals Department worker say that they would poison a child in a school. I have seen people in the department travelling from St. Michael to St. Peter to serve school meals. Nothing like that has been done by this administration. I have no housekeeper in the School Meals Service who cooks black pudding and souse for me on Saturday afternoons. (*Asides*). I want to know if any members of the Democratic Labour Party can say that. I am very fussy about what I eat; and I wonder if the hon. member can get up and say that none of the school meals supervisors has cooked for them on Saturdays. They never cooked for me.

One of the problems of the School Meals Department, Mr. Chairman, seems to be the fact that I am dealing with a lot of stiff-necked, simple-minded people who cannot conceive of their jobs as jobs and not get involved in political, partisan, foolish behaviour. I see that problem; and I am hoping that the hon. member for St. Lucy as a representative of the Barbados Workers' Union will try to see the School Meals Department workers and talk to them as a Union representative about their responsibility. Perhaps they would listen to him. If he is really serious about his responsibilities, he would talk to these workers and tell them that they have to pay some kind of allegiance to the job that they are doing.
6.40 p.m.

Instead of coming in here and trying to make a lot of specious, weak, feeble — and I almost said malicious, but I wouldn't say it — points, I think that is what he should do.

I beg to move that this stand part of the Resolution.

Hon. L. S. CRAIG: I beg to second that.

The question that Head 115 stand part was put and resolved in the affirmative without division.

On the motion of Hon. L. S. CRAIG, seconded by Hon. L. R. TULL, Mr. CHAIRMAN reported the passing of two money Resolutions in Committee, and Mr. SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Hon. L. S. CRAIG, seconded by Hon. L. R. TULL, the Resolutions were read a first and second time and agreed to.

ADJOURNMENT

Hon. L. S. CRAIG: Mr. Speaker, that concludes Government Business for today and I move that this House do now stand adjourned until Monday, 19th March, 1979 at 10.00 a.m.

Hon. L. R. TULL: I beg to second that.

The question was put and resolved in the affirmative without division, and Mr. SPEAKER adjourned the House accordingly.
6.45 p.m.