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# THE

# House of Assembly Debates

## (OFFICIAL REPORT)

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SECOND SESSION 1976 – 81

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### HOUSE OF ASSEMBLY

*Tuesday, 10th February, 1981.*

Pursuant to the adjournment, the House of Assembly met at 12.25 p.m. o'clock.

#### PRESENT

His Honour W. C. B. HINDS, J.P., (Speaker); Mr. R. St.C. WEEKES, C.B.E., J.P.; Hon. C. L. BOLDEN, LL.B., (Minister of Communications and Works); Mr. L. E. SANDIFORD, M.A. (Econ.); Hon. Miss B. A. MILLER, (Minister of Health and National Insurance); Hon. L. B. BRATHWAITE, (Minister of Agriculture, Food and Consumer Affairs); Mr. J. G. ODLE, B.Sc., (Chairman of Committees); Mr. M. C. C. WARD; Hon. H. B. St. JOHN, Q.C., LL.B., (Deputy Prime Minister, Minister of Trade, Tourism and Industry) (Leader of the House); Mr. V. L. JOHNSON, M.A.; Mr. DeL. O. BRADSHAW; and Mr. L. L. SISNETT.

Prayers were read by Archdeacon F. A. CAYLESS.

*Dr. HAYNES, Hon. H. deB. FORDE and Rt. Hon. J. M. G. M. ADAMS entered the Chamber and took their seats.*

#### MINUTES

Mr. SPEAKER: The Minutes of the Meeting of Tuesday, 3rd February, 1981.

Hon. H. B. St. JOHN: Mr. Speaker, Sir, these Minutes have been circulated and subject to any observations, by any Honourable Member, I beg to move, that they be now confirmed.

Hon. H. deB. FORDE: I beg to second that.

Mr. SPEAKER: If there are no observations, by any Honourable Member, let these Minutes stand confirmed. *(Pause)* These Minutes are confirmed.

### PAPERS LAID

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, Sir, I am commanded to lay the:

Statement showing Net Customs and Excise Receipts for eight months ended 30th November, 1980.

I am also commanded to lay a similar:

Statement showing Net Customs and Excise Receipts for nine months ended 31st December, 1980.

I am also commanded to lay the:

Report on the audit of the Accounts of the Auditor General's Department for the Financial Year ended 31st March, 1980.

### GOVERNMENT NOTICES

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, Sir, I beg to give notice of a:

Resolution to grant the sum of \$107,414 from the Consolidated Fund and to place it at the disposal of the Government to supplement the Estimates 1980–81, Part I – Current, as shown in the Supplementary Estimates 1980–81, No. 38, which form the Schedule to the Resolution.

Hon. H. B. St. JOHN: I beg to give notice, Mr. Speaker of a:

Resolution to grant the sum of \$1,278,977 from the Consolidated Fund and to place it at the disposal of the Government to supplement the Estimates 1980–81, Part II – Capital as shown in the Supplementary Estimates 1980–81, No. 39 which form the Schedule to this Resolution.

On behalf of the Honourable Minister of Housing, Lands and the Environment, I beg to give notice of a:

Resolution to approve the compulsory acquisition of land at Beachmont, Bathsheba, St. Joseph, for the establishment of a Community Centre.

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, Sir, I beg to give notice of:

A Bill to amend the Unclaimed and Undistributed Moneys Act.

I also beg to give notice of:

A Bill to amend the Development (Canadian Loan) (Water Development) Act.

Hon. H. deB. FORDE: Mr. Speaker, Sir, I beg to give notice of the following Bills:

A Bill to provide for change of name;

A Bill to provide for appeals in criminal cases to the Court of Appeal and to Her Majesty in Council; and

A Bill to provide for the establishment of an Administrative Appeal Tribunal for Barbados and for related matters.

#### FIRST READING OF BILLS

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, Sir, I beg to move, that a Bill to amend the Unclaimed and Undistributed Moneys Act be now read a First time.

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

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

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, Sir, I beg to move, that a Bill to amend the Development (Canadian Loan) (Water Development) Act be now read a first time.

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

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

Hon. H. deB. FORDE: Mr. Speaker, Sir, I beg to move that a Bill to provide for change of name be now read a first time.

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

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

Hon. H. deB. FORDE: Mr. Speaker, Sir, I beg to move that a Bill to provide for appeals in criminal cases to the Court of Appeal and to Her Majesty in Council be now read a first time.

I wish to say, that it is a companion bill to the Supreme Court of Judicature Bill, which will shortly be introduced, into this Honourable House, and therefore opportunity will be provided for a few weeks, for any representations to be made in relation to any changes, from either side of the House, or from the Bar although we have had full consultations with the Bar and judges so far on this Bill.

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

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

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

Hon. H. deB. FORDE: Mr. Speaker, Sir, I beg to move that a Bill to provide for the establishment of an Administrative Appeal Tribunal for Barbados and for related matters be now read a first time.

I wish to say again, that this Bill is being discussed with the Bar and with the judges, but I will allow it to remain on the House's table for some time, in the hope, that if there are other representations on the provisions of the Bill, we would be willing to consider those representations.

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

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

#### GOVERNMENT BUSINESS

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

Hon. H. B. St. JOHN: Mr. Speaker, I beg to move that Item No. 2 be the first Order of Government Business for today.

RESOLUTION TO APPROVE THE GUARANTEE BY THE GOVERNMENT OF A LOAN EQUIVALENT TO U.S. \$6,000,000 TO BE BORROWED BY BARBADOS LIGHT AND POWER COMPANY LTD. FROM THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, Sir, I think it must be very well known that as Barbados'

economic development goes forward the need for really substantial increases in the electricity generating capacity of the country has very greatly increased. This matter has been canvassed before in the House and I do not therefore propose to analyse and justify every aspect of the Government's policy towards the Barbados Light and Power Company and the Government's recognition of the need for expansion.

But to summarise, Sir, very briefly what has been said before and what has formed the basis of the Government's approach to the matter, where something like 270 million kilowatt hours of electricity were sold in Barbados in 1979, it is expected that by 1985, 423 million will be sold, an annual average growth rate of 7½%.

To make allowance for such an enormous increase in the demand for electricity, a plan has been drawn in which there has been substantial Government input in collaboration with the World Bank and the Barbados Light and Power Company. This plan will involve the spending between 1981 and 1985 of \$243 million for new generating equipment, for new distribution and transmission equipment and for general improvement of the electricity service.

We are at the moment, Sir, in Barbados very close to the limit of our electricity generating capacity. The daily peak load in 1980 was something like 55 megawatts, and I am told that firm capacity as electrical engineers understand it, was also only 56 megawatts. There is little doubt that the very fine electric service which we have enjoyed for so long would become seriously compromised even with normal growth in demand unless steps were taken to increase the generating capacity, but the growth in demand is not normal, Sir, we can expect due to the expansion of industrial activity in Barbados for sales to what is called large power — these are big industrial plants — to increase by something like 42% between now and 1985. Secondary power, also of an industrial and tourist nature, is expected to increase by 25%.

This \$243 million expansion package is therefore vitally necessary. It has been under negotiation for a long time, Mr. Speaker. I first personally raised the matter with officials of the World Bank as long ago as 1977. The form which the expansion should take and the financing of the plan which could be used to finance the expansion has been under discussion for most of that time. The final form, Sir, which has been agreed with the World Bank and the company, is that \$12 million of the \$243 million be used directly for distribution will be financed by the World Bank and will be the subject of the Guarantee which finds itself before the House today. A further \$12 million for the construction of a 69 kilovolt transmission system will be financed by the Caribbean Development Bank, \$23½ million for general distribution, transformers, poles, transportation and the like, will be financed by the

Commonwealth Development Corporation, an amount of \$14.275 million for the building of new electric sub-stations will be financed by the European Investment Bank, \$53 million which represents 85% of the cost of new low speed diesel generating plants will be financed through buyers' credits, principally through the Svenska Handels Bank, and the remainder of the money amounting to \$87.4 million will be generated by the company itself — \$72 million from local cash generation, \$10 million of new capital, the issue of new shares, Sir, and \$5 million from a special loan in the short term to make down payments and start initial construction work.

\$243 million, Sir, is a great deal of money, and the Government is very pleased that we have been able to concur in a financing package that involves so little investment by the Government itself, and perhaps even more import, so little in the way of direct guarantees by the Government which, although they may never be called, yet add to the contingent liabilities of Government and therefore affect the international credit of the country. This matter is one of some significance in relation to some financing, because it explains the reason why particular equipment packages have been chosen rather than others.

There is very little to be said about the particular guarantee now sought. The Resolution sets out all of the details. It is \$6 million U.S. in 24 consecutive half yearly instalments with interest at 9.25% to be paid to the World Bank. I have already said, Sir, that the equipment, materials and services which are recited in the Resolution represent equipment to be used for distribution.

12.35 p.m.

Other Resolutions may come before the House from time to time relating to this matter, but fortunately, Sir, we will not be having to deal with the really substantial amount which represents the cost of the low speed diesel plant. Now I dwell on this, Sir, because the Electric Company has gone through controversial times recently relating to its rates, choice of equipment and other matters relating to Government's participation in the company and so on, and the latest controversy which has been drawn to our attention arises out of the efforts of a diplomatic lobbyist who has suggested that the choice of equipment made by the company may not be the best.

Now I do not want to be too technical, Sir, but it will perhaps be of some assistance to hon. members if some of their fears can be allayed at as early a stage as possible. As I understand it, the use of diesel equipment for generating electricity is tending to be phased out in large countries. Diesel-powered generators tend to be used in islands, small islands particularly; they tend to be used in small districts where the demand for electricity is not great compared to the standards of major cities

which use steampowered plants, hydro-electric plants or nuclear plants. The technology of diesel electric generators has been developing over the years and there is technical controversy over the best type of diesel plant to use, whether medium-speed diesels or low-speed diesels. The low-speed diesels approximate to the sort of diesel engines that are used in ships, marine engines. The medium speed engines were evolved more particularly for the generation of electricity. We have been in Barbados using the medium-speed diesels which are cheaper to buy initially, but the best technical advice which the Government and the power company have received is that experience in recent years with the medium-speed diesel generators indicates that in a world of steadily increasing oil prices it may be better to use a simpler form of engine which itself can use cheaper, heavier fuels which are likely in any case to be in better supply than the higher quality fuels in the future.

The diesel engines of a type more recently bought by the Barbados Light and Power Company have experienced severe maintenance problems in many parts of the world; they have shown difficulties in using the low-priced heavy residual fuels, difficulties have been experienced with these engines in Barbados, in Guyana, in Panama, in Costa Rica, in Guernsey in the Channel Islands, and we have particular difficulty, Sir, because we use Venezuelan fuels which unfortunately have a high concentration of contaminants that make it very difficult to run these lower-priced generating engines satisfactorily. The Company has therefore with the agreement of the Government decided to buy a more expensive but it is expected more trouble-free type of engine from Sweden. These engines were available elsewhere — this is where I come to the lobbyists; I believe the lobbyists have been assiduous in pressing their views upon the Leader of the Opposition and other members of the Opposition. Particularly we were offered engines which would be made in Britain under a Swiss patent, but to have bought these engines which were in any case not specific to the company which was offering them to us would have involved the Government in a guarantee not of the \$12 million that we come to the House today for, but a guarantee of over \$50 million because the Export Credit Guarantee Department of the United Kingdom insisted that it would not support the supply of the equipment without a specific guarantee of the Government of Barbados, and as far as I am concerned, that was that.

The Government of Barbados does not think it necessary with a Company which is clearly generating a sufficient cash flow to hold out hope for the future of its capacity to repay loans, even loans this size, that it would be necessary for the Government of Barbados to be asked for a specific guarantee even of these sums. The Government of course does not ask for cash premiums in return for the guarantee; we ask for shares in the

Company, so the guarantee on the face of it would cost the Government nothing in cash and would bring the Government the benefit as this guarantee before the House is bringing the Government such a benefit of equity in the company and returns on that equity. Nevertheless, Sir, our foreign debt although modest is increasing and we would not wish to place any shadow whatsoever upon our international credit by entering into unnecessary Government guarantees.

The last Government, our predecessors, entered into a guarantee of private individuals' operation of a shrimp fishery; the Barbados Development Bank was also persuaded by the last Government to enter into a guarantee for private developers of the abandonment of a sugar plantation and its replacement by some semi-specified development. The result of that first guarantee was to make it virtually impossible for the Government of Barbados to attain credit from commercial banks while the amount remained unpaid it had to be called, and the result of the second guarantee was to make it impossible for the Government of Barbados to obtain funds for the Barbados Development Bank through international agencies. Of such is the stuff of a casually given guarantee, and we had no intention, Mr. Speaker, of entering into the financial infelicities of the previous regime. For that reason, the Government supported the decision of the company to finance the acquisition of the low-speed diesel plant from Sweden backed by a commercial loan covering 85 per cent of the cost.

I know, Sir, that there may still be arguments in favour of buying medium-speed diesels for particular purposes. I mentioned the question of the expansion of the demand for electricity. Such projects as the Intel Factory which could not open if we did not undertake an expansion of electricity supplies in the island with the consequent threat of the thousand jobs that that factory is expected to provide, the Heywoods Tourist Development, the Glitter Bay Tourist Development, the Sewage Project, such things as the new Central Bank and the Post Office building, all of these will make their call upon electric services in the Island. The cement plant, indeed, Mr. Speaker, if that were also to be using electricity supplied centrally by the Barbados Light and Power Company, we probably would have to be asking for more than \$243 million in development funds over the five years, but the cement plant will in fact have its own generating system, and I believe they are considering using the medium-speed diesels as theirs may well be an operation that does not have the same demand for consistency as the Light and Power Company does.

12.45 p.m.

But all in all, Sir, the country is going forward. It is going forward fast. Economic progress involves the expansion of economic services.

I recommend this Guarantee to the House as an essential component in that expansion of economic services which is required for continuing economic development. Although small, this particular Guarantee is extremely important because the World Bank is so to speak the leading Financing Organisation in the whole package. Without the World Bank the other Commercial Banks and the other Institutions, the Caribbean Development Bank and the Commonwealth Development Corporation and European Investment Bank would not participate in this expansion scheme and the World Bank, certainly, Sir, demands the Government Guarantee and we are happy to give the Government's Guarantee in this matter.

Fears, Sir, have been expressed about the cost of Electricity. No Government could possibly give any pledge that the cost of electricity will not rise where so much of that cost depends on the price of petroleum. It would be quite impossible for us to give such a pledge and it was never thought to give such a pledge.

We did, however, give the pledge that after the last increase there would be no further increase, I think, for a period of two years and so far as I am informed, the tendency will still be for the cost to fall slightly during 1981 because of the economies which are being made in the use of fuel and shifting to a lower price fuel rather than continuing to use a highly priced one.

Mr. Speaker, Sir, I recommend this Resolution to the House as part of an absolutely essential package for the development of Barbados and I beg to move that this Resolution do now pass.

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

Dr. HAYNES: Mr. Speaker, the Rt. Hon. Prime Minister has put forward the case for the package deal involving the Government of Barbados, the World Bank and other Financial Institutions in respect of the expansion of the Barbados Light and Power Company to meet the needs of this community for electricity over the period 1980 – 1985.

We on this side, Mr. Speaker, have no doubt that our infrastructural development must continue *pari passu* with any super structural development that takes place in Barbados, otherwise inevitably you will run into all sorts of problems. However, Mr. Speaker, there are many elements of this package arrangement which are a source of very grave concern to members on this side and to the community at large.

In the first instance, Mr. Speaker, there must be an element of social justice in respect of any developmental process and I am putting it to this Honourable

House, Mr. Speaker, that the rates of electricity in Barbados have reached such a level that the vast majority of Barbadians are finding it extremely difficult to pay their Electricity bills despite very strenuous efforts at conservation.

I am also putting it to you, Mr. Speaker, that that has been a direct consequence of the position taken by the World Bank, by the Barbados Government and by the Barbados Light and Power Company that has landed this country in this situation. There has not been a single argument put forward to suggest that the demand for expansion in electricity arises from domestic consumers in Barbados. On the contrary, Mr. Speaker, there have been several statements not only from the Barbados Light and Power Company but from the Rt. Hon. Prime Minister himself that the demand does not arise from domestic consumers of electricity. Nonetheless, we find that in October last year when there was a clear indication that there would be an appeal against the Public Utilities decision taken a couple of months earlier which had already given to the Barbados Light and Power Company some \$1.5 million more than could be justified on the basis of the usual criteria in determining electricity rates in any given community that a definite and specific intervention was made....

Mr. SPEAKER: Please. I will just warn the hon. member to steer clear away from imputing any improper motives whatsoever on anyone who delivered any judgment or whatsoever in the cases which are now being referred to by the hon. member. I am just inviting the hon. member to steer clearly away.

Dr. HAYNES: Mr. Speaker, I can assure you that I have no intention of imputing any improper motives to anyone.

Mr. SPEAKER: But the honourable gentleman may do so without intention.

Dr. HAYNES: If I may be permitted to continue, Mr. Speaker.

Mr. SPEAKER: Do not tell the Chair if you be permitted to continue.

Dr. HAYNES: If I may continue, Mr. Speaker. The World Bank took the position that the rates of electricity in Barbados were too low to finance the expansion required by the Barbados Light and Power Company. Expression of that decision of the World Bank was given effect by none other than the Rt. Hon. Prime Minister of Barbados.

Some four months later the rates of electricity were further increased giving a surplus over a five year period of what I estimated would have been some \$35 million

but in fact it appears from the World Bank's position that it would be even greater than that and I understand that the Barbados Light and Power Company is now rather embarrassed by the increase in the cash flow generated since July or since those new rates came into effect.

The net result of this, Mr. Speaker, as far as the people of Barbados are concerned, they are having to pay higher electricity bills which they cannot afford. 12.55 p.m.

Secondly, the Rt. Hon. Prime Minister has stated that one reason for the last increases in water rates was the anticipated increases in electricity rates. He himself has made that statement, so they are paying more, in terms of electricity. They are paying more, Mr. Speaker, in terms of water rates and I quote the Rt. Hon. Prime Minister himself:

"They are paying more in the shops, which have already....."

Mr. SPEAKER: Please, please. We will soon hear from the hon. member, everything that he can ever dream up. Please stick to the Resolution and nothing more:

Dr. HAYNES: Mr. Speaker, this is the background to the position, that I am taking in respect of the Resolution.

Mr. SPEAKER: I have given the hon. member enough latitude. (ASIDES)

Dr. HAYNES: The net effect of all this, Mr. Speaker, is that the large body of consumers in Barbados will not be the beneficiaries of this arrangement with the World Bank and the other investment bodies that would be involved here. They will be disadvantaged in respect, Mr. Speaker, not only of higher prices at home, in the supermarkets and indeed there is already a suggestion that employment opportunities because of the high cost of electricity in factories have started to decline. So that the people of Barbados.... (ASIDES: Let him speak.)

There will also be, Mr. Speaker, an effect on employment opportunities, in the factories of this country because many factory owners have to balance the cost of the necessary power, as against other costs that must be continued and very often they can only cut back their expenses by cutting back on staff, or not increasing the number of people whom they employ.

But, to be more specific, Sir, therefore, I believe that one of the fundamental aspects of any new financing arrangement should be a closer look at the tariff structure for electricity rates in Barbados and I

will certainly call upon the Government to review this arrangement and see whether something cannot be done in order to bring electricity to the homes of people at a lower cost because I think that the present cost is far in excess of what is required in order to keep the Barbados Light and Power Company going.

Now, Mr. Speaker, this US\$6 million Loan can certainly not be considered to be a soft Loan, but perhaps, it is the best, that the Government could obtain. There are many other people involved in this total financing arrangement and indeed, we have been given no details of the terms, on which those loans would be obtained and whether they have been negotiated and the point in the negotiations, which they have reached. I refer, Sir, to the question of the Commonwealth Development Corporation, which looks like US\$11.7 million, the European Investment Bank US\$7.1 million, the Caribbean Development Bank \$6 million the Royal Bank of Canada \$5.9 million and in this whole arrangement, I see only provision Sir of shares, to the extent of US\$5 million.

However, there are two other areas, the areas of suppliers' credit to the tune of \$33.3 million and what is of great concern to me is the other area of financing, which amounts to some US\$46.7, or BDS\$93 million, which is supposed to come from internal cash generation. I want to deal with this aspect of this Agreement, Mr. Speaker.

My contention in respect of Barbados Light and Power has always been that where money is required for the purposes of expansion of that company, it should come either from the shareholders, or from borrowings, but you cannot put this kind of additional burden on the consumers of this country and ask them to pay additional money, in the form of rates, which then is used for the purpose of buying capital, which becomes the property of the shareholders. Mr. Speaker, I wish to repeat that point because it is really fundamental, that if rates are charged not only to meet the existing needs of the community and if a surplus charge is put on for the purpose of expansion then, that expansion should be owned by the people who put up that extra money because it is going to expansion and it is going to the purchase of capital. This brings us entirely to the whole question of ownership of the Barbados Light and Power Company because Mr. Speaker, the World Bank itself estimates, that probably, at the end of this entire period, that there would be a shift of local ownership to about 61% from the present 31%. But, who would be the owners?

The Barbados Government is making a very low capital input into it. The amount of shares, that the Barbados Government would be getting would be relatively small, in relation to the total share structure. The existing shareholders will have a ball, whether they are local, or whether they are overseas and with the expansion of the

company and with the revenues generated locally, it has already been demonstrated, on the Floor of this Honourable House, that there has been a substantial increase in revenue and a substantial increase in the return on equity and in the return for each common share in the Barbados Light and Power, under the old rates, which existed for the first six months of 1981, and I have not seen what happened between July and December, 1980. But, my suspicion is, that that would be significantly enhanced.

So, what is happening here, in this arrangement, is that the Government of Barbados is giving a helping hand to a privately owned company, not only by way of this guarantee, by way of facilitating the negotiations, as has been pointed out by the Rt. Hon. Prime Minister, but also the people of Barbados will be providing some \$90 million, or some substantial proportion of that \$90 million which comes under the heading, "Internal Cash Generation."

1.05 p.m.

My suspicion is that that is part and parcel of the excess which the domestic consumers have been charged in order to justify this World Bank loan. In other words, Mr. Speaker, if we have to pay this kind of price at the domestic level and at other levels, if we have to bear the brunt of the significant inflationary effect of the current rates of electricity in Barbados, then I believe that there should be wider public ownership of the Barbados Light and Power Company.

This package, Mr. Speaker, should never have been made in a situation where you are going to allow the shareholding to remain as it stands, with only a minor participation by the Government, and when you talk about a shift in the localisation of ownership of the industry, when you talk of a shift from 61% to 31% like that, when you consider against that background the enhanced value of the new plant that would be bought from these borrowings, you will see that that 31% would be worth considerably more to the external shareholders than the 61% which they are now supposed to own, so in point of fact the external shareholders will also be considerable beneficiaries of this, so the shareholders as I see it will be the main beneficiaries at the price of the community at large, and I am calling on the Government to look very closely at the entire ownership structure of the Barbados Light and Power without compromising the excellent management of that company. We are prepared to make sacrifices in the public interest, but when people make sacrifices by dishing out the kind of monies they have to be dishing out now they should know that those returns should be returning to the community as a whole and not to any one section of the community, and that Government itself should be more heavily involved in this exercise.

Now, Mr. Speaker, there are one or two other points I wish to raise. Now, under this arrangement this money is supposed to buy two low speed diesel units, 14 megawatt units, a third 14 megawatt unit by 1985 and a fourth by 1987. Already we have heard the inputs by the Rt. Hon. Prime Minister as to why one particular type of engine has been bought, but I would like to say this, that there is a considerable body of technical information which believes that when you consider the higher initial cost of the equipment which has been ordered against the running costs that you would probably be better off buying the cheaper equipment which would cost the people of this country less in the future.

There is also an intention for the construction of some 15 kilometres of transmission lines, the construction of some substations, the conversion of some 11 kilovolt primary feeders, and 8 megavolt ampere reactive capacitors and so on. I am sorry, Sir, the conversion of about 402 kilometres of 11 kilovolt primary feeders to 24 kilovolts, etc. Well, these are technical problems and I have no particular quarrel.

If the Barbados Light and Power Company considers that those changes are necessary from a technical point of view, I have no particular quarrel about that, but what does concern me, Mr. Speaker, is that it would appear to me that part of this money is to be spent for something like 75 staff months of consultant services. Already the role of consultant services for the Barbados Light and Power Company has been seriously questioned, already the amount of monies paid to consultants has been questioned in other areas. I would like to know what would be the cost of those 75 staff months. This is all part and parcel of the loan, and this kind of information is very necessary to give this Hon. House, because we are satisfied that by and large the Barbados Light and Power Company has good technical services, good engineering services, good managerial services, and generally speaking, the amount of input required from overseas consultancy services have been minimal but at an extremely high cost, as has been demonstrated at several Public Utility hearings in this country on more than one occasion, certainly on three occasions in the last two years, so we would want to know something about the cost of those consultancy services, apart of course from the cost of the additional financing, because we have only been given some insight into the cost of the small World Bank loan of \$6 million, which we know has a grace period of three years at a particular rate of interest and a particular rate of repayment, but for all the others not one word, not a single word as to what that money would cost or what impact, Mr. Speaker, would the cost of that money have on future rate hearings and the future cost of electricity in Barbados.

These are many of the facets, Mr. Speaker, which it is necessary for us to consider on this side. When you look at the total packaging like this, involving \$121 million U.S., you cannot just come in here and tell us what are the terms and conditions of \$6 million and nothing to do with the rest, you have to tell us how you expect to generate the \$46.7 million, because it is a guarantee and therefore a contingent liability on the people of Barbados, and we have to be satisfied from the outset of the viability of the project by looking at the total package of loans, and we cannot satisfy ourselves that the viability of this project will be secured so long as you can always have recourse to the rate payers in Barbados. That is simply not good enough, it is simply not good enough to feel that you can sit pretty, get into arrangements of this kind without bringing before us proper projections of the investment potential involved here, because you know that at any point in time you can always generate increased revenue by resorting to the rate payers of this country. It is not good enough.

This is a substantial amount of money, it is money, Mr. Speaker, which would involve serious foreign exchange implications, and none of us knows precisely what they are now or what they are going to be over the next two, three, four or five years. The world economic situation is such that we all have to be very concerned when we get involved in this kind of exercise, and indeed I am very glad to hear that the Rt. Hon. Prime Minister seems to be coming to his senses to understand that he cannot hide from this side the true nature of the foreign debt of this country by moving into the area of contingent liabilities and having direct loans to Statutory Corporations or other private bodies. (ASIDE). He dealt with this area, Mr. Speaker, he dealt with the area of contingent liabilities and even went further to give the wrong impression to this Hon. House, despite the findings of the Duffus Commission that the guarantee to International Seafoods Limited was a sound investment, or the letter of credit, or whatever it was, it was a sound investment.

1.15 p.m.

Up to the time when Duffus had done his investigation, the viability of that project had started to improve again after a decline of a matter of a year or two, and it is they who by their foolishness over the years have completely ruined that project and thrown thousands of people out of work. As far as Bath Plantation is concerned and the guarantee relating to that, Mr. Duffus has already put.....

Mr. SPEAKER: Please.

Dr. HAYNES: I am replying to what he said.

Mr. SPEAKER: Will the hon. member tell us what Bath Plantation has to do with this Light and Power loan?

Dr. HAYNES: Mr. Speaker, I am replying to a statement made by the Rt. Hon. Prime Minister in respect of Government guarantees to private companies and he specifically mentioned two areas.

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, if the hon. member would give way, the matter of Bath Plantation was mentioned for the reason that while the guarantee stood on the books of the Barbados Development Bank, it was impossible to get international financing for the Barbados Development Bank. I did not enter into the merits of the Bath Plantation matter, and it cannot be gainsaid that the Inter-American Development Bank itself refused to advance any money to the BDB as long as Bath Plantation stayed on its books. That is what I said and that is a fact.

Dr. HAYNES: I am very pleased that the hon. member has at last acknowledged the soundness of the investment on Bath Plantation, and I would not even bother to question his statement in relation to the Barbados Development Bank. That is another matter and I would not want to get involved in that. Mr. Speaker, I am sure you will prefer me not to get involved in that kind of exercise.

Now to sum up, Mr. Speaker, I believe that I have raised many of the kinds of questions which can be legitimately raised on behalf of the people of Barbados. I would like to reiterate once again that I believe that part of this agreement itself refer to the tariff structure in Barbados. There was no emphasis on that, and I would feel that as a matter of priority the Government should look into the electricity rates that poor people have to pay in Barbados in their homes and the consequences of these rates in terms of increases in prices in the commercial sector and elsewhere, and my judgment is that the implementation of this programme is going to exacerbate, not alleviate, the problems of the cost of electricity and the economic implications of such costs to Barbados.

*(Mr. SPEAKER ordered that certain remarks be expunged from the records.)*

Mr. SPEAKER: You will continue with your debate.

Dr. HAYNES: Mr. Speaker, there was a concurrence between the Minister of Finance and the Barbados....

Mr. SPEAKER: The hon. member, I am going to invite you to discontinue your speech. I do not want to go there. I do not want to do this. You have just been called upon to withdraw.

Dr. HAYNES: I am not dealing with that matter, Mr. Speaker. You will not even let me say what I am going to say. I am not relating to the same problem of concurrence.

Mr. SPEAKER: I am begging you now not to say what you want to say. I am merely begging you not to say what you wanted to say; say something else, I beg you.

Dr. HAYNES: Mr. Speaker, I wish to say that there has been a concurrence between the Minister of Finance and the World Bank on the question of the need to finance the expansion of the Barbados Light and Power Company; secondly, that as part of that, the rates paid in Barbados were probably too low; that thirdly there has been an increase in rates; that fourthly as a result of these rates, the revenue from these rates is part of the capital to be deployed in part of this package, and finally that these rates are burdensome and also, Mr. Speaker, once again I ask for Government to look very closely at the cost of electricity to all Barbadians and see whether anything can be done to review the position, and also to consider whether when you look at the wide range of inputs that every single Barbadian is being asked to make in the totality of this exercise, social justice would not demand that there be wider public ownership of the Barbados Light and Power Company so that even if we of this generation have to make the sacrifices, there is some guarantee that our children will reap some of the benefits. I feel very strongly about this, Mr. Speaker, and I will continue to articulate this no matter what kind of interruptions are put in my way.

Mr. GREAVES: Mr. Speaker, the contribution which we have just sat and listened to by the hon. member for St. Michael South Central is a clear indication of the kind of work and the depth of analysis which the hon. member has done on this particular matter, and I believe that it is indeed a service to this country.

Now we are looking at this Resolution here which according to the Addendum is for the purpose of purchasing equipment, materials and services for use by the Barbados Light and Power Company in the course of implementing its 1980-85 Capital Investment Programme. The hon. member for St. Michael South Central has dealt with the complicated financial arrangements in this particular programme, and I want to operate at another level and deal with some of the basic problems which confront the people of this country relative to the supply of electricity, because if one is going to look at the purpose of this, then one can see very clearly that we are dealing with the programme of the Electric Company over the next five years or so.

The Prime Minister in his introduction indicated and indeed laid emphasis on the satisfaction of the industrial needs as far as electricity is concerned.  
1.25 p.m.

I would like to think and indeed I was hoping that in this broad consideration which was put forward by the Rt. Hon. Prime Minister that some little attention, indeed, some mention would have been made of the needs which exist at the domestic level and indeed at the community level and this is where I will direct my attention as far as this particular expansion involved by the Light and Power Company is concerned.

I have always espoused the position, Mr. Speaker, that any Government in this country must be particularly concerned with the expansion of electricity services to the broad masses of people where ever they live and I remain rooted in this position because as I drive around the country I still see that particularly in the rural areas there are large numbers of areas where there are inadequate supplies of electricity and I would like to think that during this developmental period from 1980-1985 and particularly I would like to see this being the first part of this developmental programme by the Barbados Light and Power Company, that particular attention is paid to the provision of electricity to the people, particularly in the rural areas.

I am not only concerned with the provision of electricity in the homes of all of those Barbadians but I am also concerned about a stepping up in the general street lighting programme. Now, if you look around Barbados you will see that the urban and suburban areas to a large extent have a sufficiency of street lighting but when you move into the rural areas one sees that there is a general lack of this and I would like to think that we are reaching a stage now in Barbados where more attention would be paid to the developmental aspects of rural areas and certainly the provision of street lighting is a very important development in the whole scheme of things because for one thing you find that villages are sometimes not as closely developed as in the urban or suburban areas and therefore the whole communication between the various villages in the parishes around Barbados in the rural areas need to provide some kind of life and in the days, of course, when I was much younger one could remember the fear which entered into the hearts of many of our young people in moving from district to district because of the lack of proper electrical services.

I am not at all saying that nothing has been done in this direction. Of course, the rural electrification programme has been put into operation for some years now but I would certainly like to see this accelerated and I would like to think that one of the thrusts of this programme would be to provide street lighting and electricity

services in all of the villages throughout the length and breadth of Barbados.

Another matter, Mr. Speaker, relating to the provision of electricity services and particularly for domestic use which I would want to raise here is one which has been of some concern to me for sometime and I believe that any parliamentary representative would also be concerned about this provided, of course, he has some basic understanding and some relationship with his constituents and it is, Mr. Speaker, the cost of electric poles in this country.

This I submit is burdensome to poor people who want to put in electricity. It is not every person who lives that near to electricity services that they can just connect directly from the lines on to their houses and we have a situation in this country where people, if they want to put in electricity are called upon sometimes to purchase two and three poles which, as I understand it, the cost of each pole is in some instances in excess of \$300 or even more.

I think I saw a costing recently where the pole was, I believe, about \$480 and this, when we consider the problem which poor people face in raising the money in order to improve their quality in life, this I believe, is a serious burden and serious impediment on poor people having access to electricity and I believe, Mr. Speaker, that the Government should insist that the Electric Company should make poles available to any person in Barbados, particularly poor people, who want to install electricity to make these poles available to people free of cost.

Rt. Hon. J. M. G. M. ADAMS: If the hon. member will give way because he is making such a good point which I feel he should be glad if he does not mind my interruption if I tell him that a part of the Agreement with the European Investment Bank is that 3% of the sum being supplied by that Bank will have to go towards alleviating the very matters which he is raising now and that in future, as from this year 1981, extensions in the rural electrification programme will be carried out at no cost to the consumer.

The poles will be paid for out of that 3% component from the EIB Loan and the Company will no longer be asking people to pay for the poles. This is a very essential part of what the Government has negotiated.

If the hon. member does not mind my giving the reply at this stage, Sir, because you know sometimes the debates become so diffused by the time he hears that it would be too late but the problem to which he is addressing his mind is in fact taken care of by the conditions of the EID Loan. In future only commercial

and industrial users will be asked to make contribution to the Capital cost in the electrical services.

Mr. GREAVES: Mr. Speaker, I notice it is a little unconventional for replies to be given as members are making their points but I can imagine the thought going through the Prime Minister's mind when he sought to make this intervention. Probably visualising the caption in tomorrow's *Advocate* Newspaper "Greaves calls for....."

Mr. SPEAKER: Order.

Mr. GREAVES: I was just testing how it sounded. "Greaves calls for free electric poles to householders in Barbados" and the Prime Minister visualising that jumps up to get into another headline "Free poles will be made available to consumers of electricity in rural areas in Barbados". The point is that I think the Prime Minister has recognised, Mr. Speaker,.....

Hon. H. deB. FORDE: On a point of order, if the hon. member would give way.

Mr. GREAVES: I am not giving way.

Hon. H. deB. FORDE: I wonder if the hon. member intends.....

Mr. SPEAKER: Now the hon. member said he was not giving way but he took his Chair.

Mr. GREAVES: If you were listening to him he said on a point of order and as I understand the rules of this Honourable Chamber.....

Mr. SPEAKER: If an hon. member rises and says that if another member would give way and the hon. member says he is not giving way and the hon. member who rose inviting a give way by another hon. member and then changes it to a point of order, his point of order is fraudulent.

1.35 p.m.

Mr. GREAVES: Thank you. I think, that we, on this side and indeed, Mr. Speaker, the people of Barbados would be happy to hear, that as from now, the electric poles will be provided to householders, free of cost and probably, this raises another question, which I hope, that the Rt. Hon. Prime Minister would address his mind to, if he has not already addressed his mind to the question probably of a refund to those persons, who have already, let us say, over the last four, or five years had to pay for poles to have electricity connected to their homes and this is a matter, which I believe, that he could address his mind to, as far as, making refunds to those persons are concerned because as you are aware, Mr. Speaker, this has always been a burning question because as I understand it, when you pay for an electric pole and notice, I did

not say, when you purchase an electric pole, when you pay for one of those poles, you have no control over that and indeed, other attachments can be made, free of charge, to the other people living around there and I believe, that this is a matter, which the Rt. Hon. Prime Minister ought to look at.

I wish also to indicate, that one is very pleased to hear what the Rt. Hon. Prime Minister has had to say, about this particular programme and I would therefore look forward to the extension of electricity services, to those areas of the constituency of St. Lucy, which I have been referring to, from time to time, in speeches, which I have made in here and indeed, I have been calling for the provision of electricity services and I am sure, that this call also goes out for the people of St. Peter, on whose behalf, I would feel, well, on your behalf, since you cannot make that kind of request, that consideration would be given to those people.

But, seriously, I think, that it is a matter, which needs to be looked at very quickly, so that areas, where there is a lack of street lighting, in Benthams, for example, the half acre, in all of the other areas of St. Lucy, where there is need for street lighting, in the various tenancies and other areas, which I have been mentioning, over and over again, I would like to think, that some serious attention would be paid to this.

The Honourable Member for St. Michael South Central, in his presentation called for wider public ownership, in the electric company. I think, that in view of what we have heard and indeed, in view of the case, which he has presented here today, I believe, that any right thinking person would admit, that there is need for wider public ownership, in the electric company. I would like to strengthen and indeed, to support, the call, which he has made, in this particular area because the electric company is a vital company in this country, in terms of our industrial and indeed, in terms of our social development and in the same way for example, that you can have the Waterworks owned and operated, by the Government, owned wholly, by the Government, because it was not always under the ownership of the Government and whereas, one might want to argue, that they would not want to have the electric company fully owned, by the Government, I believe, that there is need for a greater public ownership of the Light and Power Company and I would like to think, that the shareholding of the Government would be increased considerably, in the Light and Power Company.

Allied to this, Mr. Speaker, I would want to make a further point and that is a point calling for worker participation, in the decision-making, at the Light and Power Company. I think, that the Government and indeed, the Opposition Democratic Labour Party had placed, in their Manifestoes, that one of the objects,

which they would try to achieve, if they were returned to power would be the participation of workers, in the decision-making of business and indeed, of some enterprises in this country and we have not seen any move, in this particular direction.

I believe, that the Light and Power Company is such a crucial company, that this is one area, where worker participation should be given effect. We mean, really, having someone sitting on the Board of the Light and Power Company, someone who can indeed speak for the workers of this country, who can reflect and indeed, ventilate the views of the workers, who are employed, at the Barbados Light and Power Company, in various decisions, which are made, in this company, from time to time. So that, I am making that call, on the Government, that they should see to it, that the whole concept and idea of workers' participation in decision-making should be implemented at the Light and Power Company. I would think, that this would go a far way in assisting in the management of this very important company.

I would like, finally, Mr. Speaker, again to emphasise and indeed, reiterate the point, which has been made, by the Honourable Member for St. Michael South Central, relative to the cost of electricity, in this country. There is a very strong feeling, that the cost of electricity is burdensome and I think, that the Government should pay some attention to this and should look at this because I am satisfied, that they would be reacting and indeed, trying to give vent to a feeling, which exists, amongst people, in this particular area. It is a burning matter, and I think, that it is something, particularly now, that the bills are coming out and one sees the kind of increases, which have been put on, that there is a general feeling of dissatisfaction, amongst the users of electricity in this country. I wonder if, the Rt. Hon. Prime Minister, when he is replying could give the Honourable House some indication of the effect, which as I understand it, the use of natural gas, by the Light and Power Company has been having, on the overall cost of that company because we were told, that as I understand it, that with the use of natural gas, and I understand, that the electric company is using quite an amount of natural gas, that this would have an effect on either stabilizing, or bringing down the cost of electricity. I would want to get some general indication, from the Rt. Hon. Prime Minister, as to what has been the effect of the use of natural gas, on the operations of the Light and Power Company.

Mr. TAITT: Mr. Speaker, Sir, my colleagues have outlined areas of doubt, and questions in their minds, in such a lucid manner, as not to require any repetition of the points they have made. There are, however, a few questions, which I should like to direct, towards the Rt. Hon. Prime Minister and no doubt, vicariously, towards the Light and Power Company.

Mr. Speaker, Sir, some time ago, the Barbados Light and Power Company indicated, to the then Government, that with the acquisition of new properties at Spring Garden and with the installation of two new 20,000 kilovolt turboalternator sets and their associated machinery, that the cost of electricity, while it may not be reduced, in the terms existing at that time, would be stabilised primarily because of the use of low grade fuel oil, in those two 20,000 kilovolt turboalternators. 1.45 p.m.

.....the result of which would redound to the credit of Barbados by way of stabilised electricity rates. It is clearly understood, and it has to be clearly understood that in the context of the energy crisis arising in 1973, that no Government and/or electricity company could give a guarantee into the future as to what the cost of electricity would be. However, Sir, not being privy to the more intimate information which is available on these two units, but hearing nevertheless that the two units had been completed and that they had gone into operation, I must say, Sir, that I have been concerned at the amount of outages which have occurred since those two units were supposed to be in operation, the apparent breakdowns which have occurred in one or other of those two units — I believe they were called S.1 and S.2 — and it would seem as if the projected plan for those units and the total operation of the Spring Garden complex has not turned out nearly the way as they were anticipated when the plans for development were put forward. If the Prime Minister is in a position to outline the difficulties, if any, which have resulted in this apparent failure of performance to match up to promise, then I think we and this Hon. House ought to be given the details.

Mr. Speaker, the call for a wider ownership of the Light and Power Company or any company in a developing country that is responsible ultimately for the delivery of energy in the society, is one that has to be taken very seriously. It is not something based on ideological grounds, for that is not a sufficient reason for calling on any enterprise to be better diversified in terms of its ownership. It is based on the precarious situation in which a country finds itself on this whole question of delivery of energy. In a city like New York City which by no stretch of the imagination could be described as a bulwark of socialism, there has been a serious and sustained call by a number of persons who have important roles in the development of the City for a nationalisation of the company with the primary responsibility for the delivery of energy. This call came especially after the great blackout which engulfed New York some years ago, and the realisation that without the delivery of energy in a systematic way that the community itself would be unable to function in any of its areas or any of its ramifications. In those circumstances, Sir, it behoves the Government of the day to recognise that the more people who believe, and who in fact have

a stake, in the success of a company like the Light and Power Company that is responsible for the delivery of energy, the greater is the guarantee that the cost of electricity would be equally borne, or at least shared, across the community.

Mr. Speaker, I see that the Bank in its appraisal of the package which has gone before it has indicated that there will be a return of 13.5% on capital investment. 13.5%, Mr. Speaker, seems to be somewhat higher than the 11.5% which has always been taken as a reasonable return for public utilities not only in Barbados but throughout the western world.

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, on a point of order. Can I ask from what document the hon. member is quoting? He specifically quoted that the World Bank states 13% and so on. I do not have any such document among the papers for the House, and the hon. member I do not believe is entitled to quote from a document which is not before the Chamber.

Mr. SPEAKER: The hon. member, as far as I gather, has not broken any Rule of the House, so I do not see the point of order which the Hon. Prime Minister is raising.

Mr. TAITT: Mr. Speaker, Sir, lest he should think that the 13.5% was a figure drawn out of my head in the manner in which he had drawn the 22% unemployment rate some time ago, Sir, I am going to make this a document of the House so that the Hon. Prime Minister can be seized of the information. We are serious people over here, we do not come to the House and make mock sport on matters as serious as these. This is a Press Release of the World Bank. Now, I am amazed that the Prime Minister can come to this House seeking a guarantee for \$6 million and he is unaware of what the World Bank itself is saying. I am amazed I am now concerned that what my colleague said earlier in such more poignant than even I had considered. I am satisfied that the Prime Minister is not as seized of the implications of this guarantee as he ought to be, given that he has the sole responsibility as the Minister of Finance in this country for such things as bringing guarantees to this House of Assembly. A guarantee for \$6 million and he does not know what the World Bank perceives as the return on the investment. I cannot understand that, Sir.

Rt. Hon. J. M. G. M. ADAMS: On a point of order, Sir. I am very familiar indeed with a document which is marked "Confidential" and which I have had locked up in my office safe for some months relating to the World Bank's attitude towards the Light and Power loan. I am very familiar with it, I can assure the hon. member. It is the familiarity with it that the hon. member is exhibiting that is giving me cause for concern.

Mr. TAITT: Mr. Speaker, the familiarity is based on five years of intensive study of Light and Power when I was the Minister of Trade, and a continuing interest to see that the people of this country are given their justice in the economic matters. It is the kind of intense study which one would expect the Prime Minister's Office to have conducted. It says here, Sir:

"WORLD BANK, 1880 Eight Street, S.W. For immediate release." and it is Bank News Release No. 81/45 of January 8, 1981, Sir. Anybody who is interested, even remotely, in these matters can get one of these, Sir, and it says here:

"The economic rate of return" under Technical Data, in which the total cost of project is put at \$121.7 million U.S., it says here:

"The economic rate of return, 13.5% in BLP sees 1980-85 investment programme."

13.5%, Mr. Speaker, is considerably higher than any rate allowed in any public utilities hearing which has been accepted as reasonable in any court in the United States or here in Barbados, Sir. The Public Utilities Board does not give 13.5%;..... I am bearing in mind what you said earlier, Sir.

Mr. SPEAKER: Yes, but it was the hon. member's duty to have alerted the Chair to the fact that he was quoting from this document, for the benefit of the Hansard Reporters.

Mr. TAITT: At the time when I spoke I was not speaking from the document, Sir, I have only referred to the document when the Prime Minister got up and raised questions about somebody going into this safe, Sir. 1.55 p.m.

Mr. ALLEYNE: Mr. Speaker, on a point of order, the hon. member is, I believe, misleading the House. He is saying that the Public Utilities Board granted a return of 13.5%. That is not true.

Mr. TAITT: Mr. Speaker, as I understand it, is the hon. member the legal adviser to the Public Utilities Board? We are in trouble in this country. We have a Minister of Finance who does not understand what it is we are guaranteeing and we have a legal adviser to the Public Utilities Board who does not even understand the question of rate of return.

Mr. SPEAKER: The hon. member seems to be getting into trouble in this Honourable House because it is a very serious thing for one member to rise and accuse the other hon. member of misleading the House. It is a very serious accusation unless the member is in a

position to prove that he does so with an intention behind the misleading. It is a very serious thing.

Mr. TAITT: Sir, I feel under the circumstances that the hon. member ought to withdraw.

Mr. SPEAKER: Is the hon. member likely to conclude his address in ten minutes?

Mr. TAITT: No, Sir.

#### SUSPENSION OF SITTING

Mr. SPEAKER: This Honourable House now stands...

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, on a point of order...

Mr. SPEAKER: Please. This House now stands suspended until 2.45 p.m. today.

*On resumption:*

Mr. SPEAKER: This sitting is now resumed.

#### QUESTION TIME

Mr. SPEAKER: It is now Question Time. I am advised that there are no Replies to Questions ready, so we automatically go into Private Members' Business, and there is no Private Members' Business on the Order Paper. That means that we are at the end of Private Members' Business and we go right back to Government Business.

#### GOVERNMENT BUSINESS

Mr. SPEAKER: When the suspension was taken, the hon. member for St. Michael South West was addressing the Chair. He is free to continue if he so desires.

Mr. TAITT: Thank you, Mr. Speaker. Sir, at the moment of interruption as I recall I was seeking Your Honour's ruling asking the hon. member for St. Michael North West to withdraw certain remarks which he imputed when he suggested that I was misleading the House with a statement I made regarding rates of return of 11.5%. I consider the matter to be a very serious matter and would ask Your Honour to ask the hon. member that unless he is able to indicate and impute some base motive to my statement that the hon. member should withdraw that remark. I feel it is an unfair imputation to suggest that I am misleading this house on a matter so serious as the rate of return as adumbrated by judges throughout the United States and in Barbados.

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

Mr. SPEAKER: The Rt. Hon. Prime Minister cannot now be heard. I can hear no hon. member on this point.

I take it that the hon. member for St. Michael South West did take objection before the suspension was taken.

To the hon. member for St. Michael North West, I do recall stating at the time that it is a serious matter accusing another hon. member of misleading the House, because the implication is that it carries an intention. I do recall saying this, and unless the hon. member for St. Michael North West is in a position to prove conclusively to this Honourable House that the hon. member was misleading this House intentionally, I can do no other than call on him to withdraw his accusation.

Mr. ALLEYNE: Mr. Speaker, if I may be permitted to attempt to prove conclusively that in my view the hon. member was misleading the House, he was quoting from a document which purported to be an assessment of the performance of the Barbados Light and Power subsequent to the rates granted by the Public Utilities Board in 1980. That document purported to show that there was a return of 13.5%. That is not in fact the position. The rate of return on the Barbados Light and Power's property used and useful in the Public Service granted by the Public Utilities Board in May, 1980, is not 13.5% but something more like 6%.

Mr. Speaker, that is my explanation of the statement which I made. It is something more like 6%, it is not 13.5%. If the hon. member had the judgment which according to his statement he must be taken to have had, he could have done a simple calculation which could have shown that it was not 13.5%, but 6%. He claims that he is well informed.

3.00 p.m.

Mr. SPEAKER: Now in this situation I have heard the hon. member for St. Michael North West which I am entitled to do. He is entitled to a hearing. My conclusion is that when he accused the hon. member for St. Michael South West of misleading the House, it has to be regretted that his choice of words just happened to be unfortunate. In other words, it was not that he was misleading the House but we might say the hon. member for St. Michael South West might have been in error at that point in time without any intention whatsoever of misleading the House and the hon. member for St. Michael North West his choice of words just happened to be unfortunate.

Mr. TAITT: Mr. Speaker, Sir, in his point of explanation.....

Rt. Hon. J. M. G. M. ADAMS: On a point of order. I have a little difficulty in this matter. I have always understood it to be a matter of order that if any hon. member quotes from a document that the document should be made a document of the House. This is to prevent hon. members from taking up documents which they say contain figures which they do not contain.

Now I am in a position to know that even if the World Bank puts that in a document then the World Bank is wrong, if he wants my opinion.

Mr. SPEAKER: Please, Mr. Prime Minister. The hon. member for St. Michael South West offered to make the document that he was then quoting from a document of the House. He offered to make it a document of the House and I think it is just the duty of the Clerk to collect it from the hon. member for St. Michael South West.

Mr. TAITT: Mr. Speaker, Sir, I am really taken back when purporting to give information to this Honourable House, Sir, the record will show that when I quoted from this document what I said was that the technical data submitted along with this World Bank Press Release had on it and I quoted and the record would show that the 13.5% and I quoted the economic rate of return, 13.5% for BL & P Co. 1980 - 1985 Investment Programme. I think it is unfair, Sir, for any hon. member to suggest that I had said that the Public Utilities Board had given 13.5% when in the ignorance or mishearing of that member did not allow him to understand what I was saying.

Mr. SPEAKER: In his opinion. It was his opinion that you were in error. That is all and the choice of words were unfortunate.

Mr. TAITT: I accept that. I accept that, Sir, but I wish to make it clear to hon. members of this House that what I said is written here and it was 13.5% return on the 1980/85 Programme of the Barbados Light and Power Company, the total cost of which is \$121.7 million (U.S.).

I am going to continue my speech, Mr. Speaker, and deal with it in detail. That is what I see here.

Rt. Hon. J. M. G. M. ADAMS: It has been a ruling from the time I have been in this House especially where controversy arises about the contents of a document that is being read to the House and sought to be used in the House as an authority, that the document has to be placed before the House. We cannot take an hon. member's say-so as to what he is reading out.

Mr. SPEAKER: The Chair cannot rise and go and seize it. The hon. member has offered to give it.

Mr. TAITT: But Mr. Speaker, the hon. member for St. Thomas has been in this Honourable House long enough to know that when an offer is made for a document to be made part of the House the document is still used by the particular member who made the offer. I have not refused and if the hon. member wishes to see what I am reading and then sends it back to me to continue my speech I make that offer too because he continues to suggest that I might be lying to this House when he suggests my not making it a document of the House and talks about an hon. member could walk away with it when I specifically followed the rules of this House and said that I would make it a document of the House.

Mr. SPEAKER: Let us get on with the debate.

Mr. TAITT: I am quoting from the document.

Mr. SPEAKER: Then the document will be made a document of the House?

Mr. TAITT: Yes, I give you my unalterable commitment that it would be made a document of the House. I repeat for the ease of the Shorthand Reporter that I am quoting from World Bank News Release, No. 81/45 dated January, 8th, 1981 and the Heading is "Barbados Gets First Loan for the Power Sector."

Now, Sir, if the Prime Minister says on a point of order that the World Bank's publication is a lie, we are in serious trouble, Mr. Speaker, when we are called upon in this Honourable House to guarantee a loan of \$6 million.

Rt. Hon. J. M. G. M. ADAMS: On a point of order. I am not saying that the World Bank's publication is a lie. There are two alternatives. Either the World Bank is mistaken or the hon. member is mistaken in what he is reading or there are potential conclusions which I cannot as a matter of order draw. The World Bank may not be lying. If there is lying, it may not be the World Bank which is lying.

Mr. TAITT: Yes, Sir, I share his views, Sir, and there is yet another alternative which has not been put and it is that where one has to choose between the World Bank and the Hon. Prime Minister, the choice is clear. The word of the World Bank has been verified from time and time again.

I regret, Sir, that I am unable to say with confidence the same thing of the hon. member so that I am quoting sources which the hon. member himself has quoted often from time to time. In seeking to establish that the economy of Barbados is behaving in a particular way the hon. member on more than one occasion quoted from sources such as this which I am quoting from.

I am saying, Sir, that \$121 million (US) is the price which the World Bank has as total price. The Bank financing is outlined as \$6 million for a term of 15 years including three years of grace with interest of 9.25% per annum.

In "other financing" it says "Internal cash generation U.S. \$46.7 million; Suppliers' Credits U.S. \$33.3 million; Commonwealth Development Corporation, \$11.7 million; The European Investment Bank \$7.1 million; The Caribbean Development Bank \$6 million. These are all U.S. dollars. The Royal Bank of Canada \$5.9 million."

Mr. SPEAKER: Are these the same figures which were read out by the hon. member for St. Michael South Central?

Mr. TAITT: I do not know where he quoted his from, Sir. "And the sale of shares U.S. \$5 million".

Mr. Speaker, Sir, in a judgment given by the Honourable Denys William, Judgment No. 416 of 1974, in the Supreme Court of Barbados, a High Court, Sir, one of the contentions made by the appellant which at the time was the Telephone Company appealing against a decision by the Public Utilities Board, the Public Utilities Board had given a rate of return of 10.1% and, Sir, Ground 8 of the Grounds of Appeal was that the Board had erred in stating its decision on page 17 that the revenue granted by the Board less operating expenses would yield a rate of return of 10.1% on the appellant's average rate base of \$54 293.00.  
3.10 p.m.

The Board's calculation is shown and Appendix Five shows, that the rate of return on the said average rate base would be 9.8% and that judge, Sir, in giving his judgement indicated, that a return of the difference between 9.8% and 10.1%, that the difference between them was not sufficient, as to create a problem, sufficient to be described, as an error in law. In that same judgement, Sir, without quoting it at length, the Judge, the Honourable Judge Williams quoted a judgement, by Judge Gomes, in a previous decision and indicated that Barbados is what is described, as a fair return country and indicated, that in the vicinity of 10% was a reasonable return, as if to satisfy my contention, that 13.5% return, on the 1980-85 investment programme of the Public Utilities Board requires deeper and more serious thought, than we have been led to give.

I wish to give you some idea, Sir of the kind of rate of return and common equity capital, which we have seen in Barbados. This information is from notes which I have taken, from the published information, given by these companies. (ASIDES) Barbados Shipping and Trading Company Limited, Sir, in 1978, got a rate of return of

8.9%, Cave Shepherd and Company in 1977 got a rate of return of 9.7%, Commercial and Industrial Enterprises Ltd. in 1977 got a rate of return of 10.6%.

Mr. Speaker, what I am saying, Sir, is that when one reads a World Bank document, which says, that there is going to be a return of 13.5% and it is said in the clearest terms, however much I may be vilified for quoting it. (ASIDES: Return on what, you idiot, on your head?)

Mr. SPEAKER: Let us have some order, please.

Mr. TAITT: Mr. Speaker, I heard the Rt. Hon. Prime Minister, in a *sotto voce* suggest, that I might be an idiot.

Mr. SPEAKER: I did not hear that.

Mr. TAITT: I will err, like an idiot and say, Sir, that he quoted the guarantee...

Mr. SPEAKER: Do not refer to an Honourable Member as, he.

Mr. TAITT: The Honourable Member quoted the shift investment and the guarantee, which was given by a Government, the last Government and Mr. Speaker, you will recall, Sir, that when the Government came down to this Honourable House of Assembly seeking a guarantee for that particular investment, when the Government had indicated, that there would be a loan, from the Bank to purchase the vessels, the then Honourable Member and still sitting Honourable Member, Sir, for St. Peter, exercising his duty and responsibility, as a representative of the people drew to the attention of the Government, that the equity, which it was seeking, in the company was not sufficient to compliment it, was not sufficient to satisfy, to justify the level of guarantee, which the Government was seeking to give and the Government of the day had the grace, or whatever else, Sir, to stop the debate at that point, to go back to the drawing board and to change the position.

Mr. Speaker, Honourable Members, who were in here will recall, that when the Government came back, the recommendation made by the Honourable Member for St. Peter had been given some credence and the position had been changed. When we suggest, that the Light and Power Company's 72,000 Ordinary Shares, which are stated, in the Addendum to the Resolution, as having a par value of five dollars per share, I should have liked, from the Rt. Hon. Prime Minister some indication, on the valuation of these shares. I would have liked to know, and would still like to know this, to know the par value of five dollars for Light and Power Shares. How it was arrived at and if the Rt. Hon. Prime Minister and Minister of Finance is satisfied, that \$5.00 per share is

the par value we can get for a Light and Power share. But, I am going on to make a point, Sir, the 72,000 shares, in the context of development and in the context of the Light and Power situation, as we know it does not provide the kind of psychological guarantee, which the people of Barbados wish to have, in relation to the delivery of energy in this country, not only during the next five years, but for the next 20 years. I believe, that in the delivery of energy, in this country, it is not unreasonable for the Government to assist in the guarantee of reasonable public utility rates for those persons, who buy electricity and one way in which the Government can do this, the way in which it can stabilise the rates is to reduce the amount of actual profit taking, which has to be put into the pockets of owners and allow the return to Government to be ploughed back into a subsidisation, if necessary, of the rates, for the poorest people, in this community.

It is no longer a luxury, for a poor pensioner to have electricity, it is not a luxury for the poor people, in this country to have electricity, Sir and yet, on a delivery basis, pensioners, who had been given to believe, that they could submit their electricity and other utility bills to the Welfare Department for assistance are finding themselves in serious trouble, with the electric company, when having submitted those bills to the Welfare Department, in the hope, and belief, based on information they had been given, from Government sources, that they would have those bills paid, or subsidised, they are discovering, Sir, that they are in arrears, with the Light and Power Company and they soon have their light turned off. That is a burden, which the poor people and particularly, pensioners in this country are finding increasingly difficult to bear and it strikes me, that if the Government fully understands the implications of this guarantee, they must also understand, that this is only the beginning of future guarantees.

The basis used for the financing of this Light and Power development is not going to change, when the details come in five years later, so it would mean, that another similar package will have to be put together for development, five years hence. It would mean, that the Government of the day, five years from now would find itself in pretty much the same position, although I would hope, that they will demonstrate much more competence, than the Government of this day, in arriving at a method, which they would use, for participation in the Light and Power.

3.20 p.m.

They will find themselves in a similar position, and I would like an undertaking from the Prime Minister; or put it another way, let me ask the Prime Minister if he is in a position to tell us that we can look forward in the next two years to not having to give the Barbados Light

and Power Company another guarantee. (ASIDES). Those who will be here and those who will not be here is immaterial to the debate, what is important is that it is the Government of Barbados that will be called upon, whether it is a Government of fools or whether it is a Government of men who know what they are doing, it will still be a Government of Barbados that is called upon to give another guarantee.

We are saying that the cost of electricity can be spread over a wider base, that the cost of electricity if profits do not have to be taken in the context of 13.5% on the development programme. 13.5% is a lot of return, Sir. You get the Prime Minister and Minister of Finance coming down to the House and suggesting that someone quoting from a Press Release, Sir, had somehow broken into his private safe somewhere, the document sounds very familiar to one in his private safe somewhere.

Mr. Speaker, in winding up let me say that we on this side in the speeches that have gone before and in what I have tried to put before this Hon. House are indicating to the Government that they have a responsibility when they are coming to this House to seek guarantees or similar financial measures, to come with clean hands, clean hearts and steady minds.

Hon. H. B. St. JOHN: Mr. Speaker, I believe that the hon. member quoted from a document in the course of his address, and in accordance with the Rules of the House I ask that that be made a document of the House. (A VOICE: It has already been made a document of the House). If it has been made a document of the House, may I have a copy of the document?

It is important, Sir, in the course of our deliberations on this matter that we remember that electricity is a vital commodity in the provision of the necessary infrastructure of economic activity, and in the context of Barbados all of us, I believe, understand and appreciate that there can be no expansion of employment without a reliable and efficient electricity generation and distribution service. One only has to look at the situation in Guyana, in Puerto Rico, in the Far East, in the Philippines and in other competing countries to Barbados for industrial and tourism development to understand and appreciate the validity of the point that I have just made. I have heard nothing from the other side which would suggest that they do not appreciate the importance of a well engineered, a well run and well equipped electricity generating plant.

Now, it is also a fact that since 1976 applications have been made to the Public Utilities Boards in Barbados, a Board which by law has the exclusive power, subject to appeal, to fix and regulate the operations of the Barbados Light and Power Company. That law has been on the Statute Book in Barbados since 1953; I

believe. The operations of the Public Utilities Board and the satisfaction and dissatisfaction with its operation could begin from the fact that despite 15 years in power by the Opposition only slight amendments have been made to the Statute which incorporated and created the Public Utilities Board. What has happened, Mr. Speaker, is that during the course of the last application of the Light and Power Company to the Public Utilities Board the members on the other side, despite the fact that the matter was under consideration, took to the public platforms in this country and attempted to argue the case against the Light and Power Company. Now they find themselves in the difficulty because they were attempting to whip up public opinion on this matter while the Public Utilities Board was deliberating it. When the Public Utilities Board made their first decision, they thought they had won a magnificent victory.

An application for review was made by the Light and Power Company, which under the Statute they were entitled to do, under a law which is on the Statute Book, during the whole period of time that the Opposition was in power, 15 years, the Public Utilities Board reviewed the matter, came to a decision. Now, immediately as the Public Utilities Board in their second decision reviewed their previous decision, made an award, the hon. member for St. Michael South Central repeatedly in this House, even when the matter was under appeal in accordance with the law, sought to castigate the decision. I well remember that on many occasions you, Mr. Speaker, had to remind him that he was in breach of the Standing Orders because the matter was *sub judice* before the Chief Justice.

Dr. HAYNES: Mr. Speaker, on a point of order. I have never spoken in this Hon. House on any matter relating to the Public Utilities Board whilst a matter was before the Chief Justice. I was not even in this country, and I believe that most of the time the House was on recess. This is to the best of my knowledge, Sir. What you objected to, Sir, was my referring to a decision taken by the Public Utilities Board which he rose and objected to. To the best of my knowledge I pointed out at that time or subsequently that there is no Standing Order of this Hon. House which prevents any member from referring to a matter either before or after it has gone before a court, but what the Standing Order says is that they cannot do it in such a manner as would prejudice the outcome of the matter. You can refer to it, but it is how you refer to it. That is what the Standing Order says.

3.30 p.m.

Mr. SPEAKER: The Chair will not be guided by the hon. member when it comes to any interpretation of the Standing Orders.

Hon. H. B. St. JOHN: Mr. Speaker, I well remember the hon. member getting in here and saying that the amount awarded, the decision awarded amounted to, sometimes the words he used were tantamount to a rape of the small people of this country by extracting more than was due, and I objected because I said that the logical consequence and conclusion from the speech of the hon. member is that he was accusing the Public Utilities Board of not carrying out the Statute, and therefore he was reflecting on their decision. Anyway, Mr. Speaker, it went before the Chief Justice in accordance with the Law and the Chief Justice said that the Public Utilities Board exercised their functions correctly and dismissed the case. Notwithstanding that, today the hon. member is still going to come in here and seek to impugn the integrity of the Public Utilities Board.

Dr. HAYNES: Mr. Speaker, on a point of order, the hon. member has said that I have come in here and sought to impugn the integrity of the Public Utilities Board. Mr. Speaker, I wish to point out that my argument.....

Mr. SPEAKER: Please. If you want to clarify.....

Dr. HAYNES: I am on a point of order.

Mr. SPEAKER: Which Standing Order has the hon. member broken?

Dr. HAYNES: The one which imputes improper motives to another hon. member.

Mr. SPEAKER: What is the improper motive he imputed to you?

Dr. HAYNES: That I was impugning the integrity of a legally constituted authority.

Mr. SPEAKER: So you want to show that you did not so do.

Dr. HAYNES: Precisely.

Mr. SPEAKER: In other words, you want to make it clear that you did not do what he said.

Dr. HAYNES: Mr. Speaker, I am objecting to the use of the remarks.

Mr. SPEAKER: Please take your seat. It is as simple as all that.

Hon. H. B. St. JOHN: It cannot be so because he cannot get in here and say that the rates that are charged the poor people of this country are unreasonable and unfair. That is what he said. (Dr. HAYNES:

They are.) So they are, but when you say that, I say your opinion has to be cast against the opinion of the statutory body which has been set up under statute and the opinion of the Chief Justice of Barbados. Now I will tell you this: I do not believe that when you match your reputation for integrity and the one of the Public Utilities Board and the one of the Chief Justice that anybody in Barbados would score you as below the line. So let us get this straight.

Secondly, Sir, the hon. member persists in saying that the revenue that has been allowed to the extent of some \$30 million odd by way of internal cash generation will go to the enhancement of the shareholders' benefits in the company, despite the fact that both the Public Utilities Board and the Chief Justice have ruled that in respect of the deferred taxes and in respect of the depreciation allowed upon the revaluation that that goes to deduct from the rate base. It does not go to enhance the shareholders' earnings. All of that has been very clear. Either the hon. member does not understand or if he does understand the Standing Orders prevent me from saying why he repeats the statement.

It is very clear that one of the impacts of the oil crisis upon accounting has been to make it clear to businesses whose operation is of a capital intensive nature that depreciation upon a historical basis is totally out of date. It is therefore necessary for any Public Utilities Board, for any firm of accounting bodies to understand that so long as you are living within an economy in which inflation is running as high as it is all over the world today, that you cannot depreciate on a historical cost, otherwise when you come to replace your existing assets, the provision that you have made will not buy back the same assets. All of this was argued out. As a matter of fact, in the United States now, the SEC, in Britain, in continental Europe, all of the professional bodies have had to come up with new accounting standards to ensure that shareholders are not fooled by the ostensibly high rates of return on their capital employed, because in reality if they pay out large dividends, they will be paying out capital in the form of an under-estimation of the cost of replacement of assets. All these are facts that are taken into account.

Mr. Speaker, I well remember the hon. member getting in here and saying that he challenged the Public Utilities Board on the decision because they ignored the judgment of Mr. Justice Hanschell in the Telephone case.

Dr. HAYNES: On a point of order, I stated at the time that they ignored.....

Mr. SPEAKER: Please. The hon. member.....

Dr. HAYNES: The hon. member is inadvertently misleading the House.

Mr. SPEAKER: You rose to elucidate.

Dr. HAYNES: Well, on a point of elucidation.....

Mr. SPEAKER: Stop. You cannot rise on a point of order to elucidate.

Dr. HAYNES: On a point of elucidation.

Mr. SPEAKER: Please. Your point of elucidation must now be seen to be fraudulent.

Hon. H. B. St. JOHN: Sir, the hon. member came in here and said that Mr. Justice Hanschell in the Barbados Telephone Company Limited case in 1970 was the correct interpretation of the Law relating to public utilities in Barbados.

Dr. HAYNES: On a point of elucidation, the case which I referred to was Sir Stanley Gomes' case dealing with the Barbados Light and Power, and I think it was 1957 and referred to one of the factors for basing your rate on property used and useful in the Public Service, and the hon. member at that time if I may recall actually said that he was involved in that case or some words to that effect way back in 1957 or thereabouts. That was the case that I quoted.

Hon. H. B. St. JOHN: But the point the hon. member was making was that under the Public Utilities Law of Barbados the proper basis for depreciation was the historical cost of the plant, and he said that was the law. Well of course the Chief Justice has found that it said that was not the law, because Barbados is a fair value jurisdiction, and you say that the fair value of the plant that is used and useful in the Public Service, the historical value in the *de facto* circumstance at the particular time may be that.

3.40 p.m.

If you are living in a period of time where the price of your equipment is constantly rising, only a person with non-economic sense would say that they would depreciate clearly on the historical value when the factual evidence is that every year the Multi-national Corporations in the Industrial countries in the World have decided in their minds that they can recapture the impact of oil price increases by raising the price of machinery over which they have no control to manufacture. That is what the hon. member has failed to recognise.

The oil fact impact as far as we are concerned is not only the price of fuel and gasoline, it is also the price of the machinery and the machinery we have to import, now, Mr. Speaker. Do not let us talk any

nonsense about this matter. It must be put in firm perspective. It is wrong, very wrong, to attempt to mislead the public into believing that you must not provide out of current revenue in any Capital Investment Industry in Barbados, not only for the historical things but for the replacement.

We go further on the question. I have already answered the point very correctly that this internal cash generation does not go to enhance the shareholders equity. The proof of this is very clear. In the share issue that was just made to the public of Barbados, the price of the shares were at par, as far as I understand, so what are we talking about at \$5, and \$5 when the shares were issued 20 years ago does not have the same \$5 value but if you were a shareholder 20 years ago you would still get back the same \$5. If it was so good as the other hon. members on the other side are trying to make out, shares would have been sold at a substantial premium above par. (ASIDES).

If you asked that question you have answered the hon. member on that side. There were issued at par, PARR, not PAR. I was thinking, Sir, of that famous Brand. There is a Brand called PARR. The hon. member is quite familiar with it. I know it would catch the hon. member because of his familiarity with that famous Brand.

Mr. Speaker, Sir, the facts are very clear. Shareholders' equity in this Company have not been increased beyond the original amount of the retained earnings. Now the retained earnings can be reflected in a distribution by way of bonus shares but the position is this that the Government of Barbados for this Guarantee is going to receive a substantial number of shares.

In addition to that, as a result of the capitalisation programme, when we are finished the shareholding equity will be converted from a foreign one into a local one. That is so and it will be granted not at any inflated value. You will be buying it at par \$5 issue so if it is going to earn any fancy profits the Barbadians will be earning the fancy profits. I cannot understand it. It has nothing to do with the foreign people at all.

When this thing is finished, as a result of the last share issue of \$5 million or whatever it is, the Government and its Statutory Agents and the private sector in Barbados will now have a larger shareholding than they had before so that if these fancy profits are to be earned, which we discard as fancy profits, then, Mr. Speaker, the benefits will flow into the hands of the local people who are shareholders and not to foreigners at all so there is absolutely no reason for the contention of the hon. members that these are bad arrangements.

I was very glad (ASIDES). I am not one of the shareholders. The Barbadians through the National Insurance Board, the Barbadians through the Insurance Companies, the Barbadians through their Government, they are the people that took up the \$5 million. It was recommended that it be \$10 million but the shareholding market in Barbados has never absorbed the share issue of \$10 million immediately. We have never absorbed that yet. As a matter of fact \$5 million is probably the largest issue of shares that has ever come on the capital market at one time by one Company in Barbados and it is because of the National Insurance Board and the Capital intermediaries through the Insurance Companies. They are the people that bought it.

Now as to Cave Shepherd, Shipping and Trading, and all of them. Mr. Speaker, Sir, those Companies are not involved in any capital intensive operation. What machinery have they got? A little air-conditioning unit, some adding machines or may be some have computer operations. They are buyers and sellers of goods. This Government has been trying to convert them into manufacturers but they do not like committing the money into machinery and old iron. They do not like that. They do not understand anything about this. They understand about buying at a price and adding on a mark-up and selling, a turn-over, low capital, shareholders, not borrowing from the Bank but fast turn-overs, six or seven, Sir, in a year.

I hear the hon. member in a *sotto voce* saying high mark-ups. Despite all the high mark-ups they still only make 10% so as we continue dealing point by point, the hon. member for St. Lucy made a very valid point. As a matter of fact I myself have been complaining all the time about this question of rural electrification because my constituency is a rural area, like St. Patricks, and I have been complaining about that and there has been little complaining about the street lighting programme. I complain every day about the street lighting programme. I complain every day about the street lighting programme but the Light and Power Company pointed out and said that between 1976 and 1978 they had no cash at all. They were borrowing \$5 million and \$20 million from the Royal Bank. Nobody would lend them money so they had no money to do any street lights.

Now, Sir, I think that on this question of the 13%, I am almost amazed at this. The hon. member at first had me very disturbed when he said they were earning 13% as the rate of return. Later on, as he was pressed, the bench mark that the rate of interest was pitched on was not the capital employed. It was on the development cost.

Now, this is not unusual and I want to remind hon. members that today in the United States of America

the over-draft rates, I believe the prime rate is 19%. In the U.K. the prime rate is about 14% or 15%.  
3.50 p.m.

So, you have to earn nine on development. Secondly, you would have to earn sufficient to cover depreciation of the asset, that you bought and what percentage is that? Thirdly, before you arrive at that, you would have to earn sufficient to pay the cost of labour and all of that. So, that, 13% of your development is no big thing. It is no big thing. It is very small indeed.

I would like the Honourable Member — I hear, that he is a Financial Adviser and Legal Consultant. I am very glad that he is qualified legally. Maybe his judgement in future will be more tempered, having appreciation of the fact and having regard, that he has gone through the discipline of the Law. I am sure, that when he studies all the facts, now that he has gone through the exercise of appreciation of facts, that he will have it straight, in the end, when he was challenged to say, "I am talking about 13% on the development cost."

Mr. TAITT: Mr. Speaker, if the Honourable Member would give way. On a point of elucidation. I just wish to make the point, that all I did in my speech was to read specifically what was written down here in the document which said, "Economic rate of return 13.5% for BLPC's 1980-85 investment programme" and it was the Rt. Hon. Prime Minister, who jumped up and said, that it was a lie and that he wanted to see the document. The Honourable Member should talk to his Rt. Hon. Prime Minister, Sir, not to me.

Hon. H. B. St. JOHN: I think, that the Honourable member would concede, that the effect of that statement would give the impression, that it was 13.5% on the capital employed because you see, Sir, otherwise, I would find it difficult to appreciate the value of the analogy, that the Honourable member used, when he said, that Cave Shepherd and DaCosta and those earned 10% on the capital employed. Do not let us fool ourselves, 13% on capital, which you borrow on nine is less than 50% on the capital and you know, in the distribution basis — I believe, that you had a lot of experience advising Shamrock and others on that — if you borrow at 8%, you must have a mark-up of at least 50% above because your profit is the difference between your cost and what you realise on your mark-up. The Light and Power has to pay not only the prime cost of interest alone of 9%, they have to pay depreciation, on the same assets, they have to pay wages and all of that, in the turn. So, do not let us fool ourselves.

Now, Sir, there is one point, that I agree with and I think, that everybody not only agrees with, that in all of this exercise the one disappointment, which I had with

the whole of this proceeding, was that there was not a proper tariff study, as to distribution of burden with the cost of electricity in Barbados. I think, that the Government has made it repeatedly clear, that part of the World Bank money, part of the EIB money, part of this re-financing package is that there will be such a study, as to the proper distribution of the given amount of money, which is necessary to continue to finance. It is only the distribution of the burden, between the proper classes of consumers. I did not feel, that a Public Utility Hearing, charged in an adversary atmosphere is the proper place to do that and that is part of the programme, part of the loan. We will have that, we welcome it.

I hope, that if it turns out, that residential consumers are not paying a sufficient percentage, that the Honourable Members, on the Other Side will accept it, I hope that because we also have to take into consideration peak and off peak. It is a difficult thing, this question of distribution of burden. So that, stripped, Sir, of all the rhetoric and the attempt to make a political issue out of a non-issue, Barbadians are proud of the fact, that we have less outages, than anybody else, Barbadians are proud of the fact, that over 90% of the homes in Barbados have electricity and this Government is determined to see, where we have 100%. We are continuing the programme of rural electrification. We want more street lights in Barbados, we want to have the situation continue, where we can go out and advertise Barbados, as a place to set up business because we have the necessary infrastructure and electricity power is an indispensable part of that infrastructural development.

Bearing all of those factors in mind and bearing in mind, the fact, that after this loan with the share issue, that the localisation of the ownership of this company would be achieved, any benefits that are to flow in the future will flow here, in Barbados and they will be subject to the normal rate of company taxation, I cannot see, that there is all of this quarrel, not at the company level, but at the dividend distribution level. I cannot see, that all of this fuss is necessary to support this well-intentioned resolution.

His Honour E. ALLEYNE: Mr. Speaker, I rise to make my contribution to this debate. The debate has been characterised in my view, by a certain lack of understanding of precisely what is involved and what has been involved, in Public Utility financing and regulation in Barbados. I can give no better illustration, of lack of understanding, than to refer to the question posed by the hon. member for St. Michael South West when he wanted to know who was it that valued the shares of the Barbados Light and Power at a par value of five dollars. That is a fundamental illustration of the fact, that some hon. members on that Side do not begin to understand the basics in the entire matter and

my function here is not to defend the company, but merely to try to explain what forced the Board to reach the decision which it did reach against the background of continuous criticism in this Honourable Chamber and out of this Honourable Chamber. of the decision of the Public Utilities Board in May last year.

Let us deal with probably the most basic point. The question which had to be faced and which the national interest demanded that the Public Utilities Board faced was the question whether the company was, or was not in a position to continue to provide electricity to the public of Barbados. Now, Mr. Speaker, the company has a statutory obligation to provide such electricity. The Board was faced with a situation where audited accounts and where the auditors had produced a certificate to the effect that the company had not satisfied certain borrowing requirements as set out in the company's Debenture Trust Deed. In a sentence it meant that the company with an overdraft of \$17 million was not in a position to borrow another cent. Against that background, the Board had to examine all of the evidence and come to a conclusion in accordance with the Public Utilities Act, which commanded the Board to allow the Company a fair rate of return.

Now, we hear accusations to the effect that the Board has permitted the company to recover a surplus to the extent of something like \$30 million, over the next five years. What has to be said, Mr. Speaker, if only for the record, is that the Board made a thorough re-examination of the 1979 decision, it made a thorough re-examination of the evidence, which was produced in 1979 and it even went so far as to reduce what is strictly called the return, that is to say, the number of dollar bills which would accrue to shareholders as their return on the value of the company's assets which were used and useful in the public service.  
4.00 p.m.

Far from permitting the company an excess, that number of dollar bills was reduced from \$4.9 million to \$43.2 million, so that far from permitting the company any so called excess, the Board was trimming the company's sails. These are things which are not easily understood by members of the public, I suspect they are not easily understood by unthinking persons in the community, but these are the rational non-emotional facts of the matter. No excess was permitted, in fact the company's sails were trimmed.

What the Board recognised, and what is implicit in the judgment, is that the company on the evidence presented — and the evidence was thoroughly tested, the company's witnesses were examined at length — the Board recognised that, as the Hon. Deputy Prime Minister has said, some concern had to be shown for the deterioration in the company's financial position, and instead of

permitting the shareholders to recover excessive sums, what the Board did was to employ the technique of the investment tax credit and the deferred taxes to permit sums of money to be recovered which had as a matter of law and practice to be retained in the company. These sums of money have been permitted by the company to be recovered, and are retained by the company, and are not excess sums, they are not surplus sums, there are sums to which on any legal and rational assessment the company is entitled, because the Board can only act in accordance with the law, and the Board having examined the legal position permitted the deferral of the taxes which the company would have to pay and permitted the company to recover the investment tax credit. It is as simple as that.

I do not see how it is that the Board can be castigated for having reached a decision which was sound, which was legally valid and which decision is in many respects in question here today, because my understanding is that the Opposition is saying that were it not for the loans which are being made from the World Bank and from other institutions, the rates would not have had to be increased. To make that board statement, Mr. Speaker, is to misunderstand precisely what is important.

Mr. SPEAKER: I really want to hear something about this \$6 million U.S. loan guarantee,

Mr. ALLEYNE: Mr. Speaker, the connection between the two is this, that members of the Opposition have been saying that the increase in rates derived directly from the fact that the company was borrowing money, part of which relates to this guarantee before this Hon. Chamber, and the fact of the matter is this, that the accusation that the rates have been increased because of the guarantee and because of the loan which the company has entered into is not to present an accurate picture of precisely what has happened.

Dr. HAYNES: On a point of explanation, Mr. Speaker.

Mr. SPEAKER: Has the member misquoted you at any point?

Dr. HAYNES: I think so, Mr. Speaker.

Mr. SPEAKER: Are you sure that the member has misquoted you?

Dr. HAYNES: I think so.

Mr. SPEAKER: It is not what you think.

Dr. HAYNES: Yes, I think so.

Mr. SPEAKER: Please take your seat. You are not sure, let the member continue.

Mr. ALLEYNE: The basic point is this, Mr. Speaker, that the increase in rates does not result from the requirement of the guarantee or any such thing, the basic, fundamental point is that guarantee or no guarantee, loan or no loan, the Board in looking to see the company's requirements for expansion, which have a direct bearing on the guarantee which is before this Hon. Chamber, had to see whether the company was legally earning a fair rate of return. The whole point about the guarantee is that it is not directly related to the rate of return, it has no such connection at all. The basic point is that the Board had to examine the situation to see whether the company was earning a fair rate of return. The guarantee itself only becomes important because at this particular stage the company is now in a position to take up the World Bank loan; and that, Mr. Speaker, is the connection between the two.

Now, I want to touch on another point. The hon. member for St. Michael South Central spoke at some length on the question of the rates charged by the company and the fact that there was some need for examination of the rates and so on. The fact is that even though no tariff study has yet been undertaken, some preliminary work so far as I am aware has been done, and I am prepared to say here and now that the tariff study when it does come will demonstrate that there is in fact a loading in favour of the domestic consumer in the tariff which is presently charged by the Light and Power, and presently permitted by the Public Utilities Board. That is a fact, so the point made earlier this morning that the guarantee and the loans ought to be accompanied by a tariff is probably a good point, but it may well result, as the Hon. Deputy Prime Minister said, in a situation which reveals that there is a sort of discrimination against the commercial consumers, and that will have implications for the cost of electricity to the domestic consumers. To that extent the tariff study may not be as favourable to the domestic consumer as the hon. members on the other side think that it might be.

Mr. Speaker, the other question raised by the hon. member related to the question of consultants. Now, the Board looked at the whole question of consultants, and particularly in relation to loans like World Bank loans, the whole issue of consultants becomes very important, because we are told that this question must be examined in order to determine what the true cost of this particular loan which this Hon. Chamber is now to guarantee is likely to be, because built into it, according to the other side would be questions of costings for the consultants. Now, Mr. Speaker, this has some importance to me, because the Board looked at the whole question, and the evidence produced before the Board was that the Light and Power itself did not possess within its company all the engineering expertise which was required to operate, perhaps to totally operate a facility of that sort. For example, there was not, as I understand it, sufficient expertise in relation to design engineering and that these

were matters which had to be looked at fairly carefully when one was borrowing from the World Bank or from any other person the large sums of money which we are hearing about, but these are matters which were raised earlier, they bear directly on the question of the guarantee and I think, Mr. Speaker, that some effort must be made to deal with them.

The last point on which I wish to touch is this, Mr. Speaker. The hon. member for St. Michael South West would have us believe that he had undertaken five years of study in relation to the Barbados Light and Power to the extent that he knew precisely what he was speaking about. I do not wish to get into any detailed debate with him about this issue, but I think the record must show that in relation to the steam plants, Steam Plant 1 and Steam Plant 2, which he spoke about, that the effect of the introduction of those plants — and this is a matter which the Board took very seriously into consideration — the effect of those steam plants reduced the cost of fuel at the time by three cents per kilowatt hour.

4.10 p.m.

Now the Government was castigated for not having examined that particular point in closer detail, but that is a demonstrated fact which can be seen or extracted from a cursory examination of the information produced in rate cases, and it will also demonstrate that the operating expenses were reduced by \$1 million as a result of the introduction of these steam plants. What I am trying to demonstrate, Mr. Speaker, is that when these matters are brought before this Honourable Chamber, prior to that the loans, the details of the agreement are examined by presumably various Government Departments, but they are also examined by the Public Utilities Board and they are looked at, and the whole question of dealing with the guarantee here is one issue. If hon. members wish to raise questions about costing of the equipment, the value of the consultancy services and things of that nature, then as these are prospective matters it may be wiser to take the view of some others and contest the matter of public utilities hearings but here we are merely concerned about the guarantee which comes after the details of the loans have been worked out.

I just want to say one thing which I think ought to be said, and it is that the hon. Deputy Prime Minister very cogently pointed out that the whole question of inflation in relation to the depreciation is a matter of prime importance. Reference was made to the 1974 judgment by the hon. member for St. Michael South West, but you know, Mr. Speaker, the impact of that whole exchange would have suggested that even now the Board permitted the company to recover depreciation expense on the fully revalued assets of the company. Now that is not so and that has implications for the costing of the equipment and so on, because at this particular stage the company is still recovering depreciation on historical

cost only in spite of the fact that equipment is ever increasing in price, and these are things which I think ought to be stated clearly, forcefully and perhaps stated in this Chamber rather than anywhere else.

The last point I wish to touch on relates to this whole question of the return, because the hon. member for St. Michael South West drew reference from the returns of other public companies and made some reference to a return of 13.5% which he called the economic return in an effort to put the Government on the spot in relation to a proper costing of loans such as the one which is now about to be guaranteed. Mr. Speaker, I must say it is not useful, it makes little sense to compare the rate of return on equity which is really what the hon. member for St. Michael South West was speaking about with the rate of return on the value of the company's assets which are two completely different things, because the rate of return on equity has nothing to do with the rate of return on rate base which is a completely different kettle of fish, and the true rate of return on the company's assets used and useful in the Public Service is nowhere like 13.5%; it is somewhere in the vicinity of between 6% and 7%.

Mr. Speaker, I think I have tried to put matters in perspective. It is not easy in a debate of this sort to convey as fully as one would wish a number of the technical considerations which go into the making of a rate, nor is it easy to convey in a debate of this sort the kind of technical criteria which have to be examined in order to discover whether in fact the loan which this Honourable Chamber is being asked to guarantee is indeed a good, a cheap or an expensive loan. I would urge this Honourable Chamber to support and approve the guarantee, and I will say that the time I think has come when issues of this sort which touch so deeply on the national interest should be examined rationally, dispassionately and perhaps with less emotion than some hon. members in and out of this Chamber have attached to the discussion of what is obviously a matter of deep national interest.

Rt. Hon. E. W. BARROW: Mr. Speaker, on the 8th January this year the International Bank for Reconstruction and Development issued a document for immediate release. It was not a classified document. By classified, it was not a confidential document in any way, and this document disclosed that the Barbados Light and Power Company for the period 1980–85 was indulging in a re-investment programme of \$US121.7 million. The World Bank then broke down the extent of the investment into its constituent parts. It is not my intention to go through that, but out of the \$US121.7 million over a five year period, there was a loan adumbrated of \$US6 million by the World Bank to the Barbados Light and Power Company, a private company in the sense that it is not a company which is owned by the Government and people of Barbados; it is a public company in the sense that it

has more than fifty shareholders, but it is a private company in the sense that it is a non-government organisation.

The first thing I want to say is this: The World Bank went to the trouble to bring out a release which including the technical date is over two and a half pages; it has been made a document of the House and Your Honour may have it and at your discretion will have the opportunity to examine what I have said.

The Government of Barbados in asking the members of the House of Assembly of Barbados to ratify what they have already agreed to do, that is to guarantee the loan which is a contingent liability on the assets and the Consolidated Funds of this country gave us a scant seven and a half lines. I beg your pardon. In giving the details in the second paragraph of the Addendum, the total Addendum of the Resolution comprises fourteen lines, and we are supposed to come in here and rubber stamp a charge on the Consolidated Fund which is constituted by the guarantee which is to be passed by this House before it is effective, but to which the Government has already committed the taxpayers of this country, and neither the Barbados Light and Power Company nor the Government of Barbados made full disclosure of all the material facts relating to this expansion programme upon which they are now embarking.

420 p.m.

Mr. Speaker, when we examine the salient points of the position of The Barbados Light and Power Company what emerges is that The Barbados Light and Power Company has a complete monopoly in the supply of electricity in this country except in so far as the Sugar Factories or who have been allowed to generate their own power by traditional methods and largely by historical reasons because there were young tentacles of the Barbados Light and Power Company but the Barbados Light and Power Company is a monopoly.

Barbados Light and Power Company is privately owned. The Barbados Light and Power Company is a Company because we did not take the plunge in the 1950's and we allowed the Progressive Conservative Party as it then was in Barbados to persuade us into accepting a device known as the Public Utilities Board as a substitute for out-right public ownership.

One can go back, Mr. Speaker, and read the speeches made by the members of the Progressive Conservative Party in the 1950's when the Public Utilities Act was passed and the speeches made by members who were holding Ministerial Portfolios of the Barbados Labour Party indicating and scratching themselves or scratching one another on their backs and congratulating themselves not on controlling the commanding heights of the economy for the people of this Island but introducing a device known in North America as the Public Utilities

Regulations, then popular in Ontario, Canada, and in certain of the States of the United States of America.

Now I will like to say categorically, Mr. Speaker, this. I am going to say it now. I am merely quoting history. Even before my exposure to the Public Service of this Island, then popularly known as the Civil Service, I had great doubts about the ability of the Public Service to run anything, even Government Departments, and I still have those great doubts but at the same time I do not think that because certain people in the country have escaped from the Second Form at some of our Secondary Schools and their parents have money or had money and were able to pass on directions and so on to them that those people are the brightest people in Barbados and are the only people who are capable of running free enterprises or partially free enterprise systems.

I have always been a believer in a kind of mixed economy in developing countries such as ours. What concerns me as I expressed some weeks ago when we were doing the Integrity Legislation that Organisations which come to the Government of Barbados for aid and succour; I mean come to the taxpayers of Barbados in the last analysis should not and do not have their affairs conducted in the full light of public scrutiny.

There is no provision whatsoever in our Integrity Legislation for any Company desiring to have guarantees from the Government of Barbados to place all their books before the Public Accounts Committee of this House or even to make disclosure in an Addendum to a Resolution on what is going on behind closed doors.

Mr. Speaker, the Manufacturers' Association of Barbados — no one can accuse the Manufacturers' Association of Barbados of being anything other than a group of free enterprises or people who believe in the capitalist system. The Barbados Manufacturers' Association have in their possession documents which disclose that the Light and Power Company of Barbados have undertaken to purchase, contrary to the Release of the World Bank, and I will read the relevant part of the World Bank's Release, selecting one particular Company somewhere in Sweden to supply Two Stroke Engines, at, I believe, more than twice the cost of available equipment in Germany of Four Stroke Engines at half the cost and the results to us, the taxpayers and consumers of the electricity of this decision made by the Barbados Light and Power Company is that it will add \$5 million per annum to our Electricity Bills because the interest on the Loan has to be repaid and it is borrowing this \$6 million from the World Bank because this is how the \$121.7 million will be paid up.

Now on the 8th of January, the World Bank could tell the World at large that the \$6 million loan of the

Barbados Light and Power Company is guaranteed by the Government of Barbados and that it is for a term of 15 years. We are now, I believe, on the 10th of February, 1981, a full month later, this is what we have. "There will be a grace period of three years with interest at 9.25% per annum. The Commonwealth Development Corporation will supply \$11.7 million (U.S.) that is over \$23 million; The European Investment Bank will supply \$7.1 million, and the Caribbean Development Bank \$6 million, which is the same amount as the World Bank, and the Royal Bank of Canada \$5.9 million."

Now what is significant in this whole operation is that we the consumers of electricity do not understand our bills. I do not understand how they arrive at fuel charges. Sometimes when my bill is low my fuel and adjustment charge is higher. I still do not understand it. I do not care. It can be from Methuselah's time. I do not understand it and do not tell me from whose time it was. I am saying that I do not understand it and the average consumer does not understand the fuel adjustment charge but we know that the fuel adjustment charge is frequently higher than the amount of kilowatts that you actually consume every month and they have not done a public relations job to explain how they arrive at that.

Now out of this \$121.7 million broken down as I said before, internal cash generation is US \$46.7 million or \$93 million Bds., over a period.  
4.30 p.m.

Now, I never heard that the noise that I hear; when I pass Bay Street, or Spring Garden is a printing press turning out money. Those are generators, or turbines, as the case may be. The cash generation is cash generated by us, the consumers. The people who turn on lights and plug in their fridges and turn on their televisions and their VTR cassette player, those who have it, most of the people on the Other Side, those are the people, who are generating this cash and if they have to generate US\$46.7 million, or over \$93 million, over that short period of time, it means, that this money is being generated out of the company's profits and therefore, the cost of the equipment, which the Light and Power Company has undertaken to buy, even before the Government came in here to get this Loan guaranteed, the cost of the equipment is very important to us. (ASIDE) I beg your pardon, \$46.7 million generated locally not borrowed locally.

Mr. SPEAKER: Kindly address the Chair.

Rt. Hon. E. W. BARROW: I am addressing the Chair, Sir, I do not pay any attention to him. You know that. Any time I speak, I am addressing the Chair, that is only background noise.

The money generated locally, the Royal Bank of Canada, that money is not coming from Canada. The money generated locally does not mean, what the Caribbean Development Bank is putting in. That is separate and distinct, or what the Royal Bank of Canada out of our money our savings, here in Barbados will be advancing to them as well. (ASIDES) It is my information, from the Manufacturers' Association, that when the Managing Director of the Barbados Light and Power was on a visit to Europe — it was a single company who he decided to buy this expensive two stroke equipment from — that he was invited to go to see the latest machinery and he did not even reply to the letters, which were directed to him.

I have, in my hand here, I understand, that the powers that be, at the Barbados Light and Power Company have given kinds of reasons, why there want two stroke machinery, in this day and age. Saudi Arabia is the world's largest oil producer, bar none. (ASIDES). Well, I mean, as a single country, outside of the Soviet Union and the United States of America, over 12 million barrels I think, a day. One time, they went up to 16 million or 18 million barrels of oil a day. They are swimming in oil and therefore, if there is one country, which you would think could afford to be profligate in their generating plant because they need a lot of electricity, it would be Saudi Arabia. Saudi Arabia purchased four stroke engines, medium speed engines comparatively recently.

Barbados is not an oil rich country, the units which they purchase with Hitachi design other countries also purchase these machines, but no, Barbados, with a few spoonfuls of oil, we can afford to go in for these other things that cost twice as much. (ASIDES). It has been said, Mr. Speaker, that four speed engines use a lot of oil. Four speed engines use a lot of oil, Mr. Speaker, but when you work out, Mr. Speaker, the amount of money, that is going to be paid out of this country, in the way in interest charges and the additional burden, whether they put it on the fuel adjustment charge, or not, it is going to go on to that electricity bill even although they may be using 15% or 20% less fuel, instead of heavy fuel oil, they are still going to add it on to our bill, to the tune of \$5 million per year and if it is not true, I wish the Rt. Hon. Prime Minister and Minister of Finance to come out and say, that it is not going to cost the Barbados consumers \$5 million a year more because of the heavier amortisation and the increase in interest charges, as a result of buying this more expensive two stroke machine. That is what we are concerned about.

Now, whatever I may feel about the competence of the Public Service in running industry, or anything like that, it does not mean, that I am opposed to substantial public ownership of these public utilities because they are monopolistic concerns and I am saying

that the Public Utilities Board is not an adequate device from our experience to control the machinations of these monopolies, which we have here in this country. So alongside with substantial ownership, we will do what they say in the Chicago Convention relating to International Air Agreements, "you must have not only substantial ownership, you must have effective control" and the effective control means control in a way that decisions are made in the total interest of the community and not because a few people — I am not accusing them of anything — I also have papers here of course, which show for instance, that in Korea, over 200 people were sacked for doing similar things, but that is Korea. In China they tried people because they have different political ideas. GEC in Puerto Rico — this comes from a paper Sir, of September 9th last year — GEC in Puerto Rico, a similar electric deal was indicted on bribery charges and could not explain why they gave out \$1½ million to get a contract like this. This is a lot of money, I am not saying that anybody in Barbados is guilty of anything like that, but this thing should be subject to scrutiny and people should be made to justify it because this is my concern.

My concern is not sensualism, or anything, my concern is that I have to pay more on my electricity bill as a result of decisions made like this. It is not anything so wonderful about it. We have had electricity in Barbados for over 100 years. Nobody is doing us a favour and more of this expansion programme has got to be an expansion programme not for small people, but for the people spending \$26,000 a month on air-conditioning supermarkets and complaining about it because they are the people who are putting the strain on the supply of power in this country. The big, tremendous condensers and so that they need in their supermarkets not the few houses getting a little electricity, with a small refrigerator and that kind of thing, that could never demand an expansion programme in itself, that kind of expansion in domestic dwellings could never call for an expansion programme of over \$200 million BDS in a five year period. So the weak must go to the wall. We have to pay. We have got to pay, all of us have to pay because of the actions of the Barbados Light and Power Company.  
4.40 p.m.

In other words, I am getting electricity already. When the fuel costs go up apparently they make some figure, in other words, they do not lose. However the oil is being sold they do not lose anything at all. If the oil goes up, our bill goes up. The Light and Power Company is guaranteed by the Public Utilities Board a certain rate of return which is higher than any bank is paying to their fixed depositors in Barbados, higher than Barbados National Development Bonds, they are guaranteed that. When they have to pay out 9.5% interest to the World Bank, they pay out that 9.5% interest to the World Bank

and on top of that the shareholder is still guaranteed at 9.4 or 9.8% minimum or whatever it is, after they have generated this \$93 million in excess profits out of the poor unsuspecting consumers of Barbados, and we have people who claim that they are socialists coming in here and defending actions like that. If there was no expansion I feel I would still get electricity, therefore I do not need the expansion, because my demand for electricity should be decreasing, not increasing. I am not wearing more clothes, I am wearing less clothes. The most times I wear clothes, Mr. Speaker, is when I come in here, and you, you have to wear more clothes and even send them to the laundry especially when you go away. But generally speaking people do not demand more electricity, they demand less electricity as they get on. I mean grow in wisdom. So as far as I am concerned, I do not need any expansion.

Now, what we ought to be doing in Barbados, as far as I am concerned, we have natural gas in Barbados and I do not know what the known reserves of natural gas are, but I know that they are in excess of our daily consumption. When the Light and Power Company put up the steam turbines down at Spring Garden, the then Minister of Trade who is now the member for St. Michael South West and I were told that the electricity bills were going to come down. He is there, we were told that on the spot. We made a tour of the turbine because they were using a cheaper form of fuel than ordinary diesel, they were using something like Bunker C or something like that, and instead of the bills coming down they went up. They did not send up mine and leave out the Hon. Leader of the House's, they sent up everybody's bills, and then they went to the Public Utilities Board and got another increase, and all of this we are doing to guarantee, investors in Canada and other places, something which if they were running an ordinary business, they could never have any guarantee in this so called free enterprise economy of the United States and Canada, that they know for certain when they come to the end of the month that they are going to get a guaranteed return on their stocks or their bonds, as it were, except they are National Development Bonds. Only in Barbados are they getting this guaranteed return, and we are being asked to make sure not only that they get this guaranteed return, but without being given any information whatsoever, behind closed doors they can go to a single place and say that they are ordering equipment and that the fuel is going to be cheaper if they get two-stroke engines. Naturally, a two-stroke engine is not going to burn as much fuel as a four-stroke engine. It just stands to reason, because you have two-stroke Suzukis and four-stroke Suzukis, but they may not be more efficient.

But what are the conditions of the World Bank on the procurement? This is what they said, Mr. Speaker: "Goods and services to be financed by the Bank will be procured through international competitive bidding in

accordance with Bank guidelines." There was no international competitive bidding, and when people bid their letters were not even answered, a bee line was made straight to the doors of the people who were going to supply them, who were not even the only suppliers but who were going to supply them with the two-stroke engines.

The information which was supplied to the Manufacturers' Association of Barbados..... (Hon. C. L. BOLDEN: Are you fighting the Manufacturers' case?) ..... I am not fighting anybody's case, I am fighting the rate payers and consumers' case. I am the Secretary General of the consumers now, that is whose case I am fighting.

Mr. Speaker, the point which I am making is this. We come in here and say we will guarantee this and we will guarantee that. It is a contingent liability, it increases notionally the national debt of Barbados. I have said on more than one occasion any time anybody comes to this House and requests the members of this House to underscore a guarantee and give their assent to a Resolution of this kind, we want full disclosure of all the material points. There are guarantees which we have undertaken which have enured to the benefit of everybody in Barbados. As far as I am concerned, with an expansion of this magnitude which I personally do not require, you first have to convince me it is in the national interest. Secondly, even when it is in the national interest, I think that we need to be satisfied, Mr. Speaker, that everything has been done to ensure that the ordinary man in the street working for \$100 or \$125 a week is not being called upon to pay a burden for big industrial undertakings. In this particular case of the guarantee to the Barbados Light and Power Company, we have not had full and frank disclosure of all the material facts, as witnessed the World Bank release which came out a whole month before the Addendum to this Resolution. The World Bank release came out on the 8th January.

The World Bank release further said that the procurement would be by international competitive bidding, and from the information which has been supplied by the Manufacturers of this island it was not done by international competitive bidding, and therefore as a result it has been calculated that the consumers in Barbados as presently constituted will have to pay an additional bill for this single act, not on the procurement of \$121.7 million, but on the purchase of the two-stroke equipment alone, an additional \$5 million which will be hard to justify in the circumstances.

I have been very careful in my address to stick to the economic consequences of this measure. I feel that anything else would be a matter for the Director of Public Prosecutions, and not for me, to investigate. 4.50 p.m.

Hon. L. S. CRAIG: Mr. Speaker, the Resolution which is before the House is for the sum of \$US6 million. I have no doubt that one would expect the Government of Barbados to guarantee a loan of that magnitude. On the other hand, no one would dare lend a Government any kind of money unless they knew that the Government was sound, well run and stable, and that is why they were able to ask to lend the Barbados Light and Power this money and ask the Government of Barbados to guarantee the loan. Now they would not ask me to guarantee it because I would not have that sort of money. I have not got that security, I may not be that sound. They would not have done it five years ago, and on the other side they would have turned them down.

My contribution therefore, Mr. Speaker, is out of this World Bank document for immediate release. It is a very interesting document and I am going to read out much of what the other side would not dare read out. It starts "Barbados gets first loan for power sector. The World Bank has approved a \$US6 million loan to the Barbados Light and Power Company to help finance an expansion programme to meet the electricity needs of Barbados up to 1985."

That means for example to help the Light and Power Company to carry electricity to the cement plant in St. Lucy when we build it that they could not get off the ground. Now I am trying to find out why this \$US6 million, because it is a lot more money; it is \$US121 million in all. It goes on:

"With an estimated total cost of \$US8 million, the project is part of the 1980-85 expansion programme of the BLPC."

Now the total cost of the investment is \$US121 million. I heard a lot of argument on the other side. I know I am going to be told very early by the half-baked economists which Frank Walcott had referred to many years ago, not me, the Leader of the Opposition that I am in deep waters. Well like going into deep waters because if I get into difficulties I have to fight to get out, and therefore I am going to try and get out this evening. What is important, Sir, in this whole \$US121 million of which \$US6 million is involved and the Government of Barbados is guaranteeing the World Bank is that it is going to benefit the poor people in this country, because it goes on here to say "the provision of an adequate and reliable electricity service is essential to the development of the country's tourism and industrial sectors." These sectors provide employment for 40 per cent of the labour force, account for 24 per cent of the gross domestic product and contribute about 80 per cent of foreign exchange earnings."

Sir, do you hear that term? Do you understand what it is doing? Do you understand it is going to contribute 80 per cent more to foreign exchange earnings for the people of this country whereby we can give the old age pensioners additional money. Do you understand what this whole Resolution is all about? The two-stroke engines and four-stroke engines I am not concerned with. I am concerned with generating revenue, and a businessman must put money out there and make money so that he can expand. That is what it is all about – the small man with the minibus and the big conglomerates and the multi-national corporations.

Now, Sir, this is the document again: "The relatively strong economic growth....." Do you hear that power stroke? That is what I call an eight stroke. This is not me, this is the World Bank. All of this 13.5% and 9% you heard from the other side; They were embarrassed to to see what the World Bank was saying about Barbados. Listen carefully; I will read it for you. "The relatively strong economic growth of Barbados during the past years....." you had some say in that. I am giving you some credit for that during the past years. I believe they mean during the past five years because it was in 1974 that I think that the World Bank.....

Sir, you know these waters are a little deepy deepy, so let me look here for 1974. Just bear with me, Sir. It says "the project will be the World Bank's fourth lending operation in Barbados since the country became a Bank member in 1974." All right, I think I have got you good. In 1974 we became a member. Well you would not risk it then because you would have to feel your way around. In 1974 you were on your way out, so when they say "the relatively strong economic growth during the past years", that is since we came into power because they became a member of the World Bank in 1974. (Rt. Hon. E. W. BARROW: But we were not existing before that.) You know how you went out; in a wheel chair. You yourself said that.

Mr. SPEAKER: I know you are addressing the Chair.

Hon. L. S. CRAIG: Yes, Sir. I will call the questions you asked in the Order Book about lights in the rural areas. Sir, we go on; these are the deep waters. Listen to this now. The loan of \$US6 million is guaranteed by the Government; it is for 15 years including a three-year grace period. Don't pay me a cent yet, I give you three years to catch your hands; then there is interest at 9.25%. Now I want to work out the interest. I will call it 10% because I am not too good at figures. I did not go to school very long, so we are saying they have to pay 10% interest on the loan of \$US6 million over a period of fifteen years. Then they go on to say, Mr. Speaker, something about the economic rate of return. I will get in deep waters now. It is 10% you have

to pay back and the economic rate of return is 13.5%. I am going to call it 14%. Out of this 14% I understand that you have to pay back first the capital. That is what the World Bank says would be a fair economic return. Ten percent you have to pay back in interest. That leaves you with four per cent. That 4% as I understand it must pay capital, must pay back the money you borrow, you then have to pay to repair the engines when they break down – I think you call that maintenance out of the 4%, and then it goes on to say "for the investment programme", still out of the 4%. Then you have to pay the shareholders. Now as I understand it, there are 1 846 shareholders. You have to pay back approximately \$CAN.1 million to the Canadians, therefore there is \$1 million now to be divided between the shareholders which are 1 846, I believe most of them are Barbadians black and white, and then, Sir, there is an additional \$500 000 over a period of fifteen years. It would therefore work out that over a period of fifteen years it cost the taxpayers of Barbados \$1.85 per week. This is what it costs the taxpayers. All this \$US93 million that you hear this big loud thing, I went down to the nitty-gritty, and it costs the taxpayers of Barbados at this point in time..... 90% of the houses in Barbados would have in electricity, some 67 000 householders.  
5.00 p.m.

The aim therefore is to make sure that out of 100% every single house in Barbados should have electricity, Sir. Out of that 4% that we hear so much argument about, the impression I had earlier today is that the 13.5% was going into the pockets of the shareholders, Sir, but the Leader of the Opposition I assumed may have been a shareholder or the Piles and the David Seales.

I thought that that 13.5% when I heard the arguments in here, I said to myself why, the Prime Minister like he did a very bad thing. I was not on a very good wicket but it is now that I understand it clearly that out of this 13.5% would have to pay back the per-capita interest, 9.25%. Then you have to pay the capital of limits, Sir, Then you have to pay, Sir, for maintenance of the machines and then you have to make profits to be divided between them.

I just asked a Specialist here to work out what the profits would be and it worked out to about \$270 per person per year, Sir. That is what it works out to, but most importantly, Mr. Speaker, is that from that 4% must be carried street lights to the rural areas whereby the little man and the little woman or the big man and the big woman, Sir, would not have to pay \$1,100 to put down a pole. That is what the Light and Power Company today is calling on people to pay. When they cannot carry a pole to provide electricity in a particular area they write them and say if you want electricity you have to put down a pole yourself. It cost approximately \$1,100.

Now if I put down a pole, Mr. Speaker, and I have to pay \$1,100 now you know, Mr. Speaker, because you encounter these problems all the time. I do not want you to attach your pole to my house. You know that and you cannot get people together and say that I am going to put down a pole and the tenants get together and pay \$1,100. This is all part of the Investment Programme.

In this very book here, Sir, listen to the Questions, Sir, over the years. Question 33 by a Mr. E. E. Greaves. I will only show you, Sir. This is what the money is to do, to finance the Light and Power Company to carry electricity to all parts of the country, like the \$33,000 or \$33 million which is going to be used in the North in the Heywoods Project, the Cement Plant Delaware Land where you are getting raped and you are being robbed and down in the Harbour Road where you cannot walk at nights. All the street lighting is included in the whole country's Lighting Programme. That is the whole problem, Sir.

Listen to Mr. Greaves, Sir, Question 33:—

"To ask the Minister of Communications and Works:

Is the Minister aware that the following areas in St. Lucy are without street lighting:— Durhams, Greenidges, Hannays Village and Mt. Gay tenantry."

In 1975 he asked that Question, Sir. No reply was given Sir, in 1975.

Question No. 48, Sir, Mr. F. L. Walcott.

"To ask the Minister of Communications and Works:

Is the Minister aware that the residents of Headley's Land, Deacons Road and Crab Land, St. Stephens, are without street lighting?"

That is what this \$6 million is for that the Government is guaranteeing, to improve that, Sir.

Question 59, asked by Mr. C. L. Bolden, now in here, Sir.

"To ask the appropriate Minister:

Since Government has restarted its street lighting programme, would the Minister consider the provision of street lights in the Cattlewash and Andrews Tenantry areas?"

Cattlewash, where you are getting your bags snatched. Andrews Tenantry where the poor agricultural workers are.

Question 103, a Mr. Hinds. He would have to get into the action, one Mr. W. B. Hinds.

"To ask the Minister of Communications and Works:

Has the Minister taken note of the fact that residents of Castle and Castle" then you have in brackets "Cabbage Walk". You would know these places, Sir.

"St. Peter are still suffering from the lack of a supply of electricity to their homes."

All of these Questions were asked in 1976 and it is now in 1981 that the Barbados Government is guaranteeing a loan of some \$6 million to assist you with those Questions which you asked for seven years ago, but there is another very striking and important note in this here, Sir, that I did not even know in relation to this World Bank Release.

There is a place here called the European Investment Bank lending the Barbados Government \$14 million Bds., to buy the machines, the very Two Stroke Engines that the Leader of the Opposition talked about. They are paying the people in Switzerland to build the machines, send them to Barbados, pay for them and then to tell the Barbados Government pay me however you can or whenever you feel like paying me because of our sound, economic and well-governed country so all of this 13.5% and the taxpayers getting robbed, I cannot support that. What we have to support in here, Sir, is that if you are going to have developmental expansion in the country, one will expect that the Light and Power Company would have to have additional funds to generate business for the purpose of expanding the country's electrification.

Mr. Speaker, I said earlier, Sir, that the debate had looked to me like one of a lot of theory. A lot of figures were being bandied about and so on but it is not difficult. I do not mind the theoreticians. You only have to listen to them for a couple of minutes and you apply the real needs and the fears of the people in this country and you will realise, Sir, that nearly every single householder in this country within the past two or three weeks, Sir, — kerosene oil lamps, Sir, this is expansion again. I have to build more houses, Sir, put in more current to help stop the house fires.

You need to pump water I am told which cost a lot of money to give to the Electric Light and Power Company so you get one coming in here this evening, Sir, talking about Two Strokes Engines and taxpayers paying rates when it is to the interest of all Barbadians whereby it is going to increase to 40% the work force who is going to benefit from this Resolution, Sir.

Mr. Speaker, I would think, Sir, that the whole exercise in here was one to attract the eyes of the General Public or the Press about the taxpayers paying rates and something is fishy. We do not have enough in the Addendum but I think the Leader of the Opposition should know that when they talk about putting things in the Addendum, Mr. Speaker, I used to have one light and a half of a light.

I remember the Leader of the Opposition giving the late Sir Grantley Adams a reply in here when the late Sir Grantley Adams asked if he knew about some Ambassador or Cuban who had got off somewhere at Seawell Airport at the time and his answer to the grand old man, a Barbadian politician was "No, no, no," double "No" and sat down. That was the answer. He talks about the Addendum is weak, that there is nothing in the Addendum. I do not follow that argument. What we are concerned with from the Floor of this House this afternoon, Sir, is that we are in a position because of the economic strength of the country now in the capable hands of the Government that is in here that we can guarantee a World Bank Loan. 5.10 p.m.

That the World Bank is satisfied, that we are good enough to give a guarantee of \$6 million to expand our whole work force and the Light and Power could generate more electricity, in the various houses, Sir, whereby, by 1985, instead of 90% of the house owners in Barbados having electricity, we should have Sir, not less than 100%, Sir, over a period of four years.

Hon. C. L. BOLDEN: Mr. Speaker, sometimes, it is not necessary for every Honourable Member of Parliament to get involved in debates, which come before the Honourable Chamber, but at times, there are matters raised, which cause someone to make a comment and become involved, in the debate.

This debate, this afternoon, Mr. Speaker, to me is one of the debates, which would cause anybody, who has been in Parliament for longer than four and a half years, or someone, who has been involved in the political life of this country for longer than five years to become involved not because you want to deal with your specific views on the matter, but to bring to the attention of the general public, the varying attitudes adopted, by certain politicians, when dealing with the development of this

country and the lives and ambitions of the people living therein.

Now, I want to deal specifically with the Rt. Hon. Member for St. John, who is Rt. Hon. Leader of the Opposition, in his comments over this Resolution. I well remember, that the Rt. Hon. Member made a statement, in this Honourable Chamber, in which he said, that he had no apologies to make for mortgaging the lives of the unborn children of this society, they shall not come and enjoy the benefits of a society without having to help pay for it. Now, today, I am hearing about expenditure, which the Light and Power is entering into and which the Government of the day is supporting for the development of electricity in Barbados. But, today happens to be Tuesday and the time just about 4.30 or a quarter to five when he spoke.

But, on Sunday night, about 9.30 p.m. in Venture, when he introduced a man called Michael Dudley Seymour Smith, who he said went to more schools, than he went to and Mr. Smith got up then to say, that Lindsay Bolden and the BLP had done nothing in St. Joseph, that were still outages of water in St. Joseph, I did not hear him say then, that you have to develop the water resources of this country to satisfy the demand.

But, I heard the then Honourable Member, on a previous occasion, in this Honourable House remember Lloyd Smith, how he had to run a special line, from Bowmanston pumping station, down to Golden Egg to give him water and put pressure on the Light and Power to pump the water down there. Now, you cannot have it both ways. You cannot come in here and as he said today, he has no personal need for further development in Light and Power, that is what he said today, he stressed it, over and over, that he had no personal need for further development in Light and Power, but he quoted extensively, from documents provided to him, by the Manufacturers' Association of this country.

It is time, that we look and see, who are in the Manufacturers' Association in this country. I read the Rt. Hon. Member's statement and I heard him say: "You must not give aid and comfort to your enemies". He expelled two of his Members because he said, that despite the fact, that he believes in democracy, he cannot have his members giving aid and comfort to their enemies. But, he is quoting from documents, no doubt provided to him, by a man called DaSilva, who belongs to the Manufacturers' Association, a man this country has given aid and comfort, who then went abroad in Canada to tell the world, that there is over 22% unemployment in Barbados and the guarantee of this Loan today, as everybody has heard is to deal with the developments, which the Barbados Labour Party is bringing to this country. (ASIDES) I am not dealing with equipment at all.

You have factories, that are coming to Barbados, that will be cited, along the Spring Garden Road and I am told, that Light and Power must provide excess generating capacity, if you want to accommodate those factories. Those factories bring employment to Barbadians. You have heard about the cement plant, you have heard about the various other developments taking place, in Barbados. You have heard about the project of Government to put running water, in every house, by the end of 1981. At the moment, the Waterworks Department is pumping a minimum of 24 million gallons of water per day. If you have to give everybody in Barbados running water, you will have to increase your pumping capacity.

We are planning to build a new well at Waterfords, at the Belle, which means, that you need excess capacity, from the Light and Power. Now, if you have the Manufacturers' Association and Mr. DaSilva telling the world, that unemployment is far in excess of 22% and at the same time, you are trying to increase employment opportunities in Barbados and then, the Rt. Hon. Leader of the Opposition, whom DaSilva is a member of his Party, the one, who kept the policeman at the door, in St. Joseph Sunday evening, that nobody could get into the hall, unless you had a passport, to watch five St. Joseph people accept Michael Dudley Seymour Smith to run for the Democratic Labour Party in St. Joseph, now I really do not understand the argument here today. How are you to develop the country, if you do not want to put more money in the Light and Power? I do not understand. Where would Light and Power get the generating capacity from, if they are to supply energy to the factories, that are planned for the development, in Barbados. I do not understand it, so the Rt. Hon. Member cannot have it both ways.

Now, every Honourable Member, on that Side, not one, everyone, with the exception of the Rt. Hon. Member, I must say, he has never asked me for a street light for his constituency and yet, the Rt. Hon. Leader of the Opposition, he has never asked me, but every Honourable Member on that Side has been harrasing the Ministry of Communications and Works for more street lamps. They want electricity extended into their areas, but Mr. Speaker, when I did a research of the documents I found, that under the DLP Government, they made a ruling, that no more than 500 street lamps should be imported annually into Barbados. But you have reached a situation, where Barbadians have now become accustomed to the better things of life, everybody wants street lights, everybody wants an extension to reach their homes. Barbadians no longer decide to come all into Bridgetown, or all into Christ Church.

5.20 p.m.

The policy of the last administration was to site industry around St. Michael and Christ Church. If you

want to move industry into the rural areas, if you want to satisfy the demands of people in the rural areas, we must find a way to expand the electricity services to all these houses. Government has embarked upon a rural electrification programme and it is necessary that we find ways and means of preventing the applicants from paying \$1,000 or \$1,500 for poles in order to give them electricity. As I understand it, part of the revenue generated from this loan will be used to expand electricity into homes and there will no longer be any case of a charge for a pole.

Now, the Democratic Labour Party cannot have it both ways. They must either accept that we must pay a bit more for the facilities we will get, or they must vote against it. I dare any one of them today to vote against it, Mr. Speaker, because it will show really and truly if they are for the development of Barbados or if they are only speaking for their own personal benefit. The Leader of the Opposition made his speech and he is waiting to hear the replies, and I believe he will vote. The other member who is supposed to be the shadow Minister of Finance, he makes his speeches and he disappears. He will not vote, I do not believe he will come in here and vote, but we must make a decision, we must decide whether or not at this point in our development we pay the money now and reap the benefits in the next 10 to 15 years, or we wait a little longer.

Mr. Speaker, it goes a bit further. I have seen how a wait in the electricity programme can cost money. I am going to raise a very controversial issue now. The Leader of the Opposition talked about buying equipment for probably twice as much as you could get it for in another place. For a number of years I have argued that Barbados should switch from 50 cycles to 60 cycles, because I believe and I have been told — I might be wrong, I might have believed wrong — that it is better for a small place like Barbados to move into 60 cycles than to remain in 50 cycles. As I said before, that is my belief, it may be a wrong belief. We set up a Committee to deal with the switch over and because of the interests of certain people in this country, and many of them belonging to the same Manufacturers' Association, they held one meeting and they never even decided on the virtues of the switch, they dealt with their own personal interests. After doing a careful research, I was told by certain members of the Barbados Light and Power Company that it was recommended to the DLP Government way back in 1971 that the switch should then be made and it would only have cost the Government then \$3 million, so the same Manufacturers' Association that gave the hon. member information about costs is only looking at their personal interests, and we must ask the question if the person who provided the document to the hon. member did not have interest in the firm selling the equipment, because they have not got the interests of the general Barbadian at heart. They have

not, because as I am told, Barbados is among about no more than 20 countries using 50 cycle electricity today.

Where you can buy domestic equipment at probably one-third the cost, if it is 60 cycle, you have to pay the full cost where it is 50 cycle equipment, and these are matters that should be investigated, so the hon. member must understand when we are dealing with Light and Power, it is not an easy portfolio we are looking at, it is a complicated portfolio and we have to decide what is best for Barbados today. Do we want to reach a situation where the unemployment factor is so high that we bring to the shores the sort of attitudes which have raised their heads in other Caribbean countries that we cannot then find enough room or enough development to take up people who are walking the streets looking for employment? We either have to spend the money, provide the employment and make sure that Barbados keeps ahead of the other West Indian islands where services are less than we have, or we fall into the same position.

I challenge the Opposition to make their vote known today. If they are against it, vote against it.

Hon. L. B. BRATHWAITE: Mr. Speaker, in rising to support this Resolution for a loan of \$6 million U.S. from the International Bank for Reconstruction and Development to the Barbados Light and Power Company, I want to make a few remarks. In doing so, I should like to preface them by saying that if rain falls in this country, the Barbados Labour Party is blamed for it if it comes at the wrong time, if it does not fall at all the Barbados Labour is to be blamed for it. If oil does not come out of the wells in Iran the Barbados Labour Party is to be blamed for it, and if it does not come out in the quantities expected by the Opposition from Venezuela and Trinidad, the Barbados Labour Party is to be blamed for it.

Mr. Speaker, some time ago as a result of a number of applications being made to the PUB for increases by a number of public utility companies, and especially in the case of the Barbados Light and Power Company a decision was taken that instead of having public hearings with the Public Utilities Board whenever there was a price increase in petrol, that there should be a formula devised whereby the increase in the price of fuel would be added to the fuel bill. This Government has no control over the war with Iraq and Iran, the problems with respect to their oils nor even closer to us, here in Venezuela, or in Trinidad and Tobago.

Unfortunately for us, we have gone into supplies of energy, and I think the energy we have only represents in terms of fossil fuel one-third of our total supply. Recognising the need to look away from fossil fuel, the Government in its wisdom is trying to promote wherever possible the use of an energy which is certain-

ly in abundance here in Barbados, that is, the rays of the sun, and we are also looking towards the question of wind power, solar power as I just said, and also wave power and when we have mastered the technology with respect to these alternative energies, we will certainly be able to do much better in a number of other areas.

The Deputy Prime Minister, who is very much concerned with these matters, did not put forward the idea just now in his very forceful speech as regards feeding electricity from Foursquare Factory, electricity which will come as a result of the burning of bagasse into the lines of Light and Power, and which by itself might make a significant contribution for the three or four month period of the sugar crop. We would also like to think that in the fulness of time Andrews in St. Joseph and Carrington in St. Philip and Bulkley in St. George, Heywoods in St. Peter and Porters in St. James will also be able as well to make a contribution by way of inputs into the power lines of the Barbados Light and Power Company, thereby saving energy that would not otherwise be saved and utilising the energy in order to be able to reduce the cost to the consumers in this country.

5.30 p.m.

It would thereby save energy that would not otherwise be saved and utilise the energy in order to be able to reduce the cost to the consumers of this country. We in the Barbados Labour Party have been looking at every possible means in order to reduce the high cost of electricity to people in this country. The Opposition has been talking about people unable to burn their lights and about poor people unable to pay for their electricity. Now I do not know if they are aware, but if they are not, I want to spell it out here very clearly for them. Pensioners who are living in a home by themselves or who have got people in the house who are not working, are entitled to present their bills for electricity payment to the Welfare officer of their district, and these bills will be paid for on their behalf. This is the case as well, Mr. Speaker, with respect to water services, and I challenge anybody from the Opposition to say that that is not so. You have got to satisfy the requirements that have to be met; you have got to satisfy the Welfare Officer who is the man responsible for coming up with whether or not you are qualified for old age pension or for any pension at all or for assistance to be given. I am not aware that the situation is otherwise, but I am told and I believe that this is the situation as applied and Government has been insisting that this should be the position. If it is not so I would advise hon. members to speak to the Welfare Officers themselves or get in touch with the respective Ministries as far as that matter is concerned.

The Barbados Labour Party has no control as far as fuel coming into this country is concerned. Now, Mr. Speaker, as Minister responsible for public utilities, I

deplore any charge made against a body that sits as a semi-judicial body with respect to the fact that they do not come down with decisions that are straightforward and honest in every sense of the word. As a matter of fact, so correct have their decisions been in the last rate hearing that the Chief Justice sitting on an appeal made against the decisions given came down with the view in a very considered judgment that the decisions made by the Public Utilities Board were correct and proper and in order. I am satisfied beyond all shadow of doubt that there are people of great honour and high integrity and we are happy in Barbados to be able to have men of such honour and integrity sitting on such a tribunal in this country.

Now the question was raised about the electrification of the rural areas in this Island. The hon. member for St. Lucy particularly dealt with this point, and while he was speaking the Rt. Hon. Prime Minister made an intervention and said that as a result of the World Bank Loan, part of the interest will be made available in order to support such a rural electrification scheme, but I would like to remind the Prime Minister as well and to make known to this Honourable House that long before that World Bank loan was even talked about, the Government itself had set up a Committee to look at the whole question of rural electrification and had given instructions to the Barbados Light and Power Company to electrify the whole of Barbados. As a result there are a number of districts in the rural areas that I am satisfied were given electricity. I can mention offhand a place like Fruitful Hill and Cane Garden between St. Andrew and St. Joseph, and Whapping in St. James among other places throughout the length and breadth of the Island that were given such favourable consideration, and that the Government has not waited until now or did not wait until the World Bank came up with such a suggestion, but the Government had very much in its mind the idea that all houses in Barbados should have electricity within a very short time.

As far as street lighting is concerned, that is another matter. You can only offer a certain amount of street lights within a given period of time. You cannot by one stroke from the hand decide that every place in Barbados will have street lights. I believe that we have actually done more lighting of streets within four and a half years than the Democratic Labour Party actually did in fifteen years. As a matter of fact, with the exception of St. Joseph which in the bye-election in 1970 had more electricity than anywhere else in Barbados only during the period of the bye-election, there is no other place that I have seen with electricity on that scale. As a matter of fact, if you were to have a bye-election under the D.L.P. every year in every constituency, I am sure the people in those areas would well benefit from such action under them; but as far as we are concerned, we do not see it that way. We see it in terms of people. We think in terms

not only of areas where the Labour Party has representation, but we think in terms of all people all over this country.

I remember when I was at the Ministry of Communications and Works, Mr. Speaker, when I passed through St. John and I saw the amount of work going on there, I was amazed. It only went on there. I saw as I was driving down no work in St. Joseph, I saw none in St. Andrew, I saw none in St. Peter, none in St. Lucy. I saw none coming back from St. Peter, none in St. James, none in St. Michael, none in Christ Church West or otherwise. I just saw them in St. John. I believe that was because it was shortly after the election of 1976 and that the idea of putting St. John and keeping it on the map was still there and the influence of the now Leader of the Opposition was still there and his presence was very much felt. We in the Barbados Labour Party did not decide to do it that way. We feel that the people are all Barbadians. We feel that we owe a duty to all of them and I want to satisfy you and this Honourable House that this Government see matters of electricity, matters of water, matters of road building, matters of transportation not in terms of politics but in terms of people, and I would wish to see the day when we will remove these matters from the area of politics. It may be difficult to do. We do not feel that electricity should be a football. Electricity is too important to us. There is one beautiful thing about Barbados and its electrical system as far as the Power Company is concerned. Mr. Speaker, it always works. Whenever you go into a place and you turn it on, it works. You get the occasional outage as you get with human beings. God made us and we fail. Sometimes we drop down with some problem or other, and we are the hand-made of God. How much more so in the case of the Electric Company, but I think we should be well satisfied that with the Barbados Light and Power Company we have a good utility company and it is broad-based.

As a result of the last share issue to the public of Barbados, contrary to the view as expressed by the Opposition, the company will be primarily Barbadian owned. Barbadians will have the great majority of shares and the policy will be dictated by us. I was happy when I heard the hon. member for St. Michael South Central saying that he would like to see the management continue in the capable hands that it is in. I certainly would like to see it continue to be so. I don't know if he wants to say that he did not say that, but I take it that he did say that and would not deny that he said he would like to see the management continue in the capable hands that it is in. I think I am right in saying that. I think we all agree that the Electric Company is a good company and we would always like to see that it continues to be that way.

5.40 p.m.

As a result of the decision which was given in the last Rate Hearing, it is confidently to be expected that with the exception of the fuel charges, the base rate of electricity will go down, I think, by June this year. The base rate of electricity will go down and we will hope to see a coming down in the fullness of time overall.

The Government, as you know, has recently made connections with Natural Gas Supply and I think they are supplying something like one million cubic feet or shortly will be supplying a large amount of Natural Gas to the Barbados Light and Power Company and we would also hope that with the abundance of energy we have in terms of Sun Power that we will eventually, in another 10 years or less, have all the electricity we want generated from the sun's rays and not from fossil fuel, Mr. Speaker.

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, if no other hon. member wishes to speak, Sir, I would wish to wind up this debate. Mr. Speaker, Sir, the Government welcomes the contributions of so many hon. members in this debate today. We are dealing with important matters. Barbados is not in the small league of development now. We are not at a stage as we have been for many many years where the biggest development ever carried out in the country was the building of the Deep Water Harbour for \$30 million. We are at a stage where we are looking to build Cement Plants for \$170 million.

We are carrying out a \$300 million Programme in the North of the Island. Not in the future, Sir. That is not in the Manifesto. That is what is being done now. Work will be starting on that within the next few months and we are at a stage where we are not borrowing \$5 million or \$8 million or standing by where the Electric Company borrows \$5 million or \$8 million to buy Four Cylinder Diesel Engines to send out a lot of black smoke along Paradise Beach. We are looking to spend \$250 million on improving electricity services in this Island so that we can continue to generate jobs at the rate of 3,000 to 4,000 a year and to get economic development going in our country in the 1990's and a good deal of what has been said so far seems to ignore the imperatives that have to inform Government's policy in respect of future developments.

I would agree with the hon. member for St. Michael South Central and with the hon. member for St. John when they say that this development is not needed for the satisfaction of the domestic consumers. In a narrow sense that is true but it is an exceptionally narrow sense that takes an exceptionally narrow view about the developmental needs of our country.

During the last four years the number of households in Barbados with electricity has gone from 70% to well over 90%. There are 67,000 subscribers now. There are in fact only 64,000 households but the excess is accounted

for by commercial subscribers so clearly the needs of rural electrification and the importance of the electricity services to residential areas cannot be a primary motive but to take such a narrow view, Mr. Speaker, is to ignore the fact that every year thousands of boys and girls are coming on to the labour market and require jobs. This is the point made by the hon. member for St. James in a very cogent and well argued speech.

The Government is extending electricity services not to buy a light bulb in a refrigerator, an electric iron or the only appliance which the Hon. Leader of the Opposition could remember was a T.V. Video Tape player as he dealt with this. We happen to deal with light bulbs and irons. We are not extending the service to these things in the houses. We are extending the service to give thousands of boys and girls jobs at Sargeant's Village in the Intel Factory. We are extending the service to find jobs for perhaps 3,000 people in the Speightstown area as a result of the Heywoods and other aspects of the Speightstown Development and that is why we need to spend this amount of money. To use the inelegant phrase of the hon. member for St. Michael South Central, to provide infrastructural development to superstructural development that rises above the ground.

Now the familiar litany of the rates being too high and poor people not being able to pay and the profits being excessive and the Company not being a publicly owned Company has been trotted out in here, trotted out in defiance but the point of national ownership is in the dictum of the Leader of the Opposition when he was Prime Minister that he did not believe in the nationalisation of the Light and Power Company. I cannot recall if it was late 1975 or early 1976 when he said so but it was around that time. It was either December, 1975 or January, 1976.

I must say, Mr. Speaker, to be fair to the hon. member for St. Michael South Central, although he trumpeted public ownership loudly, when you listened carefully to what he was saying, he was never at any stage saying outright that the Government should buy out 1,846 Barbadians who have shares in the Light and Power Company because that is the number of local shareholders.

I wonder if the hon. members opposite who talk so much about public ownership realise that the Government had no share in the Electric Company in 1976 and it now has 25% shares moving to 30% in a very short time. You do not have to preach at us to tell us about public ownership in the Light and Power Company. We have been doing it and we have made the Light and Power Company within these 12 months last past a Company with 52% owned by Barbadians, by the National Insurance Corporation, the Government and 1,846 private

shareholders and the benefits will flow to the National Insurance Board.

The pensions that you get on National Insurance will be partly financed by the \$500,000 a year which I take to be the approximate amount that will be drawn in dividends by the National Insurance Board from the Electric Company. The benefits will flow to the Government and the benefits will also flow, as the hon. member for St. James pointed out, in the form of Internal Cash Generation. The benefits will also flow to the rental of the Company's equipment and the payment back of this loan which is sought to be guaranteed here.

Now the question of the rates. The rates rose 83.6% between 1974 and 1980. In 1974 before the first increase was granted after the oil crisis the average cost of fuel was 14.1¢ a unit. Last year the average cost was 25.9¢ per unit. That is a rise of 83.6% but at the same time inflation in the country, and it can only be measured on a point to point in these circumstances, rose approximately to 141% since the end of 1973 to the beginning of 1981. 5.50 p.m.

Electricity is therefore, cheaper not more expensive, in relation to the increase in the cost of living, since 1973. These are simple facts, that have to be pointed out and the Opposition does no service to the country and the country's need for proper electric supply, by suggesting, that electricity is one of the areas, where there has been any kind of rip-off. The Electric Company should be complaining, that where wages have risen, certainly, at the bottom, by over 200%, wages in the Public Service for the worse paid employees have risen well over 200%. Since 1973, electricity has gone up only 83.6%.

I am not here to put a case for the Electric Company. In the days, when I was in practice, perhaps the Electric Company might have used me, as one of their chief opponents. I was the only person, to stand up in 1974 and oppose the rate increase at the Light and Power and somebody procured the Bajan Consumer Association to withdraw my brief, when I started to put my case before the Public Utilities Board and Mr. Maurice King instructed the Board to refuse to hear me any longer. The increase went through, without any objection, from the Government, without any objection, even from the consumers. I was the only person, who attended the Board that day, so I hold no brief to put a case for rate increases for the company. As far as I know, that occasion was unique, in that there was no objection to a rate increase before the Public Utilities Board. There had been no other rate hearing, at which that has happened, but facts are facts, whatever the impressions and the facts are that the cost of electricity has risen much less, than the general cost of living and much less, than wage increases, in general.

For what it is worth, the Honourable Member may be interested to know, that out of something perhaps, like \$80 million, which represents the company's revenue, something like \$50 million is paid directly for the supply of fuel. The cost of fuel is now more, than half the cost of electricity in this country. The answer to the question raised, by the Honourable Member for St. Lucy, as to effect of the supply of natural gas, unfortunately is that natural gas has brought the average cost of fuel down a little bit, but other price increases have raised it again. What we achieved this year is some stability in price. He said, I think, that he asked me to enlighten the Honourable House, as to whether there has been a reduction, or stabilisation. Well, we can report, more or less stabilisation, with a very small element of reduction also.

Now, the speech, by the Honourable Member for St. Michael South Central had its high points, Sir, but it also had its low points. He talked about consultancy services and the amounts being paid for them and elsewhere, in his speech, he talked about the need for tariff studies. If the Honourable Member were fully informed, he would have known, that the consultancy services are not a hidden management fee. This is a genuine consultancy, which will be bid for competitively internationally for energy conservation studies and for a Tariff study. This deals with the problem raised, by the Honourable Leader of the Honourable House, the Deputy Prime Minister.

The \$600,000 for consultancy services, the company is having to spend on studying energy conservation and also studying Tariff Studies. We are paying a lot of attention to alternative energy and energy conservation. I have here, a report, which has just been received this week, on the use of wave power in Barbados, the use of the waves off our East Coast, for the generation of electricity. This is one of the options, which the Government is seeking. These are the areas, where the Government is endeavouring to reduce our dependence, on imported oil. We have already had a study on wind power.

Now, the Electric Company itself will have to carry out a study. We do not have a bad electric company, Sir, when you consider, that the rates in Guyana and in Jamaica are higher, than in Barbados and in some parts of Georgetown, even with the higher rates where they are only getting electricity for five hours a day. We cannot complain. The Con Edison rates in New York, I am informed are higher, than those in Barbados, in fact, our rates are comparable with those in the Eastern Seaboard of the United States. Of course, there are many places, in the United States, where the rates are much cheaper because of their location closer to sources of cheap energy and rates vary all over the United States. But, certainly places that are comparable with Barbados, in their dependence on imported oil, at least, oil that has to be bought at international prices to a generating point are

manno manno, as the expression goes, Sir, with Barbados itself and in return for that, although I agree with the Honourable Member for St. Michael South West, that we seemed to have had many more outages, since the steam plant was installed, than before, but in return for that, we get an electric service, which generally speaking, is safe and reliable. We only have to think of the situation, after the last hurricane, when we appreciate, that the physical plant, although not buried was still able to withstand winds of hurricane force, over the eastern part of the island without any serious, or drastic interruption.

The Honourable Member for St. Michael South Central also spoke of internal cash generation not accruing to the shareholders. That point has been largely dealt with, by the Deputy Prime Minister, when he pointed out, that internal cash generation is effectively funds diverted, from the immediate use of the shareholders, towards replacement because those funds are diverted, into cost of replacement and into deferred taxes. In fact, the whole matter of taxation of the electric company happens now to be at stake, as a result of changes made, in the last budget and it may very well be, that the provision of deferred taxes, which was so controversial, in the last Public Utilities Hearing may prove to have been too modest, rather than too generous, in the light of changes, in the tax laws, but that is a matter, which is *sub judice* not the courts, but the Ministry of Finance and it would be unwise for me to comment on it, at this stage.

But, the Honourable Member in a speech, which when it was applauded, I had to say, *omni ignotum pro magnifico* put together a number of arguments, those which were consistent with themselves, were inconsistent with each other and those which were consistent with each other make nonsense in themselves because you cannot argue, that the company must not generate capital to pay for an expansion and at the same time argue, that the capital it generates should somehow be returned to the consumers, which is what I took into the arguing. The Honourable Member does not seem to understand, that consumers are also taxpayers.

Dr. HAYNES: On a Point of Elucidation, Sir. The point that I was trying to make, which seems to have caused some confusion to the Honourable Member is that, by the provision of the combination of deferred taxes, accelerated depreciation and investment tax credit, this allows the company to increase the amount of cash available to it, but it also forms part of the base, on which you charge the rates. It is computed, as part of the cost of service and then, part of the rate cost, as is clearly set out by Messrs. Gittens and the.....

Mr. SPEAKER: In elucidating a point, you are not allowed to break new ground.

Dr. HAYNES: As clearly set out.

Mr. SPEAKER: No.

Dr. HAYNES: The same thing.

Mr. SPEAKER: In elucidating a point, you cannot add to what you have said previously, nor can you break new ground.

6.00 p.m.

Dr. HAYNES: I am not going to, Sir.

Mr. SPEAKER: You have already done so.

Dr. HAYNES: But I think it is such a crucial point that it is worth.....

Mr. SPEAKER: You cannot break new ground.

Dr. HAYNES: Can I continue on the old ground to elucidate?

Mr. SPEAKER: I do not see how you can.

Dr. HAYNES: Anyhow, Sir, the point that the accumulated cash also goes towards capital development which becomes the property of the shareholders, that is the essence of the point.

Mr. SPEAKER: Point taken.

Rt. Hon. J. M. G. M. ADAMS: The hon. member needs a fresh brief, Sir. The accelerated investment credit does not work out as a benefit to the company. As a result of the accelerated credit the company's tax liabilities have been increased by some millions of dollars. In fact, where they had no tax liabilities before, their liabilities to the Government will now run into millions, so the accelerated investment allowance is damaging to the company's finances and that is not of assistance to the shareholders, that will cost the shareholders something.

The depreciation does not add to the rate base, it replaces parts of the rate base, and the investment tax credit also has the same effect, so the three things which the hon. member has sought to extract from the cash generating capacity of the company are none of them supportive of the argument that the shareholders are getting a benefit. In fact, he has taken the things where the shareholders do not get a benefit to point out the investment allowance will cause the shareholders cash loss in that they have got to pay taxes, and the depreciation of the tax credit does not add to the tax base. But anyhow, these are technical matters that suit the Public Utilities Board and lawyers before the Public Utilities Board.

Similarly, I think I have to say to the hon. member for St. Michael South West that he must leave the

statistics to the statisticians and the economists. He is no longer the shadow Minister and he does not get first access to the shadow documents. The hon. member assures me and I believe him, that he read out exactly what the World Bank said in its Press Release about the 13.5%. I congratulate him on his ability to read accurately, I cannot congratulate him on his ability to understand or to put an argument based on comprehension of what he had read, because the World Bank, as was said by the hon. member for St. James, is dealing with the return on the current investment, not the rate base of the company, which is an artificial concept in the public utilities law and not related directly to cash investments. If the average rate of interest — and I apologise, Mr. Speaker, for going over the ground covered by the Minister of Housing — if the average rate of interest is 9%, clearly there has to be a rate of economic return on the investment higher than 9% to allow the Bank to consider it a good investment. If you are running a business and you go to the bank and get an overdraft of 14%, you are not going to mark up the goods if it is a retail business by 10%, you would not be able to afford to, you cannot carry stock at 14% and try to do business on a retail mark up less than the interest you have to pay the bank. These are elementary concepts, and I think the whole matter arose out of a misunderstanding, Sir. Perhaps I should have realised from the imperfection of the grasp of the World Bank's analysis of this whole matter that the hon. members could not have been reading from the Confidential document which has been kept under secure conditions at Government Headquarters, that they must have read from some more condensed document which gave them full scope to mislead themselves, as they are accustomed to doing. Thank God the debate in the House was accompanied by a sufficient number of speeches on this side to avoid their misleading either the House or the country, inadvertently I am quite sure, Sir.

The hon. member for St. Michael South West also seemed to have an insufficient grasp of the extent of the company's shareholding. He put a strong case, he said the more people who have a stake in the enterprise the more it can be believed that the enterprise is being conducted in the best interest of the people of Barbados. I agree with him, instead of 1846 shareholders, I am sorry they are not 18,000. When it was said that what was good for General Motors was good for the United States, a great number of people misunderstood that statement. They took it to mean that the profits of General Motors somehow in themselves represented something good for the United States. It was not appreciated that what the speaker was saying was that General Motors was a company owned by small shareholders and not by anybody big, and that the perhaps hundreds of thousands of shareholders represented a cross section of the United States. While we have a mixed economy, of which the Leader of the Opposition declared himself so proud, it will be in the interest of running that fixed economy

properly to ensure that ownership of essential industries is as widely spread as possible.

There are many countries, some of them in the Caribbean, which have shown that State capitalism can be as undesirable as unrivalled private monopoly capitalism in the hands of a very small number of people. Inefficiencies have crept into the operations of essential services in many, many countries. As far as I am concerned, a sufficient shareholding in the Electric Company to ensure that the Government has a major voice is the goal at which we must aim at the moment. We have already achieved our aim of local control, we now have to settle down over this development period where the Government will own about a third of the shares, other Barbadians will own about 30% of the shares, or another third, and the previous foreign owners will own a third. The situation where that comes about is, as far as I am concerned, as far as we need to go at the present time.

In conclusion, I want to deal with one or two small points. The hon. member for St. Michael South Central started to say, he did in fact say, that the company was embarrassed by the amounts of cash now coming in. My information is that contrary to the World Bank's condition that the Barbados Light and Power Company's overdraft at the bank remain below \$10 million, that overdraft is now standing today at \$11½ million. Even now the new rates have not generated enough revenue to reduce the overdraft to the level which both the Public Utilities Board and the World Bank analysts thought prudent. Again, it does no service to the management of a competently and honestly run public company providing a public service to suggest that it is making excess profits, and to suggest that it is ripping off the public and that there is something shady with its operations. This applies with even greater force to the repetition by the Leader of the Opposition of information which first began to be put into circulation by a man called David Newnes — I have not given you his name, Sir, and obviously I will not reflect on it — but I cannot say for sure that he is the source of the Leader of the Opposition's information. All that I can say is that he has been walking around for some time trying to sell medium speed diesel engines made by a German firm, one of the offshoots of the KRUPP ARMS COMPANY, called MAK, and that when he did not get the contract for the medium sized diesel units at the Electric Company, he made accusations of the Managing Director of the company, that he had gone to Sweden and then was going to Montreal to divide what he got in Sweden between officials of the World Bank, between consultants from C.I. Power Services and himself. 6.10 p.m.

These accusations were I believe made to a person whose readiness to accept untruths is equalled only by his readiness to repeat them, a gentleman from the

Barbados Manufacturers' Association whose statistics have virtually never on any occasion when he has got them into print proved capable of bearing the analysis of truth, a great impressionists, Sir, a great disciple of at least one hon. member, and he made these accusations also to Mr. Basil Forbes and Mr. Peter Miller. These names have all been mentioned either specifically or by inference in speeches of hon. members. Again we do ourselves no service in repeating the kind of nonsense that frustrated salesmen walk about and pour into the ears of people all over the world. All the newly qualified lawyers and those who have come recently from their books should go and look at some of those old Master and Servant cases, two in particular that came from Australia in the Twenties dealing with how far a company is responsible for the slanders repeated by its salesmen.

If the hon. member for St. Michael South West has done his defamation recently, no doubt he could remind you of the names of the cases, but it is well known that salesmen say all kinds of things. They used to come and tell us things too when the other side was in power, all kinds of things, and try to destroy those to whom they have not been able to sell their wares. Mr. McConney has never been to Sweden in connection with this manager, the Managing Director of the Company. These things have no justification at all.

The World Bank, of course it is no use to say the World Bank appraised it; it examined low speed diesel units, medium speed diesel units, extension of the steam plant and a new steam plant using coal. All these were examined. The Commonwealth Development Corporation examined it.

Now the speech of the Leader of the opposition was reasonable in so far as it analysed the use of medium speed as against low speed. I am not going to tell you that no medium speed diesel in the world is good and all low speed are good. I could not possibly tell you that. I do not know, neither does he. All that it is our duty to know is that the matter is arguable, that there are people whom you pay, that you take second opinions and third opinions if you can afford the luxury, and you come to a decision on the best evidence. I do not believe personally that it would have been possible to go in the office of the then Manager of the Barbados Light and Power Company in the time of the Leader of the Opposition when he was Prime Minister and offer an inducement to either of them to buy a steam plant, for example, or to choose to buy a steam plant in that time, or the hon. member for St. Michael South West who was closely concerned with it. Nor should anybody suggest — I know there was no imputation of any politician — that an internationally financed scheme can be subject to these considerations which this Mr. David Newnes has been putting about. These people are excrescences on the body of salesmen. That is exactly the situation, and I am

saying this perhaps with some force following all I am reading now on debates about integrity and the way people look at politicians.

Mr. Speaker, the more we try to sell ourselves short, not just politicians but businessmen and people in public life, the more it will come to be accepted that we are selling ourselves for what we are worth. Every time we attack or lend an ear to anybody who attacks the integrity of the decision makers in our society, that is a chip at the mountain of integrity which Barbadians have by and large except for short periods of time and in limited areas been able to maintain. I am sure there will not be a Hanschell Commission on this World Bank loan. There would not even be a Duffus Commission on this particular incident.

Sir, I thank all hon. members, those whom I have mentioned and those whom I have not mentioned who have contributed to the debate. It is the second debate that has taken the interest of members to this extent on the question of electricity within the last twelve months, and I think that we have been well served by it. There is room for variance of opinion. The hon. member for St. John likes medium speed diesels, the World Bank, C.D.C., C.I. Power Services, C.D.B. and the Electric Company like low speed diesels. It is possible to choose the hon. member's opinion, we have chosen somebody else's. The hon. member for St. Michael South Central feels that instead of letting the consumers pay for the development, perhaps that the Government should take the taxpayers' money and pay for it, but the taxpayers are consumers and consumers are taxpayers. I would just leave the hon. member with that thought. He wants us to buy all the shares. We believe that if we had the money to buy the shares in the Electric Company that that money would be better spent buying a low speed diesel. We believe that, but if the Government out of the taxpayers can raise the money we will be taking a better decision to use that money for development than to use it for ideology. President Burnham in Guyana bought everything in sight and with an economy with a smaller gross domestic product than Barbados, with negligible imports of consumer goods compared to Barbados, and with two export industries, bauxite and sugar, he finds a shortage of foreign exchange. Why? It is going to pay Bookers in London. Before Guyana can pay one cent on the proceeds of its sugar crop Bookers has to get a piece in London before it reaches Georgetown.

The hon. member, if he ever gets an opportunity can perhaps run the economy in that way. I see no need for it. They are locked into our economy, the foreign shareholders. They cannot pick up S.1 and S.2 and carry them off to Montreal. They are there at Spring Gardens; they are locked in here and here they stay. I see no reason whatsoever to give extremely large capital gains to foreign shareholders in the name of ideology, not while

we have limited resources of foreign exchange and limited funds for development. These are arguments which I would urge on all hon. members. Most of these things that they put forward have been tried elsewhere, and where have they been tried? They have been tried in Guyana, they have been tried in Jamaica. I mean no reflection, Mr. Speaker, I think that all hon. members accept the need for the expansion of the Electric Company, and I think that all hon. members in their hearts know that this Resolution is well founded. I know that there is no hon. member on the other side who whatever he says about the rates will get up and make a speech to reduce the electric rates if they got into power. They will reduce the salaries. They can afford to say that because they know they are not going to get the opportunity.

I beg to move that this Resolution do now pass.

*The question that the Resolution do now pass was put and resolved in the affirmative the House dividing as follows:*

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

ABSTENTIONS: Rt. Hon. E. W. BARROW; Dr. HAYNES and Mr. TAITT — 3.  
6.20 p.m.

#### ESTATE DUTY (AMENDMENT) ACT, 1981

*Item No. 3 was called — To move the Second Reading of a Bill to amend the Estate Duty Act, Cap. 70.*

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, Sir, I do not wish to enter at any length upon the subject matter of what we are amending. Those of us who understand Estate Duty will be familiar that in cases where the life tenancies and so on have to be assessed for Estate Duty purposes, there is a Schedule in the Act that gives sums of money which are to be regarded as the value on an amount of property left for a stage in life. Thus if you leave something which is held to have an annual value of \$100 to a child aged 1, Estate Duty is going to be assessed on the printed value, the value which is printed in the Table in the back of the Estate Duty Act.

Those figures were taken from the English Estate and Succession Duty Act of 1853, the present figures, and it is considered that human beings live much longer now than they used to live in 1853 and therefore the figures should be brought up-to-date.

The new Table now before the House represents a modern assessment carried out by Actuaries who are Consultants in the Ministry of Finance and Planning and it is considered desirable, Sir, that the new Table of Annuity Values be inserted in the Estate Duty Act.

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

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

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

Rt. Hon. J. M. G. M. ADAMS: I beg to move that Your Honour do now leave the Chair and the House go into Committee of Supply on this Bill.

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

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

*Clause 1 was called and passed.*

*Clause 2 was called.*

Dr. HAYNES: Mr. Chairman, just one very brief point I would like to make here. I have not had an opportunity to study in any detail the implications of the Estate Duty Act with regard to revenues or otherwise but I wonder whether or not there are not many aspects of the Estate Duty Act in Barbados which does seem to cause considerable hardship to people in the lower and middle income groups in this country and whether there is not a need at some point in time to look at the whole question of Estate Duties and so on in the context of a modern Barbados with a wider diversification and wider opportunities for participation in the ownership and wider employment opportunities and so on.  
6.30 p.m.

I would not like to commit myself to any direction in this area, but I form the impression that many people, I can think of one, or two cases, where a policeman's widow and other people, at that kind of level often find themselves in serious problems, consequential on this. I wish to raise this and whether the time has come to have a very comprehensive look, at the very concept itself, in relation to Barbados.

Rt. Hon. J. M. G. M. ADAMS: In a very short time Sir, the Estimates will show what the revenue, from estate duty is and the Honourable Member will be in a better position to make his point, at that time. I believe, that the revenue from gambling machines is about the same,

as that from estate duty, so the Honourable Member can choose.

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

Hon. H. deB. FORDE: Mr. Chairman, I am asking for re-commission of Clause Two for a while, Sir.

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

*The question that Clause Two be re-committed was put and resolved in the affirmative without division.*

Hon. H. deB. FORDE: Mr. Chairman, on Pages Two and Three, you will see the Schedule set out. When the Schedule left this Honourable House, Sir, the signed copy that left this Honourable House, it was correctly printed numerically. The Printer, in trying to divide it up has placed 21 coming after 84, for instance. So, I would ask, that the copy, which goes forth, signed by the Speaker, from this Honourable House should reflect the numerical order, from one to page 95 numerically and sequentially.

*The question that Clause Two, as amended stand part was put and resolved in the affirmative without division.*

*On the motion of Rt. Hon. J. M. G. M. ADAMS, 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.*

*On the separate motions of Rt. Hon. J. M. G. M. ADAMS seconded by Hon. L. S. CRAIG, the Bill was read a third time and passed.*

Hon. H. B. St. JOHN: Mr. Speaker, Sir, Item Number One.

Mr. SPEAKER: Item Number One.

*Item Number One was called – To move the House into Committee of Supply to consider the grant of sums of money for the service of this Island.*

*On the motion of Rt. Hon. J. M. G. M. ADAMS, seconded by Hon. L. S. CRAIG, 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 of Supply.

#### SUPPLEMENTARY ESTIMATES 1980-81 No. 35

#### HEAD 20 REVENUE COLLECTION – \$37,300

##### *Subhead 1: Inland Revenue Department.*

*Order Number 1(a) was called – to move the passing of a Resolution to grant the sum of \$3,550,086 from the Consolidated Fund and to place it at the disposal of the Government to supplement the Estimates 1980-81 – Part I – Current, as shown in the Supplementary Estimates 1980-81, No. 35 which form the Schedule to the Resolution.*

Rt. Hon. J. M. G. M. ADAMS: Sir, it is not usual for the Government to criticise the working of any Civil Service Department and I will, therefore not criticise the Government Printery, but merely apologise for it.

The Government Printery has proved, in the last two years, or so as incapable of handling the affairs of the Inland Revenue Department, as it is of handling the affairs of printing parliamentary papers of the House. I am very sorry to say it so directly and I do not wish to be over critical, but, the sole reason for having to ask for this sum of money is the incapacity of the Government Printery to do what it is supposed to do.

We have not been able to deal, in the Income Tax Department, with a whole range of problems because of the shortage of forms. The Government Printery could not print the new Income Tax forms last year and they have had to have them printed outside again for this year. I believe, that the contract has been out to tender and has been awarded. I offer my regrets, to the Honourable House. I am no longer the Honourable Minister responsible for printing, Sir, the Rt. Hon. Prime Minister decided, that there would have to be a reshuffle in a department, where the output was so much less, than that required, by the standards, which the Government has set and I therefore had to remove the Honourable Minister responsible for printing, Sir and transfer responsibility to the Honourable Minister of Information.

A project is being developed for the Government Printery to improve the management and make better use of the undoubted human resources, which exists there and the machines, one of which has been in a garage of Government Headquarters, from the time that the Rt. Hon. Leader of the Opposition was Rt. Hon. Prime Minister. A project is being developed, we are seeking some space to put the machines, we may be seeking technical assistance in management to handle the entire matter and an Honourable Minister, whose responsibilities are perhaps less, than those of the Honourable Minister of Finance.

Also, Sir, the Head of Department has been changed, it is a different Permanent Secretary, who has been asked to bring a new thinking to the problems of the Government Printery. I have to ask the public to bear with the entire matter of shortage of forms, at Government Departments. I was very distressed to see, that a lady married to a Barbadian had to make a special application to me, for an extension of her stay in Barbados because the forms on which she should make application to be a Permanent Resident, as a wife, were not available and we had actually to reach the stage of photocopying forms, at great expense.

6.40 p.m.

I really do not want to spend too much time on this, Sir. I am sure that hon. members will find it possible to support this supplement so that the Inland Revenue will be all truly geared to accept people's tax returns by the due date in two months' time. I beg to move that Head 20 stand part.

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

Mr. TAITT: Mr. Chairman, when a Minister is so decent as to come to the House and apologise for a matter of this kind, whichever Opposition is sitting would exercise the courtesy of understanding the predicament, notwithstanding it is election year, and would not normally participate in the debate, but usually, Sir, when such a Minister makes such a confession, he is usually contrite and sets out some plan to improve the situation.

When the Minister said that he had a reshuffle, Sir, I understood him to be suggesting that in fact he was going to .....(ASIDE). I understood him to be saying that something was going to happen, but then I felt a little sadness as he outlined the steps he had taken. I understood him to be saying — I might have misunderstood him, Sir, — but I understood him to be saying that he has put the Department with a Minister that is more commensurate with the level of output of the Printing Department. I formed the impression that what he said was that the Printing Department's output was not at the high level required by his Government.

Rt. Hon. J. M. G. M. ADAMS: On a point of order, Sir. Amusing though it is, the hon. member knows that I did not say that. I said a Minister whose ministerial responsibility may be a little less than that of the Minister of Finance.

Mr. TAITT: Sir, I understood him to say that one of the reasons why he was having a ministerial shift, a reshuffle, was that the Printing Department was not

producing at the high level of output required by his Government, and by implication by the particular Minister who had it. It stands to reason logically that if he has shifted it across, that he has shifted it across to a Minister whose style and speed may be more in keeping with that of the Printing Department, and then he said it was the Minister of Information, Sir.

I do not think that more comment is necessary. We hope that added to his onerous duties of censorship — I think censorship is one of the greater burdens he has to bear, Sir, that particular Minister — and there are other things he does, it is just that they escape me at the moment. Perhaps the Prime Minister could give us some indication of what the duties are of that particular Minister again so we can be seized of the difficulties which that Minister may or may not have in accepting this additional burden on his already overburdened shoulders. Is that the Minister responsible for broadcasting? Yes, I think so, Sir. (Hon. H. B. St. JOHN: No, Information). Information, not broadcasting. There again, Sir, I am confusing myself, I thought that that Minister was responsible for broadcasting, but I am informed *sotto voce* by the Leader of the House that he is not even responsible for that, he is responsible for Information. If he is responsible for Information, what would be the reason for his constantly getting on the telephone and interfering with the running of CBC? I thought he was the Minister responsible.

Anyhow, Sir, I do not wish to hold up the House. I hope that the addition to the Printing Department, which the Prime Minister himself tells us is not known for its output, will not cause this Minister to be in a position where he does not carry out his duties in the manner to which he is accustomed. I hope that this shift in portfolio will not affect the quality of the work of the Minister. I think he used to have Culture, Sir, and they removed Culture from him..... (ASIDE). He never had Culture? Oh, he never had Culture. I beg your pardon, Sir, he never had Culture, I mean the portfolio of Culture, he merely wanted to get it, and I hope that the Prime Minister is not suggesting that giving him this Printing Department is a substitute for his other..... (ASIDES).

Mr. Chairman, I believe I have made the point, but later on in the next few weeks when the Estimates come there are a few questions which we would wish to raise in somewhat more detail, but I must confess that I am disappointed that the Prime Minister does not offer us in the suggestion he has made in the shifting of this portfolio to that hard working, indefatigable Minister responsible for Information, that in so shifting this matter I do not believe he has taken the right steps for the improvement of the Printing Department. I will have more to say at the appropriate time, Sir.

Hon. L. S. CRAIG: Very briefly, Sir, as I understand it, and as the Prime Minister said earlier that he has to apologise for the unfortunate problems which we have at the Government Printery, but the whole problem at the Government Printery, as I understand it, is lack of space. When people are in very cramped conditions they find it very difficult to perform, and I know that we in the Ministry of Housing are trying our best to accommodate the Printery by taking the Town Planning Office out of that building so that the equipment which is there they can use. I believe these are the problems which we have inherited, problems which we should not be crying over, because we were given control of Government to help solve these problems.

I must take issue with the Member for St. Michael South West when he spoke about the Minister of Information telephoning CBC and interfering. I am always at a loss, after four years as a Minister of Government, as to what is meant by interfering with a Department. I really do not understand it. I understand the function of a Minister is to hand down the policy to the Board or to the Corporation, and the Corporation or the Board would carry out the policy of the Minister. There must be at some time or the other where the Minister would have to call (a) the Manager, (b) the Secretary of that Corporation to discuss some matter which relates to the policy of the Minister, and therefore I cannot understand where this fancy idea comes in about a Minister interfering with a Department. It is my Department, it is my Board, I can call my Board and speak to the Manager of the Board that I set up the Board to appoint. There is nothing about interfering.

That is unlike Morgan. Now, the difference with Morgan was that Morgan gave a directive, a written directive that you should only report the positive side of things, but the Minister of Information to the best of my knowledge does not interfere with the running of CBC. If he has to telephone CBC to make an enquiry into a matter which affects CBC or his Ministry, what is wrong with that? I do not like these little snide remarks about this Minister and that Minister interfering. Do I interfere with my house? When I go into my house do I interfere with it? If I go and light the stove, do I interfere with the stove? It is my stove, it is my Board, therefore I can telephone the Manager, the Secretary, the Financial Controller and ask him what is the actual financial position at the Board. I think this is how a Minister should operate, Sir.  
6.50 p.m.

Mr. TAITT: If the hon. member would give way.....

Hon. L. S. CRAIG: Furthermore, the Minister of Information was the law lecturer of the hon. member for St. Michael South West and he should be ashamed

of himself. He lectured him in law and he is now coming in here criticising him.

Mr. CHAIRMAN: The hon. member has given way.

Mr. TAITT: I have to correct the hon. member. He has never lectured me in anything. But, Sir, the point I raised, I believe the hon. member is provoking me to explain myself in more detail and I will do that in due course. I have absolutely no quarrel with the Minister exercising his functions lawfully, and these functions as far as I am concerned include calling up Board members and/or managers. It is when a Minister gets to the point where he starts calling us people at the level of messenger, and down the line and sticking his nose in the business of a Corporation to the exclusion of the Board members, to the exclusion of the management, to the exclusion of almost all the decision makers; that is when a Minister is not only acting wrongly, he is acting unlawfully. He has absolutely no power and/or responsibility to interfere in the day to day running.....

Hon. L. S. CRAIG: That is a speech. This is not a measure which should cause any controversy, but I just wanted to explain my views about this interfering, and where he mentioned about telephoning and interfering, a Minister does not interfere; he is discussing matters with the Manager, the Director of News. He can telephone the engineer and ask him if it is 250 watts or 400 watts. I do not know. He may call the messenger and ask him how he is feeling. What is wrong with that? Do you mean you cannot have a good relationship from the messenger up to the Manager? That is what I try to get in my Ministry. (*Asides*) I have a good relationship from messenger to P.S. I get on well with everybody, but do not come in here trying to cast any very sly remarks about a person who I am sure was your law lecturer, and you boast of second class honours.

Mr. TAITT: On a point of order, the hon. member is now accusing me of lying to this Honourable House. I made a statement of fact that the hon. member never lectured me in anything and the hon. member is now getting up and saying he is sure that the Minister in question lectured me in law. The hon. member cannot do that, Sir. He is accusing me of lying.

Hon. L. S. CRAIG: When he was the Personal Aide to the former Prime Minister you were Consul General in New York. Is that right or not?

Mr. TAITT: That is not true either.

*The question that Head 20 – Revenue Collection – stand part, was put and resolved in the affirmative without division.*

## HEAD 36 – CIVIL AVIATION AND TOURISM DIVISION

*Head 36 – Civil Aviation and Tourism Division – was called.*

Hon. H. B. St. JOHN: Mr. Chairman, the Addendum is very clear, and the amount is for \$43,814 under item 8. The Government has been endeavouring in conjunction with other Caribbean Governments to build up skills in the aviation personnel. Accordingly an association known as CATI has been formed and this Association depends for its funds upon a UNDP grant and on contributions from Governments. Obviously in the training of pilots, the cost of fuel for the small aircraft plays an important part in the operational cost. The organisation has had to revise its fees schedule to take into account the increased operating costs, and this sum of \$43,814 is necessary to supplement the \$200,000 which was our assessed contribution at the time of the preparation of the Estimates for our eight students at CATI in Trinidad, and therefore we need this money to allow the organisation to continue to be able to buy fuel for the training of pilots.

I beg to move that Head 36 – Civil Aviation and Tourism Division – stand part.

Mr. BRADSHAW: I beg to second that.

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

## HEAD 37 – MINISTRY OF COMMUNICATIONS AND WORKS

*Head 37 – Ministry of Communications and Works – was called.*

Hon. H. B. St. JOHN: Mr. Chairman, when the new airport was opened in December, 1979,.....

Mr. TAITT: On a point of order, I believe for the record we just had a little difficulty. The hon. member moved item 8 and Your Honour said Head 36. I believe we should re-commit it just for the records because the hon. member moved item 8. The next item is Head 37 – Ministry of Communications and Works and the amount that was moved was \$43,814 and I see that there are other amounts of \$4,372 and \$776,115. I am not certain that we did not make an error, and I wonder if you wish that we re-do it.

Hon. C. L. BOLDEN: Mr. Chairman, I believe that we have got confusion here. The amount of \$37,300 belongs to Head 20 – Subhead 1, Item 7. Head 36 is a completely larger figure which I believe should be re-committed so that the Minister can deal with it. Head 37 belongs to the Ministry of Communications and Works.

Mr. CHAIRMAN: I am prepared to abide by the tide of the Committee, but quite frankly Head 36 was called and the question was put despite the fact that the Minister only mentioned item 8; so I do not see any irregularity really. There is not. If the hon. member for St. Michael South West wants to re-commit for any discussion, he may.

Mr. TAITT: Sir, I do not necessarily need it, but when the Hon. Leader of the House got up and started to speak again, it occurred to me that the Leader of the House was not clear in what was happening at that point because if in fact Head 36 was put, then I would expect the Minister of Communications and Works to follow with Head 37, but then I saw the Hon. Leader of the House speaking again and I thought there was some confusion.

*Head 37 – Ministry of Communications and Works – was recalled.*

Hon. C. L. BOLDEN: Mr. Chairman, in moving Head 37, item 1 – subscriptions and contributions – it deals with a sum of \$9,085 which is required to supplement the vote to meet our international obligations in telecommunications. When the Estimates were laid we budgeted for the sum of \$101,825 which would have been divided between the Universal Postal Union and International Telecommunications Union. Subsequent to the vote we have now received the corrected figures for the annual subscription and it is found that the sum of \$101,825 does not meet the new subscriptions for the year 1980–81. Under the UPU Barbados' share for 1980 was \$1,200 and the contribution to the common cost expenses for 1981 is \$20,000. Under the ITU, the International Telecommunications Union, our annual subscription which we budgeted for of \$80,625 has not been enough. The new figure shows that we need a supplementary of \$9,085 to clear our commitments which we have to pay, otherwise we run the risk of paying interest rates on the money. So we are therefore asking for a supplementary in the sum of \$9,085.

I beg to move that Head 37 – Ministry of Communications and Works – stand part.  
7.00 p.m.

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

Rt. Hon. J. M. G. M. ADAMS: Sir, I beg to move that Your Honour do now report progress and ask for leave to sit again.

Hon. C. L. BOLDEN: I beg to second that.

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

## SUSPENSION OF SITTING

Mr. SPEAKER: The time is now 7.00 o'clock. This sitting stands suspended until 8.00 o'clock this evening.

*On Resumption --*

Mr. SPEAKER: This Sitting is now resumed. When the Suspension was taken the House was in Committee, to that it now reverts.

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

## HEAD 42 – MINISTRY OF HEALTH AND NATIONAL INSURANCE

Hon. Miss B. A. MILLER: Mr. Chairman, I beg to move that Head 42 stand part.

Hon. C. L. BOLDEN: I beg to second that.

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

SUPPLEMENTARY ESTIMATES 1980–81  
NO. 36

*Item 1(b) was called – to move the passing of a Resolution to grant the sum of \$90 919 from the Consolidated Fund and to place it at the disposal of the Government to supplement the Estimates 1980–81 – Part II – Capital as shown in the Supplementary Estimates 1980–81, No. 36, which form the Schedule to the Resolution.*

## HEAD 77 – CIVIL AVIATION AND TOURISM DIVISION

Hon. H. B. St. JOHN: Sir, I beg to move that Head 77 stand part.

Hon. C. L. BOLDEN: I beg to second that.

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

SUPPLEMENTARY ESTIMATES 1980–81  
NO. 37

*Item 1(c) was called – To move the passing of the Resolution to grant the sum of \$151 006 from the Consolidated Fund and to place it at the disposal of the Government to supplement the Annexed Estimates 1980–81 as shown in the Supplementary Estimates 1980–81, No. 37, which form the Schedule to the Resolution.*

## HEAD 50 – POST OFFICE

Hon. C. L. BOLDEN: I beg to move that Head 50 stand part.

Hon. L. B. BRATHWAITE: 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. C. L. BOLDEN, Mr. CHAIRMAN reported the passing of two Resolutions in Committee and Mr. SPEAKER resumed the Chair and reported accordingly.*

*On separate motions of Hon. H. B. St. JOHN, seconded by Hon. C. L. BOLDEN, the Resolutions were read a first and second time and agreed to.*

## SHIPPING ACT, 1980

*Item No. 4 was called – To move the House into Committee on the motion on a Bill respecting ships, crews and safety at sea and for matters consequential, related or incidental thereto.*

Hon. C. L. BOLDEN: Mr. Speaker, this Bill has already had its second reading. I now beg to move that Your Honour do now leave the Chair and the House go into Committee on this Bill.

*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.*

Hon. C. L. BOLDEN: Mr. Chairman, I am seeking permission to deal with this Bill in Parts. The Bill has some 347 Clauses and two Schedules and the easiest way, I believe, to deal with the Bill is to deal with it in Parts. 8.05 p.m.

There are numerous amendments, basically typographical errors, there are one, or two substantial amendments, that have got to be made and I will deal with those, as we come to them. I have already circulated the suggested amendments to the Shipping Bill and I beg therefore, to deal with them, according to the amendment, which has been circulated, with your Honour's permission Sir.

Mr. CHAIRMAN: There is no objection, permission is granted.

*Clause 1 was called.*

Hon. C. L. BOLDEN: Mr. Chairman, before we deal with Clause 1, I beg to refer to the arrangements

of Sections, which is on Roman Number V, I beg to move, that at Section 313 the word "Conventions" be deleted and in place "convention" and that an "s" be added to "prevail".

I beg to move, that that stands part.

Hon. H. deB. FORDE: I beg to second that.

*The question that the Section, as amended stand part was put and resolved in the affirmative without division.*

Hon. C. L. BOLDEN: Mr. Chairman, I beg to move, that Clause 1, as amended, stands part.

Hon. H. deB. FORDE: I beg to second that.

*The question that Clause 1, as amended stand part was put and resolved in the affirmative without division.*

*Clauses 2 to 5 inclusive were called and passed.*

*Parts I to VIII inclusive were called.*

*The questions that Parts I to VIII inclusive, as amended stand part were put and resolved in the affirmative without division.*

*The First and Second Schedules inclusive were called.*

*The questions that the First and Second Schedules inclusive as amended stand part were put and resolved in the affirmative without division.*

*On the motion of Hon. C. L. BOLDEN, seconded by Hon. H. deB. FORDE, Mr. CHAIRMAN reported the passing of one Bill in Committee with amendments and Mr. SPEAKER resumed the Chair and reported accordingly.*

*On the separate motions of Hon. C. L. BOLDEN, seconded by Hon. H. deB. FORDE, the Bill was read a third time and passed.*

#### ADJOURNMENT

Hon. H. B. St. JOHN: Mr. Speaker, I beg to move, that this House do now adjourn, until Tuesday the 17th February, 1981 at 12 noon.

Hon. H. deB. FORDE: I beg to second that.

*The question was put and resolved in the affirmative without division and Mr. SPEAKER adjourned the House accordingly at 8.14 p.m.*  
8.14 p.m.