

THE

House of Assembly Debates

(OFFICIAL REPORT)

FIRST SESSION 1981 – 86

HOUSE OF ASSEMBLY

Tuesday, 15th December, 1981.

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); Hon. L. S. CRAIG, (Minister of Parliamentary Affairs and Leader of the House); Hon. H. deB. FORDE, Q.C., M.A., LL.B.; Hon. Miss B. A. MILLER, (Minister of Education); Hon. L. B. BRATHWAITE, (Minister of Health); Mr. J. G. ODLE, B.Sc., (Chairman of Committees); Hon. V. L. JOHNSON, M.A., (Minister of Labour and Social Security); Mr. B. M. TAITT, B.A. (Hon.), M.A., LL.B. (Hon.); Mr. L. L. SISNETT; Mr. P. M. GREAVES; Mr. R. E. BRATHWAITE; Hon. Dr. G. BLACKMAN, (Minister of Transport and Works); and Mr. A. TRUSS.

Prayers were read by Archdeacon Frank A. Cayless.

Hon. H. B. St. JOHN, Hon. DeL. O. BRADSHAW and Dr. R. C. HAYNES entered the Chamber and took their seats.

MINUTES

Mr. SPEAKER: The Minutes of the Meeting of Tuesday, 1st December, 1981.

Hon. L. S. CRAIG: Mr. Speaker, I beg to move that the Minutes of the Meeting of Tuesday, 1st December, 1981, be taken as read.

Mr. SPEAKER: If there are no observations from hon. members, let those Minutes stand confirmed.

ANNOUNCEMENTS

Mr. SPEAKER: I have to announce that I have received copies of the Accounts and Statement for the

month of October, 1981 as prepared by the Accountant General.

PAPERS LAID

Hon. L. S. CRAIG: Mr. Speaker, I am commanded to lay on behalf of the Minister of Agriculture, Food and Consumer Affairs the following:

The Annual Report and Financial Statements of the Barbados Agricultural Development Corporation for the year ended June, 1980.

Also, I am commanded to lay on behalf of the Prime Minister the Report on the General Election 1981.

Also, on behalf of the Minister of Finance and Planning, I am commanded to lay the Customs Tariff (Amendment) (No. 10) Order, 1981.

Hon. Dr. R. L. CHELTENHAM, Hon. L. R. TULL and Mr. H. A. BLACKMAN entered the Chamber and took their seats.

Hon. L. R. TULL: Mr. Speaker, I am commanded to lay the Annual Report of the Commissioner of Police for the year 1980.

GOVERNMENT NOTICES

Hon. L. S. CRAIG: Mr. Speaker, I hope that all hon. members of the House would have received the letter from the clerk in connection with a number of matters which I propose to give notice of today to be done in all their stages today. I have discussed this matter with the Acting Leader of the Opposition and he has given me the assurance that the Other Side is going to cooperate with the Government.

I therefore beg to give notice of the following:

Resolution to approve of a guarantee given by the Government to the International Bank for Reconstruction and Development for the repayment of the principal, interest and other charges with respect to a loan of \$23,000,000 to the Caribbean Development Bank.

Resolution to grant the sum of \$62,196 from the Consolidated Fund and to place it at the disposal of the Government to supplement the Estimates 1981-82, Part II Capital as shown in the Supplementary Estimates 1981-82 - No. 10 which form the Schedule to the Resolution.

Resolution to grant the sum of \$26,400 from the Consolidated Fund and to place it at the disposal of the Government to supplement the Estimates, 1981-82 Part I Current as shown in the Supplementary Estimates 1981-82 No. 11 which form the Schedule to the Resolution.

Hon. Dr. R. L. CHELTENHAM: Mr. Speaker, I beg to give notice of a Resolution to approve the Sugar Industry (Rehabilitation, Price Stabilisation and Labour Welfare) Order, 1981.

Hon. L. S. CRAIG: Mr. Speaker, I beg to give notice of a Bill to repeal the Natural Gas Corporation Act and make provision for certain matters consequent on the repeal.

Mr. M. A. KING entered the Chamber and took his seat.

BILLS READ A FIRST TIME

On motion of Hon. L. S. CRAIG seconded by Hon. H. B. St. JOHN a Bill to amend the International Business Companies (Exemption from Income Tax) Act, was read a first time.

On motion of Hon. L. S. CRAIG seconded by Hon. H. B. St. JOHN, a Bill to amend the Export Promotion Corporation Act, 1979, was read a first time.

On motion of Hon. L. S. CRAIG seconded by Hon. H. B. St. JOHN, a Bill to amend the Stamp Duty Act, was read a first time.
12.30 p.m.

On motion of Hon. L. S. CRAIG, seconded by Hon. L. B. BRATHWAITE a Bill to repeal the Natural Gas Corporation Act and make provision for certain matters consequent on the repeal was read a first time.

Hon. L. S. CRAIG: I will be seeking leave, Sir, to do the Resolution to approve the Sugar Industry (Rehabilitation, Price Stabilisation and Labour Welfare) Order, 1981 in all of its stages today, Sir. I am quite sure I have the.....(ASIDES.) In the usual order. It should not really pose any problem, Sir.

ORDERS OF THE DAY

SUSPENSION OF STANDING ORDERS

Hon. L. S. CRAIG: I beg to move, Sir, that Standing Orders Nos. 6,16,18,20,42(5), and 44(1) be suspended for the remainder of today's Sitting.

I would give the Opposition the assurance that if time permits us that we will also do Private Members' Business, Sir. I would like to give that assurance, Sir.

Mr. SPEAKER: Before I put the motion I would like to tell the Hon. Leader of the House that that can be no assurance whatsoever. That is no assurance. He says "if time permits."

The question that those several Standing Orders be suspended for the remainder of the day's Sitting was put and resolved in the affirmative without division.

Mr. SPEAKER: I believe that hon. members are very concerned with the fact that the suspension of the Standing Orders would not in any way interfere with their usual luncheon break. (ASIDES). Time or no time.

Government Business is the instant order of the Day.

GOVERNMENT BUSINESS

Hon. L. S. CRAIG: Mr. Speaker, I would like, Sir, to deal with these notices in the order in which they were circulated, Sir. This would allow the Clerk the opportunity to call them in the same order, Sir.

Mr. SPEAKER: Order No. 1, to move the House into Committee of Supply to consider the grant of sums of money for the service of this island.

Hon. L. S. CRAIG: I beg to move, Sir, that Your Honour do now leave the Chair and the House go into Committee of Supply.

Hon. L. B. BRATHWAITE: 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. ODLE in the Chair.

COMMITTEE OF SUPPLY

Mr. CHAIRMAN: The House is in Committee.

Order No. 1 was called – Resolution to grant the sum of \$973,548 from the Consolidated Fund and place it at the disposal of the Government to supplement the Estimates 1981 – 82, Part I – Current, as shown in the Supplementary Estimates 1981 – 82, No. 9, which form the Schedule to the Resolution; and to amend the Note to Head 19, Subhead 7, of the said Estimates.
12.40 p.m.

HEAD 16 – PRIME MINISTER'S OFFICE

Subhead 4 – Electoral Office

Hon. H. B. St. JOHN: Mr. Chairman, Sir, the Addendum sets out quite clearly the necessity for the supplementary under Head 16, Sir, and hon. members will note that a full report of the elections by the Chief Electoral Officer, the Supervisor of Elections has been filed in the Hon. House.

The number of constituencies were increased as hon. members are aware and in addition to that the Election Officers negotiated successfully for an increase in their remunerations. As a result, the original provisions which were provided for remunerations became inadequate. Accordingly, it is necessary to pay the officers and if they are to be paid with all due dispatch, it is necessary to have this Supplementary Resolution.

With respect to Item 10, Sir, the number of camera centres increased greatly and it was also decided, in order to ensure that all of those who failed despite repeated exhortations by hon. members on This Side to go to camera centres at an early date to prevent a last minute rush, it was necessary to keep one centre in operation and additionally, people had to be brought in to cope with the large numbers. That also necessitated, Sir, additional provision, more than was envisaged.

With respect to Item 11, the National Registration Programme which has been a plank in the Government's effort to tidy up identity in this country, is now a permanent feature in the Laws of Barbados and the documents relating to the registration have to be kept in proper conditions. We have to buy a number of filing cabinets, therefore, to provide for their storage. That provision falls under Item 11.

I beg to move, Sir, that Head 16 stands part.

Hon. L. S. CRAIG: I beg to second that, Sir, and reserve my right to speak.

The Bell was rung.

The question that Head 16 stand part was put and resolved in the affirmative the House dividing itself as follows:—

Ayes: Hon. H. B. St. JOHN, Hon. L. S. CRAIG, Hon. L. B. BRATHWAITE, Hon. L. R. TULL, Hon. Dr. D. G. BLACKMAN, Hon. V. L. JOHNSON, Hon. Dr. R. L. CHELTENHAM, Hon. DeL. O. BRADSHAW, Hon. H. deB. FORDE, Mr. R. E. BRATHWAITE, Mr. A. TRUSS, Mr. L. L. SISNETT, and Hon. Miss. B. A. MILLER. (13).

Noes: Mr. M. A. KING, Mr. B. M. TAITT, Dr. R. C. HAYNES, Mr. H. A. BLACKMAN, and Mr. P. M. GREAVES. (5).

HEAD 19 – MINISTRY OF FINANCE AND PLANNING

Subhead 7 – SUBSCRIPTION

Subhead 7 – Subscriptions and Contributions

Hon. H. B. St. JOHN: Mr. Chairman, Sir, some time ago, Cabinet took the decision that in view of the manner of function of the Latin American Energy Organisation (OLADE) that it was not in Barbados' interest to continue membership of that organisation. We were totally dissatisfied with the manner in which it was functioning and despite all efforts, we were unable to see any improvement in the functioning of that organisation. A number of other countries also took that view. Consequent upon these matter being drawn to the attention of the Council, steps were taken to improve the Secretariat, to modernise the aims and objectives and, in addition, it became clear that Latin American Producers of fossil fuel were adopting a more sympathetic attitude towards members of the organisation who were importers. The result was that a lot more money and interest was put into the organisation.

Mr. W. O. FRANKLIN entered the Hon. Chamber and took his seat.

The Secretariat was re-organised, a definite programme, not only in respect of fossil fuels, but in respect of renewable energy was devised and requests were made to those countries who were not enthused with the manner in which the organisation was functioning and decided to withdraw to reconsider their position. Having regard to developments which I outlined, the Government of Barbados in its spirit of mutual co-operation

between Latin America and the Caribbean in worthwhile organisations that function efficiently, decided to give the Latin American Energy Organisation one more chance. It must also be noticed that at the last meeting, a resolution put forward by the Caribbean territories requesting a review of a contribution structure to the organisation to take into account the smallness of these territories received a very great deal of support.

12.50 p.m.

Bearing all those factors in mind, Sir, Government has decided to pay the subscriptions to the organisation and to become part of the organisation again. Accordingly, Sir, it is necessary to include this sum of money in the Ministry of Finance and Planning's vote in order to enable the Government of Barbados to pay its subscriptions.

There is a departure from the previous arrangement. Formerly all the money was shown under the Ministry of External Affairs, or the Ministry of Foreign Affairs, but in order to ensure that each Ministry is not embarrassed when they go to international conferences with respect to international organisations which the individual Ministry serves, in two years' Estimates we have decided that the main ones should be subdivided under the ministerial Heads so that the Permanent Secretary in the Ministry would be aware and up to date, because when you had a global vote, sometimes in the accounting process one used to find that we were not as up to date as we should be.

I beg to move that Head 19 stand part, that the sum be included and that the amendments necessary to Subhead 7 be approved.

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

Mr. B. M. TAITT: Mr. Chairman, I do not believe that we would wish the country to be embarrassed at any point in terms of attending any international organisation to which we had subscribed in the past, and therefore if the Government is satisfied that the Latin American Energy Organisation is about to show some energy in its attitude, then we would not normally be against that.

I would like, however, to take this opportunity to draw to the attention of the Minister that very early after the election the Government established a special sector in the Prime Minister's Office for energy and has placed energy under a special Parliamentary Secretary, and therefore we in Barbados have a right to look forward to an energy programme which will be designed taking into account Barbados' peculiar position as a non energy producing country, notwithstanding the few gallons of oil we have found and the natural gas we have found.

I think, however, it is still necessary that there be a comprehensive energy programme in which the need to conserve energy is established as a way of life within the Barbadian community. I think that it is now fairly certain that increasing the price of energy, especially gasoline, does not act as a deterrent. It does not seem as if increasing the price in Barbados has acted as a deterrent, because people in Barbados have continued to use almost the same amount of gasoline as they were using when the price was a dollar per gallon.

One thought that when the Prime Minister increased the price of gasoline immediately after the election that that increase, which was an extremely steep one would act as a deterrent. That increase came at the same time it was being indicated that supplies in the world were becoming more plentiful, and at the same time we were getting an indication from Sheik Yamani and the other oil Ministers that it was their intention to try to stabilise the price of fuel and the price of energy products generally in the world. So it was a bit of a surprise when immediately after the election the Prime Minister and Minister of Finance imposed a very steep inflationary — I would say inflationary — tendency in the price of gasoline, so one had to assume that that decision was part of an energy policy.

Of course subsequent events have shown that that decision was one of the panic measures either (a) a panic measure by the Minister of Finance, or (b) that the Minister of Finance had given an undertaking to certain people before the election and he was forced after the election to follow through. One does not place that at the feet of the new Parliamentary Secretary, because he came in afterward, but what we have come to expect, Mr. Chairman, is that there will be a comprehensive energy policy. We have been told that it is coming and one would not wish to anticipate it.

I will take this opportunity to touch on a point which the Minister made in the last Session. I think he was in one of his more exuberant moods when he was attempting to rebut something said on This Side. He made reference to the fact that natural gas which came up in our production was flared, and he sought to suggest that that was some shortcoming in the policies of the administration before his. I think that he knows that at the time when that natural gas was being flared it had nothing to do with Government policy, it had more to do with the logistics of establishing the company's works, and that the previous administration had set in motion the idea that such natural gas ought to be saved. It has been said from time to time that we have had new discoveries of oil in Barbados. These have sometimes taken themselves beyond mere rumour because the newspapers have reported them, and one has to be generous and assume that newspapers in Barbados do not deal in rumour, but newspapers have reported from time to time,

or a newspaper has reported increases in the amount of fuel we have found in Barbados.

I think the Government ought to give the population an up-to-date picture of what the situation is now that Mobil, I think, have purchased — they have been changing ownership so fast one is not sure — Mobil, I think, now owns the drilling wells, drilling equipment, etc.

I would also like the Minister if he can — and I can see no reason why he should not be able to — to indicate what happened to the agreement that was reached concerning exploration offshore. I recall that there was an agreement with the then proprietors of General Crude that if they failed to perform in a particular way in a given year that they would pay a penalty. I do not recall the exact amount, I believe it was in the vicinity of \$3 million per annum. They have not, as far as I know, done any exploration offshore. I believe there was some seismic examination done by one company, but we have had no information coming from any of the Government Departments on this particular agreement. I believe it was a fundamental agreement, because a sum in excess of \$12 million was anticipated to be spent in exploration offshore.

There was a great deal of enthusiasm between St. Vincent and Barbados that early indications were that we possibly had oil offshore. It is not right that the country should be held in a state of suspense wondering if in fact this is so, if it is possible, if it is probable, and I think that if one looks at what is happening in Trinidad and Tobago now even though they have large reserves, they have indicated there are large reserves over the next 40 years, and are still as you know, Mr. Chairman, concerned about certain aspects of their energy development programme.

1.00 p.m.

Now we in Barbados spend a fantastic amount of our Gross National Product on the importation of energy producing material, and I believe that every effort ought to be made to create, if not in the present generation, in the generations to come, a new attitude towards the use of energy, and the way we ought to conserve it.

Mr. Chairman, the only indication of conserving energy which one saw during the last few months was the failure to illuminate the public buildings during the Independence celebrations. Again one has to be generous and say that the Government was saving energy when they refused to illuminate the Public Buildings for that single night of Independence, but that would be generosity misplaced perhaps.

Let me merely say that we are not seeing the kind of figure that we would expect to be coming from the new department, and it may very well be that it is taking longer than anticipated to put the programme together; but the Prime Minister and before him the hon. member for Christ Church East Central who had taken us out of the Latin American Energy Organisation indicated that there was going to be a vigorous energy programme and they campaigned on presenting a very vigorous energy programme, and we are saying that six months later the time has come for us to see that programme. We are not going to criticise them in advance. We are going to wait to see what the programme is, but we are saying that the time has come, Mr. Chairman.

Hon. H. deB. FORDE: Mr. Chairman, first I wish to congratulate the Government on continuing an association with OLADE. I always believed that this organisation had the potential for concentrating its energy on the improvements of energy programmes within Latin America and the Caribbean, and that countries such as Venezuela, Ecuador and Mexico which are the main producers in the Latin American region of hydrocarbon fuels should have made adequate arrangements for financing this organisation as well as for providing it with technical assistance to enable it to help the other members of the Latin American region in planning their energy programmes. To the extent that this is now being achieved, I think it speaks quite a lot for Latin American cooperation in the energy field.

Mr. Chairman, there is no doubt that energy between the Seventies and the Eighties has been in some respects a booster for some Third World Countries and in other respects it has undermined considerably the economies of the non-oil producing countries. Although Barbados produces a limited amount of hydrocarbon fuels both from oil and from natural gas, I think that we can be counted among the non-oil producing countries, and the effect of oil prices on our economies both in the period 1973 — 1975 and the periods subsequent to 1976 has been catastrophic.

I reckon that our oil bill moved from \$7 million to something in the region of close to \$80 million today, importing the same or slightly less than the amount of oil which we imported in 1973. Indeed in the period 1976 — 1980 the price of oil more than quadrupled in Barbados and the fact that we have been able in the economy to absorb this is a tribute, I think, to the wise economic management of the Government. But it has meant, and it is necessary to underscore this, a tremendous transfer of resources from Barbados principally to Venezuela which is the major oil supplier to Barbados, and I want again to underscore this both for the public and the Committee that the cost of oil in the period 1976 to 1980 has been more than it was in the period 1973 — 76, and therefore

the economy must feel the effects of this increase in oil prices.

Therefore it is incumbent on the Government by means of cooperation, South-South cooperation or North-South cooperation, wherever we can by such means find avenues to assist in the development of our energy programme, to grab those opportunities. That is the significance of OLADE. At least we would be enabled within that organisation to put forward a case to our main supplier and to the other parties in the Latin American region and emphasise to them that it is necessary to develop programmes of cooperation to ease the lot of non-oil producing countries and small oil producing countries such as Barbados.

Mr. Chairman, the programme developed by the Government of Trinidad and Tobago, the oil facility, as well as the programmes developed by the Governments of Venezuela and Mexico have had some ameliorating effect. We are not immediately the beneficiaries of the Trinidad programme for some reason, but we are benefitting from the Mexican-Venezuela oil agreement, and I am happy to congratulate the Parliamentary Secretary with responsibility for hydrocarbon matters on having achieved a total agreement now with the Governments of Venezuela and Mexico by means of which concessional terms are being given on the purchases of our oil supplies from Venezuela. Up to 1980 and the first part of 1981 we had nearly achieved concessional terms in relation to Venezuela's half share, and we had some problems with getting the Mexican Government to agree for Venezuela to supply us with all of our oil and allow a swap arrangement in which the Mexican portion would still come for concession. But having said that, one must recognise that the concessional terms merely relate to period of payment and are not based on the premise that we get a total grant or a lesser price for purchasing oil. It therefore means that the Government must leave no stone unturned to develop its own oil supplies and to look at the measure of conservation which I am aware the Government has been working on for some time and has had some success in the field, and also look at other ways of developing what other alternative energy resources we may have.

In this regard I think the Government is to be complimented for the manner in which it has been pushing solar energy in this country. It has to be complimented too, for the initiative which it is taking in the field of wind and also in the field of wave energy. I think in the long run these are going to be areas that will redound to the credit of Barbados, and I wish as well to congratulate the Government on the programme to which it has pushed the use of bagasse and experimented with feeding into the grid, the excess energy being produced by bagasse. I think it is a sensible programme and I believe that the Government deserves congratulations in this field.

Likewise I think the Government must be congratulated for the technical assistance and cooperation which it is giving to the tourist industry in particular in introducing energy saving devices. It is my understanding that 21 per cent of energy costs can be cut off and reduced in Barbados by using energy saving devices particularly in commercial establishments and in the tourist industry. I am fully aware that the Minister of Trade and Industry initiated this programme with some success. He got the study done and has pushed it to the position where execution is in place.

1.10 p.m.

The Government is also to be congratulated on the use which it has made of the natural gas resources and supplies in Barbados and the priority which it has given to ensure that natural gas is being used in as wide a way as possible for the benefit of the electric company and its consumers so as to keep down and reduce the cost of electricity in this country.

But I want to go one step further today, Mr. Chairman, and that is to deal with the Mobil Agreement. The hon. member for St. Michael West who has just spoken, assumed that the increase in gasoline prices was brought about, on his assumption, for two reasons. One was either as a panic measure of the Minister of Finance or the other was on account of a promise given prior to Elections that a new price would be given after Election.

The hon. member was not a member of the Democratic Labour Party Government of 1961. I do not believe he was even a member of the Democratic Labour Party in 1961. (*Asides*). He was too young, he says, in those days but he should at least..... I believe he was then an admirer of the late Sir Grantley Adams and I cannot fault him for having that commonsense in admiring a great statesman but I am sure that his brain was sufficiently acute to be aware of certain developments that happened in energy in 1961 and if he was not fully aware of them, from the position which he held as a Minister and both as in his role of this House and as a leading member of his Party, he must make himself cognisant of the facts.

In 1961, the Democratic Labour Party tied this country to an agreement with the Mobil Oil Corporation, an agreement which makes it automatic for an increase to be given to Mobil Oil on gasoline fuels in this island whenever there is an increase based on the Platts Formula of oil supplies in the region.

The hon. members says, what about that? What about that is this — that because of the actions of the Democratic Labour Party and their bad management of that part of the energy sector in 1961 Barbadians from 1961 up to today have had to pay more for oil and

gasolene than if we never had the agreement. We could have got our oil fuels more cheaply overseas without adding the additional price.

Mr. B. M. TAITT: It is not right for the former Attorney-General either inadvertently or otherwise to mislead any Chamber, Sir. The Hon. Member must know that the Platts Oil-gram, in terms of its movement, has almost nothing now to do with the large prices which exists in the fuel in Barbados. It is the tax component and the other components that really make up the larger increases. The hon. member who is a Minister now can tell us that. To carry on in this way is really to mislead, Sir.

Hon. H. deB. FORDE: The hon. member must know that when the price goes up according to the Platts Formula there is an automatic percentage increase over and above that given to Mobil Oil as the result of the agreement between the Government and Mobil.

I had the honour to advise the Government on the agreement and how to get out of it. The hon. member can talk as much as he likes but it can be proved by statistics that Barbadian consumers would have been paying less, considerably less. We would have saved millions of dollars between 1961 and today if that agreement had not been entered into.

Mr. Chairman, Sir, if the hon. member for St. Michael South Central wants to enter into the debate, let him get up and talk so that I can talk to him in a proper way and not listen to his foolishness *sotto voce*.

The point is that he wants to hide this from the public but I will repeat it. The Democratic Labour Party's agreement of 1961 with Mobil and the reason for that should have been investigated and it has cost the Barbadian consumer of oil and petroleum more than if we were not party to that agreement. You know that, it has cost us millions of dollars, millions of dollars more. I have not got the figures here

Mr. CHAIRMAN: Order, please.

Hon. H. deB. FORDE: The hon. member once called me a liar. Let him get on his feet and say so.

Mr. CHAIRMAN: Please, please. On what do you rise?

Mr. B. TAITT: I really did not get up to call him a liar but I remember.....

Mr. CHAIRMAN: Listen, please, please, order please.

Hon. H. deB. FORDE: Let him get up and say so. He does not want to take the blows. Sir, he was not too

young in 1961 to know this. If his memory serves him right he should have read the files when he was Minister and he would have seen the position, Sir.

As a matter of fact, Sir, what I am suggesting to the Government is that Government must seriously look at whether or not our programme must not be more closely integrated with that of the Government of Trinidad and Tobago and rather if it is not beneficial to this Government to consider buying the equity of Mobil Oil Corporation in conjunction with other Caribbean oil producing countries in order to be able to control the petroleum industry in this country properly. That is what the Government should have done.

I know that a lot of it is scrap-iron and old iron but I believe if we had to look seriously at this point... because we cannot continue with an agreement which is not beneficial to the country and say we are merely stuck with the agreement. The hon. member can talk what he likes, Sir.

I remember we criticised the agreement in 1961. We criticised it then and we did not have as much inside knowledge of it at the time. The hon. member must know why his Party entered into the agreement.

The hon. member for St. Philip South wants to know what a 1961 agreement has to do with it. Ask his Party. It is still existing now. It is still binding.

Mr. CHAIRMAN: Order, please, Order, please.

Hon. H. deB. FORDE: But the Government of the day...

Mr. CHAIRMAN: There must be no cross-talking.

Hon. H. deB. FORDE: I can withstand it.

Mr. CHAIRMAN: Order, please.

Hon. H. deB. FORDE: The Other Side they cannot get up and debate. They do not like to hear the facts. They can squeal in their seats but they can hear the facts from me today. That is an onerous agreement that you saddled the country with and it is less than charitable therefore for the hon. member for St. Michael West to get up and charge that the reasons for the increase is due to some motive of the Prime Minister that is less than worthy. That is the sort of thing that he could get up and say. Let him scribble. His correct thing is to scribble rather than to get up and talk so that I can deal with him again, Sir. He can scribble as much as he likes, Sir.

But I hope, Sir, that the Government will continue not to leave any stone unturned by which it may, as it has been doing, rationalise sensible energy policies for this country. One of the achievements of the Barbados Labour Party and people ought to acknowledge it, is that in a difficult energy situation we have been going full force on developing sensible energy policies for this country and in the process, despite the catastrophic rise of the prices overseas, we have been able to maintain some equilibrium in the oil market in Barbados and I believe it is a sensible part of the Government's policy and one that it should continue to pursue apace.

The other congratulation I would give the Government, Sir, and it comes from joining organisations such as these and being associated with them is that we now have access to some of the OPEC Concessional Funds, something that we did not have before. We have benefited from the OPEC funds on concessional terms and I hope that we will continue to benefit from the technical assistance available under OLADE as well. I know that OLADE and OPEC work closely together but I think the Government can make the maximum use of these types of opportunities.

Mr. CHAIRMAN: The question is.

Mr. B. M. TAITT: Mr. Chairman, Sir, when I said that persons ought to avoid misleading, Sir, I did not anticipate the the hon. member would carry his obvious speculation to the levels which he carried it.

Mr. Chairman, the Hon. Minister who now has responsibility for Energy can enlighten this Hon. House as to the extent to which the Platts Oilgram which formed part of an Agreement which was signed by Algy Simmons in his capacity as Crown Solicitor at a time when the governmental system used to operate with the Crown Solicitor and those people – I am not blaming them. I am making a statement of fact.

1.20 p.m.

Algy Simmons, acting as Crown Solicitor signed the agreement with Mobil, back in the years 1961, 1962. The Democratic Labour Party came into power in December 1961 and by 1962 there was a chaos, apparently – because I examined this – one of the first things I did when I went to that Ministry was to examine this file – and there was some chaos regarding the then operator – it was not called General Crude, it has some other name, some Barbados Pumping or something like that – there was a general confusion about the supply of product to Barbados and it was felt that the best way to handle this was to ignore the then Shell people in Trinidad and Tobago who were trying to hold Barbados to ransom and an agreement was reached with the General Crude people. In fact, the General Crude people became successors to the people with whom the agreement was reached.

I am speaking from memory now, Sir. Indeed, it was felt, at that time, based on what I have seen on the file by all of the people who were advising the Government that that was the best arrangement, the Platt Oilgram is a system, Sir, of pricing that is operating between oil companies and they use it on a regional basis. The regional basis for the Caribbean is something between Curacao and Paramaribo. (ASIDE: Aruba.) Is it Curacao? Aruba, Sir. They decided that since Aruba met the requirements, in terms of quality and quantity that they would use that as a barometer for fixing prices so the Platt Oilgram was included as a matter of form throughout the oil industry and had nothing to do with anybody slipping one over anybody else.

As a matter of fact, I suspect that the files would show that in my innocence when I became Minister I raise precisely the question which the hon. member is now seeking to suggest are fundamental questions and those were the answers which we got. Furthermore, I believe that my successor in office will confirm that attempts were made, at that time, to see how we could get around this so-called agreement, sorry, the agreement that had been signed in those days.

The point, however, about increased prices is this, Mr. Chairman. After the oil crisis, it is fair to say that the Platt Oilgram had an almost insignificant – I say almost insignificant – aspect of pricing because pricing was raised to an entirely different level. The Government's share of the price of a gallon of gasoline is more than 50 per cent. For the hon. member for Christ Church West to get up in this Hon. House and suggest that the agreement forces some burden on the shoulders of the people of Barbados, I say, is to mislead the people of Barbados. The fact is that either as part of its financial policy or part of its energy policy, both Governments have used the price of fuel to try to dissuade the people from using fuel. The price of a gallon of gasoline in Barbados now is \$4.00 nearly \$3.95 or \$4.00 a gallon. The price of a gallon of gasoline in New York is less than US\$1.00 (ASIDES: Not so.)

Mr. CHAIRMAN: Order please.

Mr. B. M. TAITT: I beg your pardon, Sir, I said less than U.S. \$1.00. It was less than U.S. \$1.00. It is about U.S. \$1.12 now or U.S. \$1.20. It depends on whether you are using the high test, but you can get gasoline – as a matter of fact, Mr. Chairman, now that I recall, you can still get gasoline at 99 cents a gallon in some parts of the United States. But, I am not going to dwell on that. I would say U.S. \$1.20. (Asides).

Mr. CHAIRMAN: Order, please.

Mr. B. M. TAITT: I would take the higher one because it does not do any violence to my argument. A

gallon of gasoline in Barbados is about \$4.00 which is about U.S. \$2.00. A gallon of gasoline in the United States is about, let us say U.S. \$1.20 (Hon. H. B. St. JOHN: U.S. \$1.40). U.S. \$1.40? Let us take his price, Sir, U.S. \$1.40. It does no violence to my argument that the price of a gallon of gasoline in Barbados is U.S. \$2.00. It is not related entirely to the Platts Oilgram and the gravamen of the hon. member's statement is some onerous agreement made in 1961 which is now dogging our footsteps and creating problems for us.

Certain remarks made by the honourable member for St. Michael West were ordered to be expunged from the record by Mr. CHAIRMAN.

Mr. B. M. TAITT: Now, Sir, I am going to say that only a person who is ignorant of the facts would have used that kind of argument and I do not believe that the hon. member is ignorant of the facts because the hon. member would have had the files at his perusal according to his own argument. According to his own statement, he said that he advised the Government how to get out of the agreement.

The fact is, Sir, I go further, the whole question arose when General Crude wanted to sell some of its products. It arose again. General Crude had products housing in silos here and the people at Mobil, who were then the owners of the producing sector determined that they did not wish to purchase the oil and the files will show that the Ministry first brought them together, settled a price and demonstrated and forced Mobil to use Barbados products in its refinery because Mobil had been saying for some time that it could not use the Barbados product which had a high diseling content.

In fact we also agreed that it was more beneficial some times for Barbados to export its products, rather than push it through the refinery for reasons which it will take too long to explain. But, Mr. Chairman, it has to do with the economics of the oil industry. These are not matters on which we ought to be divided, Sir. These are matters of facts and I resent as a public official, anyone attempting to take a 1961 agreement which now bears very little relationship to energy policy and oil policy and to suggest that the Democratic Labour Party made some terrible, horrendous blunder in 1961 which now tumbles down on the shoulders of the people of Barbados. That is not the case.

And, the point I made in my previous submission, Mr. Chairman, was simply this. I said that if we are getting that kind of price immediately after the election, when we were told that international and local prices of energy was coming down, it could only mean — and I repeat it — that the price had been held back and, therefore, the Rt. Hon. Prime Minister could be said, perhaps for the first time by me, as being honourable, in that he

honoured his commitment to the people or he did not understand what was going on and raised the price, or that it was an energy policy and they raised the price deliberately to stop people from using gasoline.

I stand by that argument and I do not believe that persons who hold the high office of Attorney General ought to allow themselves to fall into such simple error if they are going to be accepted as persons whose words can be taken as serious in the community and especially in this Hon. House. That, indeed, is the kind of red herring that even children do not draw now. I am surprised that one who has held high ministerial office would wish to take that kind of defence of a Government that needs no defending in this matter from the back bench. All the defence, as I understand it, Sir, is in the capable hands of the hon. members on the front bench. 1.30 p.m.

If the hon. member wishes to rejoin the Cabinet all he needs to do is indicate to the Prime Minister, or indeed to the Deputy Prime Minister, and they are in search of a Minister to replace the Minister of Housing anyhow, Sir.

Mr. CHAIRMAN: Irrelevant.

Mr. B. M. TAITT: I think I had better stop at this point, Sir.

Dr. R. C. HAYNES: Mr. Chairman, I would just like to respond very briefly to another very silly point made by the former Attorney General. He has, not only on this occasion but on previous occasions in this Hon. House, almost parrot-like repeated the arguments of the Minister of Finance in comparing the oil prices between 1976 and present as compared to what happened in 1973, 1974 and the consequential impact on the Barbados economy.

Anyone, Sir, who is prepared to look at, and the document is now available, at the history of the Balance of Payments of Barbados over the past 15 years, will see clearly demonstrated that the 400 per cent increase in oil prices in 1973-74 occupied a much larger share of the foreign currency earnings of the country at that time than at any other time subsequent to that; therefore the impact on the economy would have been much greater at that time than at any time subsequently.

Apart from the pure arithmetic of the matter, the increase occurred in a situation where no one, except the Arabs, could have known that that increase would have taken place suddenly and without any warning, whereas ample opportunity was provided for any administration subsequent to that period to plan for further increases in oil. So that in one case an administration had to deal with an unprecedented, and unexpected situation, and in the other case an administration had to deal with what

could be considered to be reasonable expectations that oil prices would increase.

Indeed, Sir, I believe that I had shown to the Deputy Prime Minister about a year ago a copy of a publication, I think appearing in the New York Times, where if you followed the decline in the net retention of the U. S. dollars earned by OPEC states subsequent to 1973-74 and largely as a consequence of the increased costs to them of the imports of food and other Capital goods, one could have seen a dramatic decline. I think at one point it actually dropped, about mid 1977, to a net balance of \$170 million. So that merely looking at the net retention by OPEC countries of their increased earnings as a consequence of the 1973-74 increases should have informed any reasonable person that the only way they could maintain any surpluses would have been to have subsequent increases from time to time between the period 1976 and 1980. Therefore it was a matter of planning in order to accommodate that particular situation.

The facility offered by Venezuela has softened the impact to some extent, but I have warned previously in this Chamber that it is not a subsidy, it is a form of loan that will have to be repaid in due course, and therefore one's energy policies should not be geared to a formula that takes into account a lesser than the real cost that you are paying for the oil, although you get a concession, I believe, somewhere in the region of \$3 million to \$4 million. I am not sure what it amounts to, but I know it amounts to more than \$4 million, to the best of my knowledge. So that the hon. member has not only sought to misrepresent both in respect of the agreement with Mobil, but has deliberately — I would not say wickedly or maliciously, because that would definitely be unparliamentary — sought even to distort the impact on the total economy of this country on a matter that is very fundamental and very germane to the future economic development and the future planning of Barbados.

We cannot fool around with the question of energy in Barbados and seek to politicise it in the manner in which I heard it being done today, in a most irresponsible manner, by someone who was a member of a Cabinet of Barbados and seek to make that kind of presentation in this Parliament unless he expects very severe verbal punishment in debate in this Parliament.

Now, Mr. Chairman, I do not propose to deal with what I perceive to be the defects in the Government's energy policy on this occasion. There is a Resolution on the Order Paper where adequate opportunity will be afforded to deal not only with the question of electricity as a form of energy, but the role of the Barbados Light and Power Company, and indeed I hope to make a document which I have in my possession a document of this House, which received such adverse comments by the Energy Section of a United Nations Organisation to the

effect that the people in Barbados do not seem to understand what is going on in the area of energy, and indeed, that if they understood, that Barbados could be a model energy laboratory not only for Third World Countries but in many instances for developed countries.

We have many of those infrastructural components in Barbados that could allow us to diversify our sources of energy, and with a properly harnessed and integrated programme we should be able to make use of all the available known useful technology which could bring alternate forms of energy to Barbados at a reasonable cost. Instead, Mr. Chairman, I have heard a lot of foolishness being talked about wave energy.

I believe there is a pilot project in Mauritius, and if hon. members on That Side were to take the trouble to examine the kinds of problems associated with that pilot project, then they would realise that wave energy as making a significant contribution to Barbados both in terms of cost and in terms of available technology is not something from which one would reap any immediate benefit.

1.40 p.m.

Don't talk to me about energy. I have spent about three months earlier this year gathering a whole lot of information on the stages of technology and scientific development in relation to energy, and when I was poking fun at the Hon. Minister of Finance, referring to his lagoons as ponds and so on, I knew what I was talking about. Only recently there has been other scientific information that has come to the fore which would not suggest that wave energy would be a reasonable form of activity that we should pursue in the immediate future. The money that would cost, we simply do not have. The price we would have to borrow money at, we cannot afford.

We cannot afford to borrow any more money, therefore if we are going to borrow money or get money as a gift, or get money on concessionary terms to assist us in our energy programme, it should be directed into areas where it is the cheapest and most effective and can be most easily harmonised with our existing forms of energy. For example the use of natural gas to assist, I think, in heating the turbines. The use of natural gas to assist in the production of electricity is one kind of activity that one could think about which appears to be reasonable, and that was a plan of the Democratic Labour Party, because we believe in building on what you have and not to go out there with harebrain schemes and believe that you can talk your way to success. You cannot talk your way to success. You can do it for a limited period of time, and the tragedy is, Mr. Chairman, that not only in this area but in many other areas, particularly one will demonstrate later today, by talking and being misled and being pushed down the wrong road by the

former Attorney General, this Government has missed many an opportunity. Thank you very much.

Hon. H. deB. FORDE: If the Minister will give way for a few minutes, Mr. Chairman, it is significant that both members who have spoken from the Opposition have reduced to pejorative words in order to explain their argument and in order to put forward.....

Dr. R. C. HAYNES: On a point of order, the hon. member has accused me of resorting to pejorative terms. That is unparliamentary and clearly is not the type of remark that an hon. member should be making in this Hon. House.

Hon. H. deB. FORDE: The hon. member obviously does not even understand the word "pejorative" because the hon. member's speech was characterised by referring to me as being silly and as being guilty of distortion. There can be no more pejorative term than the word "silly", but I have come to expect that level of debate which is an empty argument.

Let me move on to the hon. member so that he would know. The hon. member fails to appreciate the argument which was made about the effect of the oil crisis on the Balance of Payment of Barbados and on the economic development during the period 1973 - 76 and the period 1976 - 80. I make the point again that the rises that occurred during the later period were steeper than the rises that occurred during the first period. The hon. member seeks to compare the percentage of the amount spent on oil in 1973 as a percentage of the foreign exchange held by Barbados at that date. Now the hon. member must understand that during the period 1974 - 76 the Government had to perform much better to increase the export earnings of Barbados, and that its Balance of Payments crisis continued because the Democratic Labour Party Government at the time did not take other measures including measures to stimulate export at the time. Let me give him the points.

Now in the period 1976-80 despite all the criticism he makes of this Government it was shown that exports had risen at a faster rate than they rose during the previous period, and therefore it comes ill of him to try to use an argument about the percentage of cost in relation to the foreign exchange earned by the Government without his doing the decent thing which I would have expected from any decent representative, that is, to say that the Government within 1976 to 1980 recognising the crisis of oil set about with complementary measures in the export field in order to cushion its effect.

Do you know why he does not want to say that? It is because they go around misrepresenting to the country that the Government's performance up to 1980 was less than an outstanding performance, and they take the short

term problems that have occurred in 1981 because of the failure of sugar and tourism to say that the Government has not given proper Government from 1976 to 1980. So we cannot let him get away with that. There is a law that you can tell the truth, the whole truth and nothing but the truth. The hon. member only understands part of the truth if he understands that much because he understands impressions and not facts. He does not give the full facts here, therefore when I make the point in relation to oil, it is not given in words from the Prime Minister. It is most fortunate that the Prime Minister at least is sensible enough to understand a proper argument of his former Attorney General, and the fact that the Prime Minister and myself may have a correct economic analysis of the country's problems is to our credit, not the discredit of the Government.

The hon. member certainly has spent, he said, three months gathering information on energy, but his speech here displays that he does not understand the information. I would advise him to spend another three years trying to analyse, appreciate and understand the information. I would not deal with the little frivolity of the hon. member for St. Michael West at this stage. He said nothing except that he got up to talk about the Platts Oilgram to say what was the price obtaining. He has not yet contradicted and cannot contradict the fact that the cost to Barbados' consumers of petroleum products as a result of the 1962 agreement has been more than if the agreement had not existed.

Mr. B. M. TAITT: If the hon. member would give way, Mr. Chairman at the time of my speech, I wanted to find this information. The hon. member said I have not contradicted him. This, Sir, is the Question Book as you know. I asked a question on January, 30, 1979: "To ask the Minister of Finance and Planning - will the Minister state the breakdown of present control prices of petroleum in respect of the amount allocated to the refinery, the oil companies, the dealers, road taxes and duties respectively per gallon?"

The Hon. Prime Minister answered on the 6th November, 1979, eleven months later, and here was the reply: "The refinery price is 102.30"

Hon. H. deB. FORDE: That cannot be a point of order.

Mr. B. M. TAITT: I am giving you the information. You gave way, I did not rise on a point of order.

Mr. CHAIRMAN: In any event the information you are giving you can come back and give us at another time. The hon. member for Christ Church West may continue.

Hon. H. deB. FORDE: Sir, I have finished my speech.

Mr. B. M. TAITT: Mr. Chairman, I believe he wants the information. The refinery price is 102.306 per US gallon, marketing company margin 12.09, dealers' margin 17.00, road taxes 106.14. The road tax is higher than the refinery price, because the refinery price is 102.30 and the road tax is 106.14, and there is a duty of 4.54. This is what is relevant in the context of the argument we are having, not the foolishness about 1961.

Mr. CHAIRMAN: No hon. member talks foolishness in this Chamber.

Hon. H. B. ST. JOHN: Mr. Chairman, the election is over and I do not understand why the hon. members on the other side think that it is going to be beneficial to them to continue the electioneering.
1.50 p.m.

Hon. H. B. ST. JOHN: Mr. Chairman, Sir, I think it is time that.....

Mr. CHAIRMAN: Yes, the Hon. Minister may wind up.

Hon. H. B. ST. JOHN: The election is over and I do not understand why hon. members on the Other Side think it is going to be beneficial to them to continue the electioneering. The verdict of the electorate has been given. This Party has a mandate for another five years.

Sir, energy is a very important thing in all of the countries in the world today, particularly those countries that do not produce as much fossil fuel or do not have hydro-electric or other sources of energy.

I had the honour to be responsible for Energy for five years in Barbados. The first point that I wished to repeat in here is this — that we set up an Energy and Natural Resources Unit. We set up one. It had economists in it. It had geologists in it. We made provision for petroleum people and we had an overall director in charge. We pursued a parallel plan of exploiting such reserves as fossil fuels that we have and at the same time pushed the idea of the importance of alternative energy in this country.

We have had no less than 30 to 40 people from UNDP, from the Inter-American Development Bank, from the World Bank, together with a special consultancy negotiating with the help of the Attorney General when he introduced me personally to Mr. Bradford Morse, Head of the UNDP. An appointment was made and I went there. I was very pleased to see that the lady who was Mr. Morse's Executive Secretary was a Barbadian and

through this contact made by the Former Minister of External Affairs in Barbados, we were able to insist to Mr. Morse that Barbados was deserving of help for an assessment of our fossil fuels and we have a UNDP consultancy to evaluate our petroleum potential, the performance of General Crude as it then was, the performance of the refinery and those reports were made available to the Government of Barbados.

The final report of the Norwegian Nord Consultancy was only delivered in May this year. That is a fact but international consultancies take time. People must recognise that once Mr. Morse gives the consent that Barbados is allocated X dollars, the whole process of bidding and tendering to get the consultancy then has to operate.

In addition to that, the World Bank sent Dr. Byer, another person who has connections with Barbados and who worked as the Energy Adviser to the Jamaican Government, to Barbados because he left the Jamaican Government and went to work with the Energy Department that Mr. Macamara, the then President of the World Bank was then persistent in setting up. Dr. Byer was part of the advanced team which went around the Third World countries to assess what help the World Bank could give them. These are the facts.

In addition to that, because the World Bank went into the area of lending for Energy, the Inter-American Development Bank had to get into the act and so we had another group from the Inter-American Development Bank coming down here with their own team of technicians to see what were our requirements and how we can get loans in relation to that. Thus Barbados has been taking advantage of all of the international associations that could possibly lend you money.

In addition, we as part of the Caricom Caribbean Development Bank Scheme were allocated some money as part of their alternative energy scheme. The project that Barbados identified for the Development Bank and Caricom Scheme was, and this is a most important indispensable tool for planning, was this, an energy assessment and energy audit. That was the first thing and we in the years 1979-1980 carried out that assessment.

The final report of the audit and assessment in Barbados was only delivered again this year but we now know what proportion of our energy is taken up for transportation, for agricultural production, for air-conditioning and in addition, we know what proportion is divided between the various classes of consumers — residential, commercial and industrial.

Now you can plan an alternate energy scheme. How can you plan a conservation scheme without knowing how much energy you use, what is the source of the energy and how the users are distributed but parallel with

all of this, from an early date, this Government recognised the importance of at least one source of alternate energy which was available to us and that is solar energy.

Hon. Members will recall that I have repeatedly said that the Government firmly believes in this and not only are we going to state our beliefs, we are going to implement policies to ensure that there is an inducement to the public to use it and we brought in taxation measures in Barbados allowing Income Tax deductions for conversion from fossil fuels to solar energy in respect of solar water heating. That has been a most outstanding success in Barbados.

We have also gone further. In the tourism sector which is a large user of energy in Barbados, we, as part of our advisory service advised the Hotel Association to encourage their members to bring in engineers and others to advise them on energy savings and, these are facts, a number of hotels in Barbados have converted the totality of their hot water system to solar.

The largest one is one in St. Peter Sandridge I think managed by Mr. Weatherhead, 72 units I think, or 54, 54 to 72 units. Now their hot water is done by solar energy. This is one of the most advanced and bold steps taken by any hotelier in the Caribbean.

This Government insisted that the totality of the 308 rooms at Heywoods were designed for solar because we believe in it. We went further. We wanted to try and see the application of solar to air-conditioning (ASIDES). Mr. Chairman, I do not have anything to leave out. There are two alternate systems. The Israelis have a system and the Americans have a system. (ASIDES).

Not yet, Sir, I will finish in ten minutes.

The Ministry's Standards Laboratory building in Culloden Road is using the Israelis' system and Graeme Hall is using another one so that the question of selling solar in Barbados is not anything that this Government should be ashamed of.
2.00 p.m.

I have demonstrated factual evidence. There are well over 3,000 houses in Barbados using solar water and any hon. members who want to put in one for Christmas, I advise them to take advantage of the Government Tax Concession four percent of the accessible value of any house is allowed a deduction. The definition of improvement includes the installation of a solar water system. It costs you about \$3,000. Go and get the money before now and December 31. There are three producers in Barbados. Try any of the three, get the best pick. I would like to see 50,000 houses in Barbados with solar water systems on them. The taxation is there to help you.

Now, Sir, we have also been looking at biogas because we feel that particularly, in the agricultural area, all the cow dung, pig dung, can be converted into sources of energy at least to provide warm water and to provide the electricity for chicken pens. In conjunction with CIDA, a firm did a pilot project in St. Lucy. Hon. members may not be aware of this but at Bright Hall in St. Lucy, Mr. Cole had a pilot project in operation. We are now lining up money to enable him to carry it into a full scale commercial thing. Because he has 100,000 birds and 100,000 birds produce enough dung to have an economic scheme.

So, what nonsense does Hon. members say that the Government does not have a policy? You want the dairy men to do exactly the same.

Mr. B. M. TAITT: On a point of elucidation, Sir.

Mr. CHAIRMAN: Does the Hon. member give way?

Hon. H. B. St. JOHN: Yes, Sir.

Mr. B. M. TAITT: What I called for — and the hon. member cannot remember because of the obstruction which occurred — what I called for is that since there has been a point — what he has outlined so far is what he did as Hon. Minister — since there has been a special department now set up with a Parliamentary Secretary, we are expecting to hear of the new areas of development and also, I was saying the time has come for us to hear what those areas are. That is all. We are not questioning whether you implemented solar or any of those things. That was not questioned.

Hon. H. B. St. JOHN: Sir, the hon. member must realise this that the department has now, in its possession, all of the final report and they are using it. The implementation of the recommendations are coming one by one.

Today, we give notice of a Bill — today — where we are going to integrate the National Petroleum Organisation and the Natural Gas Corporation. That was one of the recommendations. I want to say this, Sir. (Asides).

Mr. CHAIRMAN: Order please. Do not interrupt.

Hon. H. B. St. JOHN: We have also signed an agreement. This Government — the present Department of Energy has also signed an agreement with the Inter American Development Bank for a wind power pilot scheme in Barbados. That is one of the things.

I want the hon. members on the Other Side to recognise that it is quite easy to get up in here and say that Government is doing nothing. But, when we let go

the facts on them and whenever the time comes that they have to present their side to the public and we have to present our side to the public, they can talk about impressions, they can talk about distortions. When we roll down the facts on the wicket and let go, Mr. Chairman, Sir, the electorate sift and understand and as they did before, they would do in the future.

The question that Head 19 stand part was put and resolved in the affirmative without division.

The question that the CHAIRMAN report progress to His HONOUR the SPEAKER and asked for leave to sit again was put and resolved in the affirmative without division and Mr. SPEAKER resumed the Chair and reported accordingly.

SUSPENSION

Hon. L. S. CRAIG: Mr. Speaker, I beg to move that this sitting be now suspended until 3.10 p.m.

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

The question was put and resolved in the affirmative without division and Mr. SPEAKER suspended the sitting accordingly at 2.08 p.m.

On Resumption:—

Mr. SPEAKER: This sitting is now resumed.

Hon. L. S. CRAIG: Mr. Speaker, before we get on to Government Business which we were considering, I would like with the consent of the House to re-open a matter under Privilege to deal with a matter which is of some concern to my colleagues on This Side, and I think a matter which will concern the entire House.

Mr. SPEAKER: A matter of privilege may arise at any time. The Hon. Minister may proceed.

Hon. H. B. ST. JOHN: Mr. Speaker, it has been drawn to my attention, and I am correct in saying that earlier today I intimated to Your Honour that subject to certain checks I would ask Your Honour to institute, I intended to draw this to the attention of the House but the Librarian was not present at the time and we could not find the relevant documentation for Your Honour to make your decision on the matter. I now understand that we have got the background information.

It relates to a report in the Advocate-News of Monday, 7th December, 1981 and it purports to be a report of our last sitting. In column four of that report under the headline: "Valuations too High — Franklin" the report says "property valuations are too high and people are crying out, M.P. for St. Philip North, Warrick Franklin, said in the House last Tuesday."

It is my contention that that is a gross distortion of the speech of the hon. member for St. Philip North. I do not want to go into the details, but several members on this side drew it to my attention that their recollection of the speech, which is mine, is that the hon. member in a very statesmanlike speech contrasted three situations. I am not going to say what the three situations are that he contrasted because I do not wish to prejudge the findings of fact in this matter, but he definitely and distinctly contrasted three situations with respect to valuations.

I draw it to the attention of Your Honour and I believe that I have asked Your Honour to do your usual preliminary investigations as to whether I am wasting the time of this House.

I beg to move, Sir, that this matter of accurate reporting which is fundamental to the proper functioning of this House, that when Reporters come here it is their duty to report accurately. Comment is their prerogative and their function, they are not entitled to distort the factual basis of what hon. members say in this House. This matter, I feel, Sir, should be referred to the Committee of Privileges.

Mr. SPEAKER: Earlier today when the hon. member for Christ Church East Central hinted to me his intention to draw to the attention of this Hon. House what appeared to him to be a gross misrepresentation of the proceedings of this Hon. House, I took the opportunity to research the matter and I am now satisfied that a *prima facie* case has been made out.

I need say no more at this point, but it is my duty to refer the matter to the Committee of Privileges for consideration, and I sincerely hope that it will be possible for the Committee to pay due attention to these matters without undue delay.

The matter is hereby referred to the Committee of Privileges.

GOVERNMENT NOTICES

Hon. L. S. CRAIG: Sir, I also with the consent of the House would like to revert to Item (g) — Government Notices. I have a supplementary Notice Paper here and I would like to give appropriate notice of the items on the Notice Paper.

Mr. SPEAKER: The hon. member may proceed.

Hon. L. S. CRAIG: Mr. Speaker, I am commanded to lay, on behalf of the Minister of Labour, the National Insurance and Social Security (Collection of Contributions) (Amendment) Regulations, 1981; the National Insurance and Social Security (Collection of

Contributions) (Amendment) (No. 2) Regulations, 1981; and the Severance Fund (Contributions) (Amendment) Regulations, 1981.

Also, I beg to give notice of a Bill to amend the National Insurance and Social Security Act.

Mr. SPEAKER: I gave the hon. member for Christ Church West Central a promise that I would entertain a Notice of Motion during the course of the day, and I may now hear the said hon. member.

Mr. M. A. KING: Mr. Speaker, I beg to give notice of motion of the following Resolution:

"WHEREAS motor omnibuses in the public transport system have been and are still being operated by the Transport Board without being appropriately licensed or registered as required by the Road Traffic Act, 1981;

AND WHEREAS disregard for the Law by a Statutory Corporation wholly owned by Government undermines one of the cardinal principles of the rule of law;

BE IT RESOLVED that the House of Assembly condemns the Minister responsible for transport for his failure to ensure that the laws governing the licensing and registration of motor omnibuses are observed by the Transport Board;

AND BE IT FURTHER RESOLVED that this Hon. House calls on the Government to take all necessary steps to ensure that the Road Traffic Laws are observed."

3.25 p.m.

COMMITTEE OF SUPPLY

Mr. SPEAKER: Government Business is the Instant Order of the Day.

When the suspension was taken, the House was in Committee of Supply. To that it now reverts.

Mr. SPEAKER left the Chair and the House resumed Committee of Supply, Mr. ODLE in the Chair.

HEAD 31 - POLICE

Head 31 - Police, was called.

Hon. L. R. TULL: Mr. Chairman, the question of allowances for members of the Royal Barbados Police Force has been one of some contention for a number of years. The Police have always been smarting under the failure of the previous Government to honour some

promises that it made to give them allowances. Allowances that were promised early in the Seventies and were repeatedly not given to them for reasons which were never fully explained. We feel that the Police Force has got its hands full with the amount of duties and responsibilities in a society that is as complex as the new Barbados, and I believe that the police officers do a very important job in trying to prevent the total disintegration of law and order in the society.

We feel also that the remuneration of the police officers should be commensurate with the responsibilities and the difficulties of the job which they have to carry out, and it is for this reason that shortly after we took over the Government in 1976 that we honoured the promise that had been made by the previous administration to give them certain duty allowances. Allowances have never been given to them and they complained from year to year, and I think it was in 1977 that this Government honoured a promise that was made by the previous Government and gave them a rather generous duty allowance. We are taking a further look at other allowances that the Police were getting, and some time early this year the Establishments Division wrote a letter to the Commissioner of Police detailing a number of allowances that the Government had agreed in consultation with the Police Association to give to members of the Police Force.

I want to say that the reason why we are now coming on December 15 with these allowances instead of two months sooner is because when we in the Ministry of the Attorney General wrote to the Commissioner of Police and set out the list of allowances that we had agreed on with the Police Association, we got word back from the Police Association or the Commissioner that the allowances that the Government were in fact giving to the police were more generous than what the Police had agreed to. Now that is significant.

These allowances relate to a number of areas. We are giving allowances to detectives, for the various ranks, the gazetted officers as distinct from Inspectors, the that Station Sergeants and Sergeants and the other ranks, and these rates come into effect, some of them, from 1st April, 1979, and some from 1st April, 1981. There are also allowances given for plain clothes, washing subsistence, uniforms and responsibility, and the responsibility allowance goes to people like drivers and riders of motor cycles, riders of horses, dog handlers and farriers.

Now the allowances that have been agreed to for the Police are in excess of \$600,000, and I am hopeful that when this Resolution is passed today that the police officers will be able to get this money in their hands. It is getting close to Christmas and it may not be possible for them to get it by next week Thursday although we

will try, if not, I hope they will get it before the end of the year. I think they have waited long and patiently and I think it is the type of allowance that they thoroughly deserve.

The Police Force is much buffeted and much reviled. There is a group of people who seem not to be aware of the difficulties under which they operate and are always looking for people in the community on which they can, to use the Barbadian lingo, 'wash their mouth on', and they pick on the Police, I am satisfied that within the limitations present in a society such as ours that the police are working well and in many cases working beyond the call of their duty. We have done a lot in the last two or three years in the areas of training, equipment and indeed in the creation of greater promotional opportunities. We have expanded the ranks of senior officers so that police officers can be promoted at a pace far more quickly than they have ever done in the past.

I want to commend the Police also for a number of new initiatives. I saw a television programme that was started recently which I thought was a very fine piece of public relations. They set up a public relations unit and they are trying their best to alert the public to areas of responsibility and to get the type of cooperation from the public that would make it easier for them to look after the interest of the people of this country.

Mr. Chairman, I will use another occasion on which I will go into greater detail on the difficulties the police are experiencing in trying to do their work and what the Government is doing to make it easier for them. This Head of the Resolution for these increased allowances is only part of the commitment of this Government to make the terms of service of the Police Force better than they have ever been.

I beg to move that Head 31 – Police – stand part.

Hon. L. S. CRAIG: Mr. Chairman, I rise to second the motion moved by the Attorney General and also to make a very small contribution in respect of the Royal Barbados Police Force. I recall as a boy that I was one of those who on seeing a police had some fear driven into them and there was a time I believe when as a boy you grew to hate the police because that fear was driven into you, but I think as I grew older and recognised what an important role they played in society, especially in these trying days, that I would be failing in my duty if I did not rise to laud the Acting Commissioner of Police and his men in what I considered a very wise and bold initiative in an incident which took place some time during last week, which apparently has caught the eyes of the Press more than anything else.

3.35 p.m.

As I understand it, Bob Marley projected the image of the Rasta throughout the world. Bob Marley and the Wailers, Sir, never set out to be armed with knives and cutlasses to defy law and order.

I believe that the Rastas, like any religious body, must have the right to live in peace in the society and they must also know, in no uncertain terms, that they must live within the limits of the law. However, Sir, I do not understand if this bold headline I see here "New Market for Rastas", is correct but, as usual, the newspapers must always have something to dramatise their headlines. I cannot recall and I will not sit down with any decision making body to provide for one section of the community, where all the taxpayers of this country pay taxes, to have facilities and not the others, Sir.

This headline I see "New Market for Rastas" I do not know where the decision was taken. I attend the appropriate meetings. When I read further on in this here it says "for craftsmen". That is what the paper says but the headline is "New Market for Rastas." Therefore, you will have to build a new market for the Salvation Army, you will have to get one for the Adventist, you will have to get one for the Moravian Church and one for the Anglicans.

Though I believe that they are genuine practicing Rastafarians or Rastafari, or whatever you call them, in the society, that sect is also loaded with a lot of parasites who use their long hair to humiliate young women on the streets, break the law, abuse the Police and give them a confrontation.

It is at this point that I feel Orville Durant, the Deputy Commissioner of Police should be commended along with his men. It is unfair when these young men..... the police are unarmed and must face up to these rascals. They are rascals among them. Now they say "Jah" told them to break the law. I do not know which "Jah" they talk to but "Jah" also told me – I spoke recently to "Jah" – that if they come on my land playing they are taking up my things without my permission, to blow their brains out of their heads. That is what "Jah" told me. That is what "Jah" told me about them but I do not know which of the "Jahs" they are talking to and I have had a word with "Jah" often.

I sincerely hope, Mr. Chairman, and I suggest (Asides). You would not want to do it you are a hypocrite. You would want to walk about with Eric Sealy and one Salansky, a lot of parasites, one MONALI and NUPW, a big bunch of overnight political parties came to their rescue. I have never seen so many political parties overnight. Bobby Clarke – they call it BBC, a one man party. Bobby Clarke – and the Press rushed to him to ask him his views on a bunch of men who

urinate all inside the people's alley and block the fire escapes. A Government telephone is for their use alone. They smoke marijuana, they drive out young men who set up their business downstairs at Norman Centre and then you say that you love them.

Now I believe that they are genuine people who practice that. I know some of them. I know many of them, Sir. Some of them worked for my son. I am friends with a lot of them. Many are good ball players, good athletes and they have their contribution to society to make but like in all societies you have the rascals among some of them, Sir, and I would sincerely hope that I do not hear of any Government that I am a member of, taking up the taxpayers money of this country where everybody must pay taxes and provide facilities for any particular group.

The Close Brethren, the Open Brethren, the Moravians, the Wesleyans, everybody pay taxes to keep the country going and to come and build a market for them and them alone, I do not know where this headline comes from or why it should be there because when I read this story, Sir, in conclusion it is very clear, Mr. Chairman. They say here that he said that craftsmen who had a legitimate claim would not have to fear being denied permission to occupy the stalls. Yet you see here "New Market for Rastas". I will not be in that. I have the courage of my conviction.

My main complaint is the irresponsible approach of newspapers in this country. It was made very clear by the Minister that no one would deny craftsmen of all colours but yet you see here, a big headline — "New Market for Rastas". You mean the Rastas would occupy some of it. Personally what I believe is they would pose more problems to the Police again. That is what I believe because if you set them up in a market all by themselves, what they were doing in Rocker's Alley they are going to do down there.

But for craftsmen, yes, and women, women who are doing smocking and stuffed dolls. All of these people are to be involved in this area but not no Rasta. What Rasta are you telling me about people who do not bathe their skin and walk about in a lot of patchy dirty clothes and smell bad. Before Bob Marley died he dressed up in a lot of nice clothes, wore a big gold watch and smelt good with Esther Lauder perfume and this type of thing and today to be a Rasta in Barbados you must bend over, have a stick on your shoulder, do not bathe or walk around with a leaf around your waist, abuse police, confront them and then you have what you call no more than irresponsible people in the society coming to their rescue. What rescue are they coming to?

You know what will happen, Sir? It is only when the very Rastas go on their land or go and rape their

wives or their children that you hear them calling for police. The very ones which you see coming to back them against the Police are the very ones who will call on the Police for help.

Therefore I support this Resolution, Mr. Chairman, and reiterate in commending the Deputy Commissioner of Police and his men for the bold and initiative step, to take on these rascals unarmed. (*Asides*). Man the army can come to your rescue. What are you worrying about the army for man. Your problem is that you are always pushing yourself into something. How you did not get into it I do not know. I was looking for your picture. I was looking for your picture in this here. How you did not get into this I do not know. Eric Sealy was in it so you should have been in it too.

Mr. CHAIRMAN: No cross-talk, Please.

Hon. L. S. CRAIG: I am supporting, Sir, the Resolution and I will also like to publicly and on the Floor of the House commend my colleague under whose Ministry this falls, that of the Attorney General where the Police falls under his control and I will say that it is a very brave step, imaginative and one which I pray and hope will never happen again in this country. I believe that the law must be upheld.

I break the law, I believe, I have no doubt, unintentionally. I mean, I may drive over the speed limit of 35.
3.45 p.m.

I may say something which I know may be an offence, unintentionally, but, to come and confront, I mean to defy the law and as soon as the police have to step in, then shout out, "police brutality," when you should have licked out some of their teeth or something so with a bull pistol or something like that. The Press can report what I say. I am saying it for the Press to hear, to report me because the Press never gave me a seat in St. James nor can they take it from me. So, I am not afraid of the Press like you all. You have to play up to the Press and pay them money too. Pay some of the reporters money. That is the danger in it. And, the hon. member for St. Michael South Central knows what I am talking about. It is a vicious thing to reduce the Press to that knowing that they can come to you to collect \$500 and not necessarily you. It can suit you. I said hon. members on the Other Side. Why did you get up? Why are you getting up?

Dr. R. C. HAYNES: On a point of order, Mr. Chairman. The hon. member specifically referred to the member for St. Michael South Central and I would like say that I have never paid any member of the Press. (*Asides*).

Mr. CHAIRMAN: Order please. I cannot have that.

Hon. L. S. CRAIG: Behave yourself, man. Behave yourself this bright Christmas; upon the eve of Christmas. You never paid the Pressmen money?

Mr. CHAIRMAN: Order, order. This is a personal vendetta thing. I do not want to get into this. Please, please.

Hon. L. S. CRAIG: This is no personal vendetta.

Mr. CHAIRMAN: Let us do it outside. Please.

Hon. L. S. CRAIG: He signed a truce with me, so, there is no vendetta.

Sir, I sincerely hope that the police will continue to play the role which they are playing, Sir. I am told that there is a lot of advance training for them. I have observed the walkie talkies and the new motor bikes which they are using to help combat the problems which all societies are facing in the world today. Barbados is not unique in this. When people talk about riots in England, may be, Queen Victoria must have turned in her grave. They would have expected these things. But, this is throughout the entire world and we are part of the world, Sir. All I can say is that we should try hard, all of us, politicians, the church, should try hard and combat the problems which the society is facing up to.

Imagine the 'Nation' going to Desmond Bourne and Eric Sealy and asking them about moral standards. Now, could you imagine that? "What would you do to improve the high morals in Barbados?" — and, go to Eric Sealy and Desmond Bourne. Now, what more can you ask for of an irresponsible Press like that? You know, I should have shares in that like some of my colleagues in here. They would have to go home. You cannot go to Bourne and Sealy. You mean that...

Mr. CHAIRMAN: Please, Please.

Hon. L. S. CRAIG:.....couple? You would not know who is the man or the woman in that Sir. Couple? Can you imagine approaching them in 1981 at Christmas, the birth of Christ which you are going to celebrate, and asking them about morals? Desmond Bourne and Eric Sealy? The two most immoral people that I have ever met. And the hon. member for St. Michael South Central is a good friend of both of them. They say "birds of a feather flock together".

Mr. CHAIRMAN: I am sure that the hon. member would like to wish the Police a merry Christmas and a happy one too. The honourable member for St. James South.

Mr. N. K. SIMMONS: Mr. Chairman, I would just like to make a few comments under this Head.

First of all, I think that everyone will want to support the Resolution. I am sorry that it has taken two and a half years for the police to get their money and, of course, with inflation, it is less now than it was two years ago and I hope that that will be taken into consideration, as well.

I would also like to compliment the Police on a job well done recently, but, in saying so, I believe that the Police should never have been placed in such a position and I hope that the occasion will never arise again and those agencies which could prevent such a situation from arising take all steps to sort them out. We have legislation in this country under the Market and Hawkers Act which makes it compulsory for people who want to open stalls or sell by the wayside to get certain permission and if the agencies controlling this, under this Act had done what they should have done, I am quite sure our policemen would not have been exposed.

Barbados is a very small community and I am quite sure that some of those policemen who went out there also have family among the Rastas. And it is a bad thing to expose our policemen — in any small community — to such a thing. I believe that police in acting last week did what they had to do and did it properly under the circumstances, but, never again would I like to see such a circumstance arising in this country. It can be avoided. And, I believe too that under our Town and Country Planning Act there is a provision whereby anyone wanting to put up any building, shack, notice, *et cetera* must get the approval of Town and Country Planning.

And, the question is, "why is it that when those youngsters first erected their stalls there something was not done to prevent it?"

They might have been acting. It is true that some of them believe that the land is theirs, *et cetera*, *et cetera*. I do not share those views, but, they believe that.

But, we have got laws in this country which would prevent people from going overboard as they went overboard. And, it is really like a cancer in the society. If you can prevent a cancer, you do not have to cut. And, we have exposed our policemen to a situation which we could have avoided. And, that is one of the things I want to make clear.

Again, I do not want to generalise and say that all Rastas or that all black people are bad, or that all white people are bad. I have Rastas working for me in my summer camp, some of the best youngsters you can come across, and, I would not go along with anybody in saying that because a

man is a Rasta, because he decides to wear his hair long that he should be shot and beaten. Where are we going? We will soon say that people who are mentally ill should be shot too because it is a sickness. They have a right like anybody else in this country, so long as they obey the laws. So, I do not think that we should come here and generalise and get emotional and decide to eradicate them. That is the wrong approach.

Mr. CHAIRMAN: Nobody has said that.

Mr. N. K. SIMMONS: I am not saying that. I did not say that anybody said that. What I am saying is this, that I think it would be better for us to try to understand why so many youngsters are trying to opt out of this society. That is what we must try to understand, before we condemn them because I am quite sure that the things that I did as a young person might have offended the older people too, but, in those days we were more under control than the younger men or, we were less intelligent or had a less — the youngsters today have a broader outlook and they are more exposed to the ways of the world than we were and, therefore, they are not as narrow in their ideas and outlook and so, they might offend members of my age group. So, I would hate to think that because they are looking this way we are coming down and using a heavy hammer. Instead, we can try to understand.

But, going back to the question of the Police. I would just like to make one other observation. It is true that the Police has been given more and better equipment, but, unless the members of the Police Force communicate to the other members of the public, then all the equipment you can give them is to no avail. Police must get out there in the villages on foot, stand up and talk to the people in the areas, discuss with them, and then they will be better off.

These are days when I find that policemen going to investigate matters are not getting the response from people in the community for the simple reason that the policemen are so removed from the people in the community. Cars are alright for London and New York but, these are days when the police have to go out in the districts, stand up, talk to the young girls and young boys, so that when something happens they get the information. But, no person in this country, or any other country is going to give information to somebody that he or she does not know and, this is a point which we should take into consideration. So, those are the two things I really want to mention in support of the Resolution.

I said I hope that the Hon. Minister will take into consideration the fact that the dollar in 1979, today, is only worth 50 cents. (Asides).

Dr. R. C. HAYNES: Sir, I would like to make a few observations and to look at this matter in another perspective. I am much happier in supporting this Resolution today, bearing in mind that the Democratic Labour Party had transformed the Welfare of police officers during the period 1961 to 1976, and particularly in the light of a firm statement made by the Deputy Commissioner of Police that they intended under all circumstances to maintain law and order, which they perceive to be their main function in this society.
3.55 p.m.

Faced as they are, Mr. Chairman, with rapid increases in praedial larceny, attacks against the person, rape, violence of all sorts, increase in gambling, increase in the peddling of drugs of addiction, increases in prostitution, increases in house breaking and robbery, I believe that we should take all these factors into account when we consider the increased emoluments of the Police Force. I myself have expressed on the floor of this House that the taxpayers' money would be much better spent to increase the numbers of the Police Force and give them better conditions of service than to be wasting the vast sums that we have been wasting on the Defence Force in this country.

Now, Mr. Chairman, there are two current problems which to me constitute two major threats to law and order in this society. One is by a totally Government-owned Statutory Board, namely the Transport Board, who in defiance of the law is today driving buses.....

Mr. CHAIRMAN: There is, if I am correct, a question.....

Dr. R. C. HAYNES: No, Sir, it is not a question, it is not a matter that has come before Parliament yet. It has not come before Parliament yet, I am not reflecting on a vote of the House.

Mr. CHAIRMAN: You may be anticipating.

Dr. R. C. HAYNES: I am not anticipating anything.

Mr. CHAIRMAN: I am afraid the hon. member must desist. There is a Resolution before the House and he must not anticipate it. Please continue your speech in another vein.

Dr. R. C. HAYNES: I will say that it is the duty of the Police to make sure that the Government and wholly-owned Statutory Boards of the Government observe the law just as any other sector of this community.

Mr. CHAIRMAN: We are dealing with the Police.

Dr. R. C. HAYNES: I am dealing with the Police, I am asking the Police to make sure that the Government itself respects the law.

Mr. CHAIRMAN: We are dealing with emoluments for the Police.

Dr. R. C. HAYNES: Emoluments for the Police, and the police deserve to be paid only if they are carrying out their duties, and I support the emoluments on the grounds that the police will be carrying out their duties which they define as one of maintaining law and order in this society, and I am asking them to pursue all law breakers, whether they be the Government or any other group in this society with the same agility.

Mr. CHAIRMAN: Point taken.

Dr. R. C. HAYNES: Now, Mr. Chairman, I have heard a lot of hot air relating to that area called Shepherd Street, and I should just like as a matter of natural justice to bring something to your attention, because I think this is a matter that all parliamentarians should know about, and that the public should know about.

Over the past ten years, Sir, there have been three encroachments on Shepherd Street. All three have been illegal and unlawful. The first one was by Cave Shepherd and Company Limited. That matter was dealt with by legislation in this Parliament validating an illegal act by Cave Shepherd and Company Limited which encroached on Shepherd Street depriving the citizens of this country for evermore that part of Shepherd Street that they built on.

Mr. CHAIRMAN: How could it be illegal?

Dr. R. C. HAYNES: It was unlawful and it was validated.

Mr. CHAIRMAN: It is no longer unlawful. What is the point you are making?

Dr. R. C. HAYNES: Mr. Chairman, I said there were three unlawful acts that took place in that area. The first one was in 1971, and the point that I am trying to make, if you allow me to make my point, is that no one put in bulldozers to bulldoze any part of Cave Shepherd's building. The approach to that was to come to Parliament and validate the illegal act that had taken place in 1971. This was done on 23rd May, 1977.

The second illegal act was perpetrated by Normal Finance Developments Limited when they also encroached on Shepherd Street, and by an Act of Parliament in 1977 validating that encroachment on public property, they not only had that illegality corrected, but they were given the authority to convert the part of Shepherd Street between Norman House and Cave Shepherd building into a mall and to close it to vehicular traffic.

Further, in clause 4 of that same Act it validated for all time an alteration of public rights in favour of those two organisations. There was no question of compensation. Mr. Chairman, I am dealing with illegal acts in the same area that would come under the surveillance of the Police and the law of authority in this country.

Now, we have the third illegal act that has taken place, the third illegal encroachment.

Hon. L. S. CRAIG: On a point of order, Sir. If the hon. member is saying that there was an illegal act by encroachment of two buildings on land, that has nothing to do with the Police, that comes under the Town and Country Planning.

Mr. CHAIRMAN: The hon. member is attempting to establish some point. Let us hear what he has to say.

Dr. R. C. HAYNES: Let me develop my case. What I am saying, Sir, is that there was a third encroachment on Shepherd Street, this time by a deprived sector of this community. I am not supporting anyone who tries to frustrate Police in carrying out their legal duties; not in any way. I am not in any way trying to give aid and comfort to anybody who would attack Police or stop the them from carrying out their duties. What I am saying is this.

Mr. CHAIRMAN: May I ask the hon. member if all three encroachments were similar?

Dr. R. C. HAYNES: Yes, on the same area.

Mr. CHAIRMAN: Similar types of encroachment.

Dr. R. C. HAYNES: Occupying public property unlawfully. In two instances there was a Validation Act in order to give it legality. In the third case what has happened to this underprivileged group — and I want to distinguish very carefully between persons who try to prevent Police from carrying out their duties and the act of actually carrying on a trade on Shepherd Street. I support the Police in dealing

Hon. L. S. CRAIG: Mr. Chairman, on a point of order. What the hon. member for St. Michael South Central is doing is reflecting on a vote of the House which was taken some time ago, in 1977, and he cannot reflect on that vote of Parliament, Sir, and therefore I would ask

Dr. R. C. HAYNES: I am not reflecting on it, I am referring to it.

Mr. CHAIRMAN: Please take your seat. An hon. member is on a point of order.

Hon. L. S. CRAIG: Therefore, Mr. Chairman, I am submitting to you that it should be struck from the records of the House. (ASIDES).

Mr. CHAIRMAN: Order please! Please make your point.

Hon. L. S. CRAIG: Sir, it is a vote which was taken in this House, the hon. member is reflecting on that vote of the House, and my humble submission to you under the appropriate Standing Order that no member should reflect on a vote of the House; you may seek the advice of the Clerk at the Table, Sir, if need be. The Standing Orders are quite clear on that. The hon. member is referring to what happened at Norman House, a Bill came down here and all that and a vote was taken, so he is reflecting on it and it is my submission to you, that he cannot do this.

4.05 p.m.

Dr. R. C. HAYNES: Mr. Chairman, I can refer to any Law of Barbados. I am referring to a statute law; I am not reflecting on it.

Mr. CHAIRMAN: I cannot have two hon. members on their feet. I take it that the hon. member for St. Michael South Central is drawing a comparison between three incidents or three situations. Please continue. I do not see it as a reflection.

Dr. R. C. HAYNES: I would be very grateful if I could be permitted to continue in what I have to say because I think it is very important. These three encroachments were very similar because they all involved putting up buildings on Government property, and all I am drawing to the attention of this Hon. House is that there must become some consistency in the way in which these matters are dealt with. Now my own feeling, Mr. Chairman, is that whereas the Police must be applauded in the defence of the law and order aspect of what took place in Barbados last week, I must express my concern when I see a differential in the treatment of two establish institutions as opposed to an underprivileged group in Barbados, and I will tell you, why, Mr. Chairman, because I believe that having

Hon. V. L. JOHNSON: On a point of order, the hon. member for St. Michael South Central is misleading the House. I do not know if it is deliberate or inadvertent, but he is saying that we in Parliament validated an illegal act when the Norman Centre Company and Cave Shepherd encroached on Government property by building concrete structures on it. That land, Sir, is not Government property. That land belongs to the parties concerned, so he is misleading the House.

Dr. R. C. HAYNES: Mr. Chairman, I would like to read the legislation. "Road Alteration (Shepherd Street) Act. An Act to provide for the alteration of the rights of way and other rights of the public affecting Shepherd Street, a public road in the City of Bridgetown." This is what Cap. 294B of the Laws of Barbados state, and it further goes on to give the extent to which those public rights may be limited by this situation.

Hon. V. L. JOHNSON: On a point of order, he is only compounding his ignorance. That property is public property in the sense that Government has a right of passage over it, but it does not belong to the Government of Barbados.

Dr. R. C. HAYNES: You can interpret it as you like. I am just telling you what the situation is. The point is that there was an amendment to the Act that gave Norman House the right to convert it into a mall, so in fact it ceased to be a street and became a mall, and Sir, I have researched it and it is a level shaded walk, like for example, the mall in St. James Park in London, originally an alley for the games of pall-mall, I presume, a game or a mallet used in playing it. Now I have checked out the ordinary meaning of the word(Asides) Just let me finish.

Mr. CHAIRMAN: Let me make this point at this stage. All of this that the hon. member is talking about has absolutely nothing to do with the Royal Barbados Police Force in the context of this Head.

Dr. R. C. HAYNES: I am inviting the Barbados Police Force to look at the history of any particular matter that they have to deal with and let that inform them as to their best approach. Now to respond to the hon. member for St. James North. He made one valid point and the point that he made was that I would feel that what probably should have been done in relation to Shepherd Street is that the mall should have continued, that the density of any particular religious group inside there should have been reduced, and that probably additional facilities at equally competitive areas in Bridgetown should have been provided for them so that you get a mix of the total community involved in that particular area.

Mr. CHAIRMAN: I must warn the hon. member that this has absolutely nothing.....

Dr. R. C. HAYNES: Mr. Chairman, I am responding to what he said.

Mr. CHAIRMAN: Because I permitted some levity there, let us understand clearly that this Debate is not about the Rasta and the incident involving Shepherd Street or Rockers Alley, but what I want to point out to the hon. member is that he can, and it is within his

power and his right, to bring a Resolution in this House seeking to correct whatever he considers went wrong.

Dr. R. C. HAYNES: Mr. Chairman, all I am saying is that the purpose of a debate is to be able to respond to points made on That Side and respond constructively on This Side, and I am trying my best to do this, and I am trying to do this against the background of what the hon. member said. I did not interfere with the hon. member in what he had to say. (*Asides*)

Mr. CHAIRMAN: There must be no cross talk. I will permit no further debate on the Rasta incident. Deal with the Police and the Resolution.

Dr. R. C. HAYNES: I have not mentioned the Rastas so far and I have no intention of mentioning Rastas in my speech and I deliberately set out not to mention the word "Rastas". So if the word "Rastas" was mentioned by anybody, it was certainly not by me. Anyhow, Mr. Chairman, what I would say is that the Police certainly deserve the increases which this Parliament will be voting for them today, and we on This Side will be supporting the Resolution for the increases in pay to the Police Force. We would hope that they will get their money before Christmas as we have been hoping that the many people who are today bankrupt or on the verge of bankruptcy because they were not paid for what they did for the Government during Carifesta and they are still owed large amounts of money, I am expressing the wish that just as the Police will be receiving some money, that those people whom the Government owes money to for Carifesta would get paid.

Remember, Sir, tremendous strains were put on the Police during Carifesta, and this is one of the reasons why I am supporting this Resolution, because of the additional inputs that the Police had to make, and at the same time it is for that reason that I am making a plea for those people like Kentruths in Christ Church West, a big supporter of the former Attorney General, who had to go and borrow \$2, 000 from a private individual to keep his taxis on the road and had to go back and borrow another \$4, 000 because the Government would not pay him his money. (*Asides*)

Mr. CHAIRMAN: Order on the Government benches. I take it the hon. member has completed his address.

Dr. R. C. HAYNES: We support the Resolution because we feel that the police deserve every single cent that they have asked for, and indeed I will strongly suggest that the Police look at the history of events in order to lead them to certain conclusions.

Hon. H. B. St. JOHN: Mr. Chairman, I just want to correct a few misconceptions which I heard from some

hon. members in the course of this Debate. This is a debate, as the Attorney General has said, in which the Government in pursuance of its policy of endeavouring to treat all its employees in a very favourable manner and as favourable a manner as the economy of Barbados would afford as we again implement an agreement which has been reached after a considerable amount of negotiations. I think that any honest person who looks at the record of Government in relation to its treatment of employees could only come to the conclusion that the employees of Government over the course of the last five years have been able as a result of consistent negotiations with this Government, headed by this political party, to receive better consideration than at any time under the Democratic Labour Party, and the Police Force in particular. 4.15 p.m.

For nine years the Commissioner of Police and predecessors have been urging upon the Democratic Labour Party the need and necessity to improve the conditions of the Police only to see deaf ears from the former Minister of Finance and the former Cabinet. Since we have been in power a number of the outstanding matters in relation to training, in relation to promotional opportunities, in relation to an increase in the size of the constabulary, in relation to equipment, in relation to physical conditions of service, in relation to allowances and in relation to monetary enumerations, all those things we have achieved successfully in a positive manner. That is what we have been able to do.

With respect to the incidents that have occurred, I am delighted that at long last people have begun to understand that there are rules and regulations in this country in relation to all property in Barbados. The right of ownership of property in Barbados in the public sector, if it is freehold, in the private sector if it is freehold, all carry certain incidents. All carry certain benefits and are subject to certain assessments, third party rights are subject to certain obligations.

There is no question about it, there is no such thing now as absolute ownership of property. The doctrine of freehold and absolute ownership has long since been ridden down by regulations dealing with Public Health, by regulations dealing with Town Planning, by regulations dealing with the Road Traffic Act and all those who feel that they are entitled to do on their own property anything they like, on other people's property anything they like are sadly mistaken. All societies have rules to control the youth in relation private property and of public property.

The Government as long ago as 1978 recognised that as a result of the improvement in the economy in Barbados, we have created an environment in which a large mass of people feel that it is possible for them to set up as small businessmen in Barbados and we have

been trying consistently to inform these people that every society must have some rules and some regulations to ensure that those who carry on trade are registered and that you cannot carry on your trade except within the context of regulations, and rules, and law and order.

My Ministry was responsible for small businessmen. We passed a Registration Act in here improving the whole Hawkers Registration Act and Professional Registration Act precisely to get at information as to the totality of the number of self-employed people present in Barbados so that we can provide and plan facilities for them.

The Development Bank was specifically charged and given money with the responsibility of improving the flow of finance, the Central Bank and all Government agencies. A cabinet Paper went to Cabinet for a Small Business Development Committee. In my own Ministry an officer, an economist was specifically hired to deal only with the Small Business Association and all along we have been trying to impress upon them that they must operate within the context of law and regulation.

No civilised country in the world allows people to operate except within the context of law and regulation. In some of these areas it is the duty of the Police to regulate. There are other agencies to regulate. There is Town and Planning, Public Health, all of them, but the point is that there are agencies of law and order.

Now, Sir, our position is very clear that if there is a flavoured breach of law and order, it is the primary function of the Police to ensure that law and order operates. Now in respect of property and the abuse of property, this House has passed Laws to modernise the Petty Trespass Law and this had to be modernised because the Police did not have a primary function in relation to the Petty Trespass Law in Barbados. When it was researched, Barbados' Law was out of date with the Laws in all of the rest of the Commonwealth and all modern societies and we brought in an amendment to the Petty Trespass Act in which for the first time, the Police never had specific powers in relation to criminal trespass. Before those powers only resided in a complaint or information for the owner or occupier because all modern societies have had to deal with this.

It originated with sporting events and how hooligans went to sports and broke up the sports so we have done all of that because this Government believes that it is its duty to create conditions in which all citizens who have an interest, an inclination, a desire and talent to participate in business, large or small, are entitled so to do but only within a certain context of law and order.

Now we took a decision in relation to the Suttle Street area a long period of time ago, as long ago as

last year as a result of certain representations made, representations by the Police which were a result of representations by other people to them, the Public Health and others. Finally in accordance with the usual process of proper investigation, a submission was made that we had not, neither this Government nor the previous Government since 1954 — thought on these things. Since 1954 no Government in Barbados had created any market stalls for any Small Businessmen in Barbados. Fairchild Street was the last and it was obvious that there was pressure in the car parks around the Fairchild Street area and Cheapside. In Oistins people created their own market. In Speighstown and Eagle Hall people spilled over and, a market also out of natural business opportunity is now being created in Tweedside Road.

Now, we started and we expanded the one in Oistin. A fish and vegetable market to cater to the demands there, now. We agreed that Cheapside was also to be expanded. We have a plan in Speighstown to expand that and this information was given to the Police and others. And, I say that every thing would have gone well and we would have been able to complete the plan as part of the Spring Garden Development area to expand the Cheapside Market and there would have been a smooth transition had it not been for a total break-down this week of law and order in that area.

I must commend the police that where you have an open defiance of law and order by a section of the community — and I want to say this Sir, this Government has been on record, when Minister Brathwaite was Hon. Minister of Lands, he made a speech and he said, all of you who say you want land to cultivate crops, ADC has been directed that any part of Government land that is capable of being leased should be leased to any young person who wants to go into agriculture. And, I remember him saying, you must grow crops which are legal in Barbados, you must not grow marijuana on the land. The Government still holds the view that it has sufficient land for any genuine farmer who wants to grow economic crops that are within the Laws of Barbados that they can get leases on it.

4.25 p.m.

Similarly, the Government's view is that we would lay out additional market places for people who wish to sell at Cheapside, but, they must sell under the same conditions that other people sell. That is, they must go to the Ministry of Labour and get their hawkers licence. They must understand that they are subject to the discipline of the regulations administered, not by politicians but by superintendents of markets and they must carry on their business within a framework of law and order. That is the position and the same thing applies to all of them who feel that they can erect a mobile canteen any and everywhere in Barbados. The Police and Town Planning Authority have got it very, very clear in

their minds that the Government says that that is not how you can run a country. If you want to set up a mobile canteen, all Government land is vested in the Ministry of Housing and Lands. You must apply for permission to use the land. That Law was introduced in this Hon. House by the hon. member for St. Michael North.

All the mechanics who feel that they can repair cars on Government land, they too will be dealt with systematically. All of the law enforcement agencies in Barbados have been told very clearly that the laws relating to these matters must be enforced and that is the position of the Government and those are the terms and conditions under which we would operate. We are not going to interfere with the proper regulations of trade and business in Barbados and, that is our police and that is the position, as it will be.

Mr. CHAIRMAN: The question is

Hon. H. deB. FORDE: Mr. Chairman, Sir, I am sorry to delay the Committee with this, but, I am very pleased to hear both sides of the Hon. House using words of commendation to the Police Force.

The Police Force went through a period in this country, not so long ago, when they were the target of the worse criticism, when they were attacked on carrying out their duty. I had some responsibility for the Force and when it was sought for political reason to misrepresent the political relationship of the Minister to the Police — I, myself have heard from Democratic Labour Party platforms it being said that I gave the Police orders and directed them to shoot down a man in cold blood — I have had to take all of that.

Now, the persons who made these statements did not realise that they were doing more to undermine the Police than any words of commendation which spokesmen for the party in Parliament can now use. They created the sort of atmosphere in which people thought that the Police Force was capricious, that it was not given to respecting the rights of persons and that it had favourites in the law.

The Pele Murder Case, was viciously misused in this country to undermine moral in the Police Force. (Hon. L. S. CRAIG: By Simmons.) Regardless of what short coming there may have been in the investigations, I think that people set out deliberately to involve the police's method of investigation into partisan, political warfare. Now, it is incidents such as these which do more in the long run to undermine the Police Force than the pious words of commendation that I can hear from hon. members.

I am happy to state that despite all of this the Police Force remains a unified unit and in the 1980

Report, the Commission records the strong commitment of the members of the Force, particularly the young members to the maintenance of law and order in this country. This has not been an easy period for the Police and, indeed, it was not an easy period for me either. But, I have had to grapple alongside the Police from 1959 when I was Legal Advisor to the Police Service Commission, right up to the time that I had some responsibility for the Force.

When I took over as Minister, I recognised that there were certain structural weaknesses in the Police Force that had accumulated over a period of time and which needed attention. It is nonsense for hon. members of the Opposition and particularly the hon. member for St. Michael South Central and particularly the hon. member for St. Michael North West, I think Mr. Taitt, to consistently get in here and pretend and say that there is an increase in crime, blah, blah. There is an increase in murder, there is an increase in robbery there is an increase in that and give people the impression that the increase has occurred because it has something to do with the party which is governing the country. That is nonsense; it is arrant nonsense and if that is the level of the Democratic Labour Party's ability to analyse law and order in Barbados, they do not deserve to become the Government of the country, or even to become an alternative Government.

One who has to study law and order, the forces of law and order seriously, must look at what has happened to the Police Force in relation to developments in Barbados, regionally and extra-regionally before you can come up with any proper conclusion about the movement of crime statistics during the period. The Police Force received no increase in its establishment from 1959, two years before the Barbados Labour Party went out of power. The last increase they had was under the Barbados Labour Party. Between 1959 and 1977, there was no increase in the establishment of the Force. That is a fact. But, the hon. member could look at the statistics. The hon. member can see the statistic and he can see that the Force remained at the same level during the 1960s as well.

The hon. member can also look at the statistics to see another point that I am going to make and it is a very telling point. The Police Force, in terms of training had a decrease particularly in training at the middle management level. This is documented in the Baugh Report which is available in the Ministry and, although it is a restricted document, I am sure that the present Hon. Minister, in relation to his Shadow Minister will let him see those parts of the document, particularly, those that are not under matters of security.

4.35 p.m.

But there were serious gaps in both the structure of the Police Force and in the equipping of the Police Force to do the job which they were called upon to do in Barbados, and these gaps existed in circumstances, Mr. Chairman, where we were having economic development in Barbados and in any year in Barbados we were having more people coming to our island as visitors than we had in residence in the country, and these persons brought with them the need for protection of their property and the need for protection of their persons as well.

It was obvious that this would call for increased vigilance and increased manpower in the realm of crime, particularly crimes against the person and crimes against property, and consistently throughout the Sixties Commissioner after Commissioner was asking in these two areas for attention to be paid to the needs of the Force, and those cries were ignored. This is history, and people who write on the Police Force must understand this if they are going to be realistic about judging the Police Force.

When I came in I had to reverse the trend in the administrative area among the Civil Servants. I then had to convince my Cabinet colleagues of the need for additional manpower and we had a planning period, and you are now seeing — and you can see it daily on the streets — the effect of the Government's response to giving increased manpower to the Police Force, increased training to the Police Force and increased equipment to the Police Force. I predict that police, particularly if the trend continues and if they are treated favourably, will be able to maintain crime at levels that are acceptable, not that any crime is ever acceptable, but as expert criminologists will say, at levels that one could at least live with in a community.

I do not know how many hon. members take the opportunity to read the Reports of the Commissioner of Police, but in 1980, and you hear about this big crime wave, and I continue to say that if you are talking about a big crime wave, anything that is an increase by one or two is a big crime wave, but if you look at crime statistics properly, the period of 1976 to 1980 was a period in which Barbados was able sensibly to maintain crime levels within tolerable limits. They were not the limits that we would like, but I say tolerable limits understandably because, Mr. Chairman, the only year which exceeded the total number of crimes committed in 1975 was the year 1980, and it exceeded it by less than 80 additional incidents. Let me give you the figures, because they are there: 7,001 crimes in 1975, 6,134 in 1976, 6,461 in 1977, 5,868 in 1978, 6,501 in 1979 and 7,079 in 1980. Those are the overall crime figures reported to the Police.

Now, the hon. members usually reply by saying that there is a grey area of crime and that there are areas that

are not reported. My answer to that is that it is true, but they were not reported in 1975, they were not being reported in 1973, they were not being reported in 1976. Any crime statistics are subject to a grey area, and it is merely when the types of crimes change that you get this panic all the time. But if you look through the statistics that have been kept consistently you will find a pattern that the graph went down between 1975, reaching its lowest point in 1978, although the Police Force was under stress and strain, and it went back up in 1979.

I said in here before that the increase in Barbados was the lowest in the Caribbean, including Bermuda and the Bahamas, and the statistics for the region have borne this out. I also make the point, Sir, that Barbados records truer statistics than some of our CARICOM partners like Guyana and Jamaica. Professor Howard Jones, a well known penologist, who has just written on crime and culture in Guyana, has made the point in his book which was published only a couple of months ago. I will make the book available to any member of this House if they want to read on these things, rather than just being flippant and lightweight when they are dealing with the Police, a serious analysis if they want to do it, Sir, and I remain convinced that despite the problems that have confronted the Force, the Force has been able consistently to maintain law and order at a reasonable level in Barbados. Had they had the resources earlier they would have been able to grapple with some of the changing pattern of crime.

It is nonsense today to expect that a member of the Force who is patrolling on his foot is as effective without a walkie talkie as if he had a walkie talkie in his hand, and yet, Mr. Chairman, when I became the Minister responsible for the Police not even 1/20 of the Force was equipped with walkie talkies. They had six or so walkie talkies. Now there are enough walkie talkies for a third of the Force to have walkie talkies and be able to communicate in crime detection, and I really would ask the public and the media in particular who deal with these problems to deal with them in an intelligent, analytical and non-emotional manner, and try to look at it.

When I came there were no police dogs. Now, the Democratic Labour Party had deliberately got rid of the police dogs and refused to replace them because the Rt. Hon. member for St. John had made this an issue in the election leading up to 1961, and he went around, himself and Mr. Cameron Tudor, telling the public of Barbados that the Barbados Labour Party was spending more money on keeping police dogs than on keeping old age pensioners. Now that undermined the whole concept too. It is an emotive argument, it sounds like an attractive argument, it was a stupid argument, but so politicians are. The point is it suited his purpose at the time to convince the public in order to give support to the

Democratic Labour Party. I am one of those type of politicians, and that is why I will always get the most votes, because I tell people what I think when I think. I am not always right, but I try to be honest in what I say to them. (ASIDES). I do not have to spend any money, my constituents look after me without that. I have to say that, Sir, do you know why? Police dogs are as necessary for the safety of every Barbadian today as indeed the law courts are necessary. They are among the instruments that the police must use to help them detect and control crime.

Crime knows no barrier in the world today, and unless you have all of the modern methods and all of the ancient methods as well, people on their feet using the police dogs and their intelligence, using the communications media as much as possible, you will not be able to control international crime properly.

4.45 p.m.

I want to come back to the hon. member. He has now come back in. I like to see him in here. He always speaks and goes out when I am talking. The hon. member talks about an increase in gambling. Now the gambling statistics and the Gambling Laws do not show this. If the hon. member means that they are licensed lawfully, the one-armed bandits, let him say so, but it is a fact that the one-armed bandits were operating in here illegally back in 1975 and before, and when the Police went to do a raid, a leading member of the Democratic Labour Party gave the information ahead of time to the culprits and the Police were not able to effect the raid on the illegal bandits in those days. That is documented in the files. Sometimes we Ministers, like I was a Minister, cannot say certain things. That is one of the virtues of being in the back bench, you see; but that is documented in the files for the Democratic Labour Party.

I do not listen to the Democratic Labour Party at all on gambling. To me they are hypocritical on that issue and they like to go around and fool a few people, but the Democratic Labour Party has a history of hypocrisy on the issue of gambling in this country and on the issue of one armed bandits, and I was saddened. If they had dealt with the problem of one-armed bandits — and my friend the hon. member for St. James talked about dealing with problems early — when it arose during their regime, you would never have had all the energy and hot words being spent on the issue now. They allowed the one-arm bandits to grow up under their regime because the Democratic Labour Party was supported by some of the very one-armed bandits people. In the by-election in the City in 1976 Mr. Parks gave money to the Democratic Labour Party campaign. Not only that, he had a man to come and stab me too, and that is why I told the Prime Minister once that if I had the portfolio for immigration for five minutes he

would be bloody well out of Barbados. (A VOICE: You gave him citizenship.) My friend the hon. member for St. Philip North was there the morning. He saved me. I am not talking anything they do not know. There were lawful citizens of Barbados with one-armed bandits under the Democratic Labour Party and Mr. Parks had more power walking the streets of the country and had a man to stab me as well in the by-election campaign. The Democratic Labour Party is the biggest set of hypocrites on this issue. I do not accept a word you say at all. I feel very strongly and emotionally on that issue because I came face to face with it, and if they had done anything they would not have undermined any morale of the Police Force at the time. So do not worry to come in here talking.

Sir, when they talk about allowances for the Police Force, let me tell them a few things about the Police Force. I picked up the file and the Police Force had been quarreling over the issue of a duty allowance. They were doing long hours of duty. They have been reduced a bit since then, but they are still not down to what they should be. Do you know what the Rt. Hon. member for St. John wrote on the file, the Leader of the Democratic Labour Party and the then Prime Minister and Minister of Finance? He told the Chief Establishments Officer to get them off him quietly, no duty allowance. Lose away the file. That was the attitude. You hear the hon. member for St. Michael South Central vying now for power and all of a sudden he has the sweetest, oiliest tongue you can possibly find in his public relations campaign giving the Police the feeling that the Democratic Labour Party were these nice boys for them and did all this for them. Did what? You never answered their need for increased manpower; you never answered their need for better physical living conditions, and I will deal with that in a minute. You never answered their need for proper equipment, and when it comes too to dealing with the issue of proper pay and allowances, you never answered their need. You gave them one-third of all the recommendations that came out of the Date Commission Report on the Police Force and the commission which looked into their pay. I advised the Police then so I know what I am talking about. All the old members of the Police know that. You can get away with a few of them who thought there was a so-called loyalty to the Democratic Labour Party, but when they began to analyse their conditions they realised how they were being fooled at the time. I am going to keep you all under control when it comes to the Police Force. The Police never got their proper due in any way.

Let me talk about physical conditions. When I took over as Minister I found that members of the C.I.D. were sleeping on their kits in 1976 in this country. Members of the C.I.D. who had to be detecting and preventing crime

did not have cots; they had no beds. Barclays Bank International Limited had to put up money right away and then I used the Contingency Vote to relieve that position. The last police station of any substance and living quarters built for the Police Force between 1950 and 1977 was the one built at Hastings in 1955 under the Barbados Labour Party. (Asides).

The reason why I belong to the Barbados Labour Party is because I think it has the courage of its convictions sometimes to take unpopular decisions, that it is a strong federalist party, it believes in integrity and it fights for everybody, although they consistently try to characterise us as not being the genuine social democrats that we are. Don't mind them talking about right wing. They pushed that foolish nonsense about our being right wing from the time I came into politics. I am the right wing member who can get the most votes and crush all of them. Before the next election I am going to take on Barrow, Haynes, the whole lot, anyone who comes up in my constituency. The position is that this Party has consistently on principle stood up for questions of law and order.

I do not want to get into anything that you have ruled out of order, except to say that people have a lot of misconceptions about ownership of the streets of Barbados. Under our laws in Barbados the ownership of streets resides in the people who own the realty on both sides of the road; so that in Broad Street you will find that those owners on the right or left hand side have ownership of the realty right up to the sky. That is a fact. Norman Finance Limited and Cave Shepherd have ownership of the realty. What had happened is that in 1971 the public had the right of passage and you cannot block the right of passage although you are the owner of the land, and Cave Shepherd got the Cabinet's approval for a private Bill to be brought before this House in order to limit the right of passage of the public by building an overhang, a cross-over gallery. They did not bring the Bill, but they had gone ahead and done it and we then decided to bring down a Bill in 1977 faced with a *fait accompli* legalising something that should have been done, but the decision to permit the law to be broken occurred during the Democratic Labour Party regime.

You heard the hon. member when he got up in here. The hon. member for Christ Church West Central gave him a copy of the Bill and he looked at it quickly, managed to read the Bill (Asides) Well he got it since yesterday. I had the honour to pilot the Bill in this House, but the point is that that was the second serious breach that occurred during his time. You heard the hon. member talking as though the people went ahead wantonly without the knowledge of the then Government to encroach on public rights. No such thing. With the knowledge of the then Government they encroached on its rights.

I want to talk about police action. I am not going into the Rastas thing too long except to make one point. I believe that Governments have a duty to help underprivileged people regardless of whether they are in crafts or in any other enterprise or they cannot even work for themselves. It is a public responsibility. Now the Labour Party in its manifesto for 1981 said, and it is written on page 6, that we would provide better physical conditions and improved amenities for the hawkers and other small retailers who ply their trade along the road-side and the alleys of Bridgetown, Oistins and Speightstown, and assistance in marketing techniques would be made available to them.

4.55 p.m.

I do not know how long people really study these documents seriously and I will give you more, Sir. If you go up to Collymore Rock just above Gertz, you will see at the corner of Collymore Rock and the Pine Road — the Princess Royal Road, I think it is called, Sir, the Princess Royal Highway — the Barbados Labour Party has already built stalls alongside that. We have acquired land and built an area to take the lady hawkers and given them properly designed stalls as part of its plans and the Minister of Parliamentary Affairs, I must praise him, Sir, (ASIDES). We were doing it but a private person wanted to do it and we allowed him to do it but the Minister of Parliamentary Affairs took steps to clear the land in that area as we had been clearing land in that area.

For years even before we were in Government we were calling for accommodation for what is called a Craft Market. I remember even when we were in Opposition I heard the hon. member for St. Joseph speaking on this on many occasions and urging on the Government the necessity for the creation of a craft market and indeed, any craft market must not be a second class market.

I believe that for the groups who are in craft and who want to go on making their goods and marketing their goods that the market must be as good as any market and of such a standard as that which exists at Pelican Village.

At the same time, Sir, I would like to tell you something. Politicians do this country no good if we go around with the idea that we are so-called saviours and pretend that people must not comply with the Laws of Barbados (ASIDES).

The hon. member seems to be very touchy this afternoon. Let me say that I believe that private property and public property must be respected in Barbados. The police has an onerous task, Mr. Chairman, Sir, to perform. They perform it to the best of their ability — people do not like me to say that either — given the ordinary circumstances and given the limited manpower which they

have. I believe that the Government should continue its enlightened policy towards the Police Force in dealing with the problems and other strictures and improve them so that the morale of the force can be improved. I am pleased to see that despite the various strictures that were levelled against them that the Police Force has been able to hold its head above water and use its manpower in as effective a way as possible.

Many people cry out for human rights when they feel it fit to do so but they never seem to thank these people and I hope that the force will not allow politicians, regardless of who they are or what their positions are to prevent them from doing their task but at the same time they too must recognise that they have legal obligations. I am happy to have been associated with the Force and they have performed well and I hope that they will not be subject to and that this House will free itself and would desist from the sort of damage that I hear coming from members.opposite.

Dr. R. C. HAYNES: Mr. Chairman, I am very pleased indeed on one of the very few occasions to hear the former Attorney General

Mr. CHAIRMAN: There is a time limit on this. I just want to remind the Committee.

Dr. R. C. HAYNES: I am pleased to hear the former Attorney General rise in his place and give very substantial support to my submissions before this Hon. House to the fact that there were two substantial entities. Also in his winding up, pointing out his support for those people seeking to pursue an honest living.

I believe that I must thank him for his legal knowledge. He has given some strength to the arguments which I put forward here in the interest of justice this afternoon but I would like to enlighten him on one point. I think his attack on my Party, this party that has done so much for Barbados in the area of one armed bandit operations is so unjustified because he himself, Mr. Chairman, was responsible for setting up the Commission of Enquiry on Gambling and I would like to refer him to Page 82 of that Commission's Report and it reads as follows, Sir:—

“The Commission was satisfied from the evidence given by the Customs Authorities that machines were imported illegally as early as 1973 and were being operated without licences. This was without the knowledge and approval of the government. However, Customs was powerless to prohibit them since no import restrictions had been imposed on them. They were subsequently put on

licence. Two Customs Officers were party to this illegal importation and were suspended from their duties.”

Now, Mr. Chairman, it is totally unfair that in the presence of having a report in this connection where we were within the constraints of the law, accusing the Democratic Labour Party of having to operate this wicked activity in this country within the limits of the law existing, then they turn around now, Mr. Chairman, and accuse us of being hypocritical on this matter. I think, Sir, it is totally unfair.

Mr. CHAIRMAN: I have time for only one more speech and I can only entertain the Hon. Minister who will wind up his speech. I am very, very sorry, hon. members, but the time for debate of this Resolution is fast approaching. I cannot entertain any more speeches except the winding up from the Hon. Minister, please.

Mr. B. M. TAITT: You want to give way to me?

Mr. CHAIRMAN: If he so wishes. Time has run out.

Mr. B. M. TAITT: Mr. Chairman, with respect. I would think that if you say that you only have time for one more speech that it would only be one more of 15 minutes. I will take five minutes and he will take ten.

Mr. CHAIRMAN: The Minister is.....

Mr. B. M. TAITT: Mr. Chairman, I went to a funeral. I am grateful to Your Honour for permitting me to speak on this Debate, Sir.

Mr. CHAIRMAN: Both sides of the House.

Mr. B. M. TAITT: Yes, Sir, Mr. Chairman, I have been such a strong defender of the Police Department in this House that I have been identified by some people as being pro-police. I do not believe that it is a matter of being pro-police or otherwise I think that the Police Department must be able to exercise its duties and responsibility with the full confidence of the people in public life and therefore I do not propose to get involved in the kind of debate which the Hon. Member for Christ Church West always swears that he is not getting in while perpetrating the same.

But, Sir, I wish to deal with the Government and this situation. The Government has led the Police into a position where the Police can be embarrassed.
5.05 p.m.

Now, it may not be the Government but it may be the Hon. Minister responsible for Housing. Speaking of the Hon. Minister, Sir, I just left a funeral at St. Mary's I do not understand what kind of representation we can have in this Hon. House. The Leader of the House might not be aware of it, but I just saw the Hon. Minister in Temple Yard saying that he is putting up — he is down there supervising the putting up of stalls. *(Laughter)* What sort of — he should be here dealing with the matter. He is in Temple Yard walking around MP 407, he is over there giving instructions. When I am finished with him, he is going to be part of the Debate.

The fact is, Mr. Chairman, because of these unsound statements which emulate from hon. Ministers of the Government, from time to time, no one can tell me that an hon. Minister can now make the announcement that a decision had been made to site citizens of this country somewhere else, back in October and if that decision had been made, you mean to tell me that the moving of the Rastas from that alley could not have been done in a more humane manner? You mean to tell me that if the Government knew that they had made provision for the Rastas at Temple Yard, as the Hon. Minister said, that the Government could not have let us citizens know what was in their thinking? What is the secret?

Hon. L. S. CRAIG: I must draw to Your Honour's attention Sir, that there is nowhere in the Resolution where it says anything about Rastas, Sir. It is supposed to be a Resolution, Head 31 dealing with the Police and I have not heard anything at all about the Police Force and its emoluments from the hon. member.

Mr. B. M. TAITT: I am dealing with the embarrassment which the Police has suffered and I am laying the groundwork to show how it has been an embarrassment to the Police, Sir.

Mr. CHAIRMAN: And, you only have about two minutes.

Mr. B. M. TAITT: I am charging that the Hon. Minister for Housing, who is now supervisor of huts — it was an embarrassment to the Police by making the statement which he has made today suggesting that the Police having knowledge that the Government was going to be resiting the Rastas would come and inhumanely push down the huts, *et cetera, et cetera*. I am saying that if the Hon. Minister knew that this arrangement was made, the Minister could have taken us in his confidence, but the Hon. Minister makes too many statements. He goes, for example.....

Hon. L. S. CRAIG: On a point of order again, Sir. At no time can I recall a decision being made to house Rastas. The decision was taken to assist craftsmen and women in the country, not to house any Rastas.

Mr. CHAIRMAN: The hon. member is making a comment concerning an Hon. Minister and he is certainly not an Hon. Minister responsible for Police.

Mr. B. M. TAITT: No, Sir. The Hon. Minister responsible for Police is much sounder than the Hon. Minister of Housing. The Hon. Minister for Police did not come down on either side, Sir. He walked straight down the middle and did not get into any problem with anybody. No one could hold it against the Hon. Minister that he opened his mouth and said nothing. What is important is that here we have the Hon. Leader of the House saying that no decision was made and the Hon. Minister responsible for Housing gave the Press the impression that a decision was made concerning a particular activity in a particular alley. He says he does not want to hear about Rastas, Sir.

I am saying that there are hon. members on That Side who must have something — here he is, the supervisor of huts.

Mr. CHAIRMAN: And what a pity I have to ask you to discontinue, so that I may entertain the hon. member for St. Philip North.

Mr. W. O. FRANKLIN: Mr. Chairman, Sir, thank you very much for the couple of minutes.

Really, as the hon. member for Christ Church West has said, I was always and will always be a supporter of the Police, since I am a man of law and order. And, towards this point, I would like to draw to the attention of the Hon. Minister responsible for the Police a little matter that has been concerning me, so much so that I have drawn it to the attention of a senior police officer only on Monday. There is, developing in our bus stands a real behaviour pattern that is of no praise or no benefit to Barbados, at all.

On afternoons, after 4 p.m. and up to about 9 p.m. at night the abled-bodied young men are forcibly stopping the young ladies, the school children who have to take the bus from getting home before midnight, since they are climbing over their heads to get into the buses. I am certain that somewhere in the Transport Regulations, there is something about queuing and I would like to ask the appropriate authority to make sure that at all times the bus stand is properly manned by relatively senior police officers who would see that some kind of decorum is conducted.....

Mr. CHAIRMAN: Order please.

Mr. W. O. FRANKLIN:.....in the bus stand because it is always very easy, if you develop proper habits in a people, it is always easier than to try, after the habits

have been developed into bad ones, than to come down with rough hands and change those habits.

I would think seriously — on numerous occasions, any time after 7.30 p.m., you would see no policeman at all in that bus stand. After 7.30 p.m., you would see one or two junior policemen, but, I think it is important enough that our senior officers should be detailed to be available in the bus stand until such time that we could afford more spacious accommodation in the bus stand, until such time as the fleet we have is adequate that you would not have that type of jungle behaviour, that we bring some type of decorum into the bus stand by having it properly supervised and ask the people to queue. It is within my common knowledge that the young ladies are getting home very late now, — sometimes they leave work at 5.30 p.m. — all like 10.30 p.m. because they are not able to fight with the bigger fellows, to get into the buses and that is not fair. Okay. I would just like to draw this particular thing to the attention of the Police. I must say that within recent times I have seen some leadership that is necessary and I can only myself pay my compliment to the new direction that I see the Force is going in.

Mr. CHAIRMAN: The Hon. Minister has two minutes to wind up. If he would spare one to the Hon. Minister — I would appreciate it. It is a matter for them.

Hon. L. R. TULL: Mr. Chairman, this Debate has taken the form of the old time pray meeting Sir, where everybody gets up, one after the other and testifies and say how much they are for Jesus Christ and that sort of thing, except that this afternoon, they do not testify about Jesus Christ, but they are testifying about the Police.

Suddenly, this afternoon, Sir, everybody is for the Police. One after the other, like each one trying to out-talk the other of how strongly they feel about the Police.

Mr. B. M. TAITT: On a point of elucidation. The hon. member is saying that there was a recitation and everyone got up and testified about the Police. I would just like to make it clear that my statement was aborted, it was not completed due to the time and the situation. I do not wish to be part of any testimony. I have a point which I wanted to make but time had run out. I do not want to join any bandwagon I am not a bandwagon.

Hon. L. R. TULL: It does not really matter whether the hon. member wanted to be a member of the bandwagon or not. He was one. They all came down and said, "I am for the Police, I am a strong pro-police."

The fact of the matter is that the record of public statements in this country, over the past two years — I am not pouring that out, Sir — I have heard all sorts of

statements made in this country by people attacking the Police, (Mr. TAITT: They told lies.) attacking them very viciously and unjustifiably and suddenly, everybody is for the Police, Sir. But, Sir, I do not want to waste the last 90 seconds Sir, (ASIDES),

Mr. CHAIRMAN: Order, please. Do not interrupt. Please, please, order.

Hon. L. R. TULL: I do not mind the hon. member. You see, the hon. member — when words of wisdom are being spoken, wise men attend with open ears, fools attend with open mouths, Sir. I do not want, Sir, to go on with that. I just expressed the way in which I marvel at the way in which things have gone this afternoon, Sir.

I do want to say however, one thing because I believe that enough has been said. There was a lot of talk, Sir, about law and order. I only want to give the assurance to this Hon. House and the whole country that as long as I am Attorney General and hold responsibility for law and order in this country, I will maintain that law and order will be adhered to. I will not make any stronger statement.
5.15 p.m.

I speak my truths softly, I do not have to worry about whether people will be exempted from the law and whether certain people will come under the strictures of the law and others will not. As long as I hold the position I currently hold, Sir, the law will be carried out, and the police when they carry out their duty in relation to the law have my fullest support. That is all I need to say.

I beg to move that Head 31 stand part of the Resolution.

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

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

On the separate motions of Hon. L. R. TULL, seconded by Hon. L. B. BRATHWAITE, the Resolution was read a first and second time and agreed to.

2. THE INTERNATIONAL BUSINESS COMPANIES EXEMPTION FROM INCOME TAX (AMENDMENT) ACT

Hon. H. B. St. JOHN: Mr. Speaker, the object of this Bill is to integrate certain of the provisions of the International Business Companies Act with the Offshore Banking Act.

It is vital that the international business companies operating in Barbados be allowed to take advantage of the offshore banking facilities in Barbados, and section 3 (a) is therefore required to permit an international business company to place deposits in an offshore banking institution in Barbados. When the International Business Companies Act was passed we had no offshore banks and they were not allowed to do any business in Barbados at all, until the 1977 amendment which permitted them to do business in Barbados of hiring services. They were not even allowed to hire services in Barbados. Now that we have offshore banks here who are authorised to take deposits from abroad on the same Eurodollar rates as deposits as are made in London or Switzerland or the Bahamas or Cayman, or now Miami or New York, it is in our view ludicrous to say that an international business company operating in Barbados performing services abroad has to send its money abroad to be deposited abroad.

Of course, Sir, we insist that where they derive income from the deposits in the offshore banks in Barbados that they must pay the same tax that they would have paid if they had deposited the money in London, in Geneva or Zurich, in New York or anywhere, so that I think that that goes to the integration of the two types of institution.

Section 3 (b), Sir, repeats the section which is in the Offshore Banking Act and it equates the position of an international business company with an offshore banking company from the point of view of taxation with respect to specialised skills which they need to hire. The object of that is to ensure that any management companies, and we do have a few, which have been established in relation to royalty management who want to operate under the International Business Companies Act for the purpose of providing services outside of Barbados.
5.25 p.m.

All international business companies by their definition have to carry on business outside of Barbados. They can hire labour inside of Barbados, they can hire computers from inside Barbados, so that they are at no disadvantage in respect of off-shore business. These are the objects of the two provisions in this Act, and it is purely to harmonise the two. I may say, Sir, that by the end of our fiscal year — this is something that causes confusion in statistics in this country, that very often people do not understand that the Government's fiscal year is slightly different from the calendar year and sometimes when we give figures of facts there is some confusion in the minds as a contradiction with other publications by the Central Bank.

The position is that when we talk about a year, I am talking about the April 1 to March 31. We will be in

a position at Budget time to give a reasonable report on the number of companies that are in operation. The Registry I understand now has a different coding in relation to international business companies. They all come under the Companies Register Act and we will be in a position to give an accurate figure on how many are in operation. We have already set in motion a scheme of mechanism so that I would be in a position or the Minister of Finance would be in a position to say, just as we can tell you how many fiscal incentive companies operate each year at Estimates time, to tell you in respect of international business companies what is the position.

I am not in a position now. (*Asides*) There are seventy-seven? Very good. I know there are far more than there were a year ago, and we are also going to be in a position to say how much company registration fees they pay. We will be in a position next year to say how much income tax they paid. So that we are constantly monitoring the impact of the international business companies, and I am pleased to say that the recent Taxation Planning Conference that was held in Barbados was well attended and favourable comments were made continually not only with respect to the concept of utilising the services of Barbadians in these areas, but to the concept of training that is inevitable and that we have to undergo to provide people with the requisite qualifications.

I am exceedingly pleased to note the role that the Barbados Institute of Management and Productivity is playing in this respect. I want to pay special tribute also to a large number of Barbadians who have been attracted back to Barbados. Many have received qualifications in accountancy and accountancy and law and in various branches of accountancy are coming back here, and they are endeavouring to ensure that the Barbadians in Barbados who did not have the opportunity of going to say, Toronto and qualifying themselves in a number of areas of accountancy, not necessarily chartered accountancy, but management accountancy, become qualified. I have had the privilege of going to a function recently held by an institution called the Ontario Association of Registered Accountants. It was a new body to me, but I know that it is a very important body — it is called management accountants, I believe, so that we are improving our skills here.

If you look in the papers now you will see that BIMAP in conjunction with the General Accounts Association of Ontario are running a specific series of courses tailored and designed to improve the quality of financial knowledge in Barbados. This is an inevitable consequence of the feeling which has arisen in the community that there will be job opportunities available in working in these institutions and in other institutions in Barbados. I am also pleased to say, Sir, that at the request of the Ministry of Education in Barbados, with full support of the Government of Barbados financially,

that at Cave Hill it is now possible for a young person who is interested in figures and interested in management to do a degree known as a B.Sc. Accounting Degree. It is very very important. It is a new course. I think the first graduates came out this year. These are two improvements that are taking place in our educational system with a view to qualifying Barbadians in areas which before were regarded as being too mysterious or too important for people of a certain type in Barbados to have access to and knowledge in. This is something I think that all of us can be proud of. Indirectly all of us in Barbados will benefit because the more we improve our management and financial knowledge of this country, the more I believe that the country will progress.

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

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

Dr. R. C. HAYNES: Mr. Speaker, it is somewhat regrettable that the Hon. Deputy Prime Minister did not seek to do greater Justice to this further amendment to the International Business Companies Act. Now, Sir, on This Side of the House we have contended and we have brought to the attention of Parliament that the two areas in the offshore business which would redound to the benefit of Barbadians greatest would be the area of the international business companies' activity and the area of captive insurance business. Much time has been lost over the past five years in the failure of the present administration to pursue these two areas, and instead, of diverting much time to the area of offshore banking which as was predicted in this Hon. Chamber with increasing competition and with permission being granted by the Federal Reserve Board to various institutions in the United States to function as offshore banks that the element of competition would be such that by the time the legislation is brought in order before this House that that sector of the offshore business would be unlikely to be of major benefit to this country.

Now this current amendment as the Hon. Deputy Prime Minister has pointed out seeks to take advantage of the existence of offshore legislation in Barbados for the further promotion of international business companies' activity. However, Sir, I believe that it is only fair that it should be pointed out that the International Business Companies Act as one sector of offshore business in Barbados was passed in this legislature in 1965 under the previous administration, and it was due to the far-sightedness of that administration that it not only passed the Act but also included provisions within that Act to make sure that there was no diminution in the sovereignty of the management of the financial affairs of this country.

Now, Sir, in 1977 several amendments to that Act were passed and in my view, Sir, those amendments are

being touted abroad as being responsible for a significant increase in the number of offshore companies functioning in Barbados.

5.35 p.m.

A proper statistical survey, Sir, would reveal that although since 1976 some additional 15 off-shore businesses have taken advantage of the International Business Company Act to function out of Barbados, that the proportion of the total number of the international business companies on this globe taking advantage of the Barbados legislation remains relatively constant. In other words, there has been an increase in the amount and the number of international business companies throughout the world and we have benefited proportionately from that increase in the international business activity in that area.

Mr. Speaker, I do not think that the 1977 amendment would have done anything to enhance the position of Barbados in respect of its ability to attract international business companies' activities in Barbados but as far as I can see, with a careful perusal of the Law and the document I have in my hand here, Sir, is Chapter 77 of the Laws of Barbados which would include the amendments that had been passed in 1977, largely confine itself to a definition of Treaty in relation to the Caribbean Community.

It also reduced the extent of supervision by the Commissioner of Inland Revenue in respect of activities relating to international business companies. It established a differential in the amount of tax payable on the profits of international business companies which were also invested companies.

Prior to 1977, there was a flat rate of two and a half per cent and the amendment changed that from two and a half per cent for profits up to \$10 million and scaled it down to one per cent for profits exceeding \$30 million and finally, Sir, it also made provision which was not existing before for exemption from duties in respect of transfers and assets, securities and shares, provided they did not constitute real property in Barbados.

It would seem, Sir, from those amendments, apart from the tax incentives in respect of scale of profits that there was no particular additional inducement by that.

Hon. H. B. St. JOHN: On a point of technical correction. I think there are two points the hon. member missed.

Mr. SPEAKER: There is no point of correction.

Hon. H. B. St. JOHN: On a point of order, Sir.

Mr. SPEAKER: I think you rise on a point of elucidation.

Hon. H. B. St. JOHN: On a point of elucidation, Sir, and it is that the 1977 Act permitted international business companies to hire services in Barbados. The other one does not.

Dr. HAYNES: I take that point. That is the other point. Sir, this is a very technical area which I think needs to be explored. Now, Sir, to the statement at Conference which was referred to by the Hon. Deputy Prime Minister in his speech, the Conference of the International Tax Planning Association which took place at the Sandy Lane Hotel on the Monday, November, 9, 1981 at which certain statements were made relating to the projections.....

Mr. SPEAKER: Those statements have nothing to do with the business of this House.

Dr. R. HAYNES: I am responding to.....

Mr. SPEAKER: But you must respond to the Chair.

Dr. R. HAYNES: Thank you very much, Sir, the crux of the point is that there was no question of legislation languishing on the Statute Books of Barbados nor was there any question, Sir, of failure of the Democratic Labour Party to do anything in that particular area, Sir. I think it is most important that people should realise that whereas the abolition of Death Duties in Barbados — Sir, it is a technical thing and I crave your indulgence to develop the point.

The point made, Sir, is that one of the areas that would make Barbados attractive to the further development of international business companies activity is the fact that there are no Death Duties for residents or non-residents in this country. This, Sir, I mentioned in the context of this legislation which seeks also to create a more attractive framework for the attraction of international business companies and it was stated that that was the purpose for the abolition of Estate Duties.

I do not wish to repeat what I have said in this House and we know, Sir, that the abolition was the correction of an error. In other words, Sir, the point I am trying to make is that in countries where there is Estate Duty and you have an Off-shore banking situation you will always find that individuals or companies will drift to those countries which have no Estate Duties for the simple reason that they know that their investments will have the same value when they die.

You take for example the same country, for example in Canada, you may find one province, say like

Nova Scotia might not have Death Duties and consequently will attract more Off-shore business than say Ontario which has Death Duties. But I would like to make the point clear that the abolition of Estate Duties, whereas it is co-incidental really had nothing to do with the promotion of this area of activity since it could easily have been done by way of exempting off-shore business or people making off-shore deposits in Barbados from the provisions of Estate Duties. But, Sir, the Minister of Finance is a very difficult person to shadow, Sir, very, difficult to shadow the shade. It is a very, very difficult thing to do but somehow this was drawn into the situation in order to create further confusion.

There are two other areas, Mr. Speaker, that I find very interesting. One of the inevitable effects, not only of these amendments but of previous amendments — and there has been a promise and I would certainly like the Hon. Deputy Prime Minister to expand in this area, if possible to provide for a further liberalisation for exemption from Exchange Control Rules in Barbados for international business companies and related activity.

I think that an element of sobriety has at last descended on this area of economic activity in Barbados where we all recognise that benefits, are marginal, where we all recognise that the opportunity cost has to be carefully balanced against any eventual gains, where we all recognise that there are serious problems that can be associated with this form of activity although less so with International Business Companies activity and Capital Insurance business than in the other areas of off-shore business and this is why we always strongly recommend this to this administration.

Also, Sir, I would like him to comment on a particular statement in relation to off-shore business which bears a direct relevance, Sir, and the relevance, Sir, which I do not clearly understand is the question of permitting international business companies to qualify with respect, I have to go slowly because it is a very technical thing, to qualify with respect not only to their investment income from overseas but also in respect of all foreign income including royalty payment subject of course, to prescribed guidelines.
5.45 p.m.

That is the statement that has quite escaped my comprehension and the comprehension of Mr. Ezra Alleyne, a former Hon. member of this Hon. House who I believe, is the adviser to the Government in this particular matter.

Mr. SPEAKER: What does Mr. Ezra Alleyne have to do with this Bill, with this amendment? What does he have to do with this? Please debate this Bill.

Dr. R. C. HAYNES: To continue debate. Thank you very much. We appreciate, on This Side, Sir, that

there is nothing particularly wrong in allowing an international business company which is resident in Barbados to place any profit that it might gain having paid taxes on those profits already in the offshore sector in Barbados, and thereby deriving further revenue for the people of Barbados.

What we are a little concerned about and what certainly must occupy the attention of all persons who are knowledgeable and concerned about this area of activity is whether or not, Sir, this might not open up a loophole for a contamination of the domestic, financial environment by the offshore business activity. I think we are all agreed that particularly, where you have a two tier system of taxation and a tax haven operated within that two tier system, that of crucial importance is the necessity to prevent any leakage or contamination of activity between the domestic and the Offshore sectors because for example, Sir, if there were to be a heavy injection of offshore capital into Barbados and that capital was suddenly removed from the economy of this country we can precipitate a major economic and financial crisis domestically. Also, if there is contamination, then leakages of foreign currency, Sir, from the domestic economy can weaken our external payments position.

Now, this is one of the concerns that I would have in a situation where you would have a resident offshore business company being given permission to conduct offshore business within a small, geographical area like Barbados knowing that in this country, everybody knows everybody and everyone has a friend here and there. The question is Sir that I would like to be satisfied that they would be a sufficient level of supervision that would prevent such contamination, one way or another because whichever way it happens it would be dangerous. This is one of the areas that I would like to bring to the attention of the Government, particularly in the light of the previous amendment in the 1965 Act which in fact removed from the Commissioner of Inland Revenue and in fact also to the amendments to the Offshore Business Act which substantially reduced the authority either of the Central Bank or the Exchange Control Authority to monitor these areas. I am talking of the first amendment and the problems I see thereto, Amendment 3(A), one of the consequences of that amendment.

Mr. SPEAKER: I do not want to warn you. There are actions taken by this Hon. House. Please. There are actions taken by this Hon. House, they have been made law.

If you want to reflect on them, bring a substantive motion, bring a Bill, an amendment to a Bill and have it debated.

Dr. R. C. HAYNES: Thank you Mr. Speaker for your assistance. I really like your guidance in this matter. I seem to have some difficulty because I have always felt.....

Mr. SPEAKER: Your difficulty, I think is.....

Dr. R. C. HAYNES: I am trying to ask.....

Mr. SPEAKER: Your difficulty, I think is not digesting thoroughly the researches prepared for you.

Dr. R. C. HAYNES: Mr. Speaker, I am asking you for your guidance.....

Mr. SPEAKER: I have already said it. (Hon. L. S. CRAIG: We are going along fairly good. Let us go.)

Dr. R. C. HAYNES: May I ask for your guidance in this matter?

Mr. SPEAKER: I have already given it.

Dr. R. C. HAYNES: Mr. Speaker, Sir, I have a little difficulty Sir, in distinguishing what constitutes a reflection on a vote or referring to legislation. I do not know whether referring to legislation in itself constitutes a reflection and I would certainly like some guidance in that matter. However, if such guidance is not available, I will continue.

The present situation is that the absence of supervision, in one form or another without making reference to any particular legislation or amendments to any previous legislation would seem to make it more difficult for this administration to deal with the question of contamination in one direction or another which I think both sides would agree that if we must have offshore business, it is the one major, economic area which we must protect at all cost. And, I would like the assurance of the Hon. Deputy Prime Minister that this would not happen and I would hope that in doing so, we would be able to point out the legislative guidelines that would prevent that from happening.

The other area Sir of some concern to me is the fact that we are providing exemptions from income tax for certain categories of persons involved in the international business area. I am aware that similar steps have been taken, I believe, but I cannot refer to it, I believe that certain steps have been taken in relation to persons coming to work here, who have been assigned by international organisations. For example, in the Oistin's Project and so on, there are some exemptions. I do not know and, there are certain persons who have diplomatic immunity there are service persons who have diplomatic immunity, there are certain persons who work with inter-

national bodies and so on and would not be subject to income tax.

What I would say too Mr. Speaker is that we have to be extremely careful in this area. There is one thing in the big economy like the United States to have United Nations, to have thousands of different international organisations who enjoy a different tax structure from the resident population. When you are dealing with a small society, it has been my experience — and the Rt. Hon. Minister of Finance has expressed this view, on the floor of this Hon. House of the need for caution, in this area — that a whole lot of pressures can build up in the society when you have people with equivalent qualifications doing equivalent jobs, yet, nevertheless, for no reason that is readily obvious to them, one may be seeing a highly punitive level of income taxation and the other person might not.

And, whereas it is nice to promote our country, as an area to be enjoyed by a whole heap of international organisations, and whereas there are some benefits in respect of employment and the clerical and the professional grades, and, a few at a lower level, probably, chauffeurs and maids and so on, it is important to look at the other side of the coin. I would say Mr. Speaker that one of the major factors now pushing up rents in Barbados in the average three to four bedroom house with three bathrooms is the presence in Barbados of a large number of highly paid internationals who do not pay income tax in Barbados and enjoy other benefits and they can afford to pay rents at a level which would put it beyond the pockets of the average person in Barbados. 5.55 p.m.

Now, when you get that kind of stimulus for the escalation of rents in a small society you might find that that might ricochet through the whole structure of rents in Barbados, and whereas a small sector of the society might benefit positively in one way, then you might find that probably 30,000 to 40,000 families might be adversely affected. So I believe that some balance has to be struck when you get into this area, in a small country like Barbados, in trying to attract to Barbados a large number of people who receive high salaries and are exempt from income tax considerations.

In summary, Mr. Speaker, having done my own research, and I would like to assure this Hon. House that there is nobody who can tell me what to say or what to do, I do my own research.

Mr. SPEAKER: My only concern is this, and I do not take any exception to your remarks, but my only concern is this, that there are 27 honourable members in this House, and as long as I remain in this Chair only 26 will address the 27; 26 will speak from the floor and one other from the chair, 27 or 28 will not speak from the floor.

Dr. R. C. HAYNES: If I may continue, Sir, with your indulgence. Another factor which I would like to draw to the attention of this Government, and this also relates to the pace of escalation of this kind of activity, that the two major areas of benefit which these amendments can probably bring by facilitating a more rapid development by the international business sector is in the area of expenditures incurred locally by those persons who are employed by international business companies.

Now, there have been many adverse positions taken on this matter, but I think in the context of Barbados, Sir, the fact that perhaps 70 percent to 80 percent of what they spend would involve imports into Barbados, that the expenditure pattern *per se* is not critical and is not a serious criticism of the offshore business activity in general, or the International Business Companies Act in particular, because they earn in hard currency and they spend in hard currency, so the net effect is the same. What you have to look at, and this dimension is very similar, Sir, to the dimension in housing, is the standards of consumption patterns normally set when you have not only a very large tourist industry, but then you have a large number of highly paid persons exempt from local income tax all year round whose consumption patterns can easily defeat the reasonable goals and objectives of a reasonable Government that should be seeking at all times to keep the consumption patterns of their citizens within reasonable range, bearing in mind the relevance of consumption to the economic viability of our community and consumption patterns.

Therefore, Sir, whereas we would not vote against these two amendments, we have tried with the utmost difficulty to relate these amendments to the preceding amendments in 1977 and to the substantive Act of 1975. We have tried, as consistent with our duty as Her Majesty's Loyal Opposition, to bring to the attention of the Government those areas where we can see problems arising specifically from the legislation and the amendments themselves, and the social consequences that might flow both in a beneficial way and in a way that is not necessarily beneficial to the country.

Now, Mr. Speaker, there was one final point that I wanted to touch on some time ago, and I will ask the Deputy Prime Minister to respond to this as well. As part of the package offered to international business companies, appended to that statement was the creation of an environment for tax exiles. This was all part and parcel of the statement relating to international business companies, and it is very vital, because it touches on very vital areas of the economy of this country. In other words, what I am saying is that you have offshore business that can be beneficial and you can have offshore business, unless it is properly structured, properly controlled, its rate of escalation carefully dealt with, that

you might in the end find out that what started off as being a reasonable objective might turn out to be a very serious problem for the country in the future.

This question of tax exiles, how it relates to international business companies, how such a statement can be appended to a statement relating to international business companies is also a matter of concern for us here in Barbados, because we feel that it is important not only to provide legislation and amendments to legislation, but that it is vital to create the kind of environment within the society, whether it is in telecommunications, absence of crime or low levels of crime, reasonable property taxes and so on which would tend to promote the concept of Barbados as a place, say for example, like Costa Rica which would be attractive to wealthy tax exiles.

Sir, as I have said, we will not oppose this, but I believe that we have discharged our duty in trying to explore the major difficulties that we see. We recognise that a discussion of these technical problems, and indeed some of the most technical problems outside the legal area that come before this Parliament, can only be properly presented if a proper background is established, and I will seek at all times to make sure that such a background of argument is established in order to make the particular point in the interest of what I perceive to be in the interest of this nation. Thank you very much, Sir.

Mr. B. M. TAITT: Mr. Speaker, I believe that my colleague has dealt with a number of aspects relating to these amendments and although he might not have been able to develop the references which were necessary, I think he dealt with the matter in sufficient detail as not to require my touching on them. But there is a point regarding the philosophy of this Government and the philosophy of us on This Side and some others of us in this country which must be dealt with in the context of this legislation.
6.05 p.m.

Mr. Speaker, there is a point at which a small country moves beyond being an enlightened country seeking to get as much foreign investment as possible into the arena where it becomes nearer to a mendicant, and I am noticing that a number of measures which are brought down to this Hon. House by the Prime Minister and Minister of Finance are tending towards taking Barbados into a position of mendicancy where we are posturing to all and sundry in the international community that here we will provide a haven of a certain kind for all types to come and rest and live, and look better, feel better, eat better and sleep better than the people for whom this country ought to be developed.

Mr. Speaker, some time ago the Government indicated that with the coming of offshore banking

business there would be great prosperity in the community, there would be an increase in the number of jobs etc. We on This Side sought to draw to the Government's attention that that kind of rhetoric was not really in the interest of development, that first of all it was highly unlikely that the benefits outlined therein would flow and secondly that it was dangerous to offer this palliative as a means of developing the country when in fact what was required is more fundamental tackling of the economy and the economic system under which we operate.

Mr. Speaker, I have reason to believe that the Prime Minister and Minister of Finance is an admirer of the type of existence in places like Bermuda and the Cayman Islands and other such places. I believe that were it not for certain restraints that we would already have been discussing in this House such concepts as no income tax. We have seen the shift towards indirect taxation and together with that shift towards indirect taxation we have observed these bits and pieces of legislation which come down from time to time seeking to provide havens of one kind or another.

Now the Ministry of Finance and the Minister of Finance are not unlike some bankers in New York who used to suggest that if they could get the offshore banking business, as many as 50,000 jobs would be created in New York State. However the New York State authorities examined three aspects recently concerning offshore business in countries like Barbados and the possibilities and relevance of having the offshore business returned to the United States. It is estimated that there is something like, the figures are American terms, \$US1 trillion available in the Euro-dollar market, and arising out of that investigation that was done, it has now been decided on December 3 that finally what they call "international banking facilities" will be established in the New York money market and in States like Connecticut, Florida, Georgia, Maryland, California, Hawaii, Massachusetts and Illinois. All of them have now passed legislation at the State level which will allow international business facilities to be established in the United States.

Now what that will do is reduce considerably, if not eliminate, most of the international business which it was anticipated by the Barbados Government could flow towards Barbados. As a matter of fact, arising out of these decisions in North America where in essence offshore banking has now gone home or will now be able to go home, it is estimated that the Cayman Islands, for example, which now has about 11 per cent of all the offshore business available will be reduced to about 2 per cent of such business within the next five to ten years.

What I am saying, Mr. Speaker, without prolonging this House and this particular Committee is that it is highly unlikely that Barbados is going especially in the light of the establishment of this IBS, to get any benefit

whatever from offshore banking. And now, Sir, what we are seeing is an attempt on the part of the Government to use the International Business Companies Act, as they ought to have done in the first place because we believe that that is as far as a country like this ought to go, we believe that offshore banking is bordering too much on prostrating ourselves before these people, but they are attempting now to justify the position they took on the offshore banking by use of the International Business Companies Act and certain amendments, but, Mr. Speaker, let us examine one of the prospects in some detail.

A person who may now be resident in Bermuda is paying no income tax and living the life of Riley, as they say in the United States; is living a high life, suddenly feels that he wishes to change his residence, he wishes to live somewhere else. He has developed a certain expertise in the manipulation of Euro-dollars for certain clients so he wants to come to Barbados. We are providing here in Barbados a vehicle for that person to come to Barbados, live in Barbados, benefit from being in Barbados, but pay no income tax. In other words for those persons we are raising Barbados or lowering Barbados as the case may be to the level of Bermuda and the Cayman Islands etc.

Mr. Speaker, the diplomatic corps and those persons who function in multilateral international agencies operate on a reciprocal basis. Whatever is given in Barbados to say a U.S. diplomat presumably is available to a Barbadian diplomat functioning in the United States. That question cannot be at issue because that is the basis on which the international community operates. What is at dispute, however, is where they have certain international gangsters; no matter how refined they are in the business which they pursue, they are still for purposes of discussion international gangsters. Some of them operate doing nothing else but manipulating portfolios relating to so-called high finance and the movement of Euro-dollars, and so that no one would accuse me of uttering words for the sake of uttering them, an exercise in the United States demonstrated that more than 80 per cent of the banks which do offshore business in fact do the business in New York State itself and all they have is the registration offshore to get around the tax laws in New York State and the United States.

Indeed there was an investigation of that because the New York State tax authorities decided that since most of the work was being done in New York for so-called offshore registration business that they ought to pay taxes. The bankers in turn said to the Government of New York that if they paid taxes since they earned more than 50 per cent of their earnings from international business that the State would be destroying a vibrant industry and that jobs would disappear, and indeed it was arising out of that investigation that the IBS

came into being and that offshore banking is now a fact in North America. It is offshore banking on land.

The point I am making is that we have a number of international types who operate in the rarefied atmosphere of high finance, whose connections, let me put it no higher than that, are undesirable in many respects and there is no reason why Barbados, a country of 166 square miles, 250,000 to 260,000 people should prostrate itself before the god of international finance trying to prove that it is a better haven for these types than the Caymans or Bermuda or wherever. We ought to be careful. My colleague has said that we are not going to vote against the amendments because it is not going to make a great deal of difference if we vote for them or against them anyhow, but we must speak out against this principle of attempting to turn Barbados into a place where certain types of persons can feel that they can come here and live while hon. members who sit on the front bench or indeed hon. members in this House at least have to work and toil and sweat, and if we are critical of each other and if we attack each other in political parties or outside this Hon. House, this is how it should be in Barbados.

6.15 p.m.

But these new types, this whole new system which the Minister of Finance is introducing very slowly into this country, where without amending the Constitution he is allowing there to be one law for the Medes and another law for Persians where people who come from outside of Barbados are beginning to feel that they have more hegemony in Barbados than people who were born here and whose generations go back to the very beginning. It is a very serious mode which we are noticing very slowly.

Many of the things are inter-connected, Sir, I do not wish to turn this Debate into a match, raising questions about one armed bandits and that sort of thing, Sir, but high finance, as I have observed it over a period of time in relation to the international community, high finance does not bear any objection to where the money comes from or what is the colour as long as it turns out green and we have to be extremely careful.

One is not suggesting that we stick our heads like an ostrich in the sand and be unaware of what is going on in the real world but I hope the Government will recognise that what we are doing is serving warning on them. We look askance. We look with some concern at an attempt to give persons who lay no claim to International Law any special consideration tax free status in Barbados under the guise that it would bring economic benefits to this country.

I say categorically here, Sir, that in relation to the six or seven persons who will benefit from this, the out-flow for Barbados is likely to be nil whereas the lost by

way of income is likely to be substantial and furthermore, Sir, it opens a door or maybe just an aperture for the wrong kinds of individuals and companies to seek to lay themselves, askance themselves into this community.

Now, Sir, so far in the history of this country, Ministers of Finance have not been described or have not been seen to be corrupt individuals in terms of their running the Ministry of Finance. Indeed we have only had two Ministers of Finance and certainly the one under which I served, his reputation is exemplary in the field so I wish to say the remarks I am about to make can in no way be a reflection on the past Minister of Finance or the incumbent but the law which we are passing will be giving to a Minister of Finance certain discretionary powers.

Mr. Speaker, we are dealing again in that rarefied atmosphere of high finance, the temptations which can be put in the way of Ministers, not those Ministers, Sir, or these Ministers but if the law is there, the law is the law. We are putting temptations in the way of Ministers of Finance of countries within the Western Hemisphere, countries not dissimilar to Barbados and we must be extremely careful as a Parliament when we pass this kind of legislation.

This legislation might have been prompted by the highest and noblest motives but I would like to suggest, Mr. Speaker, that in the light of certain experiences which we know in certain countries which must remain nameless and in the light of the fact that it is now clear that there will be no benefit emanating from Off-Shore Banking that the Government should review its entire attitude about this question of fostering for the sake of attracting so-called high business finance to Barbados. I would say that a word to the wise is sufficient, Mr. Speaker, and I will rest on that point.

Hon. H. B. St. JOHN: Mr. Speaker, Sir, nothing ventured nothing gained. We on This Side have made a very careful study of both the benefits and the disadvantages and burdens, financial and social in respect of the promotion of Barbados as a low, and I repeat, a low tax haven, as a service centre and as an intellectual centre within the context of all the potentials, burdens and disadvantages. We are convinced that if we established a proper regime, with proper controls that the benefits will outweigh any possible disadvantages.

The first point that I think should be made is this — no Minister of Finance makes decisions on matters such as this without the most thorough examination taking place by a number of permanent people secured in their jobs, far more secured in their jobs than I am in mine, or the hon. members are in theirs, who have served under both Governments and who are charged with the responsibility of doing the investigation work which is necessary and the analysis of the pros and cons together with recommendations.

It is clear that the Other Side find themselves in a bit of a quandary. When we introduced the Off-Shore Banking Bill, the amendments to the International Business Companies Bill, the Other Side forgot that they were the ones that first introduced the International Business Companies Bill. They forgot that London and many other countries in the world for many years specifically killed a number of their statutes to encourage the development of the state of London, Brussels and other areas as low tax havens.

We specifically pointed out from the very beginning that Barbados was not promoting itself as a low tax haven. We said that we would always expect to receive taxation from any of these activities but that taxation would be of a lower rate.

The hon. members on the Other Side also forgot that today it is impossible for any country to really exploit and take advantage of evasion in the major countries in the world by their citizens by being used as a base for evasion of revenue laws for the simple reason that if you do not have a regime which is acceptable to these other countries, they just nullify the tax treaties that you have with them. Thus you find yourself in the position today in which many of the old historical tax havens find themselves in, namely that the treasury and tax authorities in the large countries in the world are hounding any of their citizens who used those facilities.

6.25 p.m.

We, therefore, have been very careful. We have set up more monetary units in respect of offshore banking and international business companies than many other countries who have been in the business for a long period of time. But, that is Barbados's way of doing it and we have told a countless number of people who have come here that you must comply with the procedures.

We always said, in respect of offshore banks that we wanted no Sydney Alleyne type banks, we wanted reputable banks. We always said that and the fact is that in the course of the last year, we have been able to say openly that we have rejected more applications than we have accepted, is indicative of the seriousness with which we are pursuing it. And, we will continue to do that.

Now, that New York has decided that after all offshore banking business is a type of activity that can be beneficial to a country, the Other Side is now saying that they say that we would not get any business under Off-shore Banking because of the fact that big countries have now gone into it. Mr. Speaker, Sir, the hon. member was talking about the criticism when the Offshore Banking Act came — it was over the fact that we were carrying people into an immoral, uncontrollable type of activity that no respectable country should indulge in. That is the point the Other Side was making. I have no fear at all

over the fact that New York has permitted it, that Florida has permitted it, that California and a number of other States will now do it. I know this. There is one bank that had a branch — an international branch in Florida, it has also established one in Barbados too. So that, obviously, it is clear that Barbados, provided it continues to pursue rigorously its stand in relation to accepting the good and rejecting the bogus, will continue to attract a number of these in Barbados.

Now, dealing specifically with the queries made, I want to make one point the hon. member from the Other Side did mention, that there were amendments to the International Business Companies Act which were introduced from 1977 and on. The International Business Companies Act was on the Statute Book since 1965. When we went in, we did an examination of it, and we found that there were a number of constraints in the operation of the Act which we examined. The most major constraint was the fact that under the International Business Companies Act, as far as 1965, a company was prohibited from hiring services in Barbados because that was deemed trading in Barbados.

Now, we felt that one of the objects of having an international business company in Barbados was to make use of the surplus services that we have here. That was one of the objects. So, we amended the Law to permit a company to hire services in Barbados. And, I can draw hon. members attention to one of the most successful business companies, as far as I am concerned in Barbados. There is an international business company whose operation is from 4 p.m. or 5 p.m. and it leases computer time from another company here which has a computer. In view of the cost of the computer and in view of the fact that computers are designed for operation for many hours of the day, they go in when the other people would normally close it off and they lease computer time from them and hire some 70 to 80 people in Barbados, managed by a Barbadian and do pay-roll for their head office in Colorado. They are flown in, the pay roll is computed, all of the accounting work is done, leasing computer time from Barbados and they are providing employment. We try to promote as many of that type as possible. That is what we do. The IDC does it. Other people do it. We have to amend the Law to facilitate that type of operation. They did not come under the Fiscal Incentive Act because they were defined as not manufacturing. You had to use the International Business Companies Act.

The second amendment was under the International Business Company Act, 1965. There was a clear distinction between the investment income which was taxed at two and a half per cent and training income which had no tax at all. (*Aside*) I beg your pardon. You see Mr. Speaker, Sir, it is very difficult. People do not follow. That was the 1978 or the 1979 amend-

ment because once you have a trading company and you try to take advantage of your double taxation agreement, the first fundamental premise of a double taxation agreement is that they must be taxed and, if you have no trading, if an international business company that trades and you have no tax you have to introduce an amendment.

We introduced an amendment to tax that at two and a half per cent. The taxation between an international business company which is a trading company and which was an investment company, we retain the differential. So that, an investment company starts at two and a half per cent but, that goes down to one per cent but a trading company is permanently at two and a half percent. (*Aside*) No, it is not exempted. There has been an amendment in 1979. You must get all the amendments. There was an amendment because it was pointed out to us that if a trading company did not have a tax that they would not be able to take advantage of the double taxation agreement.

We then Mr. Speaker.....

Mr. B. M. TAITT: On a point of elucidation. Sir. LRO, 1979 Cap. 77 of the Laws, Section 3 says:—

“The profits or gains of an international business company that is not an investment company shall be exempt from income tax if during the income year it was an exempted company”. (*ASIDE*: It was not changed.)

Hon. H. B. St. JOHN: There is a change in the Law. (*ASIDE*). Well, check your laws. This is 1981. Check all of your laws. It came in the Hon. House in 1979. I will find it for the hon. member. I know that it was introduced in the House of Assembly. That is definite because I have the Cabinet paper where it was introduced in 1979. Sir, I am saying that there is an — you will get it. I will get it for the hon. member and before the night is out I will show it to him.

The second point, now was a question as to where their money can be invested. And, keeping up with the Laws of Barbados is far more difficult than in my time, far more difficult. In my day, you use to take out the gazette and every lawyer's office had a person whose duty it was to take out the laws from the Gazettes and put it in one folder. But, try nowadays with this system. I do not know how it operates. I have not learnt the new system under these new laws. You are supposed to pull out old pages and put in the new amendments. It is very difficult. This is what we have a Librarian for in Parliament. Honourable members would like to know the amendment to the International Business Company Act between 1979 and 1981. We would see whether they got them.

The position is that in answer to the query by the hon. member for St. Michael South Central, you are investing here, in an offshore bank. You must remember that in the Offshore Banking Act that they cannot take deposits from anyone in Barbados, except with the permission of the Ministry of Finance. The Ministry of Finance has set out the category of companies who can deposit money in offshore banks. Fiscal Incentive or Claim Industries cannot and, now, what we are saying is that international business companies cannot because otherwise, what would happen is that these people will take the money and invest it in London. And, why do you want that?

6.35 p.m.

You want to keep the money here to promote your offshore banking, and tax will be paid on it. The Central Bank is the institution that monitors this, because you have to be in a category of the exemption, and secondly, I want to remove this myth. Every international business company in Barbados has to comply with the Income Tax Laws and file a return with the Commissioner of Inland Revenue in Barbados. That is one point that we refused to change on the existing law. That is the position. Every international business company in Barbados has to file an income tax return, so that the machinery in relation to the assessment of income in relation to that category of income is under the control of the same person that controls the machinery with respect to all income earned in Barbados. That is a fact, we have control mechanisms there, so do not let us worry our heads over whether there are control mechanisms, because the fundamental scheme of the tax law has not been changed. All of these people come under the provisions of the Income Tax Law. Just as in fiscal incentive companies which are entitled to tax exemption for a certain period of years, they still have to file their returns.

Now, Sir, in relation to the other query raised by the hon. member about other organisations. I think we have repeatedly said in here that under the Vienna Convention, I think it is, international organisations and their officers and servants are entitled to certain tax privileges on the basis of reciprocity, and the hon. member for St. Michael West effectively answered one of the questions raised by his colleague, because Barbados has to give to diplomats and members of the organisations who are classified as international organisations, like Caribbean Development Bank, UNDP, FAO, the Inter-American Development Bank, we have to as part of our membership agree that we will give them the privileges which the Vienna Convention or whatever is the modern name of the Convention now gives in relation to international Civil Servants. That is the position.

All that the hon. member for St. Michael South Central talks about this Minister of Finance and this Government trying to bring in this special category of

people and giving them special tax exemption in relation to this matter is nothing but irresponsibility. That is what the hon. member is saying. This is most amazing. If Barbados happens to have attributes that are attractive to international organisations, why are we such fools as to say that we do not exploit such attributes that we have?

Mr. Speaker, the Other Side fought with Jamaica to get the headquarters of the Caribbean Development Bank here. The former Hon. Minister of Finance, that is one of the good things he did for Barbados, he said that Barbados was the natural place for it and he went out and lobbied and got it here, and now the hon. member for St. Michael South Central say we have too many. That is what the hon. member is saying, he is saying that we have too many of these international organisations setting up their headquarters here. That is what the hon. member said. He said that he is fearful that they are going to cause an escalation in rents in Barbados.

Dr. R. C. HAYNES: On a point of elucidation, Sir. Mr. Speaker, the hon. member said that I said we have too many of these organisations here. What I said is that we have to be careful in a small community like Barbados not to create a situation where we have large numbers of high income people present in this country, which might create problems which the hon. member knows too well. There is no point distorting it, you have started off very well by pointing out the benefits, and you have to watch the other things.

Mr. SPEAKER: Point taken.

Hon. H. B. St. JOHN: Not only that, we have more coming too, because Columbia is setting up an Embassy, and Argentina has applied. Do you want to know how many there are? There are a lot more, but where the problem has arisen is that because of these attributes we now have a number of private sector people coming who would like to set up their headquarters in Barbados. This has caused problems, and the Government so far has insisted that we are not giving any special privileges to these organisations. It is not only commercial ones, there are others like the Caribbean Congress of Labour; a number of these other international labour organisations who feel that they have their international Civil Servants too. You had better believe that the world's workers' organisations have international Civil Servants too. The Caribbean Confederation of Credit Unions. I will start calling the Caribbean names. The truth of the matter that we must recognise is that little Barbados is recognised as being a country in the Caribbean to which people want to flock. (Mr. B. M. TAITT: It has been so for years). Very well, exploit that natural advantage that you have. I started off by saying nothing ventured, nothing gained. You must not run away from a problem because you feel that having to deal with the problem will involve some difficulties, you must face up to the problem and deal with it.

Belgium is in the same position as being headquarters for the centre of Europe, and we have done a comparative study of the tax laws in Belgium and we find that in all of those countries where there are natural headquarters that a proportion of the income that they earn is exempted from tax for the simple reason that it is recognised that if a man is living in a country in which he is not normally domiciled, that very often particularly at the age at which he receives a top job that he has to have two households. He would have his house over there, he would have his children over there being educated and his commitments over there, and they are exempt..... (Dr. R. C. HAYNES: Do you know how much a cup of coffee costs in Belgium?) Do not mind that, once you have the change in your pocket to buy the cup of coffee, it does not matter.

The position is, Sir, that we are considering what relief can be granted, but my view is this, and it is very simple, and this will be attractive to the hon. members on the Other Side. The hon. member for St. Michael South Central is now going to jump up, he will agree with this too. I say that if they must get exemptions, that all foreign earned income earned by residents of Barbados should also be granted the same type of tax exemption. (ASIDE). Do you see what I mean? I know that, because I know that the hon. member incurs costs when he has to fly to Mustique, when he has to pay attention to special dignitaries down there. I know that. I do not know how we will necessarily compute some aspects of the remuneration the hon. member receives, but let us assume that that is brought into account as foreign income. 6.45 p.m.

I feel that the hon. member should be entitled to say that half of the slice of that income should be regarded as being exempt from tax. This is a very important point because Barbados will attract a corps of professional people who earn foreign revenue, and I feel that if they have to go out and suffer the disadvantages of having to travel that you should give them some extra inducement, and in any event it is a contribution to our visible export income. My view, and this is the view advanced by the Ministry of Trade, is that consideration can be given to it, but that there must be equality of treatment between Barbadians and other people who argue this on a non-domicile basis too. We are looking at that. The solution may well come and we will come to the House. There is no law affecting tax that we do not have to come to the House, and there is one thing, there is nobody in Barbados at all who is a politician that has anything to do with the assessment of tax. The powers of assessment of tax reside in the Commissioner of Inland Revenue. (Asides) I have not heard what Nixon said yet.

So, Mr. Speaker, all these fears that are expressed, the people on the Other Side are caught. We will continue to pursue new areas of revenue earning in Barbados because this Government is intent on reducing the total

tax burden in Barbados as we have done in the last five years.

The question that the Bill be now read a second time was put and resolved in the affirmative without division.

On motion of Hon. H. B. St. JOHN seconded by Hon. L. S. CRAIG, Mr. SPEAKER left the Chair and the House went into Committee on the Bill, Mr. ODLE in the Chair.

Clause 1 was called and passed.

Clause 2 was called.

Hon. H. B. ST. JOHN: Mr. Chairman, you will recall that during the Second Reading I stated that there was an amendment to the International Business Companies Act, 1979 which imposed a charge of two and a half per cent on a company which was not an investment company. That law can be found in 1979-23, and it states: "(1) In lieu of the rate of tax specified in section 43 of the Income Tax Act, there shall be levied and paid in respect of the income year 1978 and every subsequent income year on the profits or gains of an international business company that is not an investment company and that during the income year was an exempted company, income tax at the rate of two and a half per cent on the profits or gains of that company."

That was trading companies. That was introduced in 1979. Don't worry with those sheets; those sheets are the most confusing things nowadays. Those sheets, unless they are brought up to date, put you in bare trouble. That answers the question.

I beg to move that Clause 2 stand part.

Hon. H. deB. FORDE: The reason why that will not be reflected in the sheets is that the sheets, I think, have not been fully brought up to date other than to December, 1978, and the new consolidation is now being done. I would expect that it would be with the publishers shortly. But the benefit of that section is to take advantage of the double taxation arrangement between ourselves and some overseas countries including the United States, so that if you have a no tax position you may well lose the double taxation benefits under the Double Taxation Treaty between Barbados and the United States.

The only question is whether some countries might consider that the regime of two and a half per cent is too low and whether it is still a no tax situation. Unfortunately for us in 1978 and I believe also a little before that we re-negotiated our Double Taxation Agreement with the United Kingdom and Canada and as a

result companies such as international business companies with this low tax rate and certainly companies taking the benefit of the offshore banking legislation are in a favourable position for double taxation arrangements. It is only in respect of these two countries, but I will expect that in any future negotiations or re-negotiations of the Barbados double taxation arrangement that the Government would bear that point in mind and try to get a favourable regime for offshore banking and the offshore industry in general and companies operating under that umbrella.

I beg to second the motion.

Dr. R. C. HAYNES: Mr. Chairman, as I said I would not respond to the remarks made by the hon. member. Those that were serious we understood, and we realise when he was following the usual tactics of rebuttal that he was rebutting his own interpretation of certain things. That is a standard technique which he has used successfully for years and we can spot it way in advance.

I am a little concerned that these amendments were supposed to embody a new pre-clearance arrangement at the time of licensing. Now what I would wish to know is whether these amendments constitute part of that pre-clearance arrangement, and also to ask again whether or not the ability of international business companies registered here to place deposits in offshore banks which we know by two amendments to the Offshore Banking Act have really effectively diminished the form of the Exchange Control Authority or the Central Bank to deal with certain aspects of exchange control in relation to companies functioning in the offshore banking area. 6.55 p.m.

And whether or not the statement to remove even our liberal exchange control requirement and to designate international business companies as non-residential companies for exchange control purposes in this particular Clause is intended to be part of that pre-clearance arrangement and whether this device is being used for further exemptions from existing exchange control. Those are the two things that I would like to get clarified.

Hon. H. B. St. JOHN: Mr. Chairman, these amendments are designed to effectuate what the words contained therein mean normally and naturally. The hon. member obviously has a speech and he is asking me to perform a role of teacher/interpreter. He is asking me to interpret the Prime Minister's speech for him. (ASIDES). No, there is nothing wrong. You are talking about something else.

The position is very simple, Sir, the hon. Member is obviously echoing a beef which many international business companies come to Barbados with and they want us to amend our law to say that after they have been incorporated that forever there will be an international business company.

International business companies come under the Ministry of Trade and the Ministry of Trade's position on that is very clear. We say that if you carry on the business of an international business company and at the end of the year the Income Tax Commissioner is satisfied that you carried on the business, then he and the Assessment Authority would be able to say what your tax position is but I cannot do like the Caymans Islands and give you a Crown Certificate of the Executive Committee that hereafter for 50 years that you have a licence. I cannot do that.

What we had said is that we will set out the categories of activities very clearly which you can carry on. We have said that the law is that if you incorporate a company and you put in your memorandum and Articles of Association that the activities are X, Y and Z and that the directors are prohibited from carrying on that activity, that our understanding of the law is very clear. It is very difficult for an Income Tax Commissioner to get behind that so it is not for me to advise lawyers how to carry out their duties but pre-clearance we will tell you that Exchange Control will be granted within two or three days subject to certain conditions. That is all. That is the pre-clearance that we are talking about but we are not bringing down any exemption for pre-clearance for the income tax powers under no Bill.

Dr. R. C. HAYNES: Mr. Chairman, this is one of the problems you have that the Deputy Prime Minister is speaking with one voice and the Minister of Finance with another, so, therefore, this creates some difficulty for those of us who have to deal with this problem and that is why we seek, on the floor of this House, some kind of explanation.

Now, I understand what the Law says, but I also know very well the Hon. Minister of Finance and you will suddenly discover that you are out of the country for three or four weeks and the amendment would be passed in this House and you would not even know until you get back so that I know very well what is going to happen and I am very concerned. I am very concerned. You can laugh as much as you like but when the Prime Minister and Minister of Finance speaks on matters of this kind and he makes a statement to the effect that he intends to remove even our liberal exchange control requirements and designate international business companies as non-resident for exchange control purposes and intends to remove even what you have now and you know what you have now are very minimal and will be further minimized if you can shoot the profits through an off-shore banking system here in Barbados.

But I can tell you one way now how to get around all of this. If I wanted to make use of the International Business Companies Act lawfully, I could tell you how to do it right now with this present legislation, without

being in breach of the Law and I am no lawyer but I know exactly how to do it, as a Barbadian.

Hon. H. B. St. JOHN: Mr. Speaker, Sir, I cannot let the hon. member the position is that the Exchange Control Act sets out very clearly powers of the Minister of Finance. Previous Ministers of Finance exempted by order certain categories of non-resident Barbadians from the exchange control. That is, Barbadians who were born abroad and who bought property here. You remember that an Order came down.

Now, if the Minister of Finance in his capacity as the Exchange Control authority says that he intends to issue an Order in relation to designated international business, the Law is on the Statute Books which empowers that and you would have to bring in a Statutory Instrument. You would have to bring a Statutory Instrument before us here.

As far as I am concerned, the Law of Exchange Control empowers the Ministry of Finance to do that. But I know that the Minister of Finance cannot do it in his whim and fancy as you are trying to suggest. You have to bring in an Order and you have to categorise it very clearly. It must be done by subsidiary legislation and you have to state what categories of international business companies you are doing it for. There may be instances of service companies, computer companies, the ones that we are beginning to attract here are computer companies — companies who are doing the soft wear. The hon. member for St. Michael West would understand this. Companies who are doing the soft wear.

They want to be able to take advantage of Teletex. the modern development where you can hook up computers with a telephone line and you get new jobs. If you get a new contract and you want to implement the contract, you do not want to lose the contract if you have to go and get permission from the Exchange Control to do business with that particular category, all of those things. There are a lot of infinite varieties of situations that arise so when it says "designated companies," it means what it says, "designated companies". It is a particular category or class of companies.

Mr. B. M. TAITT: Mr. Chairman, one of the things which we are unsure about on this Side of the House and this is what is creating the problem. When the Hon. Deputy Prime Minister speaks and gives his word on a particular matter, we have come, generally speaking, to accept it but the fact is that when the Minister of Finance makes certain statements, we cannot take those statements and therefore it is part of what I complained about in the main speech.

The Minister of Finance was talking to a bunch of people who are involved in the business of bringing tax

haven seekers to places like Barbados and he made a commitment just as he must have made a commitment in relation to a number of other things but he stated categorically and he even went so far as to say that he wants to make Barbados a place for exiles. Now, he said that, so therefore when my colleague raises this question it is a fundamental question to do with what the Minister said and the hon. member correctly says that the Minister already has this power. Under the Exchange Control Act he already has this power so when he has this power we go and hear him now saying that he is going to do something which is obviously contrary to the advice of the Ministry of Trade. He has stated he is going to do it. (ASIDES).

The Attorney General is saying behind there *sotto voce* that it is not true. We just heard the hon. member saying that as Minister of Trade — look, one of the problems I do not have is understanding what I am thinking. The hon. member who is sitting down now just made it clear that his position on certain matters is diametrically opposed.

Mr. CHAIRMAN: Please, please.

Mr. B. M. TAITT: Substantially different. His position is that if they want to be exempted, they will get exempted at the end of the year when the Income Tax Commissioner is certain that they have done what they were supposed to do under the terms that they were given.

7.05 p.m.

In fact what the Rt. Hon. Prime Minister said is that he is getting ready to exempt in advance. Why does the hon. Ex-Attorney General not sit down at the other end and stop confusing the issue? He is diametrically opposed to giving any Nettia, Kia, Sam-Pucchi and the duppy any kind of exemption in advance and I agree with him. The Hon. Minister responsible for Trade understands these matters because he has been dealing with those types for a very long time, on the Other Side. That is why, now as an Hon. Minister he is able to counteract them because he understands their *modus operandi*. The Rt. Hon. Prime Minister like some babe in the woods, who does not understand either the legal ramifications or the financial implications is constantly making commitments on the floor of this Hon. House. Before the session ends, we will tell you about a number of commitments which he has made.

The present Hon. Deputy Prime Minister has on a number of occasions had to refute and deal with commitments which his Rt. Hon. Prime Minister has made which are contrary to the stated policy of the Government. (ASIDE: Temple yard.) Nobody here is printing the money. I am not dealing with that. — Mr. Chairman so

that what I am saying would not be taken as merely politicising an issue, the Hon. Minister responsible for Trade has a position, on casino gambling which is clear in relation to(ASIDE: Stop fishing, man. Temple Yard. Rasta huts now.)

Mr. CHAIRMAN: All I want to say is that this Debate in Committee seems to me to be a debate for the Second Reading.

Mr. TAITT: No, Sir, I am going to finish now.

Mr. CHAIRMAN: Yes, Sir.

Mr. B. M. TAITT: The Hon. Minister responsible for Trade, ought to be responsible for Finance. We would feel a lot better if that was the case. He understands what I am talking about. His position on certain types of finance in relation to the tourist industry is clear and, it is obvious that the Rt. Hon. Minister responsible for Finance made other commitments which led to embarrassment regarding the total position of the Government.

I will say no more, at this time.

Mr. CHAIRMAN: This is all for Second Reading.

Hon. H. B. St. JOHN: I must correct one point. Sir. I insisted that, in respect of eligibility for income tax and the rate of tax that the Ministry of Trade and.....from all I have read, in all of the files, the Ministry of Finance in Barbados had insisted that Barbados cannot give bi-legislative sanction. Any commitment, similar to what is given in the Cayman Islands and the Bahamas, namely, a preclearance because that is nothing to do with exchange control. Exchange control is different from income tax — in respect of exchange control. That is a different matter because if you look at the scheme of legislation of the International Business Companies Act, you will see that the Income Tax Act applies to all of the other provisions of taxation of international business companies. (Aside).

Now, with respect to the question of the Rt. Hon. Prime Minister's words. The Rt. Hon. Prime Minister does not have to worry about who accepts his words. The electorate accepts them. That is the point that you have to worry about. The electorate accept. So, do not worry about that. That is your problem. You have five years to convince them on that.

Mr. CHAIRMAN: The question is that Clause 2 stand.....

Dr. R. C. HAYNES: Mr. Chairman, financial matters coming before this Hon. Chamber will be seriously scrutinised.

Mr. CHAIRMAN: Very much so. But, the hon. member must understand.....

Dr. R. C. HAYNES: In relation to this.....

Mr. CHAIRMAN: I am speaking.

Dr. R. C. HAYNES: Sorry, Sir.

Mr. CHAIRMAN: The debate so far, in this Clause has been a debate which is for Second Reading, certainly, not in Committee.

Dr. R. C. HAYNES: No, no.

Mr. CHAIRMAN: And I do not intend to prolong this Debate along those lines any longer.

Dr. R. C. HAYNES: Those two specific matters, in relation to Clause 2, would be that in the absence of the application of capital gains, either to the offshore companies activities or to other citizens of Barbados.....

Mr. CHAIRMAN: Sub-section.....

Dr. R. C. HAYNES: Sub-section 3(a). Whether or not the disguised capital gain, in relation to enhanced property taxes, enhanced Stamp Duties on transfer of properties the pre-payment, almost the pre-payment of Death Duties whilst you are still alive, whether they would apply to the offshore activity?

Hon. H. B. St. JOHN: What is the hon. member talking about? The hon. member for St. Philip North said in here that he examined property valuations. Some were too low, some were inadequate and some were too high. So, what disguised Capital Gains Tax is the hon. member talking about under the guise of Property Taxes? (Dr. R. C. HAYNES: Transfer Taxes.)

Property Transfer Taxes have been increased by the Budget in this country and we have established a differential between purchasers who are non-resident in Barbados, non citizens of Barbados and non-Barbadians who were not born in Barbados, and we have introduced — that is a very good Capital Gains Tax, whether you like it or not because it is on the growth and it is on the purchase price. And, in relation to the International Business Companies Act, if they buy property in Barbados, they are subject to — you see Mr. Chairman I really think the hon. member had better hire me to give him lectures on these laws because an international business company in respect of the ownership in Barbados has to apply for exchange control like anybody else.

What is he talking about? The whole essence of an international business company is that its business must be outside of Barbados. You only allow them to buy

property, in Barbados, as a headquarters to facilitate, the use of property. They can get a lease. But, once they start doing business, in Barbados—(Aside).

Do not mind that. That has caused a lot of people to get a lot of foolish lawyers around town to get themselves in trouble. You do that. Let them go and encourage their clients to walk about buying land in Barbados and let them know that once they do that, the Income Tax Commissioner is going to hook them, hook, line and sinker and at the end of the year, they say, "Sorry, you have not been exclusively carrying on business outside of Barbados." You can let them go ahead and do that. You can try to take advantage of that wording and do that and see what will happen to you. You catch at the shadow and you get hooked in the substance. So, let them come around you, start buying property and sell it and see what will happen to you.

Mr. CHAIRMAN: The question is that Clause.....

Mr. B. M. TAITT: On a point of order Sir.

Mr. CHAIRMAN: The Hon. Minister has wound up and I do not see where he has raised any new matters in this Clause which would require further debate. That is my ruling.

The question that Clause 2 stand part was put and resolved in the affirmative without division.

On the motion of Hon. H. B. St. JOHN, seconded by Hon. L. S. CRAIG, Mr. CHAIRMAN reported the passing of one Bill in Committee and Mr. SPEAKER resumed the Chair and reported accordingly.
7.15 p.m.

On the separate motions of Hon. H. B. St. JOHN, seconded by Hon. L. S. CRAIG, the Bill was read a third time and passed.

SUSPENSION OF SITTING

Hon. L. S. CRAIG: Mr. Speaker, I beg to move that this sitting be suspended until 8 o'clock this evening.

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

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

On Resumption:—

Mr. SPEAKER: This sitting is resumed.

THE EXPORT PROMOTION CORPORATION (AMENDMENT) ACT, 1981

Hon. H. B. St. JOHN: This is a short Bill, Sir, and the object is to insert the word "Barbados" in the name of the Export Promotion Corporation. As far as the internal law of Barbados is concerned it could well be known as the Barbados Export Promotion Corporation, but as far as overseas agencies are concerned, in order for documents to be authenticated you have to send along a copy of the incorporating Statute. It was discovered that when we sent along a copy of the incorporating Statute together with the official stamp, "Barbados" was on the stamp but not in the title of the Act. It was drawn to our attention and we seek to regularise this, Sir.

In respect of Clause 5, Sir, we want to expand the number of members of the Corporation. It is absolutely necessary to have the Comptroller of Customs on the Corporation. The principle of certification, the rules relating to certification of goods vary from scheme to scheme. Under the CARICOM scheme the Export Promotion Corporation is recognised. In relation to the Lome Convention the Comptroller of Customs has to sign Certificates of Origin in Barbados. In respect of export to the Middle Eastern country of Saudi Arabia where we have opened a small market for children's clothing in particular, their rules are that certificates have to be signed by the Chamber of Commerce but counter-signed by a Government agency, and the Government agencies that they recognise are the same for the European Common Market. Thus we would like the Comptroller of Customs to be a member of the Board so that it will be known that he is a member of the Authority. That is the object of increasing the number to include the Comptroller of Customs.

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

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

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

On the motion of Hon. H. B. St. JOHN, seconded by Hon. L. S. CRAIG, Mr. SPEAKER left the Chair and the House went into Committee on the Bill, Mr. ODLE in the Chair.

Clauses 1 to 5 inclusive were called and passed.

On the motion of Hon. H. B. St. JOHN, seconded by Hon. L. S. CRAIG, Mr. CHAIRMAN reported the passing of one Bill in Committee, and Mr. SPEAKER resumed the Chair and reported accordingly.
8.10 p.m.

On separate motions of Hon. H. B. St. JOHN, seconded by Hon. L. S. CRAIG, the Bill was read a third time and passed.

THE NATIONAL INSURANCE AND SOCIAL SECURITY (AMENDMENT) ACT, 1981

Mr. SPEAKER: The next Order is a Bill to amend the National Insurance and Social Security Act.

Hon. V. L. JOHNSON: Mr. Speaker, in pursuance of an objective articulated by the present Government of Barbados it is necessary to make certain amendments to the National Insurance and Social Security legislation. During the last election, and forming part of the manifesto of the Barbados Labour Party, there was a promise that this Government would give urgent attention to improving the lot of certain classes of people in Barbados including the aged and those persons who are ordinarily employed but who for some reasons beyond their control happen to lose their jobs. We the Government of Barbados feel that the social security amendments that we are proposing to do are essential particularly for a country that prides itself in being a forward-looking socialist type of society.

The old age pensioners in Barbados for a long time have been living on a pittance and it took the Barbados Labour Party to come into power and make some substantial changes in the lot of those persons, and we have decided therefore that as one of our immediate commitments we seek to make it possible now that all of the aged in Barbados will from early January begin to receive their old age pensions by cheque. The payment-by-cheque scheme was started experimentally in St. Michael. It has proved to be an improvement over the old system, and therefore we are proposing that with effect from January 4, that this new system will be extended to include all the old age pensioners in Barbados. This amendment therefore is necessary in order to give the authority to the National Insurance Department to pay out pensions on behalf of Government.

Now, Sir, you will recall that in the old programme the Ministry of Welfare was responsible for handling old age pensions, but that responsibility has now been given to the Ministry of Labour and the responsibility is carried out under the aegis of the National Insurance Board. The National Insurance Board therefore will be making advanced payments on behalf of the Government and these payments will be refunded during the new financial year until eventually a new regime for the payment of old age pensions is introduced.

I therefore beg to move that this Bill to amend the National Insurance and Social Security Act be now read a second time.

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

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

On motion of Hon. V. L. JOHNSON, seconded by Hon. H. B. St. JOHN, Mr. SPEAKER left the Chair and the House went into Committee on the Bill, Mr. ODLE in the Chair.

Clauses 1 and 2 were called and passed.

Clause 3 was called.

Hon. V. L. JOHNSON: Mr. Chairman, I beg to move that Clause 3 stand part.

Hon. DeL. BRADSHAW: I beg to second that.

Mr. W. O. FRANKLIN: Mr. Chairman, just as a matter of information, to enquire of the appropriate Minister, is it a fact that from income year 1982 invalidity benefits, contributory as well as non-contributory are to be treated as taxable income?

Hon. V. L. JOHNSON: Mr. Chairman, the hon. member is asking for information that I think would form part of the Budgetary proposals for 1982 - 83. As far as I know, the information I can give him is that the proposal is that when the means test is abolished, all income from a non-contributory source will be taxable. That is about all I can tell you.

Mr. B. M. TAITT: Mr. Chairman, in the light of the problems we have with the laws in this House at the moment, I wonder whether the Minister would indicate what Section 21A says. We see here that Government may put money into the Fund for the purposes of Section 21A and we have had a little difficulty locating Section 21 A. Any one of the Ministers on the front bench capable of giving this answer ought to do it before we proceed so that we know exactly what the money is for.

8.20 p.m.

Hon. V. L. JOHNSON: Mr. Chairman, Sir, the Amendment is at 21A. We are now substituting a Clause saying 21A which will come up at Section 5.

Mr. B. M. TAITT: Mr. Chairman, I do not wish unnecessarily to.....I am not seeking to embarrass the Minister. What I am trying to find out is what is 21A.

Hon. V. L. JOHNSON: Section 21A is Section 5.

Mr. CHAIRMAN: Two hon. members are on their feet.

Hon. V. L. JOHNSON: Section 21A is at Clause 5. The amendment under Clause 4 is to change a full-stop into an "and" in order to give continuity to the paragraph and then as a second amendment to include 21A which was not part of the substantial Chapter 27.

The question that Clause 3 stand part was put and resolved in the affirmative without division.

Clause 4 was called and passed.

Mr. B. M. TAITT: Mr. Chairman, on a point of order. I wish to ask, Sir, we were on Clause 3, Sir. I am on a point of order.

Mr. CHAIRMAN: Are you asking to have Clause 3 re-committed?

Mr. B. M. TAITT: No, Sir, I think if I put the question to you you could then determine if it is necessary. What the hon. member was referring to was Clause 4 when he said it was a fullstop. Clause 3 says "payments to the Fund by Government". The Government may pay money into the Fund for the purposes of Section 21A.

Section 21A is now going to be the new 21A which turns up later. I just wish to be certain because there is no 21A in the old law. I just want to be certain that 21A referred to is in fact the 21A which is coming up on 5. That is all I really wish to find out. Thank you.

The question that Clause 4 stand part was put and resolved in the affirmative without division.

Clauses 5 and 6 were called and passed.

Clause 7 was called.

Hon. V. L. JOHNSON: Mr. Chairman, I beg to move that Clause 7 stand part.

Hon. DeL. BRADSHAW: I beg to second that.

Mr. B. M. TAITT: Mr. Chairman, now Clause 7 is a very serious Clause because it is asking us to assume that these things happened and came into operation on July 6, 1981. I would like the Minister to explain what is the reason for this, what is its purpose; what is happening because I do not just wish to pass the legislation ignorant to discover that something has happened which we ought to be cognisant of.

Will the Minister explain what requires these amendments to be retroactive to July 6. We just need an explanation.

Hon. V. L. JOHNSON: Mr. Chairman, the Unemployment Benefit Scheme started on July 6 of this year and we started taking contributions on that date. It was a Budgetary Proposal and we are now giving substance to it by this introduction.

Mr. CHAIRMAN: The question is that Clause 7....

Mr. B. M. TAITT: Not yet, Sir. In the light of the explanation given now, Sir, I wish to know if it is intended, and I happen to know, that the so-called Levy for the Transport is intended to be taken care of with this bit of legislation. I just want to be assured. You see, it says that Government may pay funds into the fund for this purpose here.

Mr. CHAIRMAN: Order, please. Before the Hon. Minister speaks, does any hon. member wish to make a contribution to this? Does the Hon. Minister.....?

The question that Clause 7 stand part was put and resolved in the affirmative without division.

On motion of Hon. V. L. JOHNSON, seconded by Hon. DeL. BRADSHAW, Mr. CHAIRMAN reported the passing of one Bill in Committee and Mr. SPEAKER resumed the Chair and reported accordingly.

On separate motions of Hon. H. B. St. JOHN, seconded by Hon. DeL. BRADSHAW, the Bill was read a third time and passed.
8.30 p.m.

Mr. SPEAKER: Item No. 4.

STAMP DUTY (AMENDMENT) ACT, 1981

Item No. 4 was called – To move the Second Reading of a Bill to amend the Stamp Duty Act.

Hon. H. B. St. JOHN: Mr. Speaker Sir, consequent on the passage of the previous Bill and in pursuance of Government's objective in the promotion of exports – the Central Bank has established a scheme – we wish to exempt from Stamp Duty cheques which are payable to old age pensioners by the National Insurance Office, on orders of transmission of money through the Post Office. We also wish to exempt other pensions and other types of insurance created for the purpose of loan guarantee under the Central Bank of Barbados Loan Guarantee Scheme.

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

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

On the motion of Hon. H. B. St. JOHN seconded by Hon. L. S. CRAIG Mr. SPEAKER left the Chair and the House went into Committee on the Bill Mr. ODLE in the Chair.

Mr. CHAIRMAN: The House is in Committee.

Clauses 1 to 3 inclusive were called and passed.

On the motion of Hon. H. B. St. JOHN seconded by Hon. L. R. TULL Mr. CHAIRMAN reported the passing of one Bill in Committee and Mr. SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Hon. H. B. St. JOHN seconded by Hon. L. S. CRAIG the Bill was read a third time and passed.

Mr. SPEAKER: Order No. 6.

Order No. 6 was called – To move the passing of a Resolution to approve the Sugar Industry Rehabilitation Price Stabilisation and Labour Welfare Order 1981.

Hon. Dr. R. L. CHELTENHAM: Mr. Speaker, Sir the Sugar Industry Rehabilitation Price Stabilisation and Labour Welfare Act, found at Cap. 270 of the Laws of Barbados provides as follows:— firstly, for the raising of a levy on all sugar and fancy molasses manufactured in Barbados each year; secondly, for the payment of the levy to the Sugar Production and Export Control Board and, thirdly, Sir, for the allocation of the levy to the Sugar Industry Capital Rehabilitation Reserve Board, the Sugar Industry Price Stabilisation Reserve Board and the Crown.

Pursuant to this Act, Sir, it has become necessary from year to year to fix the levies in respect of the total production of sugar and fancy molasses. According to the records of the Sugar Production and Export Control Board, Sir, the total amount of sugar produced in the 1981 crop year was as follows:— 94,065.186 tons broken down as follows:— sugar: 85,488.851 tons and fancy molasses 8,576.335 tons or 9,266.008 litres.

It is proposed, Sir, that the levy to be raised on all sugar manufactured in Barbados during 1981 should be at a rate of \$29.87 per ton of sugar and one cent per 1,097.65 litres of fancy molasses. It is further proposed Sir that the allocation should be as follows:—

To the Sugar Industry Capital Rehabilitation Reserve Board, one cent per ton, in respect of sugar and one cent per 1,097.65 litres in respect of fancy molasses.

To the Sugar Industry Price Stabilisation Reserve Fund \$11.01 per ton, in respect of sugar and \$11.01 per 1,097.65 litres in respect of fancy molasses.

It is further proposed Sir that they be paid into the Labour Welfare Fund \$18.75 in respect of Sugar and \$18.85 per 1,097.65 litres in respect of fancy molasses.....

Mr. SPEAKER: One thousand and ninety-seven.

Hon. Dr. R. L. CHELTENHAM: and ninety-seven cents, in respect of fancy molasses I should mention Sir that the total revenue collected under the funds will be as follows Sir:—

Under the Sugar Industry Capital Rehabilitation Reserve Fund: 939.31 cents.

Under the Sugar Industry Price Stabilisation Reserve Fund: \$1,034,176.03.

Under the Labour Welfare Fund: \$939.31;

And, under the Sugar Workers Provident Fund: \$1,769,652.71, making for a grand total Sir of: \$2,805,707.36.

It just remains for me to say Sir, that it was hoped that by now, we would have had the legislation in Parliament dealing with the reform of the sugar levies to which the Government is committed. That legislation is not yet ready for Parliament. Discussions are continuing with all the interested parties because it is a matter on which Government hopes to get as broad a measure of consensus as possible. So Sir, we can confidently look forward to the introduction of that legislation in the new year.

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

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

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

Hon. H. B. St. JOHN: Mr. Speaker, this is one of the matters that with the consent of the Other Side and Your Honour, we propose to do tonight, a small supplementary to supplement Part 1 — Current, Head 11.

COMMITTEE OF SUPPLY

On the motion of Hon. H. B. St. JOHN, seconded by Hon. L. S. CRAIG, Mr. SPEAKER left the Chair and the House went into Committee of Supply, Mr. ODLE in the Chair.

SUPPLEMENTARY ESTIMATES 1981 – 82, No. 11

Hon. H. B. St. JOHN: Sir, this supplementary speaks for itself. The amount is for utilities and for overseas and local publications for the remainder of the financial year. Both of these have been subject to price fluctuations which occurred after the time of the preparation of the Estimates, which is usually in October, and the vote will be inadequate to cover it for the whole financial year.

I beg to move, Sir, that Head 11 stand part.

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

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

On the motion of Hon. H. B. St. JOHN, seconded by Hon. L. S. CRAIG, Mr. CHAIRMAN reported the passing of one Resolution in Committee of Supply, and Mr. SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Hon. H. B. St. JOHN, seconded by Hon. L. S. CRAIG, the Resolution was read a first and second time and agreed to.

ADJOURNMENT

Hon. L. S. CRAIG: Mr. Speaker, this brings us to the end of Government Business for this evening, and as is customary at this time of the year on behalf of the Government I extend to you, Mr. Speaker and your family, the staff of Parliament and their families, members of the Opposition and all those persons who have made Parliament worthwhile and helped it to function well during the past months, Sir, I can only sincerely hope that in the New Year we can do as well as we have done.

I think I have enjoyed working for these few months in the very cordial relationships which have existed between the Opposition and the Government, although at times we gave no ground and asked for none. This is the way I feel it should be, and there has been a very good communication link between myself as Leader of the House and members of the Opposition. I believe that this spirit should exist throughout the coming year, and I believe it is going to exist.

I can only wish, Sir, that everything goes well with each and every one of us and the nation as a whole.

With those few remarks, Mr. Speaker, I would like to extend to you once again and to your family, members of the staff, the Press, members of the Opposition and my colleagues a very very blessed Christmas and a very happy New Year.

I beg to move, Sir, that this House do now stand adjourned until Tuesday, January 12 1982 at 12.00 noon.

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

Mr. B. M. TAITT: Mr. Speaker, on behalf of the members of the Opposition, we should like to reciprocate the good wishes indicated by the Leader of the House. First, we would like to wish Your Honour all the things Your Honour would wish for yourself not only during the holiday season but during the coming year.

I share the view expressed by the Leader of the House that relationships have been cordial within the context of the democratic system. I think the Leader of the House would admit that this Opposition has kept the Government not only on its toes but on some occasions had it reaching even beyond that, but we think that that is the spirit in which the system is designed and we are always willing and eager to contribute to the development of Barbados if for no other reason than through the democratic process in this Hon. House.

We would like particularly to pay special tribute to the members of the staff of Parliament. They have been indefatigable in their approach to their duties. We have noticed an improvement, if one can talk in terms of improvement, in the presentation of parliamentary matters in writing, and I think that we in the Opposition would wish the staff of Parliament to be aware of our feelings.
8.50 p.m.

We too wish to extend greetings to the members of the Press who have helped to make the parliamentary session worthwhile and to all the members on the Other Side. We on This Side share the hope that next year it will be good not only for us but better for Barbados than the year which has just passed.

Mr. Speaker, once again I wish to endorse the remarks made by the hon. member and hope that every one will accept the peace of Christmas and that it will extend into the coming year. May the people of Barbados be able at this time next year to say that 1982 was a good year.

Mr. SPEAKER: Hon. members, I take this opportunity to extend the season's greetings to each and every one of you, your families and the members of the staff. There is one thing that turns over in my mind at this present time and it is the love that came down at Christmas, I would like to know that we return to this Hon. House in 1982 sharing some of that love. I am prepared to witness, if life be spared to us all in which we look forward to health and strength, that there is keener struggle amongst us but yet in love, and that our fight be intensified with one purpose in view, bettering the lot of

the people who elected us to office; that we set aside strife and see that we put our business first at all times, remembering that if we create bad impressions in this Hon. Chamber, those who are watching us tend to mimic what we do here. Whatever we do in future, let us remember at all times that we share love one for the other in our every action for the good of ourselves and the good of the people whom we represent.

I wish each and every one of you one of the happiest Christmases and the most pleasant of new years

that you may ever experience. We enter upon our Christmas Season with our belts drawn. It is for the good. We have got to learn to experience something at some time. Whatever it is, however much it might be for some of us, let us share it with the love that there is within our hearts one with the other and make the people of Barbados happy to the end.

The question that this House do now adjourn until Tuesday, 12th January, 1982, at 12 o'clock noon, was put and resolved in the affirmative without division. 8.58 p.m.