
THE

House of Assembly Debates

(OFFICIAL REPORT)

FIRST SESSION 1981 – 86

HOUSE OF ASSEMBLY

Wednesday, December 1, 1982.

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

PRESENT

His Honour W. C. B. Hinds, J.P., (Speaker)
Hon. L. S. Craig, (Leader of the House)
Hon. H. B. St. John, Q.C., LL.B. (Deputy Prime Minister)
Hon. L. B. Brathwaite
J. G. Odle, B.Sc.
Hon. DeL. O. Bradshaw
L. L. Sisnett
Hon. Dr. R. L. Cheltenham, M.A., M.Sc., (Econ.)
R. E. Brathwaite
Hon. Dr. D. G. Blackman
A. Truss.

Prayers were read by Archdeacon F. A. Cayless.

Mr. L. E. SANDIFORD and Hon. DeL. O. BRADSHAW entered the Chamber and took their seats.

MINUTES

Mr. SPEAKER: The Minutes of the meeting of Tuesday, November 23, 1982.

Hon. L. S. CRAIG: Mr. Speaker, I beg to move that the Minutes of November 23, 1982 be taken as read.

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

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

ANNOUNCEMENTS BY HIS HONOUR

Mr. SPEAKER: I am to announce that I have received copies of Accounts and Statements for the month of September 1982 as prepared by the Accountant General.

Dr. R. C. HAYNES entered the Chamber and took his seat.

PAPERS LAID

Hon. L. S. CRAIG: Mr. Speaker, I am commanded to lay: The Post Office (Overseas) (Parcel Post) (Amendment) Regulations, 1982.

On behalf of the Minister of Finance and Planning, I am commanded to lay: The Vessels (Registration Fee) Regulations, 1982, and The 31st Annual Report and Statement of Accounts of the Natural Gas Corporation for the period 1st April, 1981 to 31st March, 1982.

Hon. H. B. St. JOHN: Mr. Speaker, I beg to lay: The Annual Report of the Barbados Export Promotion Corporation at 31st March, 1982.

GOVERNMENT NOTICES

Hon. L. S. CRAIG: Mr. Speaker, I beg to give notice of the following Resolutions:

Resolution to approve the compulsory acquisition of land at Welches, St. Michael for the purpose of landscaping and providing parking facilities at the Welches Post Office.

Resolution to approve the borrowing of the sum of US.\$13 million from the Barbados National Bank, The Morgan Guaranty Trust Co. and associated banks for the purpose of financing the purchase of the assets of Mobil Exploration Barbados Inc.

Resolution to grant the sum of \$98,700 from the Consolidated Fund and to place it at the disposal of the Government to supplement the Estimates 1982-83 Part I - Current as shown in the Supplementary Estimates 1982-83 No. 8 which form the Schedule to the Resolution.

Resolution to grant the sum of \$1,500,000 from the Consolidated Fund and to place it at the disposal of the Government to supplement the Estimates 1982-83 Part II - Capital as shown in the Supplementary Estimates 1982-83 No. 9 which form the Schedule to the Resolution.

ORDERS OF THE DAY

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

GOVERNMENT BUSINESS

Hon. L. S. CRAIG: I beg to move that Government Business be the instant Order of the day. Order No. 3.

Mr. SPEAKER: Order No. 3.

RESOLUTION TO APPROVE THE LEASE OF LAND AT PRESCOD BOULEVARD TO MILL REEF COMPANY LIMITED

Order No. 3 was called - To move the passing of the Resolution to approve the lease of land at Prescod Boulevard to Mill Reef Company Limited.

Hon. DeL. O. BRADSHAW: Mr. Speaker, this Resolution deals with a lease to Mill Reef Company Limited.

Mill Reef Company is well known to Barbadians as Chefette Limited, and this company has recently moved one of its places of operation to a new location on the Harbour Road. The company was sold, with parliamentary approval, the area of land in the particular area in order to expand their facility there.

This Resolution seeks to offer the company the lease of an additional area of land as set out in the Addendum some 171.9 square metres, so that landscaping and beautification of the area could be done.

I wish to point out that Cabinet considered it wise to have this area and all areas on the Harbour Road cleaned up and beautified, because this Government feels that the whole question of landscaping and beautification of our country should be given priority.

Added to this policy, Mr. Speaker, Cabinet in its wisdom saw where land was left idle and overgrown by bush, and that people began to dump garbage on the open spots on the Harbour Road, which became rather

unsightly - I need not say that at times it posed a threat to human life - and Cabinet thought, therefore, that the best policy to be adopted in this case was to offer the adjacent property owners, the option to lease with a view to purchasing the land.

We felt that by so doing we would have achieved our objectives to place the responsibility on the lessees of keeping the area landscaped and beautified.
12.30 p.m.

We felt, also, that by giving the operators, like those persons who operate business in this area and adjacent to this open area, an option to lease the land that they, too, would be able to expand their operations and thereby eliminate any possibility of having the open area on which garbage could be dumped or accumulated, and secondly, it would enable them to expand their operation and therefore provide Barbadians with working opportunities.

Therefore, Mr. Speaker, we feel that this policy is a wise one, and we can go even further than that, because some of these small business people who operate on the Harbour Road would now be able to expand.

Only this morning when I reached my office, I received a request from one of those small industrialists who wants to expand his company and hence provide Barbadians with more work. I have not yet given it an indepth consideration, or referred the matter to Cabinet, but I say that in passing.

So, you will see that the initiative has not only been coming from Government but it has been coming from small entrepreneurs in the area who feel that they should be given an opportunity to expand their business operations.

I would like to say that this company, to which the lease will be granted, has been in operation for a number of years, and, to the best of my knowledge and from all reports we have received, it has served Barbados well, especially in the fast food area.

It is nothing novel to Barbadians because the same Chefette Limited did enjoy similar privileges by the Opposition regime, and, therefore, we felt that this Resolution did not or should not meet with much opposition from the other side in particular.

I want to say that Government in preparing this lease, in fact in all of its leases, has included a clause whereby the lease can be renewed after, say, a period of three years.

Although the lease is for 30 years, at \$1 295 per annum, it is renewable every three years, and it gives the

Government an opportunity to review the rents paid and the conditions under which the lease is granted, so that amendments to it can be made from time to time.

I want to make this abundantly clear, because we have been hearing lots of talk lately from the Opposition benches and from Government detractors about leases and how Government handles its land business and its property transactions.

I want to go on record as saying that it was during the Democratic Labour Party's time that leases were granted, Mr. Speaker, for some 50 years with no option at all to renew such leases. There were just blanket leases and I have had to deal with some of these leases. We felt that some of them should be up for review but such were the clauses and terms of the leases that it would only create a very great problem and a lot of upheaval if we were to attempt to renew these leases.

I feel that in making provision for clauses whereby we will be able to review the leases, this gives Government some degree of control over these leases, and I would like to strike a word of warning to those persons who already hold leases not only from Government as such, from the Ministry of Lands, but also from some of the other departments of Government, IDC, for example, because they also grant leases to companies and business places. I am appealing to them to honour the agreement and beautify and landscape wherever possible.

There are lots of open land. Government has had to voice its concern and has written the IDC and some individual companies of the Wildey/St. Barnabas Highway who have refused to honour the conditions set out in the lease, that is, to landscape this area of land.

I do hope that, in granting this lease, the example that one expects to be set by Mill Reef Company will be followed by other persons who have got similar leases.

It is not sense, Mr. Speaker, a Government going to the extent to provide some of these companies with land in order for them to develop their business and, on the other hand, they are allowing some of the land to remain idle and even pose a health hazard and a threat to their own business and to their employees.

We understand that when they allowed the lands to remain unlandscaped that this could only serve to breed rats and mosquitoes which, as we know, poses health threats to the employees of such companies and even to some of the residents who live in the neighbourhood.

So, I am appealing to all those concerned who have got leases from Government and from Government

departments and Corporations to do everything in their power to landscape and beautify the open lands. Keep it clean. That is what we are asking them, if you do not understand the term of landscaping the land; we want them to keep it clean. Trim the grass to one level.

It takes very little to plant some grass. They can buy some devil grass. They do not need to import expensive grass; they can plant some devil grass and grow it to a certain level and then have it trimmed; that would make a very smart looking open area.

I am appealing to all concerned to join in this exercise. Government is well known to have started in this direction and everything is done to speed up this programme to enhance the environment.

As I said, I welcome the suggestion by Mill Reef Company, who made the approach to Government, and I, acting in my capacity as Minister responsible for Lands, agreed and accepted the terms under which they proposed to lease this land. We feel that is one of those conditions which should be approved and the Cabinet has fully endorsed those recommendations put to it.

Mr. Speaker, the Resolution, as I said, is for 171.9 square metres; the lease is for 30 years in the first place with a renewal clause. Every three years we will have a right to review the lease, the terms and the amount of money paid annually for this lease; and it is clearly set out in the Addendum to the Resolution that the purposes for which the land would be.....

Dr. R. C. HAYNES: On a point of order, Mr. Speaker, Sir; there appears to be no quorum.

Mr. SPEAKER: Let the Bell be rung.

The Bell was rung.
12.40 p.m.

Hon. DeL. O. BRADSHAW: Mr. Speaker, as I said, the Addendum sets out quite clearly the terms and conditions under which this lease will be granted and, as I was saying earlier, the lessee, Mill Reef Company will be expected to maintain at all times the tidy condition of this strip of land.

I want to make it abundantly clear and say to this company and all other companies, which have land leased to them by Government, that the Ministry and the Government are very serious and will be looking at all of these areas to see whether they are kept clean and tidy, and if, in the opinion of my Ministry, and I will say myself, I am not satisfied that they are kept in a tidy manner, I will recommend to Government the revocation of such leases.

It is time that the lessees understand what their obligations are and it is time that they understand that we are serious about our business.

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

Mr. R. E. BRATHWAITE: I beg to second that.

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

THE LEAVE PASSAGES (AMENDMENT) ORDER, 1982

Hon. L. S. CRAIG: Mr. Speaker, Order No. 2.

Order No. 2 was called – To move the passing of a Resolution to approve the Leave Passages (Amendment) Order, 1982.

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, this is the usual Order which raises the level at which leave passages become payable in accordance with salary increase level, and it will be observed that the qualifying salary has been raised by an amount of \$25 per week.

I beg to move that this Resolution do now pass.

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

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

THE FACTORIES ACT, 1982

Hon. L. S. CRAIG: Mr. Speaker, Order No. 1.

Order No. 1 was called – To move the resumption of debate on the Second Reading of a Bill to revise and consolidate the law relating to factories and the safety, health and welfare of persons employed therein.

Hon. L. S. CRAIG: Mr. Speaker, this item which is before the Chamber was postponed because of a number of amendments which the Minister of Labour had looked at carefully. The amendments, I am told, have been circulated, and these amendments are to Clauses 2, 7, 8, 18, 24, 30, 31(a), (b), (c) and (d), 32, 38, 47, 70, 82, 92 and 100.

Much has been said over the past weeks in relation to this matter, and I would therefore like to draw to the attention of the Chamber, and members of the Opposition in particular, the amendments which have been dealt with and which have been circulated to Members on both sides of the House. I for myself, have not got much more to say on this Bill, and I beg to move that this Bill, as amended, be read a second time.

Mr. SPEAKER: Is there any other honourable Member on the Government benches who is desirous of making a contribution to this Bill? Why I make mention of the Government benches is for the simple reason that the two members of the Opposition present have already made their contribution.

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

On motion of Hon. L. S. CRAIG, seconded by Hon. L. B. BRATHWAITE, Mr. SPEAKER left the Chair and the House went into Committee on the Bill, Mr. ODLE in the Chair.
12.50 p.m.

COMMITTEE

Mr. CHAIRMAN: The House is in Committee.

There is no objection to this Bill being done in Parts, unless the Leader of the House thinks otherwise.

Hon. L. S. CRAIG: Sir, I indicated to the Clerk at the Table that I am going to have this Bill done clause by clause.

Mr. CHAIRMAN: That was not communicated to the Chairman of the Committee.

Clause 1 was called and passed.

Clause 2, as amended, was called and passed.

Clauses 3 to 6 inclusive were called and passed.

Clause 7, as amended, was called and passed.

Clause 8, as amended, was called and passed.

Clauses 9 to 17 inclusive were called and passed.

Clause 18, as amended, was called and passed.

Clauses 19 and 20 inclusive were called and passed.

Clauses 20 to 23 were called and passed.

Clause 24, as amended, was called and passed.

Clause 25 was called.

1.00 p.m.

Mr. L. L. SISNETT: Mr. Chairman, while seconding this, I would just like to say a few brief words and

probably ask the Minister a question on Clause 25, which represent dangerous fumes and lack of oxygen.

I am not sure whether this aspect of the Factories Act is covered under another Act, but I am particularly concerned with a situation that is becoming a national health hazard in many areas where quarrying is undertaken and the effect which the dust particles in the atmosphere is causing to certain people's health, and it has become an environmental problem, also, Mr. Chairman, in as much as it is now affecting plant life and animal life.

I can think of two particular areas in St. Michael where quarrying is undertaken, and I have been receiving numerous complaints from residents within close proximity to the quarries under question; I believe, that they, themselves, could be considered as factories because there are many pieces of equipment involved in quarrying today.

The present Act we are discussing mentions about pits, and this machinery and equipment is certainly contained in some very large pits, and, as a result of the mining operations, the dust blowing in almost any direction is causing serious health problems to residents. I believe the correct medical term would be siliosis.

I know that, in the Green Hill area of St. Michael, there is one particular family that has been undergoing medical treatment for almost five or six years and it seems to be medical opinion that the only solution to their health problem would be to relocate from within the precincts of the quarrying operation.

In addition to this, Mr. Chairman, the effect that dust is having on people's homes is such that the homes, to begin with, cannot be opened — they are almost closed all year round; and the paint has been bleached by the constant beating and weathering of the dust on to the premises, which is very uncomfortable to all members of the particular residential area.

I am not sure whether this Act or another one looks into the operations of quarrying to offer some justifiable solution with the problems which residents are experiencing.

1.10 p.m.

Furthermore, the problem is aggravated due to the fact that, within the Green Hill area of St. Michael, there is at least one public school with a roll of 500 children, and the teachers there have written to the Ministry of Health complaining of this problem of dust which blows directly across from one of the quarries into the class rooms. The problem has become so bad that some teachers are absenting themselves from school.

I would just want to ask the Minister responsible, whether it is for the environment, health or education, to take a look at the operations of quarries in the context of this Factories Bill to see what assistance can be given to those residents not only in the St. Michael Area — I believe you will have the same problem in the St. Lucy area as a result of the cement plant — but I would hope that some better mechanism would be applied in a multi-million dollar plant as the cement plant to suppress the volume of dust which might emanate from that plant when it is completed.

I know many years ago when Costain Engineering undertook construction of the port of Bridgetown, then known as the Deep Water Harbour, residents of Bagatelle, St. Thomas underwent a similar experience. When quarrying began, it was taken to such an extent, the mining was so rapid, that the people, who had not prepared themselves to accepting the level of dust that was being carried in the air, a number of them took the owners of the Bagatelle quarry to court and received some recompense for the discomfort they suffered.

Under this Bill, the new Factories Bill, I would like us to address our minds to see how we can effectively come to understanding the problems which we are all likely to suffer as a result of the development that is taking place in Barbados.

The health of our people is more important than any development, Mr. Chairman, and if we are to look after our people in any meaningful way, I would want to know that the legislators take into consideration the problems such as the ones which I have been describing here this afternoon.

I would like the Minister responsible to address his mind to this, and the Ministry of Health to look into the problems in the Green Hill area, where plant life is affected, where there are a number of people who have been repeatedly going to the doctor seeking attention, and whose diagnosis is, the only solution is to remove themselves from the immediate area where such massive quarrying exercises continue day in and day out.

I would just want the House to be aware that there are problems in that particular area, and I would surmise that, wherever quarrying is undertaken in Barbados, unless the problem is attacked at its source from the inception, we are likely to be faced with this problem on a continuing basis.

I thank you, Mr. Chairman.

Hon. L. B. BRATHWAITE: Mr. Chairman, this section of the Bill, and the Bill itself, is particularly concerned with the worker in the work place and not really with the people at large, but when I spoke on the Bill, in

Second Reading I adverted to the fact that there were many problems abroad in the society which should be looked at, and I imagine that that could well be done in another Act, or one could resort to the necessary legal machinery which is out there, like in the case of Green Hill where the folks can get together or be so advised to do, to bring an injunction against the offenders, and I want to suggest that they may well want to look at such a situation.

I want to inform the honourable Member, who has just sat down, that, after he brought this matter to my attention, in connection with the dust which emanates from factories in that area, I took the necessary steps to inform the Ministry's Environmental Section as to the hazards which are taking place in that area, and I can inform him now and the Honourable House that they have been carrying out a number of studies and investigations in that area as to the level of dust that is emanating from those plants in that particular area.

We are aware of the damage caused to plant life, we are aware of the damage caused to property in the area, and particularly we are quite concerned about the damage which is done to people's health. We have been looking very carefully over the years at this situation in the country, and I have been very concerned with this matter since it was brought to my attention, at the time when it was, by the honourable Member.

As I said, and I repeat, the Bill itself does not look after the community at large, but merely the worker in the work place, but I believe that the time has come when we must find mechanisms; if not the question of people resorting to the law courts, probably if people who are in that area were very influential they probably would have gone to court already, but we have to take into account the people who are by and large defenceless, people who are poor and people who would not have the necessary means to go into the High Court with a case.

I do not know if there are attorneys-at-law who are so public-minded and public-spirited in this country as to go out there and offer their services. One gets the feeling what whenever you are dealing with lawyers you have to first fork out the money, and if you do not have the money you have to give them the sheep, the pig and the cow at the door. Of course we agree that they must be paid, but in some communities there are public spirited lawyers who are willing to take up the challenges or the cudgels on behalf of people who suffer inconveniences in the society.

Therefore, I feel that we must look at the question of the problems which are abroad from an environmental point of view, the hazards which are around. For example, we have had the case of Portvale Factory in St. James where a number of people raised objection to

the emission of ash from that factory, and the high noise levels coming off the exhaust pipe of that factory, but Portvale is situated east of a very influential section of people in the community, and therefore they can take, by their very substance, the necessary legal measures in order to rectify a bad situation.

But the people who are in Lodge Hill, although there are very influential people there as well, probably a little distance away from the emission of this dust, are not so influential in terms of finance to be able to address the problems as raised by the last honourable Member, and therefore I want to assure him that the Ministry of Health will continue to monitor the situation.

1.20 p.m.

Where necessary, we will serve notice, as we have already done. We have spoken to the factory owners in that area and we have told them what is taking place.

In connection with the area of St. Lucy which has been adverted to, we will be able to look at that situation when the time comes. We cannot assume. We are told that the plant will be one of the most modern and one of the most up-to-date plants to be found in any part of the world and it will be regarded as a clean plant. I do not know if in the production of cement we can call a plant "clean", but I suppose it might be the best that you can find in the circumstances. But if and when things get off the ground and the situation develops to the disadvantage of St. Lucy or it is detrimental to their health, the Environmental Section of the Ministry of Health will take the necessary steps to make sure that the proper conditions prevail at the Arawak Cement Plant to ensure that good conditions and healthy environmental standards are maintained in that area of St. Lucy.

Sir, so long as these matters are drawn to the attention of the Ministry of Health, we will make sure that we investigate; and where necessary, we will apply the necessary corrective measures in order to bring about better living conditions for the inhabitants of this society.

The question that Clause 25 stand part was put and resolved in the affirmative without division.

Clauses 26 to 29 inclusive were called and passed.

Clause 30, as amended was called and passed.

Clause 31, as amended was called and passed.

Clause 32, as amended, was called and passed.

Clauses 33 to 37 inclusive were called and passed.

Clause 38, as amended, was called and passed.

Clauses 39 to 43 inclusive were called and passed.

Clause 44 was called.

Dr. R. C. HAYNES: I just want to draw to the attention of the Leader of the House.....

Hon. L. S. CRAIG: Just let me move the clause first.

Dr. R. C. HAYNES: Before you move the clause.....

Hon. L. S. CRAIG: I beg to move that Clause 44 stand part.

Dr. R. C. HAYNES: I was on my feet, Mr. Chairman....

Mr. CHAIRMAN: You will have a chance to speak.

Dr. R. C. HAYNES: before he moved the clause, Sir, I would like to make a suggestion to the Leader of the House that we do the Bill in parts from here on. We on this side have no objection to that since we have made our substantive contributions to the Bill. We have seen the amendments and we will look at the amendments as they come up under the parts, in order to reduce the amount of time spent on this particular matter. We have no objection whatsoever.

We wish to assist, as we always do, the honourable Leader of the House and to guide him in these areas. That is all I rise to do.

Hon. L. S. CRAIG: Whenever the vagaries of democracy give you the opportunity to be on this side, then you will determine if you are going to do it by clause or by Part.

What you should address your mind to is 3 per cent to retarded children of \$62 and the balance to the Democratic Labour Party, address your mind to that. Thirty one per cent to the DLP and 3 per cent to retarded children.
1.30 p.m.

Do not address yourself to what the Leader has to do on this occasion. Let democracy dictate that. You cannot dictate that on this occasion.

The question that Clause 44 stand part, was put and resolved in the affirmative without division.

Clauses 45 and 46 were called and passed.

Clause 47 as amended was called and passed.

Clause 48 was called.

Hon. L. S. CRAIG: Mr. Chairman, I beg to move that Clause 48 stand part.

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

Dr. R. C. HAYNES: Mr. Chairman, it would seem that Government is working a filibuster on itself and playing for time, so I will assist them, as I promised.

This clause provides that effective provision shall be made for securing and maintaining in every part of a factory where persons are working or passing, sufficient and suitable lighting, whether natural or artificial. I should like to ask the appropriate Minister whether or not it is envisaged that specialist advice would be obtained in this particular area, because, as I understand it, effective lighting can be a very important cause of accidents.

I have forgotten the technical term now, but even in certain circumstances where to a layman the lighting might appear adequate, the operator of the machine, depending on the quality and direction of light, can misjudge the distance between his hand, say, and a moving machine as a consequence of the particular lighting and the refraction effects of lighting.

There is a technical term used in industry for that particular phenomenon and I would hope that, pursuant to the inclusion of this clause within the legislation, steps will be taken to ensure that the specialist advice be taken as to the appropriate kind of lighting in relation to moving machinery to avoid that kind of accident.

The point I am making, Sir, is that when people are working with a machine, there is some peculiar factor that occurs where, under normal judgment, one may think that one is an inch or two inches away from a sharp cutting blade, when, in point of fact, your judgment is affected in such a way that you may be two inches further forward and can lose a finger in those circumstances.

The situation, also, as I understand it, has become quite important in relation to office workers. With the increased usage of computer print-outs, it would appear that the level of lighting that exists in Barbados, either artificially or natural lighting, unless there is an appropriate background screen or you create an artificial type of lighting arrangement to create the appropriate contrast mechanisms, that can create serious problems for the workers in these offices.

So, for this clause to be effective, it is necessary, obviously, for the Ministry to recruit an expert in this area as part of the inspection team from the Ministry of Labour.

Where people have certain refractory defects and their eyes are not properly examined, as has been pointed out by the only other distinguished scientist in the Chamber, that can be a potent cause.

I hope that included in the medical examinations would be examination of the eyes of those persons who will be examined at the time, and I would suggest that the Ministry should probably put out, as in the case of immigration medicals, a particular form that would draw the medical examiner's attention to the specific aspects of the examination required to protect the person against the kind of injuries that might arise from working in a factory situation.

Hon. L. R. TULL: Mr. Chairman, before you put the question, I want, first of all, to disabuse the minds of honourable Members that the Government is taking this particular Bill clause by clause because it wants to drag out time and delay.

When the Bill was debated on the second reading, I was not at the time in the House, I was out of the country, but following the debate, reading Hansard, a number of points that related to legal matters and drafting were taken during the debate and I thought that it would be useful if we could deal with this Bill clause by clause so that if honourable Members were serious about the legal points they took, I could have the opportunity today to clarify or explain the legal import of the points that have been raised.

It is for this reason that we are taking it clause by clause, because this is an important Bill: it is a Bill that deals with the health of every worker in Barbados — I cannot think of anything more important than that — and therefore we do not want to rush it through particularly since the Opposition is usually coming in here and accusing the Government of doing shoddy work, shoddy drafting and so on.

We do not want to be shoddy about it. We want to deal with it very closely and very carefully, clause by clause, to see if the honourable Members are serious. 1.40 p.m.

From what I have seen happen so far, Sir, — we have reached Clause 45 or something like that — and a number of points of legal import, which were raised by the honourable members of the Opposition in relation to the first 45 clauses, have not been raised today, which means that they do not even remember what they said two or three weeks ago. But I am here to answer these things, Sir.

In relation to the question about light service, this Clause 48 does not deal with anything to do with medical reports, examination of people's eyes and that

sort of thing, Sir, unless I cannot read. What I was dealing with is the level and quality of lighting in the work place, and a careful examination of the Bill would show that there is a more appropriate section in this Bill in which one could raise the point about medical examination for workers in factories and so on — certainly not this one.

On the question of whether you need specialists to deal with this, I mean, is a little bit far-fetched. From the time God said, "Let there be light", every man knows the difference between light and dark, and you do not need any specialists in a work place to tell you whether the light is good enough for a girl to see how to operate a machine or for a man to do what he has to do in a factory. You do not need any specialists for that, Sir. As a matter of fact, Sir when I go to cricket, Sir, I see batsmen and two umpires appeal for light — not specialists.

The honourable Member for St. Michael South Central says, "The other distinguished scientist in this Chamber", Sir. He was referring to you, Mr. Chairman. I do not know how the word, "other" came in, Sir; there is no other distinguished scientist in here other than you, Mr. Chairman.

You do not need any specialist to determine the level of lighting in the work place. You either can see to do what you have to do or you cannot see.

And you do not need anything other than what is provided for in this Act to deal with that problem. The Chief Labour Officer has very wide powers under this particular piece of legislation and they have inspectors and there are people who — if you are really asking about specialists, they probably are the ones who are the specialists — will determine whether all the requirements of this particular Bill are at the appropriate level or not.

In addition to that, Sir, in these days when unionism is taking on greater stridency and greater militancy, Shop Stewards in all the factories are very careful to make sure that there are no untoward conditions obtaining in any business place, any factory and the like, that militate against the personal well-being of the workers. Therefore, I can only construe the contribution made by the honourable Member who sat down as he said when he started to talk, Sir, an attempt to drag out this debate unnecessarily long, Sir.

Mr. P. M. GREAVES: Mr. Chairman, I do not think I should allow the honourable Attorney-General to get away with what he has just said.

There have been no legal points raised by us that could have been dealt with in the first 45 clauses of this Bill. And, what is more, Sir, if it is called clause by

clause, any legal points that we want to raise on this side will still be raised on that clause, and if it is part by part, it will still be raised under the particular part.

It is not a question of trying to accommodate us; we are not so stupid as to believe this. We know precisely why it is being called clause by clause. I will not be fooled by it.

Hon. L. S. CRAIG: That is the gross ignorance, Mr. Chairman, of the member.

Mr. P. M. GREAVES rose.

Mr. P. M. GREAVES: Same gross ignorance as you.

Mr. CHAIRMAN: Order, please.

Mr. P. M. GREAVES: You are so stupid. You are an imbecile. You are mentally retarded. You are always talking foolishness.

Mr. CHAIRMAN: Please do not be provocative.

Hon. L. S. CRAIG: You are an invalid, man.

Mr. CHAIRMAN: Please.

Mr. P. M. GREAVES: You are mentally retarded.

(Hon. L. R. TULL: He is going to get some of the money for the mentally retarded.)

Hon. L. S. CRAIG: Thank you very much, Sir, I am going to get some of the money that you all are giving the mentally retarded.

Mr. CHAIRMAN: Please, this is uncalled for.

Hon. L. S. CRAIG: And you have to put in some.

Mr. CHAIRMAN: The question is.

Hon. L. S. CRAIG: Sir, it is no contribution; it should be expunged from the record. There is no contribution under Clause 48 that the Member for St. Michael North Central, or wherever he is from.....

(Aside: North.)

Hon. L. S. CRAIG: North, made. Absolutely no contribution under 48.

I beg to move, Sir, that Clause 48 do now stand part.

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

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

Clauses 49 to 50 inclusive were called and passed. Clause 51 was called.

Hon. L. S. CRAIG: Mr. Chairman, Sir, I beg to move that Clause 51 do now stand part.

Mr. L. L. SISNETT: I beg to second that.

Mr. CHAIRMAN: The question is that Clause 51.....

Dr. R. C. HAYNES: Mr. Chairman, there is one brief point I would like to raise under this particular clause, which provides:

"Where any process is carried on that renders a floor liable to be wet to such an extent that the liquid causing the wet condition is capable of being removed by drainage, effective means shall be provided and maintained for the draining off of such liquid."

Now, Sir, it is not only a question of drainage, but the critical factor, Sir, as is well known in many lawsuits in the United States, is to be able to establish that due care was taken to maintain a level of coefficient of friction between what the worker is wearing and the state of the floor at the time of the particular accident.

To explain that to honourable members; if a worker is wearing a particular pair of shoes and in a given situation the floor is wet and that person slides into a machine and loses his life, the company would be liable; and it, of course, would increase the risk of injury within the particular factory.

So, you will find that in certain circumstances and in countries where attention is paid to these matters, the particular aspect in relation to the floor is the factor of coefficient of friction.

I myself, Sir, happened to appear in a lawsuit as a medical witness in the United States not so long ago, where, in point of fact, one of the major points raised by the individual who was suing the company.

(Hon. Dr. R. L. CHELTENHAM: Plaintiff.)

Dr. R. C. HAYNES: The plaintiff, right.

One of the questions raised by the plaintiff who was suing was whether or not the particular institution had used chemical on the floors which would have altered the coefficient of friction between the shoes worn by the

employee and the particular floor, which resulted in the accident that caused permanent disability to the particular person.

So, I think it is not only a question of drainage and cleaning. Attention must be paid to that factor of friction, the coefficient of friction which is a determinant of whether an individual would slip or not, because if the floor is wet with water, that is one problem; if it is wet with oily water, it is another problem; and if it is wet with oily water, it depends on what kind of soles you have on your shoes. I think there probably could be room for improvement in that particular clause, making it more effective in terms of protecting the worker.

There are thousands of lawsuits that one can refer to in that particular matter, because I recall very well that several cases were referred to me in my preparation before appearing as a witness before the court in the United States.

I just bring it to the attention of honourable Members for what it is worth.

Hon. L. B. BRATHWAITE: Mr. Chairman, from what the honourable Member is pointing out, it would seem as though he is expecting this Bill to usher in a utopian system.

Actually, every provision is made in this Bill to protect the worker. There is going to be factory doctors and factory inspectors as well who will look at the situation.

We understand, when he is talking about the coefficient of friction and all of these terms, these terminologies are just to confuse the minds of the people out there, but that do not mean much.

However, I am very doubtful that you will have any liquids which would be of a nature that would create a problem for workers by way of contamination of the soles of the feet, if you mean that. I would take it that, in the light of this modern piece of legislation, this Bill, that the matters are clearly spelled out and that we will not have a situation where dangerous chemicals can be involved, if you are talking about the chemicals mixing with the impervious nature of the floor, or whatever it is. 1.50 p.m.

Floors would be constructed in such a way to take care of the problems which you would have with the liquid going under the floors, and therefore, I do not know if it should be a problem. But there will be people who will be on the sites; the whole situation would be constantly monitored, Mr. Chairman, whereby you would not have a situation where workers will be a problem or exposed to risk.

At the moment, even while this Bill is going through Parliament, there is a team of ILO experts in this country still looking at the situation with respect to the conditions under which workers operate in this country. This is not the end of the road; this is a question of a beginning into the correct channel in which the workers' situation will be brought to a standard whereby it will be near to perfection as far as the conditions for them to work in are concerned.

There can be no fault at the moment with this Bill. We are reaching a stage where as soon as the Bill comes to the Statute Books, sometimes it becomes obsolete — it might be so in terms of this Factories Bill which we are dealing with today. But we must start somewhere, and I think what we are doing now is moving in a correct direction whereby in the fullness of time we will meet the type of objectives which we have in mind for the workers in the work place.

The question that Clause 51 stand part was put and resolved in the affirmative without division.

Clause 52 was called.

Dr. R. C. HAYNES: There is just one point I would like to make here under Clause 52 (2). Perhaps the honourable Minister of Health would tell us what facilities there are available to determine the levels of noise which would endanger the health of individuals; whether or not there is adequate audiographic facilities in Barbados to determine at an early stage whether the eighth nerve is being damaged by the noise, because that is where the damage takes place; whether or not he anticipates that there will be a sufficient number of trained technical personnel to deal with these areas and what proposals has his Ministry got to make sure that this particular clause is effectively observed.

I also want to ask the Minister whether or not steps will be taken, in view of the increasing frequency of jet aircraft landing in Barbados, for the protection of workers working at Sir Grantley Adams Airport against noise; whether workers in that particular area will be periodically examined by audiographic analysis and not simply by clinical tests — because, Sir, to my certain knowledge, we often have to go through long periods, sometimes months, when we cannot even get an audiogram done for diagnostic purposes — or whether or not the infra-structure will be able to cope with this.

Perhaps, the honourable Minister will be able to tell us, and I will leave him a half a minute in which to answer.

Mr. CHAIRMAN: I am advised it is 2 o'clock, and I shall report progress and ask for leave to sit again.

Mr. CHAIRMAN reported progress and asked for leave to sit again, Mr. SPEAKER resumed the Chair and reported accordingly.

SUSPENSION OF SITTING

Mr. SPEAKER: This sitting now stands suspended until 2.45 p.m.
2.00 p.m.

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 raised, and that carries us into the time for Private Members' Business.

PRIVATE MEMBERS' BUSINESS

Mr. SPEAKER: Item No. 1.

When we came to the end of Private Members' Business on the last occasion, the honourable Leader of the Opposition was addressing the Chair. I do not now see the said honourable Member in his place, and I am to enquire if there is any other honourable Member who wishes to exercise his right to speak to this Resolution.

Dr. R. C. HAYNES rose.

Rt. Hon. J. M. G. M. ADAMS: On a point of order, Sir. I recall some years ago when I got up seeking to speak to an amendment to a motion which I had moved, I was not then allowed to wind up on the motion. Is that correct, Sir? That the order of speeches is that the honourable Member will wind up his motion. The honourable Member does not now have a right to two speeches.

Mr. SPEAKER: I understand the right honourable Prime Minister to say that he had moved a motion but was not then allowed to wind up his motion.

Rt. Hon. J. M. G. M. ADAMS: Well, having spoken on the amendment. In other words, you cannot have more than two speeches in this debate, Sir.

Dr. R. C. HAYNES: Mr. Speaker, the right honourable Prime Minister rose to clarify the situation. I am wondering whether or not I have the right to speak to the amendment which is before the House without prejudice to my original right to speak on the substantive and original motion. There seems to be some doubt in that area.

Mr. SPEAKER: If there is any doubt whatsoever, that doubt undoubtedly rests in the mind of the honourable Member for St. Michael South Central. There is no doubt in the mind of the Chair.

The honourable Member for St. Michael South Central moved a motion. An amendment to the motion has been proposed and seconded. The honourable Member for St. Michael South Central is entitled to wind up his debate finally.

Dr. R. C. HAYNES: Yes, Sir. In that case, if any other honourable Member wishes to speak before me, with your permission, I will waive my right to speak now, and let him speak.

Hon. L. S. CRAIG: Sir, I am not quite clear.

Mr. SPEAKER: The honourable Member for St. Michael South Central has one opportunity to speak now, to wind up his debate.

Hon. L. S. CRAIG: There is an amendment now before the House, Sir. His Resolution is critical of the Government anyhow, so I do not know how he is going to wind up, because if it is critical of the Government a Minister on this side would have to defend the Government's position. I may be wrong, but I am under the impression that he would only be allowed to speak to the amendment, because his Resolution is critical of the Government.

I seek Your Honour's guidance, but I believe I may be right on this. He can only speak now to the amendment, because his Resolution is critical of the Government and therefore a Minister on this side would have to put the Government's case. He can only speak to the amendment now, Sir, but what does he have to say, anyhow.

Mr. SPEAKER: The honourable Member is entitled to wind up his debate.

Hon. L. S. CRAIG: And not speak to the amendment?

Mr. SPEAKER: The honourable Member is entitled to wind up his debate. It is for the Chair to determine, to guide the honourable Member in the course of his debate. Leave it to the Chair. Have confidence in the Chair once more.

Hon. L. S. CRAIG: Sir, do not forget I pulled you through the door when you were tugging back.

Dr. R. C. HAYNES: Mr. Speaker, this very serious matter of the sending out of Land Tax Notices of Arrears

to some 23 000 persons has caused considerable discomfort and is continuing to cause considerable discomfort to approximately 50 per cent of those persons who have received such notices.

Certain remarks made by Dr. R. C. HAYNES were ordered to be expunged from the record by Mr. SPEAKER.
3.00 p.m.

On that basis, Sir, it was quite proper that the matter should have received parliamentary attention, and many honourable Members have spoken to the Resolution. The honourable Member for St. Philip North gave an excellent assessment of the current situation and was able to give to this House some full appreciation of the emotional trauma being suffered, particularly by the elderly within the community who had been the beneficiaries of a waiving of the Land Tax over the years.

The honourable Minister for Agriculture spoke and, indeed, Sir, it was quite clear from what he had to say that he did not quite understand what was the basis of the debate at all.

The honourable Member for St. Andrew spoke and his main contention was that the Government needed money, and once the Government needed money to provide services, then he saw justification in that approach to the matter.

The honourable Member for St. Thomas indeed confirmed during his speech the matters of which we complained, and it is for that reason, Sir, that we find it impossible to support the amendment before this Honourable House, because, Sir, that amendment seeks to remove from the original Resolution the whole clause which explicitly refers to the fact that thousands.....

Hon. L. S. CRAIG: Mr. Speaker, just on a point of order, Sir: I understood that the honourable Member for St. Michael South Central is winding up debate on the Resolution which he presented to this Chamber. I mean, how can he talk about "amendment?" I do not understand.

You are winding up your debate — that is what I understood — to your Resolution. There is no such thing as the amendment, you should not even see the amendment before you. You are winding up the debate to your Resolution and not dealing with the amendment.

Dr. R. C. HAYNES: Mr. Speaker, I would appreciate your guidance on this matter. As I understand it, the motion before the House now is the amendment.

As I further understand it, I am allowed one speech which would speak both to the amendment and to any

matters relating to my Resolution. This is what I understand to be the situation.

Is that correct or not, Sir? I wish your guidance on this matter.

Mr. SPEAKER: But you need not rehash the speeches that you already made.

Dr. R. C. HAYNES: No, I do not wish to do that. I want to get the technical points clear, but am I technically correct, Sir?

Mr. SPEAKER: Yes.

Dr. R. C. HAYNES: Thank you very much, Sir.

Now, Sir, the right honourable Prime Minister confirmed beyond any doubt that he was aware that a substantial number of those notices were incorrect, that he was aware that the Land Taxes Department had made appropriate representations to his Ministry, that he was aware, Sir, of the problems in the Data Processing Unit.

He, Sir, was further aware, and in fact revealed, that he was aware of this matter as far back as 1978, when some of those Land Tax Arrears Notices were sent out, and that he, himself, had given instructions that no more should be sent out. He may recall that the circumstances in which that happened was where he, himself, had given instructions for them to be sent out, but then, since his name starts with "A", he was one of the first people to receive an erroneous bill — yes, in 1978 — and within 24 hours he was able to report back to his department that there is something wrong with those Bills.

Now, Sir, we are in a very difficult economic situation; we all appreciate this, we all appreciate that the Government is short of money, but we cannot support an amendment which call on us to support the Government in its resolve to rectify any problems created by the issue of those notices, because were we to do that, Sir, we would be supporting a tax collection technique which we find objectionable and which the majority of our citizens would find very objectionable.

We do not believe, Sir, that if you are in doubt as to whether a person owes you tax or not, Sir, that the correct way to set about that is to send the Notice of Arrears of Tax to them and then place the onus on the person to come in and prove to you that they do not owe the tax, particularly when you bear in mind, Sir, that many persons in Barbados, many honest citizens, having paid their taxes, would not necessarily keep proof of the fact that they have paid their taxes down the years. So, we cannot support it, because, in supporting it, Sir, we

would be then endorsing a technique of tax collection which is wrong.

Sir, there is another more fundamental aspect of this. In this country over the years, people, perhaps the vast majority of our citizens, have had their savings set aside in two ways, either in terms of cash in the banking system or with lawyers in terms of mortgages and so on, but the vast majority of people, Sir, looked towards the security of property as their main investment not only for themselves but their main investment in this country.

And any accumulation of circumstances that disturbs the security of the minds of people in relation to the value of the only investment that they have, I think, Sir, is threatening the very stability of Barbadians. I refer, Sir, to the fact that the threat to sell out the properties of people who owe the Government money, or who the Government thinks owe them money, or who, perhaps, have been granted tax relief in the past but now have received Notices of Arrears.

Many of those elderly people feel now that, even if they continue to get an exemption, what is going to happen the day that I pass away? What is going to happen?

Can it happen again in the future that this piece of property, which I have worked for and which I have set aside for my son or my daughter or my grandson, that there is a possibility that all the relief that I have been given over a 10 or a 15 year period, when I pass away that my children could be called upon to pay that particular amount of money?
3.10 p.m.

You may well find that many other elderly people might sacrifice 52 meals a year rather than opt for what they are entitled to under the law because of their destitute position.

Sir, land in this country occupies a special place in the psyche of the nation, and I am particularly disturbed by this assault on land owners in Barbados, because it is not the only one that has taken place recently, and I know, Sir, that this is a gathering together of information for the use of other tax purposes in due course.

I do not want to refer to another matter passed in this Honourable Chamber not so long ago or to the stated decision by the Minister of Finance to close down the Rates and Taxes Department and transfer to the Income Tax Department, but one can then only realise that everything that you own can be read out on a computer, and, particularly in the absence of capital gains over the years, people who may legitimately have made substantial gains through property investments might find themselves being harassed for taxes that they legitimately do not owe, and you may find that it may not be only in the

area of Land Tax, but you might find a transference into the area of Income Tax and other impositions.

Sir, this is all the more unbelievable because the Minister of Finance, who has sought to place responsibility for this matter on civil servants, knows deep within him that he was the person who took the decision, he was the person who ordered that these notices be sent out, although he knew perfectly well that they were incorrect.

He knew, Sir, that an OAS expert had done a reasonable sample survey which demonstrated that about half of these notices were wrong. He, himself, brought a statement before this Honourable House, and that statement, when properly analysed, shows that up to the end of October.....

Rt. Hon. J. M. G. M. ADAMS: On a point of order, the honourable Member heard me say, or had an opportunity to hear me say, that an OAS expert analysed the tax notices. He also heard me say, or should have heard me say, that that was in 1978, and that corrections to the system have been made since the OAS expert reported.

Dr. R. C. HAYNES: I have to differ from the honourable Member. The problem is that there has been a lot of confusion between three departments of Government and no corrections were made. As a matter of fact, not even the list that was submitted showing those persons who should be taken off the roll because they were granted relief by himself, were taken off the roll.

As a matter of fact, from a statistical basis, if he would examine the figures that I presented to this House showing the number of persons who pay and the number of persons who objected up to the end of October, he would see that that would represent a much wider sample survey than was done by the OAS expert, and that in point of fact 60 per cent of the persons who have received these notices paid, while 40 per cent had objected, and the chances are it is looking to me at the moment as though more than 50 per cent of these notices might well turn out to be wrong.

Now, Sir, the question is, what is the duty of a Government in this situation? After all, this is the occasion of our independence, the Christmas season is around the corner, and I believe, as a gesture to the people and a recognition that a major error has been made, that the Minister of Finance should make a statement to the effect that all those persons who do not owe the Rates and Taxes any money should consider these notices automatically withdrawn.

It is one thing to say that because you have said, that one can go down to the Rates and Taxes Division and carry in their receipts and so on, and that that in itself constitutes a case for the withdrawal of a notice....

Mr. SPEAKER: I have said no such thing.

Dr. R. C. HAYNES: Not in that particular sense. "You" in the sense of "one".

Mr. SPEAKER: But you are addressing the Chair.

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

Because one says that that can be done and that the ultimate effect would be the same thing as a withdrawal of the notices, just think of the trauma that a substantial proportion, at least 11 000 property owners, would have to go through before that could be effected. I rather suspect that this matter might well be drawn out over a year or two before some kind of conclusion could be made in relation to the several objectors.

I will tell you the kind of problems that we have. Let us say an individual sold a piece of land in 1974. He would probably have obtained his Tax Clearance Certificates as he would have been required to do, and had sent on all his documents, along with the Tax Clearance Certificates to the attorney who would be acting on his behalf. The attorney, acting on behalf of the purchaser, would have seen and would have verified that these Tax Clearance Certificates had been obtained. It would mean that the individual would have turned over all his documents at the time to the attorney-at-law acting on his behalf.

Now when he receives a tax bill for the land in that particular year or in the year before that, what is that individual to do? What documentary evidence does he have in his hand? The most I see he can do is to send back the tax bill to the Collector of Taxes and refer the Collector of Taxes to the attorney-at-law who acted on his behalf.

I am just trying to bring an example of the type of hopeless situation in which people are being put, and in many cases where this matter amounts to a lot of money, which people do not have, people are left stranded not knowing whether they will ultimately have to pay that money with accumulated penalties.

I do not believe that the Government is aware of the effect that this matter is causing, the considerable amount of emotional trauma, to people at a time when they neither have cash nor do they have access to credit in this country, and therefore I would urge the Government to do something about it.

I believe that the people outside there would be very happy to hear a statement from the Minister of Finance to the effect that, "if you do not owe the money, do not harass yourself, just write a letter to the Collector of Taxes and say you think there has been an error and you would like to come in and discuss the matter with him, and do not feel that you have any obligations to pay."

The other matter, Sir, is this: I believe that the Government is placing the onus on persons who have been billed for the taxes whether the persons owe the taxes or not. This may be legally so, but what I am saying is that it is morally unjust, not when you know that, before these notices were sent out, a substantial number of people would be affected in this way.

I believe, Sir, that there comes a time that, no matter what difficulties the Government might have with revenue, a Government must recognise that compliance on the part of its citizens is far more important than the kind of harassment which these notices would have caused, and in the long run people will pay their taxes and you will get a higher level of compliance if those who are levying the taxes appear to be more reasonable in their dealings with people.

This is an error on a scale that I do not think has ever occurred in Barbados, to the best of my knowledge and belief, and it would seem to me, Sir, that the honourable Minister of Finance had planned this since early this year, and it slipped me during the debate on the Estimates when he put in an increase of \$6 million from Land Taxes in a year in which there was no reassessment.

3.20 p.m.

But he tricked me twice, Sir. Not only the fact that these notices were prepared at that time, but a whole lot of people have had new assessments carried out in the month of November without being given a notice of assessment and time to object. That has taken place particularly in development areas in St. Michael and parts of Christ Church.

I am saying that this is a deliberate plan, a deliberate technique, to raise revenue through the process of tax harassment and that the ultimate responsibility is with the Minister of Finance. And I am not charging him with the responsibility purely because he is Minister of Finance, I am charging him with the responsibility because I am absolutely sure that he directed that those Tax Arrears Notices should be sent out although he knew that half of them were wrong; he believes that this is a method of correcting the situation.

It is true, Sir, I believe, to some extent, if you send out the 23 000 notices, that somewhere along the line, by a process of objection, you will get a greater purification out of it. That is quite possible; I will concede that.

What I am saying is that it is the wrong way to do it. You cannot subject innocent people to this kind of harassment and I am urging on the Government to withdraw the amendment before this Honourable House to give support to the original Resolution, because all that Resolution does, Sir, in its operative section, it is not critical of the Government, all it is doing is asking the

Government to withdraw those Notices of Arrears that were sent to people who do not owe the Government any money.

I could not think, Sir, of a more innocent Resolution being brought from the Opposition. It is so innocent, Sir, that I cannot understand the reason for amending it.

I thought, Sir, that the Government would be congratulating me for bringing this matter to their attention in order that they would avoid losing popularity in the country and losing the votes of the persons who have been harassed in this matter.

I thought, Sir, that this is a Resolution that would have been passed unanimously by this honourable Parliament, because, Sir, it contains those elements of humanity, it contains those elements of concern, it contains those elements of decency in the process of tax collection to which I think every single Member of this Honourable House is committed now and will be committed in the future.

I would, therefore, Sir, urge on the Government that they withdraw this amendment calling on honourable Members to support an objectionable tax collection methodology and give support to the original Resolution which has its foundation in decency, humanity and concern for all the people of Barbados.

(Hon. H. B. St. JOHN: Do you not see that none of your people have not come in here to support you. Franklin is the man who did the original assessment. He was the Commissioner then. He was the evaluation man you know that.)

Dr. R. C. HAYNES: Thank you very much, Mr. Speaker.

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, Sir, I am going to surprise the honourable Member, and, perhaps, the House, by congratulating him on the very cogent and moderate final speech he has made in the debate here today. If public business could be conducted in Barbados in as restrained a way as the honourable Member has been able to conduct it here today, when, in the absence of his colleagues, he is alone on the Opposition Benches, we would, I think have a country where peace, order and good Government could be regarded as safe forever.

The honourable Member's arguments today are not only moderate but many of them are well founded and, unlike earlier strictures on this and other subjects that we heard from the Opposition in recent weeks, the Government can accept the sincerity behind the arguments.

He is wrong when he says that approximately 50 per cent of persons getting those notices have got wrong notices. That is nonsense, and I think the honourable Member, on reflection, will know that.

I think the honourable Member is seriously concerned, as any Opposition politician would be — and any references I made to sincerity must not be thought to mean that sincerity precludes self interest — about the situation with the Land Tax Register.

But honourable Members must recall that the Land Tax Act states that a Delinquent Roll must be published every year, and, from 1975, no Delinquent Roll has been published until 1982, and we have not been able to publish this roll because we started off on a wrong basis with the accounts wrongly kept, 1972, 1973, 1974 and because of those wrong accounts, I suppose, of maybe just incompetence, the earlier Government never published a delinquent roll.

So, when we came in, we did not only have to consider the land taxes for 1976-77, which is the first for which we were responsible, and the Delinquent Roll for that year; we had to think of the Delinquent Roll from Vestry days until and Local Government Council days, as well as the first days of the new tax, and we should be criticised, if anything, for not carrying out this exercise earlier.

Now, the honourable Member asked why we could not have accepted his original Resolution. Political sense, as well as common sense, will tell him that his Resolution did not start out as any hand of welcome to a thoughtful and well meaning Government. His Resolution started out, as was the tone of the Opposition Party's parliamentary performance all of last month, hostile and bitter towards a corrupt Government. That is their assessment of it.

The land taxes were all part of how wicked we on this side were, leading up to the wickedness of the parliamentary salaries. It was all a crescendo, winding up in a big walk out from the House and a grandstand public meeting at which it was announced that the Opposition, wearing the fleece of the lamb, innocent, was going to give its salary increases to charity while the wicked Government is stealing your taxes and your land and, at the same time, holding on to the salary increases. All of these things have to be considered together.

We have not had our say, Sir. I notice that the Leader of the Opposition is very anxious to give his salary increase of \$108 a month to charity, but in 1980, when he got a salary increase of \$1 645 a month — \$1 645 a month — and civil servants that year faced more restraints, he did not give that to charity. Honourable Members can give \$100 a month to charity because it is \$100 a month, but when they got salary increases of \$1 600 a month, they did not give that to charity. 3.30 p.m.

I wonder, what charity is the Democratic Labour Party? Because it is now a matter of record that the \$141 a month travelling allowance increase, because

that is all it is, has been given by the Opposition members to the Treasurer of the Democratic Labour Party. That is a matter of record.

But, anyhow, I really will not dwell on that. You have ruled the words "hypocrisy, perverted, dishonest and corrupt" to be out of order and I do not wish to have them struck from the record of any speech which I make. The public can judge the sincerity of people who walked out of the House for \$100 a month when they stayed in and drew the salaries of \$1,600 a month increase in 1978. The public can judge.

Now getting back to the Land Taxes, the reason why we cannot accept the Resolution as worded is that the Government obviously was doing exactly what the Resolution called for before the Resolution came to the House. Where people do now owe Land Taxes, the notices are being withdrawn. It is simple, a very straightforward act.

The honourable Member has asked that I tell the public that there is no need to worry. I can afford to tell the public there is no need to worry. Nobody's land is going to be sold for taxes which he does not owe.

The next step, with regards to the sale of land, is that a letter is going to go out to those taxpayers who owe more than \$2 500 in Land Taxes; they will be warned that their lands have been given priority for sale by the Government, and they will be invited, if they query the amount of taxes due, to come in and discuss it before the sales are set up.

There are certain trends that run through the Delinquent Roll for those persons. I mentioned some of them when I spoke earlier and I will not advert to them again, but the list will be gone over carefully. The people who owe in respect of 10 and 12 properties, and there are such persons, will be called in and warned that all their properties are going to be set up for sale, each one individually, for the taxes due, and they will be asked, "Do you agree these taxes are due." If not, "Have you got receipts? What is your claim?"

But the fact is that the lands are going to be set up for sale. The first two have already been selected for sale. One is the Miramar Hotel and the other one is Turner Hall Plantation. They will be the first two to be sold for taxes.

(Asides)

Mr. SPEAKER: Order! Please, the Hansard Reporters are complaining. No cross talking.

Rt. Hon. J. M. G. M. ADAMS: But even these people will be given the opportunity of contesting the amount of Land Taxes they owe.

I, really, can add nothing more to this. The Government has carried out its statutory duty of preparing a Delinquent Roll. It has written to everybody on the Delinquent Roll demanding the taxes, as required by law.

Honourable Members on this side, privately, and on the other side, privately, have indicated that there are some areas in the year, I believe 1973, is in doubt. I cannot give an undertaking that no land will be sold for taxes during that year, because people may come and admit that they owe the taxes for that year. But, certainly, the department will look carefully at that early year, when there was still some confusion in the handover, to see how far it can claim to be sure that the taxes due for that year, 1973 are in fact due, 1972-1973.

The notices went out late in 1973. We had to tidy up the previous Government's catastrophic work at that time. The honourable Member for St. Philip North, perhaps it is his in his own interest that he has not returned to participate further in this debate, because there is little doubt that he has to carry a lot of the responsibility for the mess that existed in 1973.

We are trying to clear it up. If it cannot be cleared up, the Government will have to forego the taxes for that early year. But the records are in reasonably good shape for the other years.

In cases where taxpayers think they have paid the taxes or think the taxes are not due — well, the lawyer in charge of the unit collecting the taxes will try his best to explain to them that they are mistaken.

And, Mr. Speaker, I should warn the public that it is a mistake to believe that if you get a Tax Clearance Certificate that that means that all the taxes have been paid.

Last week, I sent a file for the perusal of the Leader of the Opposition, and such of the members as wished to look at it, with a list of the properties for which Tax Clearance Certificates have been issued although the taxes were not paid, and it was a thick list — I could not tell you how many foolscap pages.

In most of the cases, the people liable for the tax claim that they gave the taxes to their lawyers and that is the last that has been heard about the taxes. Maybe that is a matter more for the Bar Council than for the House of Assembly, but, naturally, all such claims will be investigated. I would be very sorry if anybody were to lose his land because he paid his lawyer and the lawyer had not paid the Collector of Taxes. But I

Dr. R. C. HAYNES: On a point of elucidation, relevant to the tax clearance situation.

Mr. SPEAKER: On what does the honourable Member rise?

Dr. R. C. HAYNES: On a point of elucidation, Sir. I am trying to explain what I was dealing with concerning Tax Clearance Certificates, and I raised an important point that the tax is payable on the land. What happens if there is a new owner of the land and the original owner has already sold the land ten years ago? Do you say that the land comes under the new owner, or how

do you get at the original owner? That is a very important point.

Mr. SPEAKER: That is not a point of elucidation.

Rt. Hon. J. M. G. M. ADAMS: The answer is simple, although it is hard. When people buy land they have an agreement for sale. Every agreement for sale that I have ever seen contain some mention in it of division of taxes — it says that it is provided with the title and taxes are charges against the land and if there is nothing in the agreement for sale, which is virtually unknown in Barbados, about the taxes, the person who sells the land remains liable, and will always be liable, to an action by the vendor; but the tax remains liable against the land.

It is an unfortunate situation. We have not done it, Sir. It is not this Government or indeed it is not the last Government.

This, really, is the responsibility of the lawyers. No doubt a claim in negligence will lie against the lawyer and it will work backwards, each successive purchaser of the land will be able to claim against his vendor for giving him a bad title and that vendor can then claim against the person from whom he bought the land, until you get back to somebody who may have a claim against a lawyer for malpractice.

It is unfortunate, but the Government is not here to carry the incompetence or, in some cases, the dishonesty of lawyers in Bridgetown. That is not part of the Government's duty. The Government has to carry the responsibility for the incompetence of a doctor in the hospital, or a District Medical Officer, or a Crown Solicitor or Crown Council; but it does not have to carry the incompetence of professional persons engaged by two citizens to handle a transaction between themselves.

We will not be oppressive with this, Sir, I cannot swear for the union, but I would very much doubt that those hundreds of people on the list, which the Leader of the Opposition was given the opportunity to peruse, need have any fear that they will be on the priority for sales. I don't think so, but they will still have to try and help themselves and go back to the transactions which have resulted in the tax remaining as a charge against the land.

This debate has, I think, ended in the best traditions of parliamentary life with an understanding being reached by both sides that there is a problem, and by the side, which has the duty of seeing to the problem, accepting the need for the discharge of that duty.

3.40 p.m.

But I would say this: If the honourable Member knows any other way to collect the \$14 million owing to the Government other than by sending out notices to the people who in the records of the Government owe that money, he must tell me. I really do not know, and I have never heard of in parliamentary or bureaucratic life, any system of collecting arrears unless you ask for them

and tell the people what they owe. I have never heard of any businessman who trusted to God that everybody kept a record of his arrears and would pay them up without a gentle reminder when the arrears were a couple of years old.

As far as I know, the standard method in every political system, in every bureaucratic system that exists, is to send a notice to people and tell them that money is owed. If it is not owed, you straighten it out, you enter into a colloquy, a discussion about it. If you prove it is not owed, you withdraw the notice, as we have been doing long before the honourable Member's Resolution. If it is owed, you tell them politely that it is owed, do you agree it is owed, yes, well how are you going to pay it? Many people have agreed that it is owed and are paying.

The question of old age pensioners is slightly different. I am not satisfied that the relief procedures were being translated under the Data Processing Unit expeditiously. It may be, Mr. Speaker, that now there are a number of quite wealthy old age pensioners that a review of the entire system of granting relief needs to be undertaken.

I cannot say, Mr. Speaker, that I show the same horror as the honourable Member at the thought that an old age pensioner, who might have a single piece of land worth half million dollars, and who gets relief, should be able to pass on the benefit of that relief to the land. We do not pay Death Duties now; remember that. It may very well be that the Land Tax Relief Board may wish to have power to defer the payment of the tax rather than remove it altogether.

It is a different situation with a small piece of land. One old husband has it, then the dear old wife is going to get it. You may give relief on that, because it is simply not worth keeping on the books.

But in the special circumstances where a person is rich in land but poor in income, and whose family will now get the benefit of that land without having to pay Estate Duty on it, that deferral rather than full relief may be appropriate for the future, and this is being studied, but it is being studied not in any grasping sense, it is being studied in a humane way which will balance the interest of the revenue, the social interest of the country against the interest of inheritance by persons who may themselves be well off.

What I can say with absolute certainty is that persons who have already got relief will not have to pay again, nor will their children have to pay on inheritance.

I say that with no intention whatsoever of seeking to go over the past, it is just what may be done in the future now that two new factors have entered into the situation; the wealthy pensioner and the removal of Death Duties. They create different situations that may need to be dealt with in different ways.

Mr. Speaker, I am very glad that this Land Tax debate has come to an end in an atmosphere of amicability.

I should mention that the honourable Member for St. Michael South Central is perfectly right when he says that this is no sudden decision. At first, I think he was saying that the IMF had told the Government to collect it. The matter has never been discussed with the IMF, but in fact for years, from before 1978, the Government had been aiming to do this. Mr. Dubroof, the OAS expert; his advice, postponed a similar exercise from 1978 until the present time, when we think, on the advice of the Data Processing, that their records have improved sufficiently to allow us to publish the Delinquent Roll. Now that it has been published, it will be published annually, but it is the culmination not of any sudden impulse, it is the culmination of perhaps five years of trying to straighten out the collection of land tax in this country. It is the culmination of trying, from the time we had been elected to power, to comply with the law relating to the Delinquent Taxpayers' Roll.

Now that we are in the process of complying, we will move into stage two, how to collect the \$14 million — it will probably be less, say, \$12 million — which has accumulated over the years, and that is what the new unit will do. Always remember, Sir, the key to paying lower taxes is efficient collection of whatever taxes you have.

The honourable Member is quite right, I think, in saying that people pay taxes more willingly if they do not feel resentful. We should not let his reasonable tone of today blind us to the fact that the chief thing that will make people feel resentful is the inflammatory behaviour of the Democratic Labour Party when the notices first went out, when the implication was, this is a wicked Government, they are trying to brutalise you, so do not pay the taxes. We heard none of that today and for that we are grateful to the honourable Member.

If all of our public business could be conducted like this, the Government could change in 1996 or 2001, Sir, and Barbados might have 20 or 25 years of stability within the lifetimes of many persons who are in politics, perhaps in the House of Assembly, at this time.

But when we have these horror tactics, when we have the equivalent of the bomber raids complete with napalm and the poison gas, especially the poison gas, to inflame the public, what can we honestly expect from citizens outside?

In conclusion, I really would like to thank those church men and journalists who, although they may have got things wrong, at least had the right instinct in saying that when we set a bad example in here, you cannot

blame the public outside, unruly youth, for bad behaviour. If we behave badly in here, you cannot ask the public outside to behave.

I hope you will not rule me out of order, Sir, but I would like, before I sit down, to say that I very fully and completely support Your Honour's conduct of affairs in the House of Assembly last week.

I have seldom seen an occasion, if ever, in which the Presiding Officer was so totally and completely right, correct, proper and in the highest traditions of parliamentary democracy, and those who sought to flout his ruling so completely and utterly wrong and devoid of proper parliamentary behaviour.

I have been in here sixteen years now, Sir, and I make that statement after a week's consideration as to whether it is justified.

As the Christmas season approaches and the end of the year, I very sincerely hope that all those who have contributed to the bad parliamentary temper of the last few months will repent before the season of forgiveness and the season of festivity.

Mr. Speaker, that concludes my argument on the amendment.

3.50 p.m.

The question that the words proposed to be left out stand part of the question was put and resolved in the negative without division.

The question that the proposed words be there inserted was put and resolved in the affirmative without division.

The question that the Resolution as amended do now pass was put and resolved in the affirmative without division.

Mr. SPEAKER: Please, order on Government benches please.

Order No. 2, Private Members' Business, stands in the name of the honourable Member for St. Michael South, whom I do not now observe in his place.

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

GOVERNMENT BUSINESS

Mr. SPEAKER: Government Business is the Instant Order of the day. Item No. 2.

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

Mr. SPEAKER: When the suspension was taken, the House was in Committee on this Bill, to that it now reverts.

Mr. SPEAKER left the Chair and Mr. CHAIRMAN resumed the Chair.

COMMITTEE

Mr. CHAIRMAN: The House is in Committee. We were at Clause 52.

The question that Clause 52 stand part was put and resolved in the affirmative without division.

Hon. L. S. CRAIG: Sir, we can take the rest of the Bill in Parts.

Parts V to VIII inclusive were called and passed.

Part IX, as amended, was called and passed.

Part X, as amended, was called and passed.

Part XI, as amended, was called and passed.

Parts XII to XV inclusive were called and passed.

The First Schedule was called and passed.

The Second Schedule was called and passed.

The Third Schedule was called and passed.

On motion of Hon. L. B. BRATHWAITE, seconded by Hon. L. R. TULL, Mr. CHAIRMAN reported the passing of one Bill in Committee with amendments, and Mr. SPEAKER resumed the Chair and reported accordingly.

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

ADJOURNMENT

Hon. L. S. CRAIG: Mr. Speaker, I beg to move that this sitting be now suspended until Friday, December 3, 1982, at 12 o'clock noon.

This matter which we are going to deal with is a Resolution for \$13 million, and we are going to do it in all its stages. This was indicated to the honourable Member for St. Michael South Central, whom I have no doubt is the Leader of the Opposition today, and it was agreed that he would convey these sentiments expressed by the Government to his colleagues, and he was sure

that his colleagues are all well prepared to deal with this Resolution.

Dr. R. C. HAYNES: Mr. Speaker, I had given an undertaking to the Leader of the House and the right honourable Prime Minister that we would certainly proceed with the matter on Friday at 12 o'clock, because it was indicated to me that it is a matter of urgency and the Opposition will, of course, do everything to accommodate the Government in this matter.

Hon. L. S. CRAIG: I therefore beg to move that this sitting be suspended until Friday, December 3, 1982, at 12 o'clock noon.

I am sure the Acting Leader of the Opposition today is quite happy to hear me, for once, designate him to that title. I am quite sure he is very happy in that role; the boy on the burning deck whence all but he had fled.

(Dr. R. C. HAYNES: Proven right).

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

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

On Resumption:

Mr. SPEAKER: This sitting is now resumed.

Hon. L. S. CRAIG: Mr. Speaker, there is a bit of a problem at this point, Sir. I am going to call Item No.6, but the box with the files has not yet got here, and there is no way we will be able to proceed with the matter immediately.

I think that the Leader of the Opposition would appreciate the difficulty, sometimes, with the matters. When you were in office, I have no doubt that you experienced this on several occasions.

I know that the Leader himself is quite capable of going out when he has set out to go out of the House. Sometimes I have to say, Sir — in speaking to my colleagues, I call him the old fox, when talking about him in very pleasant terms — I have to say, Sir, that when the old fox is greased, sometimes you cannot hold him; no matter how you try to. I tried holding him in here a couple of Tuesdays ago but the old desert fox, Sir, you could not hold him down; you could not hold down the old desert fox, Sir, he was well-oiled.

SUSPENSION OF SITTING

Hon. L. S. CRAIG: I beg to move that this sitting be suspended for 20 minutes, Sir.

Rt. Hon. E. W. BARROW: Mr. Speaker, speaking on the motion for the suspension.

Mr. SPEAKER: There is no motion before the House.

Rt. Hon. E. W. BARROW: Sir, I am sorry.

Hon. Dr. R. L. CHELTENHAM: I beg to second that.

Rt. Hon. E. W. BARROW: Mr. Speaker on the motion for the suspension, I believe that the only item for which we have been — I would not like to say summoned, Sir, because the House was suspended on Wednesday — we have convened here for today is to discuss Order No. 6. I do not think it is so much a question of the despatch box or whatever it is; it is a question of the bearer of the despatch box not being here. It is not a question of the despatch box.

Hon. L. S. CRAIG: The despatch box can only get here if the bearer brings it or if it is sent.

Rt. Hon. E. W. BARROW: That is really true, but when the identity of the bearer happens to coincide with the proposer of the Resolution, then there are difficulties. But I do not see anything in the Resolution of the kind of urgency that the Members of the House should be detained in the frigid atmosphere — it has not warmed up yet, Sir, by the activities of the Members — most of us suffering from influenza and coming here under duress today, and some of the members of the opposite side have already complained to me about the great physical discomfort which we have to endure.....

Asides.

Rt. Hon. E. W. BARROW: I am not going to call any names; I am not a name caller. I am only saying, Sir, and you will appreciate what I am saying, that I do not know. . . . we have no guarantee.

Hon. L. S. CRAIG: They should complain to me, as Leader of the House, if they cannot come and they are sick; I do not see why they should complain to you. I had better checked their roll call.

Rt. Hon. E. W. BARROW: I did not say complain, Sir. I said they made representations to me about the frigidity of the atmosphere. I am merely making a fairly reasonable intervention.

We do not know whether at the end of the 20 minutes whether the bearers of these tidings, the introducer of this Resolution and the despatch box, will have arrived and I honestly do not see the urgency of this Resolution here. This is what I am saying, Sir. I am speaking on the motion for the suspension.

The question that the sitting be suspended for 20 minutes was put and resolved in the affirmative without division.
12.05 p.m.

On Resumption:—

Mr. SPEAKER: Order No. 6.

RESOLUTION TO APPROVE THE BORROWING OF THE SUM OF US \$13 MILLION FROM THE BARBADOS NATIONAL BANK, THE MORGAN GUARANTY TRUST CO. AND ASSOCIATED BANKS FOR THE PURPOSE OF FINANCING THE PURCHASE OF THE ASSETS OF MOBIL EXPLORATION BARBADOS INC.

Order No. 6 was called — To move the passing of the Resolution to approve the borrowing of the sum of US\$13 million from the Barbados National Bank, the Morgan Guaranty Trust Co. and associated banks for the purpose of financing the purchase of the assets of Mobil Exploration Barbados Inc.

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, Sir, firstly let me apologise to the House for the delay this morning, which was occasioned by the need to collect some statistics which have only crystallised this very week, namely, the statistics for November.

Mr. Speaker, Sir, the House and the public will be familiar with this Resolution which now comes for approval. Heads of agreement for the transfer of the Mobil exploration and production in Barbados to the Government and its agent, the National Petroleum Corporation, was signed on July 30, this year between representatives of the three parties.

Those Heads of agreement provided for an effective takeover of the Mobil operation in Barbados, back-dated to July 1 this year, and, notwithstanding the delay in payment and in finalising the agreement itself, I am to report to the House that, effectively, the National Petroleum Corporation has been operating the Woodbourne oilfield since August and has been responsible for its operation since the notional date of July 1.

The Heads of agreement signed in July provided for a purchase price of US\$12 million in the hands of the Mobil Company. The Government expressed itself to have been negotiating with Mobil as an agent for an undisclosed purchase, although, of course, it is understood that the National Petroleum Corporation would be the ultimate purchaser of the operation.

The original closing date was September 30, 1982, and I will return to this point later.

The purchase price covered a purchase of spare parts, materials, drilling equipment, physical plant, including vehicles, as well as production and exploration rights, plus oil, which was then in existing wells waiting to be brought to the surface.

I think it very important to make this clear to the House and to the public because there has been some speculation that the Government may not have been properly advised as to the size of the purchase price and the volume of the assets it was buying.

I should make it clear that only a very small amount was paid for the prospects of future oil discovery in Barbados, no more than US\$600 000; and, indeed, Mr. Speaker, I could mention in passing that that amount has already been realised from the production of new oil wells drilled since the National Petroleum Corporation has taken over the operation.

Broadly speaking, \$7 million was paid for the production exploration leases, spare parts and all materials and \$5 million was agreed to be paid for the oil in the existing wells. This price was arrived at after careful analysis, assisted by experts from Petro-Canada Incorporated, and I am satisfied it was a price in which Mobil, if they erred at all, erred on the side of generosity towards the Government.

I said that I would say a word about the delay. The history of the potential purchase of Mobil's operations in Barbados by the Government goes back to a few years, and the history of attempts to finance this purchase goes back to the year 1977, when Barbados and Trinidad sought to draw closer together, Sir, in respect of a number of bilateral economic agreements.

During talks, which were held then and subsequently between Dr. Eric Williams and myself, a consensus was reached in which it was considered that there could be some form of joint operations between the Governments of Barbados and Trinidad and Tobago in respect of the petroleum resources of Barbados.
12.35 p.m.

This was only a broad consensus and, earlier this year, I reminded the Government of Trinidad and Tobago about it, and we agreed that negotiations would have to be opened to translate this consensus into positive agreement when the conditions for the take over of Mobil were known, particularly the price that would be involved.

It is hoped, Sir, that these negotiations could be completed at a much earlier stage than has proved possible, and the base date of September 30, was set on

that assumption. Unfortunately, things have changed somewhat in Trinidad and Tobago; the oil business is no longer as booming as it was and a greater caution has entered the negotiations process.

So while the negotiations are still underway on the part of Barbados, our stand is that a Trinidad Company is benefitting from this takeover, since the drilling is being done by a company called Well Services Limited, owned by Trinidadians and which borrowed a large sum of money from the Trinidad and Tobago Development Bank to buy a rig to do the drilling in Barbados, and we say that the deal could be a straightforward loan to support the purchase, on the basis of the existing Trinidad participation in the drilling, with further consideration being given to developments which may arise within the next year or two.

The Trinidadians, on the other hand, are looking at the matter on a global scale and looking forward to joint ventures in the petroleum business in Barbados.

I think that goodwill exists on both sides, but there is still some distance between the concept and, therefore, the negotiations cannot be concluded during the year 1982. The Government therefore decided to revive the offer which was made by the Barbados National Bank and the Morgan Guaranty Company to finance the immediate purchase of Mobil, and it is this arrangement for which the guarantee of Parliament is now sought.

I said, Mr. Speaker, that from July 1 responsibility for drilling and production, and indeed the proceeds thereof, were signed by the National Petroleum Corporation. I should perhaps give the House some idea of progress.

From the date of the signing of the agreement, new drilling has gone ahead. The firm, Well Services Limited, to which I referred earlier, has continued to be contracted for the drilling. Under the supervision of the Government part-time Director of Petroleum and Natural Gas, and with the active participation of other officers of the Ministry responsible and of the NPC, seven wells have been drilled since August. Five of these wells are producing satisfactorily.

The cost of drilling the wells has been reduced from an average, I am informed, of around Bds \$700,000 to less than Bds \$½ million. The time of drilling a well was also reduced from an average of almost a month, as I am informed, to 18 days.

Production, Mr. Speaker, which for the months of January to June averaged 17 359 barrels a day, has now been raised to an average of 23 964 barrels for the period July to October, and it is estimated that during November just over 30,000 barrels of oil were produced. In October the total was

(Asides)

Rt. Hon. J. M. G. M. ADAMS: The Leader of the Opposition has corrected me. I am very much obliged to him. These figures are for months. I do beg the House's pardon. These figures are monthly figures.

In October, an amount of 32,880 barrels were produced; the daily average for that month being 1 060 barrels. Sales of crude oil by Mobil Company, for the period January to June, to the refinery, amounted to \$6 526,000. The National Petroleum Corporation, since July, has sold oil worth \$8 762,000 to the local refinery.

So, Mr. Speaker, while we must keep our fingers crossed and not put our mouths on our operations, it does appear that even before payment is complete for the takeover, the NPC has been able to raise production and raise, by a very considerable margin, the foreign exchange savings represented by the oil operations in Barbados.

We look forward to a situation where by the middle of next year, if all goes well, we will be self-financing at the NPC, but I think that the Chairman of the Corporation will, perhaps, give the House more information on that aspect of the matter.

Mr. Speaker, before I go on with the agreement itself and the future arrangements for the organisation of oil exploration and production, I will want to say a word of thanks to the Government and people of Canada and to Petro-Canada International for the assistance that has been given to the Government of Barbados in this matter.

Some years ago, I remember hearing the Leader of the Opposition say that when he wanted a new airport, he took up the telephone and telephoned Mr. Trudeau, discussed the matter with him, and, within a week or some short period, matters were underway — and the new airport terminal building and upgrading was in the pipeline.

I must confess that I thought the honourable Member was exaggerating on that occasion, but I must say that I did not have to pick up the telephone and speak to Mr. Trudeau — I went to Canada on an official visit, raised the matter with him, two days later I was in the office of Petro-Canada, and I suppose within a week the matter was fixed; Petro-Canada Board was fully apprised of our needs, experts were being mobilised to come down and advise us on the price we should pay Mobil, and by October this year the General Manager, who is being provided under our agreement with Canada for this matter, was in place in Barbados, along with three other staff, two engineers and a production superintendent.

And this is not the full total of the assistance that is being given by Canada in this regard. We are also getting accounting and purchasing assistance and technical assistance in geological studies.

I am sure the House will want to thank the Government and people of Canada for their ready response when we were under some time pressure in respect of this most important matter.

The agreement for sale is a long document; a conventional document, one might say, and has now been signed, signed this week, between representatives of Mobil, the Government and the National Petroleum Corporation.

12.45 p.m.

It is structured, Sir, so that the company which is a very small company, just three shares of \$500, Mobil Exploration Barbados Ltd., will become the property of the Government and the National Petroleum Corporation, and its name will be changed to the "Barbados National Oil Company".

The shares held by Mobil Exploration Barbados Inc. of Houston and the Mobil International Petroleum Corporation will be transferred to the Government; the three shares, two will go to the NPC and the Government will retain one. This is the present plan, Sir, just to keep the matter within the present Companies Act.

I have made arrangements for the Government's part-time Director of Petroleum and Natural Gas to be appointed as Chairman of the new Barbados National Oil Company, which will operate as a subsidiary of the National Petroleum Corporation and be under its direction. The Government will, no doubt, have to appoint the directors, but they will be appointed from the ranks of the NPC.

Mr. deVerteuil will also be given a contract as full-time Director of Petroleum and Natural Gas with the Government during these initial years of operation. We think that Mr. deVerteuil has a greater knowledge of the Woodbourne oil field and production conditions in Barbados than anyone else available at the present time.

So, Sir, we are taking over a small but not insignificant production operation in Barbados. Our aim, initially, is to produce at least one third of our petroleum requirements locally.

We have no immediate plans for major exploration, which is a chancy business and which is not, and I must emphasise this, within the financial resources of the National Petroleum Corporation at the present time.

Our drilling operation is designed to maximise production from the Woodbourne oil field. We have one drilling rig it will take so many days to drill a well and we have no plans to overuse the oil field, we know it is a producing field, we know it has resources for ten years or more at the present rate of extraction and we are operating on that basis.

Further exploration will have to await the joint venture with Trinidad, or such ventures as the Government may enter into with any other person or groups, for oil exploration in Barbados. The current venture is a strictly limited one designed to maximise production where we know that petroleum exists.

The Mobil Company itself spent many, many million US dollars in drilling deep wells in Barbados. Except for a gas well, which has been capped and which is being held in reserve at the present time, those millions of dollars did not find oil in commercial quantities.

The Government intends to digest what it has before we step out into the very wild world of oil exploration. Of course, if our brothers in Trinidad wish to add to their production and expect that it can be found in Barbados, we will gladly go forward with them in a venture; but we are content to step slowly at the present time.

I suspect, Mr. Speaker, that the fact that the Government is borrowing money under the Special Loans Act may give rise to some debate about the Government borrowing, the Government's borrowing powers, whether the Government has accepted limits on its sovereignty and so on in respect of the Government's agreement with the International Monetary Fund, and I would just wish to say a few words about this matter.

This week has been a big week for the term "IMF" in Barbados. Last Sunday night, a speech was made in Independence Square full of the IMF. The honourable Member for St. Michael South Central read from a document which he described as the Minutes of a Board Meeting of the IMF.

Well since, Mr. Speaker, Sir, I have seen those Minutes already in print in Barbados, it would not be very remarkable, if the honourable Member had access to some of what the IMF might have said about Barbados. Since it is within my knowledge, also, that delegates of the delegation of Grenada to the recent IMF and World Bank Conference obtained copies of the World Bank's Memorandum on Barbados with the expressed intention, as it was reported to me, of making them available to opposition forces — that was the expression used, "forces" — in Barbados, I would not be surprised into whose hands these documents have fallen.

And, of course, since the public platform is not a place on which you can call on a speaker to make a document available in its entirety, you cannot expect that those portions of those documents which praise the Government of Barbados for its sound economic management, which stated that Barbados is still a credit-worthy country, deserving of loans on non-conditional terms, with a debt service ratio manageable within the framework and parameters set by the Fund and the World Bank, I suppose I have to say those things.

I have no intention of going on and on about how other people praise us. All I say is this, Sir: the Opposition has an interest in attacking the Government; the World Bank has no interest in praising the Government of Barbados. They do not usually give out praise; usually, they give out brickbats.

What the honourable Member will not tell you is that there was general appreciation at the International Monetary Fund's Executive Committee for the efforts the Government of Barbados has made to contain the impact of recessionary world conditions on our economy.

Those Minutes opened with praise, which, Sir, if it came from somebody within Barbados, they would say we had paid him to say so; and if it came from somebody in the Opposition, the Leader of the Opposition would have him read out of the party. Therefore, Mr. Speaker, I do not want to deal too much in selective bits of analysis from outside sources.

But I think that the public should be told again that there is nothing mysterious or hidden about Barbados' agreement with the IMF. If there were, the honourable Member for St. Michael South Central would have it by now. You can be sure of that; at least, we can be sure of that.

I am not one that subscribes to the conspiracy view of history; still less am I one to subscribe to the conspiracy view of current affairs. I therefore have to take issue with my friend, Mr. Gladstone Holder, who, whatever his merits, whatever his perceptions, whatever his humanity and the wisdom of his general assessment of the political worth of the Opposition and the Government in Barbados, is, unfortunately, a subscriber to the conspiracy view of history and the conspiracy view of current affairs.

He takes issue with me because he says that I have never said what is in the IMF Agreement, I have only said what is not in it. Well, I am asked, generally, about what is not in it, and I reply; but I have also said what is in it. And, perhaps, Mr. Holder, and honourable Members on the other side, should take note for a minute that a simple condition may contain, within a few sentences, a great number of implications for economic management.

12.55 p.m.

The I.M.F. condition is that the net domestic assets of the Central Bank must be at a certain level on certain days and there are also other conditions relating to the net foreign assets. They are the only conditions specific to Barbados in respect of the current standby arrangement. I cannot invent conditions from anywhere that the I.M.F. have not imposed; I say they are the conditions and I have already said what they are.

What has to be understood is that, within those conditions, there are implications for economic management without which the conditions cannot be met. The Government is free to choose how it meets the conditions.

I say as a fact that the I.M.F. never set any conditions as to levies; it has never set any condition as to electricity rates; it has never set any conditions as to telephone rates; it has never set any condition as to land taxes; it has not set no condition for water rates; it has not even set any condition as to the size of the deficit for the Transport Board — but it has mentioned that. It has not mentioned the others at all, but it has mentioned the Transport Board and pointed out that the deficit is too high. It has pointed it out and it has left it up to us.

Other countries are not so fortunate. In Mr. Holder's own article, he points out that in Guyana the I.M.F. obliged the Government to raise the electricity rates. I state as a fact that the matter has never arisen in discussions between the I.M.F. and the Government of Barbados. Whether it has arisen between the Electric Company and the World Bank long before the I.M.F. was in it, years before — three years you are talking about — is a different matter altogether; altogether a different matter.

When you are lending a man money, you can make conditions about the loan. The I.M.F. has not lent Barbados any money relating to electricity or relating to the telephone or anything else, and it certainly has not said anything about these irrelevant matters.

Relevant to the Resolution, the I.M.F. has imposed a condition which it imposes on everybody. Indeed it probably would be imposed on — no I don't think it would be imposed for the taking of a reserve tranche — but as long as we are borrowing money, if the United States borrows money from the I.M.F. it will have to agree that its borrowing from other people is subjected to the supervision of I.M.F.

Under certain conditions, if you go into Bridgetown to get a loan from a bank, they do not allow you to go and borrow money from any other. Certainly they are not going to let you carry your security to any other bank to borrow money.

The I.M.F. regards itself as a lender of last resort, and they tell people you must choose — either you borrow from us or you go and borrow from somebody else. That is exactly what they say and I, personally, Mr. Speaker, cannot find a derogation of sovereignty a derogation of freedom or anything — you choose. You choose to borrow outside the I.M.F. or you choose to borrow from the I.M.F., and that is how I see it.

A limit has been placed on the amounts of money which may be borrowed for periods of less than 10 years from sources other than the I.M.F. That limit was shaped as much by the Government of Barbados as by the I.M.F. We told the International Monetary Fund that we are in the process of negotiating a loan for sugar, a loan for the purchase of Mobil and one or two other matters which it would not be appropriate to mention here because they have not come before the House as yet — I am mentioning two which have come before the House.

We discussed the question of the guarantee by the Government of the borrowing from the United States of monies for home construction, we discussed other matters such as that, and we fixed a limit which was consonant with the Government's needs as well as the conditions of the I.M.F.

The I.M.F. limit on the borrowing was fixed, you could virtually say, by the Government of Barbados in so far as we said that these are what we need the funds for and this is one of the matters which I discussed personally with the I.M.F. representative, whether it could be done on budget or off budget, or how it should be handled. I discussed this personally and it formed a part of the Government's particular borrowing arrangements.

I see nothing difficult in that. Life in Barbados, you know, Mr. Speaker, has gone on perfectly comfortable despite the I.M.F. Nothing has changed. This is not Jamaica or Guyana where people have had to be laid off. Nobody can stand up and say "X, Y, or Z" in relation to this. There has been no devaluation, there has been no restriction on employment in Government; none of those matters. Let us bear that in mind.

We have to be very careful about these red herrings; very careful indeed. Perhaps honourable Members opposite thought that they had a magnificent issue, and I can really only see the borrowing as a matter to which they could possibly address their minds borrowing such as this. They thought they had a magnificent issue, but nothing has happened.

The economic recession was doing Barbados mischief. Indeed, since we borrowed the money from the I.M.F. unemployment has declined, inflation has declined in Barbados; things have shown a little sign, if not getting

better at least not getting worse, because the ultimate restricting factor is not the I.M.F. or anything else. The ultimate factor is the condition of the world economy ultimately. If we go further down now, we will be going down because things get bad outside and not because of anything the Government or the IMF is doing.
1.05 p.m.

This kind of thing which comes before the House today, envisaged when we entered into a standby, is the kind of thing that will improve conditions in Barbados, because it improves the foreign reserves. The more oil we produce — and there is no doubt Mobil was running down its operations — the less we have to spend on oil from abroad.

In 1980, the increase in oil imports amounted to something like \$60 million, an amount with which the previous Government never had to contend at the time of the oil crisis of 1974, and we are trying to pull ourselves back from that kind of situation with this operation.

Mobil was running its arrangements down, Mobil was no longer prepared — I think we can safely say — to carry on a major operation for the sake of 1 000 barrels of oil a day; I think we can say that.

The Government, as it happens, has raised production. It was only 11 000 during the month of January; 32 000 during October. The Government has raised production, because we are no longer willing to go back to the situation of last year, 1981, when we had to spend \$92½ million on oil imports that amounted to eight or nine per cent of our foreign exchange earnings.

I do not think that honourable Members can quarrel with the concept of an operation that is designed to address that target, nor can they quarrel with the execution of an operation which in five months brings in \$8.7 million even before you pay for the very assets which you used to produce that \$8.7 million.

I wish, Mr. Speaker, that there were other areas where the Government could deal on as amicable and generous terms as we have dealt with the Mobil Company and with Petro-Canada; Mobil as sales people, Petro-Canada as giving us the help with the operation.

It is important to remember that Mobil, had they chosen, could have been the beneficiaries of that \$8.7 million merely by continuing in operation and expanding the operations in Barbados. Without payment, they have let us manage the operation and have continued to participate in it as the agent for the National Petro-

leum Corporation, and not on their own account. We owe them some debt of gratitude in this particular area.

A lot is said about the multi-nationals. We have had our difficulties with Mobil, and perhaps may have difficulties in the future. No partnership ever runs entirely smoothly where Governments are concerned, Sir, I am quite convinced, but in this particular instance, the Government of Barbados has no quarrel with this particular multi-national which has been very patient in waiting for its money, which has given us unlimited co-operation in running our operation with their equipment, and receiving money, Sir, effectively which is being made by their equipment that has not been paid for as yet.

Mr. Speaker, Sir, I believe that this matter will obtain the general support of the House, and, as the year comes to an end, I really have to thank all concerned in this petroleum operation on behalf not only of the Government but of Barbadians, generally, for bringing what could have been a very difficult matter to a reasonably successful — a successful conclusion. I hope that this same good fortune and success will attend all the Government's future operations in the field of petroleum.

Before I sit down, I would only want to say, although it falls upon me as presently the substantive Minister to deal with this, that it is unlikely, indeed it is impossible, that it could have come to fruition so successfully without the devoted work done by the Deputy Prime Minister during the five years that he held the petroleum and energy portfolio.

The transfer of the production and exploration assets from General Crude to Mobil was presided over by the honourable Member for Christ Church East Central, with all the determination for which he is famous. The Government fought hard and won its battle with Mobil. We collected property transfer tax, we collected very substantial taxation on the operation after a couple of years of exchange of lawyers' opinions, in which, in the end, I think it was the opinion as well as the determination of the honourable Member that came out on top. This was all done without forfeiting the goodwill of the Mobil Company, which then proceeded to spend large sums of money that have redounded to the benefit of Barbados in oil exploration.

The guidelines for management of our petroleum and natural gas resources were set by the honourable Member during his time as Minister, and we in the Ministry of Finance and Planning can find no fault, Mr. Speaker, with them. With the success of the NPC in building up already in these few short months its petroleum production and the viability of the operation, owes,

perhaps, everything to the work that has been put in by the Ministry of Trade during the last five years.

The work will now be carried on under my ultimate magistracy, but more immediately by Senator Griffith and by the able, young Chairman of the National Petroleum Corporation, the honourable Member for St. Michael Central.

I have seen in both these fine young political figures a grasp of the economics of petroleum within Barbados, and a grasp of the needs of Barbados and the absolute need to get our petroleum operation viable, which, I am confident, in the future Barbadians will be thankful for when we analyse our economic development during these difficult years.

Mr. Speaker, Sir, I beg to move that this Resolution do now pass.

Hon. H. B. St. JOHN: Mr. Speaker, I would like to second this Resolution, and I wish to add some support to the terms of this Resolution.

Over six years ago, when I had the good fortune to be assigned to petroleum and natural gas in the Ministry of Trade, it became abundantly clear to me that an in-depth examination had to be taken by the Government of Barbados of the potential in Barbados of natural gas and petroleum, of the financial requirements in the future for the exploitation of any potential, of the manpower requirements in the future, and, also, being a committed regionalist and federalist, I was always convinced that in this area the Governments of the Caribbean, who have oil resources, have to go together in tandem.

1.15 p.m.

With the help of the then Minister of External Affairs, we lined up technical assistance from the United Nations Development Programme, UNDP; we alerted the Government of Trinidad and Tobago as to our aspirations and as to our view that this was an area ideally suitable for bilateral pursuit; we set out, through the National Training Scheme to ensure that qualified Barbadians would be exposed to geological and petroleum engineering.

After about one year of examination within the Ministry, we became convinced that the then owners of the exploration leases, General Crude Corporation, were a company who had an inadequate financial base and who were really only in the oil business as a subsidiary activity of the main purpose for which they were incorporated.

It therefore came as no surprise to us when, without any word to us, we saw that General Crude Corporation was advertised for sale in the United States of America, that they actually were under negotiations for

General Crude properties all over the world, including Barbados' reserves, and that Gulf, Mobil and others were bidding for them.

Without reference, Mr. Speaker, to the Central Bank of Barbados, in accordance with the Laws of Barbados, the Exchange Control Act, they purported to transfer, by way of Delaware Instruments, the rights that they had under the leases or the licences in Barbados. Of course, at this time the UNDP technical assistance programme was in place and we had had a much fairer examination not only as to the reserves in Barbados, but as to the relative prices for various aspects of it.

I, Mr. Speaker, with the full concurrence of the Cabinet, fought a long battle with the then owners of the purportive successor interest in the Barbados interest. At that time, Mobil had set up a Delaware Corporation for the purpose of buying the assets of General Crude worldwide, including the Barbados interest. That Delaware Corporation was re-registered under the provisions of the Companies Act of Barbados, and they presented us with a document saying that, by the doctrine of merger under Delaware law, all Barbados assets became merged in this new Delaware Company.

We challenged the validity of that legal interpretation, because I insisted that while Delaware law can govern property in Delaware, it may even govern the transfer of property within another state in the United States because of the Federal doctrine of commonity of recognition, I knew of no principle of law which says that the domestic law of one country can deal with the transfer of real assets or semi-real assets in a foreign country. The exclusive prerogative for dealing with manner, form and substance of transfer is the doctrine of *lex situs*. We won that fight eventually.

But then, Sir, we always recognised that one of the defects in the original legislation in licencing, exploration and leasing in the Petroleum Winning Operation Act in Barbados was that the Act did not stipulate that the company which was the holder of a licence, the grantee of a lease, should be originally incorporated in Barbados.

So, a condition of our Central Bank approval, when it was recognised by them that they had to obtain it, was that the totality of the assets in Barbados with respect to the licences, leases, off-shore and on-shore, had to be transferred in a Barbados incorporated company.

Again, Sir, we won that battle; so today, we have a situation that when we come now to deal with the transfer of the shares in the company which actually owns the assets, we are dealing with a locally-incorporated company. That that was the first step that had to be taken if we were to have that degree of control over such a vital national resource as our oil potential.

I am very please to say, Sir, that I had the benefit, also, of advice in this area and of discussion with a very eminent Australian lawyer, and a very eminent head of the technical division, kindly made available to us by the Commonwealth Fund for Technical Co-operation.

Equally I wish to pay great tribute to the Secretary-General of the Commonwealth, who allowed me and officials in my division to have discussions, without any formal application, without going through any rigmarole, with respect to this aspect of technical assistance.

I had many hours of discussions in London, during a trip there, with this very eminent lawyer, and he fully endorsed the viewpoint that we were taking here because he well understood our concept of law in this area.

Mr. Speaker, Sir, I wish to say this: no member of a Third World Country with any pride in his breast could object to a Government trying to bring within its total command a resource of such importance as this, and, I wish to challenge the Democratic Labour Party to say whether they are in disagreement with the Government assuming control of petroleum in Barbados. There cannot be any getting away from it.

This political party had the honour, the privilege, Sir, in 1948 to bring natural gas within the purview of the people of Barbados, through the Natural Gas Corporation at that time. The Barbados Labour Party makes no apology to anybody in Barbados, or anywhere at all, for bringing this Resolution to take control of petroleum in Barbados.

It is abundantly clear that the message has to be taken by all and sundry in the developing world that, particularly in the context of the present economic situation in the developed countries, there are no fairy god-mothers or godfathers abroad who will use their money for the benefit of the developing world; they will only be using their money in the developing world if they receive what they regard as adequate profits or if they see potential in the future for exploitation in the developing world through markets. Let us get that straight.
1.25 p.m.

Mobil was not in Barbados because of any love of Barbados; they were in Barbados for what profits they could get out of Barbados. So, Mr. Speaker, the principle of this acquisition, in my opinion cannot, be questioned.

The only other point then, Mr. Speaker, relates to the price.

Now, Sir, because of my background in relation to this, Mr. Speaker, I was asked, unknown to anybody else in here, unknown to many other people, to interview another parallel group of bankers in connection

with an alternative bid for the supply of the requisite funds, and I had the privilege of meeting them in their office together with officers from the High Commission in London.

Aside.

Hon. H. B. St. JOHN: Of course the Prime Minister knows about it. The Prime Minister is the one who authorised me to.

We went through the purchase price in detail, and one of the things that came out in that meeting was that Barbados was paying US\$6.00 a barrel for the oil.

It is very simple and I will explain it to you. The reserves were estimated at that period of time at just under 900 000. When you bisected the purchase price in its various components, you found that, for the oil, that was in the vicinity of five to six million.

I, myself, at that time, was then concerned with the value of the other tangible assets which were above the ground in Barbados. These gentlemen had also had a valuation done on that, and they were well satisfied that current in-place prices for these assets in all the oil markets or oil producing and supplying areas showed that the valuation was a very fair and reasonable valuation.

At this time, Petro-Canada was in Barbados doing their evaluation on behalf of the Government. You see, Mr. Speaker, what the public must understand is that this Government does not take up the taxpayers' money and go and spend it willy-nilly. We understand proper procedures that have to be obtained in accordance with the.....

Asides.

Hon. H. B. St. JOHN: You ought to keep quiet. You forget you bought a ship already without any valuer.

The position is that we understand that when you are spending sums of money belonging to the taxpayers, you have to go through the normal procedures that any prudent businessman, who is under a trusteeship, would go through.

I am very pleased to note that not only were the observations that I obtained from my meeting in London with a group of bankers confirmed by Petro-Canada, but, also, that domestically with our own people, they, themselves, before Petro-Canada came into the picture, before they knew of the report which I had brought back, had come up with a figure which was within 2 percent of the agreed valuation put forward by Petro-Canada and the other people.

I feel very good about that, Sir, because it shows that the four years that we spent training our people as

counterparts to the Norwegians, to the English people and others, who were in Barbados for four years as part of the UNDP programme, have borne fruit. I am confident that we have in geological experience, in production engineering experience and in distribution experience for any gas that comes competent people here in Barbados.

Four years have been spent building up that. When I went into the Ministry the honourable Leader of the Opposition's Government had one officer, a part-time officer in the Petroleum Ministry. When I asked for it to be transferred, because it was becoming too major a matter to be done in conjunction with other ministries, we had had two geologists and a petroleum operator then doing his masters.

One of these geologists also worked in the North Sea, because he was the beneficiary of a scholarship of eight months through the Norwegian Government, which was part of the UNDP programme. We also had another geologist who is working in the Waterworks Department and we brought him into the Ministry, and we added an additional geologist because we could see, we could foresee, that the big multi-national corporations were only interested in Barbados if they could find a bonanza strike.

They were not interested in a small oil field which makes a vital contribution to our balance of payments situation, which reduces our dependence upon the outside world, upon OPEC, they were not interested in that, not in a small oil field, but we are interested in it. We have faith in it and that is why we bring this Resolution down here. That is why we defy the Democratic Labour Party to vote against this Resolution today.

Mr. Speaker, I want to go further. Barbados is the only country in the Eastern Caribbean that buys oil from CARICOM and does not get the benefit of the CARICOM Oil Facility, because they say that we are a producer of oil. Therefore, we are out there on our own. I agree with the honourable Leader of the Opposition: this is not a day we can go as a sovereign nation begging people; you have to learn to stand on your own feet. There is a resource there; you must see to it that your people have the competence to exploit this reserve.

The honourable Member for St. Michael South Central cannot object to this: Barbadians in two years' time will be able to fill the deficiencies in our manpower requirements, and I am going to say what they are. I am quite satisfied with the geological competence, quite satisfied with some aspects of the engineering competence, but I am not satisfied with the accounting competence at all. Barbados is very defective in the area of accounting and purchasing. Petro-Canada will help us greatly in that area.

So, everything is dovetailed very nicely in that we have had a period of time to reflect, to prepare, to plan, and the time has now come for execution.

I just have one more thing to say before I conclude and it is this: let us look at the report of the Natural Gas Corporation. This is a corporation, Mr. Speaker, that was introduced into this country as a result of an Act of the Barbados Labour Party, an act of faith, this year. Operating profits of the company are set out very clearly.

I feel, Sir, that in the future we will also see that the subsidiary of this company will add to the profits of the National Petroleum Corporation as this is now called. It will add to it, and I will tell you why: no longer will there be a loss to the economy of Barbados of the payments which the Natural Gas Corporation, as the distributor, has to pay to Mobil as the supplier of the gas. It will be all one comprehensive operation from production to distribution.

1.35 p.m.

I am convinced more and more now, Sir, particularly as events have come, that the time will soon come when the last remaining vestige of foreign ownership in this country, of refining, will come to an end. But it will be a different story then; you will be buying old iron and new tankage. That is all.

That will come, Mr. Speaker, but I hope that by the time that comes that we, in the CARICOM area will be able to really face up to the world and say, 'We have a true common market, not only a legal one, but that the totality of our energy needs are satisfied among our member countries from their own resources.'

The Caribbean has enough oil resources to supply every bit of petroleum products within the Caribbean. The total demand of petroleum products in the Caribbean does not exceed the productive capacity of oil. It does not, but what we need is a rational plan. And, if there is any deficiency, there is always Venezuela next door that we can supply the deficiency there. That is how the economics of the oil industry is going, Sir.

I have great pleasure, Sir, in seconding this Resolution because, to me, it is the fulfilment of a commitment which any political party should have in the last quarter of the 20th century — it is a fulfilment of a view that we cannot progress much further in this competitive world unless we have control of the resources which God Almighty endowed us with.

I beg to second this Resolution.

Rt. Hon. E. W. BARROW and Hon. H. deB. FORDE rose.

Rt. Hon. E. W. BARROW: Mr. Speaker,....

(Asides)

Mr. SPEAKER: The honourable Member for Christ Church West.

Hon. H. deB. FORDE: The right honourable Member has explained that he has some problems with his voice, Sir.

Mr. SPEAKER: The honourable Member for Christ Church West caught my eye.

Hon. H. deB. FORDE: Mr. Speaker, Sir, I am delighted to be able to be present in the House on an occasion such as this when another step is being taken by the people of Barbados to own and control their own natural and national resources.

I believe that the Barbados Labour Party has a very successful and outstanding record in the history of trying to transfer to the ownership of the people of this country the resources that should make a considerable difference to the people's future development.

I think that, when you look over the history of nationalisation of natural and effective developmental resources, both political parties have taken some steps in this regard, but it is significant that, in the field of petroleum, in the field of natural gas and in other fields, the Barbados Labour Party has led.

Let me concede that with the acquisition of some of the plantations and the land areas the Democratic Labour Party, through the ADC, did continue a policy, started in the 1950s under the outstanding Barbadian statesman so far in our 300 years' history, Sir Grantley Adams, of transferring the vital resources of this country, which must be the land, Mr. Speaker, and whatever is under that land. And in this regard, despite the differences that characterised both political parties, I think both parties have shown themselves to be truly democratic, socialist parties.

The significance of this act must not be lost from an ideological standpoint. Very frequently, and quite mistakenly, people have sought to characterise the Barbados Labour Party as a party either centric or with a pragmatism, and not having a central philosophy to motivate its actions. But from the inception of the Barbados Labour Party right up to today, you can look at its actions and see that it has been motivated by what is recognised among truly democratic, socialist parties as those principles which ought to be revered and sanctified.

I consider that the ownership of the basic natural resources of a country should reside in that country and

in the country's people. Oil and petroleum are too important for us, therefore, to allow the control over it, despite the fact that it is an area which calls for a lot of money for development, to be outside the control of the sovereign people of Barbados.

Fortified in that view, Mr. Speaker, it was therefore a privilege of mine to try, at the request of the Cabinet and the then Deputy Prime Minister, to respond as quickly as possible and to seek as much help as we possibly could at the time in order to find out what were our true national resources in oil and petroleum.

The Deputy Prime Minister has spoken of the assistance which we obtained at the time from the United Nations Development Programme and from the Commonwealth Fund for Technical Co-operation, and I wish, although I no longer have responsibility from the front bench or otherwise for any Ministry, to also place on record certainly my personal thanks to Mr. Brandford Morris, the then UNDP and still Administrator of the UNDP Programme and, of course, although he has now taken over responsibility for a portfolio, the then Permanent Representative of Barbados to the United Nations, the present Minister of Transport and Works, for activating his full diplomatic skills, in order to get, I think it was something like US\$ ½ million of technical assistance from UNDP to permit us to begin this long saga of analysing what was there and what we could acquire in due course, and today, or I hope in the future, transfer the total stock back to the people of Barbados.

I would be failing in my duty, if I did not acknowledge at this stage the ready assistance that Mr. Brandford Morris gave to the then Permanent Representative and myself. He removed all of the administrative problems that some of the international civil servants are wont from time to time to place before people who are trying to get some economic progress on behalf of their people.

1.45 p.m.

Mr. Speaker, at that time, which is some years ago, I knew it was the wish of the Cabinet to move on, not only to acquire the actual leaseholds of what was then General Crude, but to do a few other things as well. One of those things was to be able to be sure of the offshore potential of Barbados for natural gas, oil, and other hydrocarbons and general resources.

We are unfortunate in not having a wide continental shelf, and, also, in the sense that just off of Barbados there is a sudden drop; but there is doubt that Barbadians in the 21st century, Mr. Speaker, when the technology is available, would discover around this country's shores that there are certain reserves of manganese and other minerals that will eventually accrue to the development of this country in the 21st century.

Some of the basic research work has been done under this Government; the seismic surveys and some of the geophysical studies have been done. We are not in the position at present to explore even some of the things that we know exist between ourselves and our neighbours to the south, Tobago in particular, Trinidad and Tobago and the other neighbours as well. But I would trust that future Governments, in dealing with leases or the exploration, whether by way of joint venture or otherwise, of the off-shore potential of Barbados, will pay regard that those leases must be so structured that we, at all times, can control the development, the pace of development, the weight of development and the amount of economic benefit which will accrue to us or will accrue to people in this joint venture with us.

There is another aim that the Government had at that time, Sir, of which I can speak from personal knowledge, and, again, this characterizes the philosophy of the party to which I have the honour to belong.

The Barbados Labour Party is significant in seeing economic development of this country in terms of integration with the economies of the other Caribbean countries, particularly those nearest to us, and in this regard I speak of Trinidad and Tobago.

It must be obvious to anyone that these small islands by themselves cannot stand alone if they wish to be an economic battle force against the turbulent winds outside in recessionary worlds and against bigger countries than ourselves.

And perhaps I reveal, for the first time publicly, that when the Prime Minister and myself met with Dr. Williams in a series of historic talks, which culminated in negotiations that had been going on between the Deputy Prime Minister and various Trinidad Ministers, and myself and my counterpart at the time, one of the things that was conscious in our minds that the day must come when Barbados and Trinidad and Tobago will have to jointly develop whatever natural and mineral resources exist, particularly in petroleum and natural gas resources, in the two countries — Trinidad and Tobago has an expertise higher than our own, since it has had a longer history in developing its petroleum resources. The late Dr. Williams has passed on, but his vision coincided exactly with the vision which was being shown by our Prime Minister at the time in this regard, and we discussed these possibilities with them then.

The difficulty which laid in our way was the difficulty that we were dealing with people who owned the leaseholds and who owned the refinery capacity and who were not Caribbean. Obviously, Trinidad had to be very careful that any resources that it was going to make available to us could not be available if the benefits were

going to flow outside of the Caribbean, and we therefore had to think of a long term strategy so that, when we started our work with the National Petroleum Corporation of Trinidad, we would be in a position to follow through with our side of the bargain as well.

I recognize that the terms of trade and the world and economic position in Trinidad has altered, and Trinidad itself is not in as buoyant an economic position as it was three years ago. But I would trust that the Government's long-term strategy would not vary, and it must be to pursue, along with our CARICOM neighbour to the south, an integration of the oil and natural gas industries between ourselves and Trinidad and Tobago. That must be our long term strategy.

I was very pleased, therefore, to hear from the Deputy Prime Minister of the intention at some stage to consider the capacity for refinery in Barbados, to take stock of how far we can go in developing and/or maintaining our present refinery capacity and to have a long term strategy for integrating our own refinery capacity with that of Trinidad and Tobago as well.

Mr. Speaker, I have never been shaken from my strong featherless views, from the time I was an under-40, and even before, in believing that the economic salvation of the Caribbean must always remain in the total integration of the economies of the countries; and even if we have to go the long way of attrition by each one of our territories becoming independent first, and then go into reverse by integration at the economic level, and, finally, some day, I won't be around, some day at the political level, then we must do it — even if we have to do it step by step.

But steps must be, and we must now lay the foundation for those steps, and I believe that this period of the history of the Barbados Labour Party Government can be characterized by showing that high sense of dedication and following the principles of looking towards the long term integration of the economy of this country.

Now, Mr. Speaker, in relation to the acquisition in specific terms, in terms of the price paid, I have not had, of course, the benefit of members of the Cabinet. But from my knowledge of the stock trade, the leasehold assets; from my knowledge of the former potential or the potential of the oil fields and the natural gas there, particularly one well, I recall very well, which the Minister has said has now been capped, I am satisfied that it is a fair and reasonable price which has been had.

I wish that the world economic situation was such that the terms on which this acquisition could be financed were even more favourable than those that we have managed to get from the Morgan Guaranty and the other banks involved, including our own National Bank.

I believe that this is an area in which the Third World countries, if they are serious, like the Middle East countries and our neighbour Venezuela, to the South, should be able to assist us on favourable terms in the refinancing, in the long term, of this short term loan. 1.55 p.m.

I believe that if OLADE and if OPEC are to mean anything other than in the case of OPEC being a cartel of oil producing countries, and in the case of OLADE being a Latin American organisation for technical assistance in the oil industry and national petroleum, that, wherever other Third World countries have the potential for developing their own oil resources, I think it is but right, in those circumstances, OPEC must make, or some of the countries, on either a multi-national or bilateral basis, concessional loans available to those countries.

Mr. SPEAKER: The honourable Member has another ten minutes in which to address this Honourable House. It is now 2 o'clock.

Hon. H. deB. FORDE: I will continue on resumption, Mr. Speaker.

Mr. SPEAKER: We will take the break now.

SUSPENSION OF SITTING

Mr. SPEAKER: The time is now 2 o'clock. This sitting now stands suspended until 2.45 p.m. today.

On Resumption:

Mr. SPEAKER: This sitting is now resumed. When the suspension was taken, the honourable Member for Christ Church West was addressing the Chair.

Hon. H. deB. FORDE: Mr. Speaker, I was making the point that it was in the interest of Third World countries for the Organisation of Petroleum Exporting Countries to develop a policy by which they would make concessional grants available to other Third World developing countries which had any hydrocarbon natural resources, because to the extent that they were assisted, it would be less of a drain on the other oil and financial resources of those countries, and it would be contributing to the new international economic development order.

I am hoping that therefore the Government would be able in the long term to discuss either on a bilateral or multilateral basis the refinancing of this loan, and I trust that our neighbours to the south, in particular Trinidad and Tobago and Venezuela, hopefully Mexico, if it gets out of its very terrible economic situation, and certainly the other OPEC countries will consider the development of the hydrocarbon resources of Barbados as an area worthy of concessional loan financing.

I am aware of the arrangement reached between the Government of Venezuela and the Government of Barbados for the use of one third of the cost of the importation of hydrocarbon products from Venezuela for certain developmental projects in Barbados. A few days ago, I learnt, through a Press Release in the newspaper, that the Minister of State responsible for Energy had said that the Government of Venezuela was now going to agree to the use of about \$7 million for the expansion of the National Petroleum Corporation's activities.

I am glad that this has happened. Again, Mr. Speaker, it has taken some time for this arrangement to really fructify, but I am glad that we have now improved our relationships with Venezuela to the extent that that country is going to be making a tangible contribution to the development of Barbados as a whole.

Mr. Speaker, I would not wish to end my short intervention into the debate without being mindful of the location of the Natural Gas Corporation and to the constituency of Christ Church West. Of course, it is to the constituency of St. Michael South too, because we are the two nearest to the former headquarters of the National Petroleum Corporation; even in their temporary headquarters, I think they are still near to my constituency.

I stress this because I think I would like to see the Corporation develop a long term programme for the expansion of natural gas lines in the island. There are some existing anomalies which surprise one, Mr. Speaker. In my constituency, for instance, you could find on the St. Matthias' Road that one quarter of the road, coming from the Hastings side, has natural gas, and coming from the Dayrells Road side, but in the centre it is not linked up. In upper Dayrells Road you will find there is a natural gas pipeline, but then you will find that extending up to Rockley it is not linked up. In the new Clapham Park Development you will find that seven houses have, but the others do not. Likewise, Mr. Speaker, you will find in the new Bonnetts Development, that the National Housing Corporation probably had not co-ordinated its efforts sufficiently with the Natural Gas Corporation to recognise that, on these new housing developments, these facilities ought to be made available.

I readily concede that part of the bugbear for a programme of expansion in this area has been because there was no arrangement, for householders to pay for part of the cost of installation, but I have found, certainly in my constituency, a willingness on the part of people to contribute, certainly as they have to do in the case of electricity, to the expansion of natural gas facilities.

For instance, in the area of Gunsite Road — I cite this as one area — I have personally spoken to the householders in that road who have been agitating or petitioning for some time for the expansion of the lines in that

area, and most of them who could afford it, except for a few pensioners and other people who are in really bad financial circumstances, there has been a willingness to pay some of the cost of the installation.

I am aware that the Corporation, under the guidance of its new Board and the dynamic leadership of the honourable Member for St. Michael Central, and its present Executive Officer who has given outstanding service in the Public Service and of whom, I must say, the projects which he touches usually bring a new dynamism into those projects; I am hopeful that one will see the programme, and I am sure that one will see that programme developed very rapidly for the whole of the island.

2.55 p.m.

I subscribe to a view which has been expressed on the floor of the House, not only on this side but particularly by the honourable Member for St. Michael West, I think he is, the honourable Branford Taitt, that there should be a total and overall programme for the island as a whole in which one would know ahead of time what is the programme.

Obviously, Sir, the areas that presently have some existing facilities should be properly served, and likewise I am conscious of the fact that, since a lot of our natural gas originally came from the Turner's Hall area and down in the area of St. Andrew, the rural constituencies have a strong case to use some of their own resources as well in this way.

So although I am beating my own home drum, and they say home drums beat first, yet I am conscious of the fact that natural gas should be made available.

Mr. Speaker, for instance, in my own home, we use natural gas, and it is infinitely cheaper than bottled gas; and it seems to me that if people have natural gas in the areas of the Pine Hill, where people have more economic resources than in some of the other areas in the country, that there is a strong case for people in the lower socio-economic bracket, in various areas, to be served ahead of some of those developments like the gardens and the terraces and gardens Pine Hill.

That is really my case, because it seems to me that those people in those areas are more in need of the cheaper natural gas resource and have more financial need of it than the people in other areas who can take the economic squeeze a bit more. It is on that ground that I am asking, perhaps this afternoon in the debate, to have some reaction from the Chairman of the Board, Sir.

Mr. Speaker, it is my pleasure to agree and give my full support to this Resolution.

Rt. Hon. E. W. BARROW: Mr. Speaker, the Resolution seeks the approval of the House for the borrowing of the sum of approximately Bds \$26 million. I should like to say that it is the practice of this country, ever since independence, to express all money in terms of Barbados' currency, and therefore I am making an adjustment to the terms of the Resolution, which is expressed in U.S. dollars, to express it in terms of Barbados dollars, at the official rate of exchange of Bds \$2 for U.S. \$1.

(Asides).

Rt. Hon. E. W. BARROW: The official rate of exchange. I am not speaking about the published rate of exchange within the IMF margins.

This money is to be borrowed from a new creditor, a well-known mercantile Bank in New York, the Morgan Guaranty Trust, *mirabile dictu*, strange to relate the Barbados National Bank, which we are told was on the verge of bankruptcy, and associated banks, which remain nameless, for the purpose of purchasing the assets of Mobil Exploration (Barbados) Incorporated and the common stock of Mobil Exploration (Barbados) Limited.

The Addendum to the Resolution goes on to state that the loan is repayable in 7 approximately equal semi-annual instalments, the first of which is due 24 months after drawdown and the last 60 months from the drawdown, which means that the loan is repayable in 5 years, approximately in 1987, by equal instalments. Then, the Addendum goes on to state that interest is payable at the rate of the average of either the three or six month London InterBank Offered Rates (LIBOR) for dollar deposits as offered to reference banks plus 7/8 of 1 per cent.

Let me deal with the end of the Resolution first. Normally when Governments borrow money, they go on the money market if their credit is good and they publish the terms upon which they are prepared to borrow the money; you are dealing with a Government. Sovereign Governments go on international money markets whether it is the London money market, the New York money market, or the local market, and I will come to that, and they say that the Government is issuing debentures to the amount of \$26 million, discounted at 2½ per cent and bearing a coupon rate of, let us say 7½ per cent, 8 per cent, 9 per cent or even 10 per cent in these days of escalating interest.

But recently, we have got into the habit of approving debt charges on the taxpayers of this country which are based on speculative percentages which no one can predict today or three months from now.

At the end of the five years, we do not know what interest we will be paying, because the Barbados Government is no longer dictating what they are prepared to pay. The Barbados Government is saying that whatever the best London Inter-Bank offer is, we are prepared to pay that plus $\frac{7}{8}$ of 1 per cent over and above what the banks are offering one another.

A few years ago, the Bank of England used to regulate the money supply in England and normally the prevailing commercial rates used to vary between half per cent and one and a half per cent above what was called the "bank rate." So if the "bank rate" was 6 per cent, you knew for certain that you would go to a commercial bank as an ordinary customer and you can get a loan from a commercial bank at $7\frac{1}{2}$ per cent the maximum.

3.05 p.m.

The Bank of England used the "bank rate" to control economic activity through the advice or command of the Chancellor of the Exchequer, and when the Bank of England lowered the bank rate, it was an indication that the commercial banks could ease their credit; and when they increased the bank rate, it was an indication that the Chancellor of the Exchequer wanted a restriction of credit, because the commercial rate was always above.

The inter-bank rate was the rate which the banks were prepared to discount the discount houses, and to lend to one another without going in to the bank of England where the Bank of England, from one week to the other, may have decided to restrict credit by increasing the rate at which they lent to the five Joint Stock Banks as they were at that time and to the mercantile banks.

The first danger I wish to point out in current borrowing policy is that we are no longer masters as a sovereign independent nation when we are dealing with commercial money lenders. Let us face it. You read the history of the American banks. You read about the Warfields and J.P. Pierrepont Morgan, the Vicar, I call him, of Saint Bartholemews. You read about these money changers and money lenders, and whereas, before, a Government like the Government of Barbados would say, "whosoever will may come, we are borrowing money at 7 per cent discounted at $98\frac{1}{2}$ " and before you could open the doors for the subscriptions all of the big brokers would be beating down the doors to try to get some of the subscriptions, now we are saying that whatever they feel like charging two, three or four years from now we are prepared between one another to pay the London inter-bank best offer plus $\frac{7}{8}$ of one per cent.

The Government of Barbados, this Government of Barbados, has gone so far as to offer 3 per cent and $3\frac{1}{2}$ per cent above. I think that that was the Orion Loan.

Whatever the London inter-bank rate might be during the subsistence and outstanding balances due on the loan to the Orion Bank, the only charitable thing I can say today is that we are offering $\frac{7}{8}$ of one per cent, but then we may be offering $\frac{7}{8}$ of one per cent on top of $16\frac{1}{2}$ per cent, whereas on the Orion Bank Loan you are offering $3\frac{1}{2}$ per cent perhaps on 11 per cent. So I do not know which is worse or which is better. This is the first comment I wish to make.

This, after all, is a Resolution asking us to guarantee the repayment of money, and this is not a guarantee to the Light and Power Company, it is not a guarantee to some private organisation, which is merely asking us, as happened in the case of the Light and Power Company and the Telephone Company, to give our good name, if there is one, to the support of the borrowing which they were making and for which they would be primarily responsible.

This is a loan which is being borrowed by the Barbados Government on certain terms, indeterminate terms, not only of whether it is a three months' or six months' average; and you can be sure, Mr. Speaker, that it will be the one which will be more favourable to the Morgan Guaranty Trust and its associates, but also indeterminate as to the kind of interest that we will be paying over the period.

The only thing that surprised us on this side is that the National Bank has jumped into the fray. Now recently, Mr. Speaker, the Government of Barbados allowed Barbados Sugar Producers to put out a bond issue to the tune of, I believe, \$25 million, about approximately the same amount of money as is involved here, on the local market, meaning, Mr. Speaker, that any income derived in the long run, maybe not in the impact period, would redound to the credit of the Treasury of Barbados, because it would be a local loan issue.

I understand that the first \$10 million was over-subscribed. This, of course is one of the classic cases in which the commercial and financial institutions in Barbados for the first time did not rely upon the labour of the masses of the people in the street in order to wear clean clothes; they are taking in their own laundry. Shipping and Trading, which owns a lot of sugar estates, are subscribing, and you can go right through the list and you can see they are taking in their own laundry and even doing the ironing themselves.

Now the point which I am making, Mr. Speaker, is that in the same way we do not have a Capital Securities and Exchange Commission or Capital Issues Committee, as they have in the United States of America and the United Kingdom respectively, we do have a Ministry of Finance and we do have a Central Bank which pontificates on matters even relating to such

esoteric subjects as the layout of school gardens and carpentry at the Prison far less financial matters, so it is not beyond the competence of the Central Bank to act as a Capital Issues Committee and say that the Government of Barbados needs some money.

I am not going into the merits of purchasing Mobil now; I am speaking about the question of issuing loans for which we will have to repay these people in about five years' time, at a time when demands for the amortisation will be particularly heavy on the resources of the revenue of this country, and at a time when the level of increased charges certainly will be unpredictable.

What I am saying on that point, Mr. Speaker, is this: why is it that the Government of Barbados did not float a local loan instead of going to Morgan Guaranty Trust?

When I go back to the history, the first time that I heard about this takeover was, accidentally, from Trinidad, where I understand certain people not unconnected with the Government of Barbados were negotiating for a loan from the authorities in Trinidad.

Now I want to be very careful here, because the last loan we had from Trinidad was a private sector loan, but in order to get a private sector loan even you had to have the approval of the Central Bank of Trinidad and Tobago, but the first thing that I knew, certainly any of my colleagues, was a wire from Trinidad to the effect that certain Government officials, I do not know if it included the Prime Minister — and when I say officials I am using the word in a generic sense, not as a term of art — were down there trying to get this money to buy Mobil and that the Mobil people were down there as well.

Well, little did they know that the Government of Trinidad and Tobago had problems of their own, because the Government of Trinidad and Tobago was trying to take over Texaco, one of the big oil conglomerates, with about 72 to 75 refineries worldwide manipulated by a computer in Milwaukee. They had a refinery which had a capacity of 360 000 barrels a day, but was not producing half that amount, and the Government of Trinidad and Tobago was negotiating to pay Texaco TT \$52 000, which is not even BDS \$50 000 for the whole shooting match, including the 360 000 refinery and all their mineral rights and so on.

So it would be very embarrassing for the Government of Trinidad to lend the Barbados Government, or to make it available from the private sector or any other source, a sum of nearly \$30 million for the right to take what already belonged to the people of Barbados, namely the petroleum which lies

underground. So that did not appear to come off. That was the first thing.

The second thing is, the first time the people in Barbados knew about this was a pronouncement made by the Prime Minister himself to a gentleman called Mr. Tony Best in New York.

Now you will notice, Mr. Speaker, that a practice has developed that, whenever the Government has to make any decision in Barbados, the Cabinet does not tell us what is happening, probably because they do not know.

3.15 p.m.

The Press Secretary of the Prime Minister's Office does not tell us, because he is in New York too, but we hear of pronouncements from New York that so and so is to happen in Barbados, whether it is the taking over of Mobil or whether it is the reduction in the bank rate.

So now, the seat of Government has been transferred from Bridgetown to either Washington or New York. It is not only a psychological thing now. It is an actual physical transfer, because in order to hear pronouncements like this, we do not hear on the floor of the House, or in any white paper, or in any policy statement, we hear it and read in the columns of a gentleman called Mr. Tony Best.

I am not saying anything derogatory about him, but if he can make a scoop of that kind and with such great frequency, I think he ought to get a Pulitzer prize; he deserves one. But, certainly, I am not saying anything derogatory about Mr. Best, but it is remarkable that, consistently during the past twelve months, we have been getting these pronouncements from New York.

But I think that the people of Barbados, since they have to pay the piper, should call the tune, and I do not think that the people of Barbados are particularly pleased that the people's business is being transacted from the long distance communications media which we are experiencing today.

That is the second point I wish to make. First, Trinidad; secondly, the way in which we are being informed about these things.

Now, right from the beginning I dwelt on it, and I think the honourable Member for Christ Church, I think it is East Central, the honourable Minister of Trade knows that I always felt it was a mistake to give Mobil any rights in Barbados. I have a lot of reasons, some of which I can disclose and some of which will be embarrassing for me to disclose.

Way back as far as 1961/62, Mobil re-negotiated the lease of land belonging to the Government, at Needham's Point, for the purpose of continuing their operations as an oil refinery.

(Asides.)

Rt. Hon. E. W. BARROW: But that is the whole point.

I was not happy about that. I was so unhappy about the whole thing — I think the honourable Minister of Trade now was not happy about it either — that I went to Mr. Monty Williams, who was the Permanent Secretary of the Ministry of Trade, three times, and I asked him if he were sure that this was the right thing for Barbados.

He replied to me that, in the long run, it might turn out alright. Well, he was kind of non-committal. He did not say that he was positive that at that particular point in time it was the right thing for Barbados.

My personal view is the refinery, which was worth less than \$2 million at that time, was in a very run down condition, had a capacity of 3 000 barrels of oil refining per day, should have been moved from that site, and we would have provided a lot more employment if we had extended the whole of that area into.....

(Hon. H. B. St. JOHN: A convention centre)

Rt. Hon. E. W. BARROW:.....tourist and hotel facility.

I am one hundred per cent *ad idem* with the Minister of Trade on that one, except that he saw the light belatedly — he did not even want the Hilton up there. But he has come around to my point and now we see *ad idem* on this. It is offensive, I want to be frank — I do not see what the economic advantage of Barbados is of continuing that operation within that particular location.

The reason why I was against giving Mobil the rights was a simple one. Mobil is not interested, and has never been interested — no matter what they call their company — in optimizing the use of Barbados' crude, because Mobil is one of the big conglomerates, and, whether you call them Socony, which is Standard Oil in New York, whether you call them Esso, it is all one company but the Anti-trust Act in the United States made them split up into Mobil, Socony, the California one, I cannot remember, Socal and so on.

The Mobil operation depended upon the importation of a premixed cocktail which would give them the specific quantities of bitumen, diesel oil, Bunker C, kerosene and gasolene required to the Barbados market.

Since they had large reserves in Venezuela, it was the way in which they could effect the greatest economy; that when they put it in to retractions, they got out precisely what they wanted without any wastage whatsoever, the Barbados market having been thoroughly researched.

Now, Mr. Speaker, — we had Gulf Oil, we had General Crude, and we had one or two companies exploring before them. On no occasion, when those companies, prior to Mobil exploration, decided to discontinue operation did the Government of Barbados have to pay them one single penny for any oil that was in the ground.

Do you know why, Mr. Speaker? Do not care what anybody says, because in 1950 there was enacted in this island the Petroleum Winning Operations Act of that year. It was the very first Statute on the Statute Book. I was not a Member of the House. I came into the House at the end of 1951, so I claim no credit for this; I was not even in the island. But this Act was put on the Statute Book very early in 1950 and this is what it said:

"Notwithstanding anything to the contrary in any enactment or in any lease or other instrument of title, the property in petroleum existing in its natural condition in strata within the submarine area and Barbados is hereby vested in the Crown." When I saw the announcement — we have not been told in the House; it was not an official release; it was a news item from Mr. Tony Best — that the Government intended to pay Mobil for oil — when I say "Mobil", I am using the term in terms of the people that we are paying the money to — and the quantity, which we cannot see, was actually specified in the article, and the bulk of money was in respect of oil which is in the ground.

I said, "Well, that could only be a mistake." And a gentleman from Switzerland came to me and said "I read the newspapers and it is the first case that I know about," speaking about himself, "that a Government that has the mineral rights vested in it, pays people for oil that has not been extracted and brought to the surface."

But the Act is clear. It said, "Notwithstanding anything" in any lease or any agreement. So when General Crude sold to Mobil — whatever they sold and for whatever they sold we do not know — and Gulf sold to General Crude and British Union Oil Company, who were extracting natural gas, sold to Barbados Union Oil Company and Barbados Union Oil Company sold to Mobil; in none of those cases was anyone entitled after 1950 to charge anybody for anything that was still in the ground and that had not been extracted. That is the whole case in a nutshell.

It is therefore scandalous, Mr. Speaker, to know that people who have now had the experience of six years in Government and have legal advice at their dis-

posal — at least 30 per cent of the Cabinet is made up of people with legal training — should turn around and pay to the multi-national corporations, who must have their tongue in their cheeks, for something which is already vested in the people of Barbados.

The Prime Minister assured us today that \$5 million is being paid, under this loan that he has come here to get a guarantee for, for oil that is in existing wells. It has never happened before. Six hundred thousand US dollars for oil which, I take it, was on the verge of coming out, US\$7 million for vehicles and US\$5 million, these for oil in existing wells. Something has to be wrong somewhere. There is something rotten in the state of Denmark.

I should like to invite the Government to go back again and look at the Act and see if there is any precedent for a Government that has the oil and mineral rights paying a company. It would have happened when Gulf went, too. I was in office. They did not ask us for any money; they only said, that they had done X work.

But the level of production was nearly as high as it is today. The Prime Minister has said, himself, that the level of production is not likely to improve, and he has said that maybe when their brothers, "our brothers in Trinidad," come in, we would be able to do something. 3.25 p.m.

Mr. Speaker, I have news for him — he said that he had discussions with the late Dr. Eric Williams, Prime Minister of Trinidad and Tobago — I could tell you a lot. Dr. Williams did not know that Trinidad and Tobago was not entitled to join OPEC because Trinidad and Tobago were oil importing countries. Trinidad is not an oil exporting country; Trinidad is a refining country, like Curacao and Aruba.

Trinidad has probably about 40 per cent of its total production. The reason why Texaco is getting out is that with a refining capacity of 360 000, they are not refining 100 000 barrels.

I went down and I had discussions with Andy Rose, the Chairman of Trintoc, the high officials, Mr. Barrow and other people down there; I went to Mr. Marshall — Mr. deVerteuil will know the people I am speaking about — and I had discussion with them. I asked Mr. Marshall whether they were prepared to refine any more oil, and Mr. Marshall said that they take orders from a computer in Milwaukee. I then went to Mr. Mahabir and told Mr. Mahabir that, with their through put charge, Texaco was depriving the Trinidad Government of about \$3 million a day by taking orders from a computer in Milwaukee. That is the way the multi-nationals operate.

But my clients, for whom I was working, indirectly, through Petrogas, had a requirement for refining and

Trinidad could not do the refining although they were operating under capacity at the time.

Trinidad is an oil refining country; it is not an oil exporting country. Our crude oil comes from Venezuela and will continue to come from Venezuela. Despite what the Prime Minister has said to you here today, the West Indies does not produce enough oil. There are only two oil producers in the region, that is Barbados and Trinidad and Tobago. Barbados at the highest, 1 000 barrels a day; Trinidad, nobody really knows. They do export some oil which they cannot refine, because it would mean restructuring the refining on a day to day basis — out of the east coast of Trinidad.

Jamaica has a refinery for 63 000 barrels a day and Jamaica is not even working to capacity, and has no production. Mr. Amarada Hess has a 600 000 barrels refinery in the Virgin Islands, a place where I used to live, and he has to import his oil from outside.

So there is no time. Despite what the Prime Minister said that much as we would like to see — *carpe diem*, — the time when the West Indies can cross feed one another with oil, pipelines and everything else, with natural gas, there will be a long long time when Trinidad will even be able to satisfy its own refining requirements, because it looks as if the two refineries they have will be on the verge of shutting down.

Therefore, Mr. Speaker, we are concerned. We are concerned that we are looking to people for guidance who needs guidance themselves. Can the blind lead the blind? We ran off to Nigeria and we said that the Nigerians, who only just started in the oil business, were going to give us all the supplies.

What I deplore about the whole thing is, now that the people of Barbados are feeling a lot of strain, that we are building up their hopes with a lot of pie in the sky, and we have to pay very dearly for these costly experiments.

The Prime Minister mentioned selling \$8 million of things, like if you went up in Brittons Hill and pick some dunks, like the Rastas do, and come in Bridgetown, and it didn't cost you anything and you sell it.

The oil business is a very tricky business because, in the first place, as I told him and he admitted that one time, the mere fact that we were producing oil here did not mean that we would not have to pay dollars to the exploration company for it, US dollars — all oil business is done in dollars.

Now where it is going to profit us, and he has held out no expectation of our even being able to satisfy our own requirements by this transition and transaction, is

where we begin to export; that is where you get foreign exchange and savings in your foreign exchange position.

But when you are only supplying something like 30 per cent of your daily requirements, there is not going to be any noticeable change, not that you could see with the naked eye, to quote an expression, "noticeable change", in our foreign exchange position merely because you set up a big corporation, with one or two politicians enjoying the prestige and the salaries that go with those positions and that kind of thing.

Asides

Rt. Hon. E. W. BARROW: You got wrong people on it, too? I don't know whether the honourable Member has offered positions on the Board. We put him on some Boards, but he did not put any of our people on them. We do not have any people in the oil business over here; kerosene oil, but no other thing like that. We do not profess any particular expertise in this direction but we would be willing to help.

I am merely saying, Mr. Speaker, do not let us build up the expectations of Barbadians with the newspaper headlines, even if we made some colossal saving, that there would be a dawn of a new era, that oil is going to begin to gush from the cane fields of Woodbourne and Turner's Hall and other places like that — because there is no such expectation.

What we are doing is further increasing the National Debt of Barbados. We not only increased the National Debt we are increasing on terms which we are not in a position to define with any particularity. We cannot say how much we are going to pay for this sum, but we know that in five years time, when the chickens come home to roost, all of us here in Barbados will have to, if we got any belts left, tighten our belts a little more — you may be buttoning the buttons from the front to the back by that time — in order to repay a loan of \$26 million.

The relevance is this: first things must come first. Buildings like the Central Bank, \$77 million, have got to be postponed.

We could continue to get a 1 000 barrels of oil a day without doing anything at all. Well, you say — okay, you are gone; we do like the Trinidadians do and offer you \$50 000 for the few lorries and things that you have there written down as of value, and say, all right, we will continue to extract the oil, because the Prime Minister said that we will not get any more in the foreseeable future, and Trinidad can't help us.

Therefore, we cannot afford to burden this country with more debt than it has at the moment, and I do not

call this, in the light of what has been disclosed here today, any kind of productive measure. It is like my position was in 1961/62. The most that you can say is, maybe in the long run it will be all right. But as Mr. John Maynard Keynes, Professor Lord Keynes, said, "In the long run we are all dead."

Mr. SPEAKER: The honourable Member for St. Andrew.

Hon. L. B. BRATHWAITE: Thank you very much, Mr. Speaker.

Mr. Speaker, it seems as though whenever a matter comes before this Parliament, be it a budgetary measure or a measure which seeks to guarantee a loan, or a loan to be raised for the Public Service, the Opposition members are going to spend a long time, and of course they are entitled to do this, to dwell on the whole gambit of public spending and public financing, and we have become acquainted with that approach and are not particularly worried.

I do not believe that they are properly advised as far as public relations are concerned, otherwise they would stop flogging a horse which does not seem to be responding so readily to their blows.

The Barbados Labour Party is unique in the sense that it is the only party on record in this country that has generally set about to usher in a socialist system in the country. The DLP, the Opposition party at the moment, has never failed to flaunt its socialist policies, policies which are only known to them but not known to the country at large.

3.35 p.m.

If you go down the history of socialist legislation in this country, you will see that it is the Barbados Labour Party which has always put that type of legislation on the Statute Book. We recall, very vividly, the question of the Oil Rights Bill which was introduced into this Parliament by the Barbados Labour Party. You will recall that it was the Barbados Labour Party which introduced the type of nationalisation in the country which no other party had the courage to introduce, and it is the Barbados Labour Party which sought to rationalise the banking system in this country, and by a series of financial measures they have sought to bring commercial banks into line in this country.

It is that course which the Barbados Labour Party, the ruling party at the moment, has set itself and is pursuing. It does not allow an opportunity to pass which it does not grasp to put money into a company that can redound to the benefit of the whole community, or purchase outright, if needs be, any company that in its opinion will be useful for the lasting benefits of the

society. Here we are today dealing with a measure which has to do with the purchase of the Mobil Company's assets.

Now, exploration of oil was taking place in Barbados from as far as most of us can remember. I think way back in 1914 or thereabouts people were more or less drilling for oil. Unfortunately they found oil, or they did not find it, but there was always the feeling abroad that oil was in Barbados, but that there were people from abroad who were drilling for the oil and that we in Barbados did not have a very clear understanding as to what they were doing. We just knew that they were putting up derricks all over the place - Christ Church, Seawell and a number of places, Oldbury and so on - but we were never sure what they were actually doing.

As time rolled on, we thought that we should involve ourselves with the necessary expertise from abroad in order to ensure that we had a clear picture as to what was going on, and thoroughly involved ourselves in this development. Therefore, we decided that we would get much involved in the actual exploration of oil resources within the country.

We have come today to a point where we are seeing the fulfilment of that desire, a desire not on behalf of the Government as a Government, but a Government acting on behalf of a militant people in the society who have realised the need for the vesting in themselves of the natural and mineral rights in the country, and, indeed, for the taking over of the commanding heights of their economy.

Therefore, it is wise and sensible, and certainly in the interest of the satisfaction of the aspirations of a militant and intelligent people, that a Government should seek to largely vest in them the mineral rights of the country and that they should get themselves involved in the banking institutions as well.

I, myself, speaking as the representative for the people who over the years have made a very serious contribution towards the development of this country in terms of natural gas, when the wells in St. Andrew were the only wells that flowed in the country, I feel a sense of shame to think that, although the natural gas came from there, those people themselves were never fortunate to enjoy the benefits of the gas which they produced.

I recall vividly the words of the late Dr. Eric Williams, writing in his book *"Negro in the Caribbean"*, when he said a negro in the Caribbean was a poor, underfed individual; what he eats he does not grow, and what he grows he does not eat. He was at the time particularly talking about the sugar, which we manufactured and exported to Europe and North America, and the fact that most of the territories had to

import rice, butter, flour and a number of essential commodities.

The people in St. Andrew exported from the well at Turner's Hall all the natural gas that fired the furnaces of the houses in Bridgetown and all the industrial enterprises that utilised natural gas; but they, themselves, burnt wood, kerosene and cow dung.

I am glad to see that the influence over all these matters now will no longer be in the hands of foreign people, but will be in the hands of local people. When you consider that the Chairman of this Corporation sits in this Parliament, he will have to reckon with me on his failure to meet the legitimate aspirations of the people of my constituency in terms of benefits to which they are entitled.

Mr. Speaker, it is not only in terms of petroleum that I want to see a positive approach made. We in St. Andrew continue to supply all the silica sand for the building of houses, schools, hotels and all construction in this country. The Government gets very little from these sandpits, and I am very unhappy, and the people of St. Andrew as well are very disturbed, that we should continue to have the sands coming out of the hills of St. Andrew, destroying the roads there and upsetting the ecology of that beautiful constituency by the removal of the sand from the sea, without any corresponding benefits to the area of St. Andrew or the country as a whole.

I am going to appeal to the Government, and especially the Ministries with responsibility, to ensure that a halt is put towards the indiscriminate removal of the sands from St. Andrew without any corresponding benefits to St. Andrew or to the country as a whole. I feel that this is one area that should be entirely nationalised, or should be, to some extent, controlled, whereby royalties can be collected for the benefit of the country as a whole. In fact, I would like to see all mining operations nationalised.

3.45 p.m.

At the moment clay is taken from the parish as well for the building of bricks, which are very popular, and I hope that the Government will continue to insist that Government buildings use the products from the Greenland Factory in their building because it is a local product; and, incidentally, Mr. Speaker, I would like to see a pipe coming down with natural gas from the Turner's Hall well linking with Greenland Factory so that the total brick will be made from the indigenous products of St. Andrew, that is the clay coming out from St. Andrew in the Greenland area and the natural gas as well coming from a well, No. 19 at Turner's Hall.

I know that the clinker, which will be a very vital additive to the production of cement, will be coming from that area as well.

I also hope that all of these matters will be looked at and that we will not only be seeing Mobil, which is a foreign control company, being taken over by the Government, but that all companies that have to do with the mining of products within this country, products that are very scarce resources, and I recall very vividly that it was His Lordship, the late Bishop Hughes in addressing the Upper Place, at the time the Legislative Council, who said that the resources of the earth are God's great gifts to the whole human race and should be used with due consideration for the needs of the present and future generations.

There are certain things, Mr. Speaker, which I am persuaded should at all times be under the control of Government. There are people who have told me that they do not believe that Government should get involved in certain enterprises, but, to me, they must be involved. Government has a duty to the society in which they are operating, and while private enterprise at some stage can decide that they are going to stop producing, and the quickest thing today is to stop operating, to go on strike — and not only do the workers go on strike but the operators of companies go on strike as well, especially when the money is not turning over fast enough — it is in areas like those that Government must take a positive step, and a positive stand.

Water is a precious resource and the Government has, at a very early time, seen the wisdom to have water under the control of Government.

This Barbados Labour Party has a lot to be proud about and nothing to be ashamed of. The Opposition Party has nothing whatsoever to its credit in terms of nationalisation. Their whole policy was premised upon the idea of setting up private companies, mainly with their friends in operation, International Seafoods, Bath, the North Point Project, and projects such as those, projects that did no good to the country but all harm to the moral fibre of inhabitants, and this is a situation which cannot take place forever.

The honourable Member for Christ Church West, in a very brilliant contribution to this debate, spoke about the transferring of resources from overseas to Barbados. This is how it should be at this point in time. If you are going to incur a debt, a debt that is in the interest of the country, a debt which, if properly utilized and carefully harnessed, can operate to the overall interest to the community, there is no harm in doing that.

The Mobil assets will last for a very long time and will redound to the benefit of generations in this country to come, and if, in the final analysis, they have got to make a contribution for the bequeathing to them of a very good legacy, they should not be unhappy to find a situation such as this.

In this time of trouble, you hear so much about the International Monetary Fund and you hear about the World Bank loans, and all types of problems you hear about. We in Barbados, Mr. Speaker, are particularly fortunate that, even though we have got to rely on loans for our development, we do not have to go cap in hand in order to make those loans.

Only a few weeks ago, it was thought, Mr. Speaker, that Brazil, a very massive country, with quite a lot of natural and other resources, was going to hold its head above the waters in these very trying times. The situation has considerably changed today in Brazil.

We saw what happened in Mexico and the problems in Mexico, even despite its oils and its oil facilities.

We are seeing the whole world situation. Barbados cannot escape the problems of the world, small and open with all the problems which beset us and no real natural resources. Our resources are mainly people and we try to handle those resources as best we can.

Mr. Speaker, this Resolution here before us is one that lends itself towards the total development of this country. When you have got to rely on foreign expertise to advise you.....

Dr. R. C. HAYNES: On a point of order. I wish to draw your attention to the fact that there is no quorum in Parliament.

Mr. SPEAKER: Let the bell be rung.

The bell was rung.

Hon. L. B. BRATHWAITE: Mr. Speaker, I think the most important thing the honourable Member has done since he was in here is what he has just done, and, of course, if he can continue to do that, he would certainly serve a useful purpose.

This Resolution is one that is vital to the development of this country. This money is not being borrowed to be frittered away. This money is being borrowed to be put into something which will be purchased as an asset. We have had cases in the past where there were Heads under "Purchases of Assets" under the Democratic Labour Party's Administration, the purchasing of assets, and even an item like this could well have gone through under that Head, Mr. Speaker.
3.55 p.m.

This Government has nothing to hide. It comes to Parliament with everything it has to do. So long as it does not involve a treaty and negotiations with other Governments, it comes to Parliament to have open and

free discussions, and therefore we are not hiding anything. This is not like the involvements of the other side under their heading "Purchases of Assets".

In exchange for the money which we are going to put out, we are going to have proper assets. In other words, Mr. Speaker, we are getting a bargain for the money which we are paying out, and we are not throwing good money away or down the drain. We have never done it; we are too frugal. We are too concerned with the people's money to adopt such a style and attitude.

I have confidence, Mr. Speaker, that in the fullness of time, the very Opposition which might be hostile to anything which we purchase and anything which we do, will come back into these Chambers and praise us for the fact that we have taken this very positive decision.

By the acquisition of Mobil International's assets in Barbados, we can get the type of expertise that is necessary to advise us as to where to drill and where not to drill.

In the early days of the exploration in this country, nobody knew what was going on. All we knew was that a lot of holes were dug in Christ Church and in other parts of the country, and these holes were plugged. For years I wanted to know, my mother wanted to know, my grandparents wanted to know: why were those plugs there? Was something being hidden by the plugging of those holes?

I, too, want to know. I want to know if there is oil. I want to know if Barbados is limited up to now, despite these quantities of oil, and can be self-sufficient at some stage in the production of its oil resources. I want to know that, and that will represent a serious and vital saving to the country in terms of foreign exchange.

Mr. Speaker, it is in that vein, and it is with that approach in mind, that this Government considers that a loan of this nature should be borrowed in order to make sure that the future generations of this country as well as its present generation will enjoy the benefits which they are entitled to, by harnessing the resources which are available to it and develop the expertise in order to extract such resources.

Dr. R. C. HAYNES: Mr. Speaker, I rise to address myself to this Resolution which seeks to purchase the assets of Mobil Exploration Barbados Incorporated and the common stock of Mobil Exploration Barbados Limited with the borrowing of some US \$13 million or Bds \$26 million.

It would seem to me, Sir, if I were to put this in its proper perspective, that it would not be incorrect to say that we are borrowing \$26 million to buy a cow when we

can almost get the milk free. I say it for this reason — as the honourable Leader of the Opposition has pointed out — there is no reason on earth why we should be paying US \$5 million for oil that is already in the ground, which is the property of the people of Barbados and which.....

Mr. SPEAKER: Please, the honourable Member for St. Michael South Central, you have just risen to repeat the argument of the honourable Leader of the Opposition.

Dr. R. C. HAYNES: I am not repeating it, Sir.

Mr. SPEAKER: It is exactly what you are doing. It is the exact argument.

Dr. R. C. HAYNES: Sir, I am trying to break down the cost.

Mr. SPEAKER: Please don't argue with the Chair.

Dr. R. C. HAYNES: To continue, Sir, in relation to the remaining US \$8 million, I would like to say this, Sir: a proper value for the known oil assets which are being purchased should be based on current market value. I have taken the trouble, Sir, of looking at two aspects of this matter. I have looked very carefully at the current demand for oil in the face of the international recession, and it is well known, Sir, that the physical assets of oil companies have taken a tremendous dive in value over the past year or two.

Oil tankers, Mr. Speaker, are laid up and cannot be sold and they are worth nothing on the market other than the value of scrap metal. Similarly, Sir, at current market value, you can obtain drilling equipment in the United States for virtually no money.

As a matter of fact, Sir, if you look at about 75 per cent of those Savings Banks in particular that have gone bankrupt in the United States over the past two years, you will see that they are those banks that had no experience in oil activities and loaned money during the period 1979-80 for oil exploration, and as a consequence of these loans the banks have found themselves in a lot of trouble.

It would be my judgment that Mobil could not sell that equipment to any other oil company in the present situation. It is also my view, looking at the international demand for drilling equipment, the international demand for oil exploration in the face of gluts and in the face of the fact that the OPEC countries are controlling their output in order to maintain their price, that there is no way that Mobil could find a buyer other than an innocent Government like the Barbados Government to pay them this kind of money at this point in time.

In other words, Sir, it would be my considered judgment that when you look at the known assets of this company, and when you look at the oil assets under the ground, when you take these two into consideration, that we are paying these people probably about \$13 million to \$14 million more than they could ever obtain from any company on the market today.

In other words, it is my feeling that the Government has not analysed this situation properly and that they are over-paying, by millions of dollars, for what we are buying from the particular company.

Mr. Speaker, I am not here to challenge the principle of the people owning the oil facilities and the oil reserves of this country. This is established by statute legislation. I am not challenging the principle at all. What I am challenging is that due care has not been taken to look at the international markets to see what price Mobil can fetch for this.

4.05 p.m.

It is one thing to say that you heard that Mobil was negotiating with other companies two or three years ago — but that was in a different context. That was a context in which oil prices were rising, in which there was an increasing demand for oil, in which there was massive expansion and banks were putting large amounts of money behind oil companies, and at a time, Sir, when many oil producing countries have been trying to explore their domestic resources.

So, the competition existed then, and the price that this would have fetched in 1978 or 1979, it cannot fetch today; and I do not think that the Government has taken this into full consideration. That is my own feeling.

I will go on to say this, Sir, that the Government having taken this step, it is important to look very carefully at the cost benefit analysis of what would take place. Already, I happen to know that there is considerable confusion in Government and it is not going to work, so long as the Chairman of that corporation is a backbencher on the Government side. There are enough problems being created in that area already.

I would also say Sir, that in order to maximise the potential of the acquisition, it is necessary to have a level of technological advice available to the Government for them to make this a viable proposition on a continuing basis.

I have heard all sorts of statements made in this Honourable House and outside, Sir, about the great dramatic performance by the Barbados Labour Party in terms of oil production in Barbados.

Only a few days ago, Sir, I got the annual Statistical Digest of the Central Bank of Barbados, 1981, and on page 156 what do you see? You see, Sir, when you look at Output of Oil, in barrels per year, you will find that in 1973, it was this Democratic Labour Party that was responsible for the commencement of the drilling operation in Barbados and there was an output of some 13 000 barrels of oil in that year. By 1976, that had reached 143 000 barrels of oil, that is over 1 000 per cent in a matter of three years. In 1980, the figure rose to 305 000 barrels.

In 1981, and the people of Barbados will be shocked to hear this, there was a decline from 305 000 barrels to 111 000 barrels. And all of us may remember, the great headlines, the Government Information Service statements to the fact that we have gone into deep drilling, that we expected this great oil bonanza to take place — just before an election. Nevertheless, the oil production in this country declined by at least 100 000 barrels in 1981, in a year in which you all said, you all were trying to give the people in this country the impression that you were going to increase oil production fantastically.

So, I do not believe anything that the Barbados Labour Party says. Nothing that they say do I believe because.....

(Rt. Hon. J. M. G. M. ADAMS: It is mutual.)

Dr. R. C. HAYNES:.....when you see these kinds of figures, these outturn figures, when they come, they give the lie, Sir, to much that is being said by the Barbados Labour Party. I am sure no Member of Parliament would wish to associate himself with that kind of behaviour.

Now, Sir, I am also very concerned, bearing in mind the experience of several United States banks recently who have had no experience in oil exploration and have gone into lending in that area, that the Barbados National Bank, whose accounts currently are being put through a cosmetic exercise by the money raised under the price support's policy.....and, Sir, we are almost coming up to the end of another financial year, and I cannot stand up in here, as the chief spokesman for Finance of the Democratic Labour Party, and tell you whether this is a reasonable loan based on the assets and liabilities of the Barbados National Bank, because, up to now, no accounts of that institution have been laid in this Parliament.

This is now December 3, approximately 28 days before the end of another financial year, and up to now no accounts have been laid in this Parliament. So, we do not know in any way, how this one would affect the viability of the Barbados National Bank and particularly

the capacity to continue to service a vital area like the sugar industry.

I cannot say, because the accounts are not here; therefore, we do not know. But what we know is that the Barbados National Bank certainly has no experience for loans in the oil industry and may very well be served the same fate as all those other banks which rushed in and made loans to the oil industry in more developed countries.

As a matter of fact, Sir, I do not even think a Chief Executive has been appointed yet, despite the fact that the Prime Minister travelled to Canada along with the brother of a person to whom he offered the job for \$120 000 a year, payable in Canadian dollars. The job was turned down by that person, and, up to now, the post of Chief Executive of the Barbados National Bank has not been filled. Yet, you are committing the bank, in this interim stage, to this kind of large lending and, also, Sir, to a new area of lending with which the bank would be totally unfamiliar.

Sir, I have already dealt with the whole question of the money value of those non oil assets, and, in my view, we should not be paying anything like this kind of money for the assets of Mobil. I would say this, let them try to sell it to anybody else but the Government and I will tell you that they could not find a buyer, because all the oil companies are contracting out of this particular aspect of their operations, namely exploration, and they are trying to maximise their profits in the area of a refinery and so on.

It is a most ill-timed attempt to try to buy out the company, and the Government is totally unaware of what is going on in the financial world in oil and in relation to the falling demand for oil and oil exploration in the face of an international recession.

Now, Sir, one thing of which we can be grateful is that the Central Bank is not in this act. For that, we can be relatively grateful.

As far as the Morgan Trust Company is concerned, Sir, I am a little concerned about relationships between this Government and the Morgan Trust Company, and it is very interesting to know what role that company played in the massive dis-investment programme that took place in terms of the assets of the Central Bank in the first seven to eight months of 1981.

The interest rates, Sir, have already been dealt with. We should not find ourselves in a position where we are continually committing ourselves to interest rates that are not fixed and interest rates, Sir, which, in the long run, can prove far more burdensome than those chargeable at current rates.

The other point, Sir, is the question of the rate of return of investment in terms of the increase in domestic wealth. Nothing has been said in this Honourable House on that particular matter. We have heard gross figures where there has been much talk about increased production over a period of three months but, on the other hand, we have not heard if there would be any increased cost of production in order to get the increased yield over those three months.

I find it personally insulting, Mr. Speaker, when anyone can come and make a statement to tell me that the viability of a project is established because you have increased output and they did not even have the courtesy to tell you what has been the cost of that increase in output. In other words, Sir, I am talking about a cost benefit factor in relation to this particular deal.

If Mobil Oil wanted to walk out tomorrow, they could walk out and the Government could take over and it would not cost you US\$2 million on a turn-key basis to replace the equipment that they have here. It would not cost you US\$2 million.
4.15 p.m.

You could almost go and pick it up in Texas; you could go and pick up the equipment that was owned by the Abilene Bank, far more sophisticated and newer equipment than this which is virtually worth nothing, for \$2 million dollars. I have checked it out. I made a lot of telephone calls to Texas and around the place last night and yesterday afternoon to find out how much equipment is laying idle.

Sir, I go further and I say this: Petro-Canada has its own problems. Let me tell you that. I would like to say this, whereas Petro-Canada is assisting the Government of Barbados, they are to be welcome and it is to be appreciated by all Barbadians, in financial terms it is well known in Canada that Petro-Canada is under serious problems.

I do not need to talk about the various energy projects between the United States and Canada that have fallen foul recently, which, in fact, have brought tremendous pressure on two major commercial banks in Canada. As a matter of fact, in one instance, the Central Bank of Canada had to move in in order to save one of those banks.

Although I am sure Petro-Canada would have the technical ability to advise the Barbados Government, make no mistake that Petro-Canada has its own financial problems which have ricocheted and, along with other investments in energy in North America, have certainly put tremendous pressure on the Canadian domestic banking decisions, apart from other decisions taken in

the United States not to go ahead with certain pipe lines and certain explore operations.

When I talk in the area of energy and oil, I know what I am talking about because I keep a pretty close tag on these matters. I analyse very carefully the bankruptcies that have taken place over the last two years. And it is not only the question of interest rates. If you look very carefully, there are three continuing trends: (1) they usually are savings banks, (2) banks that have no experience in oil, and (3) banks that have invested heavily in the exploration component of the oil business. So let us be absolutely clear that I know what I am talking about.

Not only that, Sir, there have been numerous analyses through the F.I.D.C. Scheme, which will help to protect depositors of under US \$100 000 in the various banks, and they have actually pointed out that those they could not rescue was because of bad investment and because of the banks misreading the economic situation in relation to oil, and I think that we are doing the same thing here in not recognizing that you could get this very much cheaper.

In fact, Sir, I believe that the Government must know, but I am being extremely charitable, and I am rather suspicious of the whole thing. I am very concerned: I am very concerned, because the Government must know that there were alternative things.

This government should not find itself in a position where it has any obligation to rescue Mobil Oil. What are they rescuing them from? I would imagine the budget of Mobil Oil is probably a thousand times or two thousand times the budget of Barbados, in U.S. dollars; and I am quite sure that the more sensible approach to this matter could have been taken to reduce the burden on the taxpayers, particularly when you get into the area of increasing the public debt, the domestic and foreign debt of Barbados, which, at the moment, has this country standing on the threshold of having its credit worthiness in international markets being challenged, according to the World Bank and the I.M.F. reports. Deny it. Mr. Speaker, no one can deny that at the present moment Barbados' public debt and public guaranteed debt as a percentage of its Gross Domestic Product is higher than that pertaining to most non-oil exporting developing countries. It is higher than that of the public debt and the public guaranteed debt as a percentage of G.D.P. than that pertaining to most non-oil exporting developing countries. I say this for a variety of reasons, because, Sir, these analyses have been done by international organizations.

Before I finish, I must respond to certain remarks by the right honourable Prime Minister who obviously pointed out that this particular loan will have certain

relationships to the conditionalities of the International Monetary Fund since they put ceilings on borrowing. Today, he mentioned the net domestic assets of the Central Bank and the limitation thereon. He mentioned, Sir, a limitation on borrowings. Today, he forgot to mention limitations on import policies.

But, Sir, he made the very revealing remark when he said that the documents could only have come from Grenada or words to that effect. It shows that he does not understand how the International Monetary Fund operates because Grenada would not be a country that would qualify to receive an International Monetary Fund document for specific reasons within the policies of the Fund, and it has nothing to do with their ideological position; it has to do with other factors.

There is only one place in the Eastern Caribbean that such a document could possibly be, and it could not be in Grenada. It could not be in St. Lucia and I have nothing more to say on that matter. Let him track down my sources. He is not going to trap me. He is not going to trick me into revealing anything.

Sir, he then made the very important statement that it is not what you read in an agreement, but it is the widespread implications of the technical language of an agreement that is all pervasive in an economy. So I cannot say that what the honourable Minister said today was not right. All I am saying is that it is in direct conflict with what the International Monetary Fund revealed yesterday; in direct conflict to that.

But he is right and yet he is wrong, because when he uses the technical language, he cannot get up here and deny that, under the Fourth Article Consultation, the whole question of subsidies to the Transport Board, increases in bus fares, the imposition of the Transport Levy; what the International Monetary Fund calls a payroll tax is, in fact, the tax under the National Insurance Scheme. He cannot deny that there were revenue expenditures and balances that were required to be corrected under that agreement. He cannot deny, Sir, that wages policies, credit policies and interest rates are also part of that agreement.

He cannot deny that under the World Bank Agreement, going back to the conference, I think it was in Guatemala in 1979 — I can lend him the document if he does not have it — the World Bank laid down strict criteria as to his lending to public utilities, and that depends on a fair rate of return on the value of assets, which is a distinct change in attitude in developing countries and in Barbados from what obtained, as was described very well in a book by a gentleman called Havlock Brewster, "The Rate of Return Based On The Lowest Feasible Costs."

The World Bank insists on a different matter, a matter of a rate of return on fully revalued assets, which have implications for all your public utilities, whether it be water, whether it be gas, whether it be the telephone, whether it be electricity.

That will not come under the I.M.F. Agreement; it will come under the structural agreement loan for \$20 million dollars currently being negotiated between the Government of Barbados and the World Bank, and they have been looking around trying to find someone to monitor it within the Central Bank of Barbados.

(Asides.)

4.25 p.m.

Dr. R. C. HAYNES: I know what I am talking about; do not worry. I know what I am talking about; \$20 million if you will find somebody to manage it. You will get it.

I already know about the draft agreement, you may not have seen it yet, but when you see it you will see how you are going to run it and the conditions on the borrower, you will then realise that a structural adjustment loan from the World Bank is not particularly different from an IMF loan under certain conditions that have been laid down. You can bring those kind of tricks to other people, but not to me.

Mr. SPEAKER: Bring those kind of what?

Dr. R. C. HAYNES: I am sorry, Sir. That kind of explanation might be for others but not for me.

Also, Sir, I am aware of the format in which presentations are made to the International Monetary Fund. It always comes across as though the Government is doing it. The letter that the honourable Minister of Finance would have had to write would have to outline Government's position on the matter. Just as in Guyana, signed or countersigned by the Governor of the Central Bank, he has to write the same letter like anybody else, and he has to set out what the Government's policy is. That would all have been pre-arranged and then you get the reply from the International Monetary Fund, so you cannot fool around with me in this area.

I will tell you something, Sir. If the honourable Member insists on the kind of presentations that he is making in relation to the International Monetary Fund, I might very well not continue in the same restrained manner that I am in.

Finally, Sir, I would like to say this, that if he had any grace he would be able to get up in this Honourable House and say that when the World Bank and the International Monetary Fund were putting pressure on him

to say that the Barbados dollar had appreciated by some 5.7 to 6 per cent in relation to the U. S. dollar, thereby harming our external competitiveness, that he was able to use the arguments of the leading spokesman of the Opposition on financial affairs in order to protect the Barbados dollar.

If he had any grace he could say that, and he could say that it was a national position, because we rejected both the arguments for the demand side effects about the devaluation, and we totally rejected the arguments for the supposed supply side effects of a devaluation, and there was unanimity on that matter, so do not try to couch your language in those words. That is to fool your front bench.

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, on a point of elucidation, since the honourable Member seems to be referring to something I said in my speech, I would just like to make it absolutely clear that neither in my speech did I say that, nor, in fact, has there ever been any negotiation about a 5 to 8 per cent appreciation of the Barbados dollar *vis-a-vis* the American dollar, which is what the honourable Member just said. The Barbados dollar has not appreciated in relation to the American dollar, nor did I say so, nor did the IMF say so, nor did the World Bank say so, nor could anybody but a madman say so.

Dr. R. C. HAYNES: Mr. Speaker, I fully agree with the honourable Member's assessment. It has not appreciated, but I am saying that the World Bank put the figure at 5.7 per cent — I have a document, I can show it to him — and also that the International Monetary Fund put it at 6 per cent; the margin was 0.3 per cent — that is the point I am trying to make.

I am also trying to make the point that he has our full support in rejecting that kind of evaluation, because it was based on a misassessment of the terms of trade of Barbados, a fundamental misassessment, and I agree that there has been no appreciation. Therefore, do not allow them to use that argument in order to cow you into any depreciation. That is the whole point I am making.

I can stand here and support that position, but I would expect the honourable Member to come out and say that this is the official technical language of the agreement and the implications for Barbados are so and so, and all Barbadians, I am sure, would rally behind the Government in order to make sure that the Government does not drift into the extended facility of the International Monetary Fund. That is the greatest danger that lies ahead at the moment.

To sum up, Sir, the principle of Barbadians owning the oilfields is okay. The money is wrong, the borrowing is wrong at any time.

Thank you very much.

Mr. A. A. TRUSS: Mr. Speaker, I rise in support of this Resolution to borrow the sum of US \$13 million from the Barbados National Bank, the Morgan Guaranty Trust Company, and associated banks for the purpose of financing the purchase of the assets of Mobil Exploration Barbados Incorporated.

Sir, traditionally in Barbados we had a situation where, as far back as 1817, there have been some hand dug wells, known as the Lloyd's oil wells. There was exploration carried out in 1896, 1910, 1919; but to no avail. No significant results were ever discovered.

The British Union Oil Company, between 1920, and 1940 drilled approximately 40 wells and produced approximately 125,000 barrels of oil. It was at that time that the Government of the day, in 1950, moved towards protecting the mineral and oil rights of the people of Barbados, referred to by the right honourable Leader of the Opposition, and that Act was known as the Petroleum Act of 1950.

There were a number of points raised by the Leader of the Opposition, but I will leave those for the Prime Minister. The one which I really must touch base with was that he wondered why it is, perhaps, that we were the only country in the world that paid for something which belongs to us.

The last speaker, the honourable Member for St. Michael South Central, said that one should not have to buy a cow if one can get milk free. He further stated that we rescued Mobil in a clandestine type operation.

Sir, what we bought, or what we are hoping to buy, because we have not yet paid Mobil, is the physical stock, materials and equipment, for \$5 million. We have bought the unexpired leases and the rights contained therein for another \$7 million.

The point is, Sir, we have bought from Mobil 57 wells, of which 40 of them are presently producing. We have bought the means by which we can now extract the oil from this ground. We are not paying for oil that we know nothing about, Sir. Those 40 producing wells, the total reserves of those as has been established by an independent study, by people sent down from Petro Canada, the proven resources are 833 000 barrels of oil. We have not paid for that. What we have paid for is the means to extract those 833 000 barrels of oil, at a book value, in today's dollars, of US\$28 million. That is the point.

The Crown leased to General Crude certain areas of Barbados and gave them a contract, which they sold to Mobil in 1979. Now Mobil is in control of these leases and the rights contained therein. Though the land belongs

to the Crown, the Crown in fact leased the land by way of General Crude to Mobil; so, if we want now to take it back from Mobil, we have to pay them for the unexpired lease.

Furthermore, the original lease was signed when the Democratic Labour Party was in power and it gave General Crude the power to switch from an exploration licence in 1984 to a producing licence for 20 years with the option to renew for another 20 years.
4.35 p.m.

So you had a situation, Mr. Speaker, where Mobil bought General Crude in 1979. General Crude's attitude towards oil production and oil exploration was completely different. They were dealing with a shallow drilling programme, and by "shallow drilling", I mean, Sir, you drill wells around 6,000 - 6,500 feet.

At the time Mobil bought General Crude daily productions were approximately 800 barrels to 1000 barrels per day but Mobil decided that the quantities involved in Barbados were too small and they were going to go and make it big, and they switched to a deep drilling programme under the licence which they took over from General Crude.

The licence did not state that you must maintain a shallow drilling programme and, at the same time, continue, if they so wished, into a deep drilling programme. The lease stated that one rig had to be in operation in Barbados at any one time.

So when the boys in Mobil Headquarters in Texas, Houston, wherever they are, decided to switch from shallow drilling to deep drilling, they switched rigs. They stopped producing in the shallow drills and they started drilling in the deep drilling programme.

They drilled a number of wells, Sir, at 10 500 ft., 8 500 ft. and all of them were unsuccessful, all of them. After spending millions and millions of dollars on seismic studies, off-shore and on-shore, and in their deep drilling programme, they came to the conclusion that Barbados just was not worth their effort simply because the economies of scale did not pay them.

A small country, Sir, like Barbados, looks at things slightly different than a big multi-national or conglomerate enterprise like Mobil. If Mobil is looking internationally at a return of 17 percent, 18 percent, or 19 percent and in Barbados they can only get 7 percent, 8 percent, or 9 percent, return on their money, they consider this operation to be minimal, to be insignificant, to be not worth their while. But to the people and the Government of Barbados, it is worth our while.

Sir, in 1970, we imported a total of \$4.3 million in oil and that represented 2.1 percent of foreign exchange earnings. By last year, it had jumped to \$92.5 million. Total imports of oil last year represented \$92.5 million or 8 percent or 9 percent of total foreign exchange earnings. That is the significance for Barbadians.

We cannot look at a return of 17 percent or 18 percent. In my view, Sir, if we can break even on such an operation as this, we are doing well for the people of Barbados. But it is not my intention to say that we would be happy to set out by establishing that we only intend to break even. No, Sir. We intend to make a profit, and we shall make a profit from year one.

The important thing, Sir, one must consider is, at what stage are we going to break even in this oil exploration? At what stage? Now, there are two stages we can look at. Firstly, I just said we could make money in year one - that is true; but if you look at the cash flow programme for five years - the capital expenditure involved in drilling a well is U.S. \$500,000 a well as of now - if you take that capital and push it into your operation for one year, you must lose money, but if you amortise that capital over a five-year period on a cash flow basis, you will discover that by year 3 you could make money on a cash flow basis, because the whole idea of amortising the capital over five years is that we cannot absorb the capital expenditure expended in drilling in one year.

By the middle of next year, Sir, our projections indicate that we shall be producing 1 200 barrels of oil per day.

Dr. R. C. HAYNES: There is no quorum.

Mr. SPEAKER: Let the bell be rung.

The bell was rung.

Mr. A. A. TRUSS: Our projections indicate that in 1983, at 1 200 barrels per day, that will be accelerated to 1 400 barrels a day by 1984, 1 450 by 1985 and that is when we begin to make money on a cash flow, five-year, amortisation basis, Sir. The projection for 1986 is 1 450 barrels and for 1987 and 1988 it remains the same, because we have tried to be conservative in our projections. It is important, Sir, to understand these points.

Sir, already, the significance has begun to show itself by Barbados becoming involved in controlling our destiny in terms of our energy resources, because the projection in 1982 in terms of imported oil is \$76 million, down from \$92.5 million last year, because, fortunately, since we have taken over, we have been producing an average of 1 000 barrels a day.

I said "fortunately", Sir, because there is a lot of guess work involved in it as well. We have been very lucky.

The President of Mobil said to me that his General Manager has worked better for the Government of Barbados than for Mobil.

We were fortunate that the wells which we have drilled to date have been producing wells, and we hope that we continue to be as fortunate. But all of that, Sir, is not because of luck; it is because we have appointed an individual as co-ordinator in the fields, Mr. de Verteuil who, from the outset, was a man who knew more about oil production, particularly in St. Philip, than any other Barbadian, and the National Petroleum Corporation selected that individual to be the co-ordinator until such time as the NPC takes over completely from the Mobil Oil Exploration Company.

Mobil has co-operated with Mr. DeVerteuil, the NPC and with the Government of Barbados, and, as the Prime Minister pointed out, we certainly have no axe to grind with Mobil. They have certainly assisted us in every possible way.

And to hear members on the other side, irresponsible enough to state that we should not have to pay for what is ours, after you do something like that, how then can you expect other companies to come to Barbados, private investors to invest in Barbados, if at any given moment the Government, like the Government of Guyana, or pre-Seaga days in Jamaica, can by a stroke of the pen nationalise a company.
4.45 p.m.

I am against the principle of nationalisation in certain respects and I am for it in others. Each individual case has to be dealt with based on its merits, and I humbly submit that we did not pay Mobil for what was ours; we paid Mobil for the infrastructure; we paid Mobil for the means of extracting the oil that is ours; we paid them for materials and equipment, physical stock and inventory - that is what we paid them for. We did not pay them for the 883 000 barrels of proven reserves; we did not pay them for the \$14 million they spent in seismic studies, in which we have the advantage.

In addition to that, we have received the cooperation to the tune of Can. \$4 million from Petro-Canada. We are receiving assistance from the FIV fund in Venezuela. The FIV fund, as you know, is a fund that is established by the Venezuelans, that is why it is called the Venezuela Investment Fund, Fondo investe de Venezuela. They gave Barbados a 30 per cent rebate on 50 per cent of oil imports from Venezuela, and that money can be used over twenty years at 2 per cent interest.

We were recently in Venezuela, and we made representations to the FIV people. We put up a project proposal to assist us in covering initial deficits, which we expect over the next three years, until such time as this whole proposition becomes a paying proposition on its own.

In addition to that, Sir, the money will be used to expand the distribution of natural gas throughout St. Michael and Christ Church initially, and I have taken note of the honourable Member for St. Andrew and the honourable Member for Christ Church West.

We Sir, are in a situation where, particularly at the NPC, there is not enough money to do the things we would like to do. We would like to carry natural gas to St. Peter as well, Mr. Speaker.

It has just been revealed to us by Calderon Berti, Minister of Energy, through the Ministry of Finance and Planning here in Barbados, that OPEC is becoming very concerned about the English speaking Caribbean and it is therefore possible for representation to be made to OPEC to give us some assistance in energy-related projects, and the Parliamentary Secretary in the Prime Minister's Office, Senator Griffith, and Mr. de Verteuil were recently in Montevideo and they were informed that it is quite possible for us in Barbados to qualify for some assistance through the OPEC Fund, and that we would get support from OLADE.

Sir, the point is this: whether we get from OPEC, OLADE, FIV or USAID or from nobody, the point is that the Morgan Guaranty Trust Company, a reputable bank, would never have ventured into the unknown by lending us this money, by putting a syndicated Euro-dollar loan with the company involved in this project, particularly at a time like this when the whole of South and Central America and the Eastern English-speaking Caribbean are suspect.

Look at what happened in Mexico. Mexico has practically driven Japan bankrupt because they cannot repay Japan the \$US27 billion which they owe on short term.

Yet, to show the credibility of this Government and of this country, we were able to go to a US bank and put together a Euro-dollar syndication.

The honourable Leader of the Opposition wondered why it was that we went for a US loan when, as previously, we could have gone to local debentures. The answer to that, he knows; and I am surprised that he would raise it; but in his true political style, he raised the question knowing the answer, hoping that someone on this side would not have the answer like he does.

The point is quite simple. When we raised the sugar money, the money was for local use. Now, we have to pay Mobil in US dollars. What sense would it have made to raise Barbados dollars to be converted into US dollars. The point is that we needed US dollars to pay Mobil in US currency, so we went out for a US dollar loan. It is as simple and straightforward as that. There is nothing suspicious about that. There is nothing that anyone on that side is incapable of understanding, particularly the honourable Leader of the Opposition, but I understand the political point which he must raise, from time to time.

Sir, the objectives of this Government are quite simple: to increase domestic production to constitute a larger share of the domestic demand; to increase the number of barrels produced per day and to increase our output in natural gas; to develop the resources which we have as expeditiously as possible and not to be tied down to a multi-national corporation that, by the stroke of a pen, could switch from an exploration to a production licence and tie us down for 21 years, with an option to renew for 21 more years, and leave this country dry, because what would have happened is that instead of producing 1,000 barrels a day now, we would be producing 600 barrels and next year it would be 500, and the year after 400, and the year after 300, until the wells are dry, and then they would have pulled out of Barbados — amen — and that would be the end of that.

Did we have a choice? Even if we had, we certainly behaved as though we had a choice; we would not allow Mobil to push us up against the wall. We demanded what we wanted from them and they agreed, but we were extremely fair, cognisant of the fact that we have at times to be dealing with other multi-national corporations, and taking into consideration that we would like to invite private enterprise to become more involved in the productive sectors of the economy, invite foreigners from overseas to come and invest their money in Barbados.

I could just see what it would look like in the international Press to see that Mobil in Barbados has been nationalised by the Barbados Government. We are not the Guyana Government; we are not the Jamaica Government of pre-Seaga days.

We are a Government in the Caribbean — unique; we stand alone. We have demonstrated this time and time again since we have taken power in 1976; we have proven beyond the shadow of a doubt that we are quite capable, this great combination, which was voted in in 1976; of catering to the people of Barbados, of dealing with the problems as we see fit in their best interest, of making

unpopular decisions if we have to in the short term because we know in the long term the people of Barbados will benefit.

It gives me great pleasure to stand here and support this Resolution, because I believe it is a good thing for the people of Barbados.

I will say this: let not the people of Barbados feel that because now we are in command that we have improved the oil production — that is yet to be seen — but I am quite sure, Sir, that we have demonstrated in these few short months that we have the people who have some experience and expertise in the oil industry. And in the areas where we have lacked this experience and expertise, Petro-Canada has sent four people, and they will be here to the end of 1983 to train local Barbadians in the operations at St. Philip or wherever we decide to take that operation, whether at Fisherpond, Society, Mount or Lowthers, because there are several areas. There are five leases involved and we are only talking specifically about the producing oilfields area which is in St. Philip.

The Government's declared aim with regard to petroleum resources, like I said before, is to ensure the best possible deal for the people of Barbados. Since April 1, this year, Mr. Speaker, the National Petroleum Corporation came into being, and even at that time it was not envisaged that Mobil would sell, or wanted to sell, because they had not indicated that they were interested in selling at that point.

4.55 p.m.

We were not aware in April that we would be standing here today passing a Resolution to get money to pay out Mobil. We had our own problems. We were basically involved in the distribution of natural gas at the National Petroleum Corporation, the old Natural Gas Corporation.

When we took over — and this has been going on for a number of years, fluctuating over a period of time — there were tremendous losses in natural gas as a result, we have always felt, of leakages. It fluctuated between 25 per cent and 45 per cent. It cost people in Barbados between \$20 000 and \$25 000 a month in leakages of natural gas. We have, Mr. Speaker, been able to reduce that to 20 per cent. We have not yet accomplished our objective, which is to reduce it below 10 per cent which is what is acceptable, but we have had to replace a lot of old pipes and, at the same time, we are trying to expand the system.

But in relation to the point made by the honourable Member for Christ Church West, it is not possible to talk about a five year development plan without knowing what the reserves are. This has been the difficulty.

Perhaps, when the new company, the Barbados National Oil Company, comes into being, between them, the subsidiary and the National Petroleum Corporation, and the assistance from Canada, we can determine what our resources are in natural gas, and we can even drill for some natural gas well, it is at that stage, Sir, that we can begin to plan a five year development plan for the distribution system.

Let me make this point quite clear before I close. It has been reported in the Press, Mr. Speaker, that I said that natural gas will be distributed to the whole of Barbados by 1986. I have never made that statement, Sir. I have said that we shall try to put as much natural gas in the areas of St. Michael and Christ Church, the heavily populated areas, by 1986, as is possible; and I qualified that by saying that was only based on what our reserves are, Sir.

Mr. SPEAKER: Your time has expired.

Mr. A. A. TRUSS: Thank you, Mr. Speaker.

Mr. SPEAKER: The question

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, Sir, if no other honourable Member has anything to say, I would propose to make a final reply.

Mr. Speaker, there is really very little to reply to in this debate, except, perhaps, the ridiculous statement by the Leader of the Opposition, of which he should be thoroughly ashamed, suggesting that when you lease a property to a man, you can take it back from him or buy it back from him for nothing, because that is what it comes to.

The statement that we should not pay for the oil in the ground; it is ours, ignores two salient facts. The first is he gave General Crude a lease, Mobil took it over, but the lease has an unexpired term to run, and if you wanted to acquire it compulsorily, still more, and if they offer it to you, you have to pay for it. And the lease is a lease to take oil out of the ground and the oil in the ground which can be taken out under the lease, for the period of the lease, belongs to Mobil. It is a perfectly simple matter.

The oil in the ground fundamentally, by an Act passed, before the Member was even in the honourable House, when the Barbados Labour Party was in power, was appropriated to the Government. But oil down in the ground belonging to the Government is a different matter from oil in an oil tank, and the process of getting it out of the ground into the oil tank is what people say the lease is for, and they take leases to bring the oil out, put it in a tank and sell it. And it is as ridiculous to say that the oil in the ground belongs to the Government and it

should not be paid for, as to say that it should not be paid for when it is in a tank at the Mobil refinery on the beach there in Bay Street.

It is ridiculous and it is dangerous, because it will give foreign investors the impression that we have, not one, but two economic lunatics running the Opposition and hoping to take over the affairs of Government. It is ridiculous. If you rent out a Government property and you want to take it back from the people, you mean you can take it back for nothing?

(Hon. H. B. St. JOHN: You rent it out on royalty terms.)

Rt. Hon. J. M. G. M. ADAMS: And this is rented out on royalty terms. That is what the rent is paid for.

The second point is that even if oil in the ground, which has not been appropriated by the drilling of a well to bring it to the surface, belongs to the Government, which is not true, but which you can understand the argument about, it could not be true of oil in wells that have been dug to bring that oil to the surface.

The facts are that we have paid nothing for oil in the ground unless a well has been drilled to bring the oil to the surface, and it is the oil in the existing wells that we have paid \$6 a barrel for. And in a matter of four months, out of the \$10 million that we have agreed to pay for oil in the wells, we have already got back \$8.7 million, although we have not paid the \$10 million yet. Perhaps, all is not assignable to the old wells; some came out of the new wells as well, but we have already got back a substantial amount.

I am sorry I have to detain the House in answering ridiculous arguments, but when a person of authority lends his voice and that authority to a ridiculous argument, unfortunately, it has to be responded to.

We are a respectful country and the Press does not feel that it is in its place, without some assistance from other political figures to, say that a person who has held the office of Prime Minister is talking nonsense. Sometimes, they feel quite free to say that the person who currently holds the office is talking nonsense, but a certain credibility is given to the old gentleman, the right honourable Member of the parish of St. John, despite all the experiences the Press has had over the years. I really do much regret having to spend the House's time dealing with foolishness.
5.05 p.m.

I listened to the other speeches, and the only statement I could extract from the speech of the honourable Member for St. Michael South Central is some absolutely

untrue story about my arguing with the World Bank about the appreciation of the Barbados dollar against the American dollar. It is just untrue, Sir. I cannot help all that. .

I suppose I should answer what was said about the government has no need to rescue Mobil Oil and to put a burden on taxpayers. The Government is not rescuing Mobil Oil. The Government is rescuing the oil production in Barbados; that is who is being rescued. Mobil Oil have put in their money and they have lost their money. They are cutting their losses. We are rescuing oil production. Mobil Oil lost money in oil exploration. We are not going into oil exploration at this time. They have made their exploration and we have benefited from the results.

The honourable Member for Christ Church East Central did not even tell you the pressure he put Mobil under to make sure that we got the results of the seismic exploration and the drilling. At a time when we were negotiating with the Inter-American Development Bank to do seismic work for us, we realized that Mobil was doing it and we insisted that the scientific results be made generally available.

They have done that and they have lost the money. We have the results; they have the results; maybe it is an investment for the future. We are not paying one cent for that; nothing at all — nothing.

Even the well that was drilled by St. Philips Church, which is full of natural gas, we have in fact, paid nothing for, if you really get down to it. There is no specific appropriation of purchase price for that well. The Natural Petroleum Corporation may have to buy the gas from the Barbados National Oil Company when the well begins to produce, and if we had bought the gas from Mobil we would have paid for it then. But the part where Mobil has lost its money, it has not been rescued, because that has been written off. We have bought spare parts, trucks, buildings, pipes; expensive things, compressors, we have, in fact, bought the benefit of the contract with Well Diggers Ltd., matters that could be calculated and added up, and we bought at a very cheap price the oil at \$6 a barrel that is in the ground, which, even without further drilling, all we had to do was to keep on pumping out of the ground and it would have repaid itself, not two or three times over but probably five times over.

Therefore, we think that we got a good deal. Mobil has a lot of money and, therefore, they do not need, I think, to shakedown the Government of Barbados. After all, they still have other investments in Barbados and a little mutual goodwill on both sides is something which you pay for. The Government pays for it by not being recalcitrant and fighting Mobil — instead of \$12 million — \$11.8 million or something like that — and Mobil pays

for it by instead of saying, well, \$20 million or we don't produce any more oil, they come to a reasonable agreement. This is a deal which was carried out at arms length on both sides. I think the Government has got greater advantage from it, but that is only my opinion. Both sides have got some advantage from it.

But you cannot say in one speech that the Mobil Oil Company is many thousands of times bigger than Barbados and then say Barbados has to rescue the Mobil Oil Company. If a flea is a flea and an elephant is an elephant, and you spend your time proving that an elephant is bigger than a flea, don't then in the next breath say that the flea had to go in the water and swim and bring the elephant out.

The burden on the taxpayers; the revenue is enough to deal with the burden on the taxpayers, and the honourable Member knows that. And this is unlike many, many operations that Governments indulge in by way of import substitution.

This is a straightforward case where you can measure. We have to spend "X" on bringing in oil. Every gallon that you produce, every barrel that we bring out of the ground you save "X" less the foreign exchange cost of producing it and, of course, in cash terms, the cash flow, as we heard from the honourable Member for St. Michael Central, will be such eventually, as to service the loan, produce the oil for which we pay the \$5 million and drill and produce new oil and have some left over.

Oil production is not an unprofitable business, Sir. Oil exploration is dangerous and unprofitable. Oil production is not unprofitable, and there are many countries in the world that will do anything to buy an oil field, even a small one.

There are a few marginal matters, Sir — the IMF document could not be from Grenada, but he did not say that the World Bank document could not be from Grenada. I never said the IMF document was from Grenada. It was in the newspapers; that is where he got it; he could read it; it was in the Barbados newspapers. I never said that the Grenadians supplied the honourable Member with the IMF document. They supplied him with other things, but not the IMF document.

I do not know who the honourable Member is trying to get in trouble in the Central Bank by telling me all the things in the Central Bank he knows about that I don't know about. If the honourable Member wants to be gypsy, to get into everything and push his nose into everything; if he wants to treat the Central Bank like it is some patient with the serious internal medical problem, then let him treat it. I only hope that they go on telling him lies.

Sir, I suppose the Democratic Labour Party has to have an in and an out with everybody. I understand that the Leader of the Opposition said last Sunday night that his greatest political mistake was to appoint Dr. Courtney Blackman to anything. He implied that he was an idiot; he knew nothing; I was destroying Barbados and so on — and the honourable Member sat on the platform and then quoted the Central Bank and its words of wisdom; the flea and the elephant all over again. I really cannot deal with that.

He talks about a structural adjustment loan for \$20 million that I do not know the terms of and I came in here and talked about the World Bank structural adjustment loan at a time when it was \$12 million, I believe two years ago; at a time when things were better and Barbados had been selected as an economy to which a structural adjustment loan would be made without conditionality, under a new window that was being opened in the World Bank, and the Americans actually killed the window and no such loan have ever been made. If they are being negotiated now, the honourable Member will come in here and tell me that I do not know anything about it.

Aside.

Rt. Hon. J. M. G. M. ADAMS: The honourable Member said they were being negotiated.

Mr. Speaker, I certainly have never accepted the conspiracy view of history or of politics. I cannot deal with these conspirators. I cannot deal with these subterranean operators. I mean, I do not swim underneath Broad Street, my tail going in from side to side and my eyes open for what is dropping out of every building that I swim past. I walk down the pavements of Broad Street and hold my head up. I do not have to ring anybody in the dead of night to find out what is going on in the Democratic Labour Party, or to find out what is going on in the Delaware Clinic or elsewhere. I am a man. I do not have to gypsy or push up behind people to catch up on little foolish things and then say, see what a clever boy I am. I have never heard anything like it. Everything now has to be conspiracy.

I can recommend to the honourable Member all kinds of agencies that make use of conspirators. There is a man called Joseph Nathaniel Bellamy, who operates in the courtyard; he had a private detective agency and he used to employ people to hide in their cupboards and peep through to see what they could see in the bedrooms. I could recommend the honourable Member to Bellamy — they are Bellamy tactics, and telling people how clever you are of being able to peep longer, and peep better, and peep in more bedrooms.

5.15 p.m.

What kind of debate have we had on this matter, Sir? Nobody has questioned it, and honourable Members on this side have made very outstanding contributions — the honourable Deputy Prime Minister, the honourable Member for Christ Church West, the Chairman of the NPC, the honourable Member for St. Andrew — and we have to hear foolishness about oil in the ground and what is going on in the Central Bank that he knows and I do not know.

And Petro-Canada is in trouble. Petro-Canada, a technical organisation helping a Third World country — and Petro-Canada is in trouble. What am I to do with whether or not a Canadian oil company owes CIBC a certain amount of money? Is that a reflection on the technical expertise of people in Petro-Canada?

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

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

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

Rt. Hon. J. M. G. M. ADAMS: I beg to move, Sir, that Government Notices be reopened.

Mr. SPEAKER: The honourable Prime Minister is seeking the leave of the House to give notice of a Resolution. The honourable Member may proceed.

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 \$2½ million from the Consolidated Fund and to place it at the disposal of the Government to supplement the Estimates 1982–83 Part I — Current as shown in the Supplementary Estimates 1982–83 No. 10 which form the Schedule to the Resolution.

Mr. Speaker, this is a Resolution to increase Government pensions by an amount which will be set out when the Resolution is circulated. This is the usual pension increase, Sir. It is intended that Government pensioners will get a 15 percent increase on their pensions with a minimum of \$40 monthly and a maximum of \$81 monthly.

The Resolution will also contain a supplement to supplement the pension of Mr. Reynold Weekes, the former honourable Member for St. Philip South, who, by an anomaly in the Parliamentary Pensions Act, receives a smaller pension, having retired in 1981, than he would have received if he had retired in 1976.

It is an unfortunate anomaly, and it may happen to other pensioners, but we prefer to deal with it by way of Resolution until the situation can be rationalised by an amendment to the Parliamentary Pensions Act itself. The Act has often been amended, but we have not straightened out all the anomalies.

The Resolution will also contain provisions for repatriation of a widow's pension, paid to the widow of Sir Grantley Adams, who, for a number of years, because the pension was transferred from Barbados to England, has had to carry a foreign exchange loss occasioned by the fall in sterling. The British Government has paid a sum of money into the Consolidated Fund to provide for future payments to be made to this widow by the Accountant General of Barbados.

Naturally, we would want this Resolution passed as early as possible so that at least authority can be given to increase the pensions, although I cannot promise that pensioners will necessarily get their back pay this month.

I regret it has taken so long to deal with this matter, Sir, but there are a great number of pension matters which are presently under consideration by the Government, and I think the House will be hearing a great deal about pensions during the next two years.

There is one other point that I am asked to make, Sir, if I can just have the latitude of the House — the outstanding things will be the Governor-General, the Judges and the staff of Parliament. The Governor-General and the Judges will be given the same increases as were given to civil servants and parliamentarians.

In relation to the staff of Parliament, we have only just received notification from the Barbados Workers' Union that they accept the \$108 per month. I understand that the union negotiations have only just been completed with an agreement, and the Debates Committee is to meet on Monday, so I cannot promise that the Ministry of Finance will be able to deal with that this year.

I would be glad to help the staff of Parliament, and if it is humanly possible, and, with the leave of the House, if it can be done before the Christmas recess it will be done, but I cannot promise it unless there is very, very intense activity during the early part of next week, Sir.

SUSPENSION OF SITTING

✓ Hon. L. S. CRAIG: I beg to move, Sir, that this sitting be now suspended until Tuesday, December 7, at 12 o'clock noon.

The reason for this is that we are hoping to deal with the matters which we have before us on Tuesday. It

will also be difficult to get an Order Paper between now and Tuesday.

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

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

On Resumption:

Mr. SPEAKER: This sitting is now resumed.

Hon. L. S. CRAIG: Mr. Speaker, I beg to move that Item No. 8 be the instant Order of the day.

SUPPLEMENTARY ESTIMATES 1982-83 No. 10

Hon. H. B. St. JOHN: Mr. Speaker, as announced last week, this item is to appropriate the sum of \$2.360 million for the purpose of making provision for increasing the pensions for Civil servants to cover an anomaly

There seems to be a little difficulty here. The Order Paper has only just been circulated.

Hon. L. S. CRAIG: Mr. Speaker, I must apologise to the House. We have just received the Order Paper and the Item is No.7 instead of No.8.

Mr. SPEAKER: Item No.7 is the instant Order of the day.

COMMITTEE OF SUPPLY

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

Hon. H. B. St. JOHN; 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.

SUPPLEMENTARY ESTIMATES 1982-83 No. 10

Hon. H. B. St. JOHN: Mr. Chairman, I wish to move an amendment to the amount that we wish to appropriate in this area. It is not \$2.5 million, it is \$2.360 million.

Now, it is proposed with effect from 1st April, 1982 to pay a cost of living allowance to all Government pensioners at the rate of 15 per cent of pensions, plus the usual allowances, subject to a minimum amount of

\$40 a month, in cases of pensioners whose existing level of pension at 15 per cent would not amount to 15 per cent, so that we wish to establish a minimum level of pension, and a maximum of \$81 per month.

We have to be careful in the evaluation of the amount paid to Government pensioners, particularly the recently retired ones, that they are not in a position where, by reason of the fact that in the salary settlement in relation to the existing serving officers the percentages at the higher level are much below 15 per cent, we do not disturb the relativity which exists.

The former Member for St. Philip South has drawn to the Government's attention that an anomaly has arisen in respect of his pension vis-a-vis other parliamentarians, who served with him at a certain level of office and who now are receiving a larger pension than he is. This arose because the honourable Member's service was of a longer period than the other Parliamentarians.

It is customary, in the reviews of allowances and pensions with parliamentarians, to pay them their proportionate share of supplements which are granted to all Government pensioners. Since he was serving in the House as a Member of the House, no supplements were being added to his pension; so that now that he has retired and is drawing his pension, he finds that his pension would be tied to the salary which he received at the date of his holding the highest office and that the other people who had retired were receiving supplements, so they would get more pension than he was getting.

We regard that as an anomaly. That is one of the anomalies that has been brought with respect to the Pensions Act, and we wish to remove this anomaly.

There are two other anomalies, which will go before the Debates Committee, which have been drawn to our attention by retired Parliamentarians, but they will have to be the subject of legislation.

The amount also includes provision to pay the widow of former Prime Minister of the West Indies Federation a monthly pension of \$326.67 as from January 1, 1983 and arrears of \$4 828.62 in respect of a short payment of Survivors' Pension formerly paid by the Interim Commissioner of the West Indies.

Honourable Members will be aware that, when the Federation broke up, the responsibilities for the payment of Federal Retirement Pensions passed to an Interim Commissioner. It is now ten years since this has broken up, and a certain sum of money was reserved to fund these pensions.

I believe that honourable Members would like to know how many pensioners there are. As far as we can detect, there are probably only two other surviving pensioners. I know that the former Chief Justice of the Federal Supreme Court, Sir, Eric Hallam, was one. It happens that he has now died, it is believed. We are checking this out, because this has been going on for some five or six years – the question of the repatriation of the Fund into the Accountant-General's Office so that Barbados, the country of residence of the pension, would be responsible for it.

We have had to do this with a number of other pensioners before, where we repatriated at the request of the body in the United Kingdom, which asked that they be assumed by the Barbados Government and they would pay a capital sum into the Treasury of Barbados. Of course, once we agreed to repatriation, it is necessary for us to take the decision that, just as supplements are given to Government pensioners, supplements would also be given to these repatriated pensions.

Up to a certain point in the United Kingdom, the Interim Commissioner assumed the responsibility for giving a certain supplement to the pensions – they could not have been very large, because \$326 a month is not a large sum. I think the salary of the late Prime Minister at the date of his office was \$800 a month in those days, and with a pension of \$326 a month, honourable Members can see the relationship – but the Interim Commissioner ceased to increase the pension in accordance with supplements paid in the United Kingdom for some considerable period of time on the ground that the more relevant percentage supplements should be the supplements paid in the country of residence of the pension holder.

In addition to that, of course, the question of the devaluation of the British Pound vis-a-vis the Barbados dollar has to be taken into account.

Well, the Government thought it would not be possible, of course, to take up the full devaluation, but, nevertheless, that a compromise solution could be reached where part of the supplement would be taken up; and we have arrived at the figure of \$326 a month as a result of the advice of the Accountant-General and the Auditor-General, and there will be a sum of \$4 818.62 payable.
12.15 p.m.

The Interim Commissioner has paid in the capital sum, which they had anticipated in the original days would have been sufficient to fund the expenditure into the Government of Barbados. So, this pension is fully repatriated.

There are two other cases we are dealing with. One is a complicated case because the particular officer, who was a judge in the Federal Supreme Court, was serving in a number of territories, and the pension arrangements are

that, when you serve in a number of territories, each particular territory pays a proportionate part of the pension to the Pension Board. Now, that is going to take a little longer and, when we get those two solved, that would completely wind up the situation with the Interim Commissioner and the payment of pensions.

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

Hon. Dr. D. G. BLACKMAN: I beg to second that, Sir, and reserve my right to speak.

Mr. CHAIRMAN: The question is that Head 24 stand part.....

Dr. R. C. HAYNES: Mr. Chairman, I have no difficulty whatsoever in supporting this Resolution. I have already stated publicly that I feel that the time has come when some attention should be paid to the fate of Government pensioners in general.

It is regrettable that a larger sum could not be offered to them but, given the prevailing policy in relation to wages' increases, it would seem to me that these increases are relatively in line with what has been given to serving officers; therefore, I cannot say that I would not be in a position to support this particular Resolution.

Mr. B. M. TAITT entered the Chamber and took his seat.

There are two other aspects of it, Sir,..... those related (1) to a retired parliamentarian and (2) to the widow of a retired parliamentarian.

It is my view, Sir, as a matter of principle, and I have often said so, and I would take this opportunity to state this, that it is my view that when persons who have served this country in respect of being parliamentarians have retired from public life that it is the duty of the country to ensure that they have adequate pensions.

I have often taken the view that whereas I am always prepared to support increases in pension for retired parliamentarians, I regard this as a separate and distinct matter from increases in salaries for existing parliamentarians. And the reason I say this, Sir, is that I think it has a very profound effect on the political life of this country in that I feel that every inducement should be given to people to get out of office, having served, rather than to entrench themselves in office, and I think it would be very good for the democratic process if more accent was placed on adequate pensions rather than on salaries when in office.

As far, Sir, as the increase for Lady Adams is concerned, I give this my full support. I think, Sir, that someone who is the widow of a former Premier of Barbados, a former Prime Minister of the Federation of the West

Indies, should have an adequate pension. It is our duty as parliamentarians to make sure that someone, who would have given considerable support to the late Sir Grantley Adams, in the contribution which he has made not only on the local but on the Federal front, and who, indeed, has had to contend with an adherent son for so many years, certainly deserves a pension of this order, and I would hope that the day would come when I would see that adequate pension provisions are made for Lady Adams so that, for the rest of her life, she would be able to live at a standard which is consistent with someone who has contributed as the widow of one of Barbados' most distinguished political leaders. I have absolutely no difficulty in supporting that.

I would, however, Sir, like to draw to the attention of the honourable Deputy Prime Minister that I believe that there are two other widows of parliamentarians, a former Member for St. Andrew, I think, and a former Member for the City, where I think they should probably have a look at some time at the levels of pensions.

(Hon. L. B. BRATHWAITE: She is entitled.)

Dr. R. C. HAYNES: I am talking about the levels of pensions of a former member for St. Andrew and a former member for the City, I think that, probably, it might be worthwhile having a look at the particular levels of pensions which they are drawing at the moment.

With those few remarks, Mr. Chairman, I do not think that there is any further contribution that I would like to make on this matter, which, in my view, is essentially non-contentious in nature; regretting, of course, that more has not been offered, but supporting the Resolution in principle.

Mr. CHAIRMAN: The question is.....

Hon. L. S. CRAIG: I have to say one or two things to the Member for St. Michael South Central through you, Sir.

Mr. Chairman, there is an old story that people have a way of saying things in a roundabout manner. I laud the Member for St. Michael South Central for saluting the Government today for providing a pension for parliamentarians.

His contention, however, Sir, is, give the former parliamentarians, those who are no longer in Parliament, a big, a big — note, Sir, — a healthy pension. That is the basis of his argument. Give the parliamentarians who are no longer serving the country a healthy pension.

The very Member for St. Michael South Central and his colleagues made a grandstand only a couple weeks ago when the Government brought down an increase of \$108

a month for parliamentarians and 31 per cent increase for their travelling allowance.

My common sense teaches me this, Sir, that to get a big pension, you must get a big salary. That is the whole crux of the matter, because your pension is based on your salary. To get a big pension, Mr. Chairman, a member of Parliament must get a big salary, or anybody at all, Sir. Whenever your income is increased, your salary goes up.

Mr. P. M. GREAVES entered the Chamber and took his seat.

12.25 p.m.

The Member for St. Michael South Central is now advocating a healthy increase for parliamentarians who served, but last Tuesday.....

Dr. R. C. HAYNES: Mr. Chairman, on a point of order. The honourable Member has just said that I am advocating a healthy increase for parliamentarians serving. I never said anything of the kind.

Hon. L. S. CRAIG rose.

Mr. CHAIRMAN: We cannot have two honourable Members on their feet.

Dr. R. C. HAYNES: May I make my point of order, Sir? My point of order is this, that there is no reason why there cannot be a divorce between the Parliamentary Remunerations Act and the Parliamentary Pensions Act. The two do not necessarily go.....

(Hon. L. S. CRAIG: The point of order has already been made, Sir. You are advocating in a roundabout way for a big increase for parliamentarians).

Mr. CHAIRMAN: If honourable Members.....

(Hon. L. S. CRAIG: Hypocrite!)

Dr. R. C. HAYNES: Mr. Chairman, on a point of order. I am not going to let him get away with that distortion, Mr. Chairman.

Mr. CHAIRMAN: This, as far as I can see, is not a point of order at all. You have explained the position based on a deduction made by the honourable Member. Please take your seat.

Dr. R. C. HAYNES: I will come back at him afterwards.

Hon. L. S. CRAIG: You have a lot of coming back to do.

Mr. CHAIRMAN: Please address the Chair.

Hon. L. S. CRAIG: Mr. Chairman, how hypocritical can people be? The Leader of the Opposition, the right honourable Member for St. John, received an increase of \$1 650 only a couple of years ago, when this Government brought down — I think it was in 1978, Sir, but I am subject to correction — the biggest increase for all the parliamentarians, and not a single word was mooted from the benches of the Opposition. It was no charity for the retarded children of this country, it was a big lump sum of money, \$1 650, which was the increase he received.

He was also drawing money — I mean the Leader of the Opposition in particular, I am sorry he is not in his seat — he was also drawing money whereby the Accountant General had to write the Leader of the Opposition and draw to his attention that they were paying him additional monies which he as Leader of the Opposition, was not entitled to. He replied by way of a letter to put him in court for the money and surcharge the officers.

Now, Mr. Chairman, we have brought down a Resolution here for \$81 a month for Government pensioners at the highest level, and, at the lowest level, \$41. We are hearing from that side that we should have given everybody \$108. That is what you are hearing, Sir. The Member for St. Michael South Central said he was sorry it could not have been the same thing as the others had received.

(Asides).

Hon. L. S. CRAIG: That is what you implied.

Now, Sir, he advocates a big pension, and that is equated with your increase. So if I get \$4 000 a month more increase, I would get a better pension. The position, however, is that the Member for St. Michael South Central, as a professional man, when he gets to the age of 70 or 80, he would still be able to give somebody two aspirin and two dispirin and charge \$50 or \$60 for every visit. While the non-professionals, who must face up to the public day after day and push their hands in their pockets, must now be subjected to the ideas and the whims and fancies of the Member for St. Michael South Central, in the meantime, what he is looking at is that when his practice starts to fall off, when he gets an old man and his practice starts to fall off, he would be getting a big pension, according to him, from the House.

Mr. Chairman, how can some people be so unreasonable in their arguments? You can only get a big pension if you get a big increase in salary, but in the meantime, a few Tuesdays ago, they walked out of here, they stomped out of here, saying that Members of Parliament should not really have an increase in salary.

They stomped out of here because they wanted a bigger increase, and that is what they were discussing in the corridors and the Dining Hall, that we should not have brought down \$108 for parliamentarians — we should have made it bigger, or none at all. That was the bone of their contention, all in the corridors and the Dining Hall. They are not going to say that on the public platform. Then they had the gall to talk about giving it to charity and directed the Clerk of Parliament to pay the 31 per cent increase to the Treasurer of the Democratic Labour Party.

Well, let me explain this to you; it is very simple. I can direct the Clerk to pay my salary to the bank and then go and get it from the bank. It is as simple as A, B, C. Do you see the viciousness of some people in the society? A big thing, they are giving their money to charity.

Out of the \$108, I think they get about \$67. That goes to the School for the Mentally Retarded, but we have been contributing to that for a very, very long time.

(Aside).

Hon. L. S. CRAIG: This party. The Member for St. Michael Central is the Chairman of it, I think, or one of the members of the Board. The Member for St. Michael East has also made his contribution when he was Minister for Community Services and he is still making a contribution, because it lies under his portfolio.

What do you hear, Sir? That the Treasurer of the Democratic Labour Party is to receive the 31 per cent increase, not the Treasurer of the Barbados Labour Party. The Clerk of the House has been directed to pay to the Treasurer of the Democratic Labour Party the 31 per cent increase, which is even more money than the \$108 per month. (Mr. P. M. GREAVES: Whose 31 per cent increase? Not mine).

Hon. L. S. CRAIG: I see, so you fooled the public out there. The hens are coming home to roost.

Mr. CHAIRMAN: Anyway, we are dealing with pensions and not travelling allowances. Let us carry on with pensions.

Hon. L. S. CRAIG: In 1980, when you received the big increase, it was no charity; it is charity now. There was no directive to the Treasurer of the Democratic Labour Party, there is a directive now, Sir.

As far as the Addendum is concerned, the Government, in these very, very trying days, going through a recession which the entire world is going through, no doubt can still be a model Government, for there are Governments today in the Caribbean and other parts of

the world which cannot afford to pay pensions, which cannot even afford to increase salaries because of the difficult economic times they are having.

This Government in these very, very trying times still finds it convenient, still finds it possible to give an increase to the Members of Parliament, to give an increase to the civil servants and to look after the Government pensioners. In other territories, in the Caribbean and throughout the entire world, there is a complete cutback, no increase in pensions, and in some cases none paid at all.

I still maintain, Mr. Chairman, that the Government can still be, and is still a model Government for other territories in the world, in spite of the very, very difficult times.

As far as the widow of the former Prime Minister of the Federation is concerned, there is no doubt in my mind, Mr. Chairman, that very few Barbadians, only the Member for St. Michael South Central and probably a few of his colleagues, would not support a Resolution of this nature, but they are faced today with.....

12.35 p.m.

Dr. R. C. HAYNES: On a point of order. I have already said that I support this increase in pension or the aspects of this pension for Lady Adams.

Mr. CHAIRMAN: That has already been said. There is no point.

Dr. R. C. HAYNES: The honourable Member is deliberately misleading the House and this is a serious charge, Sir.

Mr. CHAIRMAN: The honourable Member has made his point. You have made your point. The honourable Member did state that he is in total agreement with it. There is no controversy in this matter.

Hon. L. S. CRAIG: I still maintain, Sir, that they have come face to face with reality today, Sir, and that is why they are forced to support this Resolution. One remembers all the things that the Leader of the Opposition used to say about the great, grand old man of politics, now today you hear somebody here saying that the lady who stood side by side with him during all his trials, you want to make sure that she is well taken care of.

I also hope, Sir, very sincerely, if I should depart before my spouse, that other members — not those; they would not be here when I am ready to leave — would make sure that they look after my spouse in the same way.

I have no doubt, Mr. Chairman, that the Resolution, which we are well aware of, need not be contentious, but I really had to make the point of the hypocrisy that exists in this society among some people, Sir.

You do not want a big salary, but provide a big pension. On the other hand, you can only get a big pension if you provide a big salary. What in truth and in fact, Sir, the honourable Member for St. Michael South Central is saying, please give Members of Parliament a big salary. That is it in a nutshell, Sir.

Mr. B. M. TAITT: Well, Mr. Chairman, I regret very much that this Resolution has become the basis for what can only be described as loose talk. I do not believe that the aspects of this Resolution, as they relate to the gracious lady and to a former parliamentarian, really require any debate, and therefore it ought not to have form the basis for some of the mouthings of the honourable Member for St. James North, but I thought that we should set the record straight.

First of all, no one on this side is forced to support this particular Resolution. There are some things that are morally right and there are some things that are morally not right. If this is morally right, we will support it. We support it, and, therefore, it is morally right.

When the honourable Member says that we are "forced", he seems to be suggesting that opposition to supporting the repatriation of a pension for the wife of a former Prime Minister of the West Indies is something which we are forced to support. All people of goodwill would wish to support that and, therefore, for the record.....

(Asides,)

Mr. CHAIRMAN: Order, please, order!

Mr. B. M. TAITT: One does not even wish to engage in 'chit-chat' with the honourable Member for St. James North on this, because the honourable Member for St. James North is like a drowning man catching a feather.

The immorality of their position on the increase in parliamentary salaries is not opened to question anymore. It is accepted by all in Barbados, except, perhaps, them; so the question is not one to be canvassed and repeated. The honourable Member is talking about a moral Government.....

Mr. CHAIRMAN: You are dealing with the pensions?

Mr. B. M. TAITT: Yes, Sir, but the latitude, which the honourable Member took, requires that at least one or two of us walked up that road too.

Certain remarks made by the honourable Member for St. Michael West were ordered to be expunged from the records by Mr. Chairman.

Mr. CHAIRMAN: Please, let us deal with the pensions.

Mr. B. M. TAITT: Mr. Chairman, I am dealing with pensions and those aspects of pensions as referred to by the honourable Member for St. James North, who sought to suggest, in dealing with pensions, that certain aspects of decisions made by his Government made his Government a model Government.

I am saying that his Government provides no moral leadership in this community which would allow anybody to describe it as a "model". I am saying that his Prime Minister, by the constant turns around which he makes in his public pronouncements, put himself and his Government in a position where its morality can be questioned.

Mr. CHAIRMAN: You are not dealing with the matter before us and I will have to draw this to your attention again.

Mr. B. M. TAITT: Mr. Chairman, with the greatest respect, Sir, I sat here and I listened to the honourable Member for St. James North

Mr. CHAIRMAN: So did the Chairman.

Mr. B. M. TAITT: and therefore I am submitting to Your Honour that the tenets of a decent debate require that we be able to answer the matters which he raised under this same Head, Sir. I am submitting that, Sir.

I am not breaking any new ground. I am not merely responding to what the honourable Member for St. James North, under your distinguish guidance, was allowed to say. I am merely rebutting them and responding to them.

The honourable Member suggested in his statement that the honourable Members on this side have directed the Clerk to send their 31 per cent to the Treasurer of the Democratic Labour Party. I am saying here, Sir.....

Mr. CHAIRMAN: Order, please!

Mr. B. M. TAITT: I am saying, Sir, that that is an attack on the integrity of the Leader of the Opposition to suggest that the Leader of the Opposition would direct that monies be sent to the Treasurer and then go and take them back.

But, be that as it may, I wish to state that for me that not one cent will go to the Treasurer of anywhere,

the Learning Centre and the other charities. Not because we are rich, but because it is a matter of principle.

The principle is a simple one. There are times when a Government has to provide moral leadership. That moral leadership may take the form, sometimes, of an infinitesimal sum of money. It may take the form, sometimes, of the way the Government dresses. It may take the form, sometimes of the way Government Members behave.

Mr. CHAIRMAN: Please. We are stretching this a bit too far. It is not a debate on Leadership. We are dealing with pensions, please.

Mr. B. M. TAITT: And it is in the context of the moral leadership providing for the pensions for such persons. I would say that this is a moral position.

The former Member for St. Philip South.....

(Asides)

Mr. B. M. TAITT: I keep telling you you have no right sitting up there. You will fall down. Go back down there where you belong.

It is not his business to be sending anybody out. The Chairman is the one who presides. If he sends out anybody the whole Gallery will be empty, so try and understand that. Do not go down there and send anybody out. The whole Gallery.....

Mr. CHAIRMAN: I take it the honourable Member has made his contribution.

Mr. B. M. TAITT: I am making it.

Hon. L. S. CRAIG: Let me draw this to your attention. If I have to draw it to the Speaker's attention that I see strangers.....

Mr. CHAIRMAN: I cannot have two honourable Members.....

Hon. L. S. CRAIG: I will send them. I am not afraid of that. You are afraid of that, not me.

Mr. CHAIRMAN stands.

Mr. CHAIRMAN: Order, please take your seat. At this stage the Chair will report progress and ask for leave to sit again.

A pause.

12.45 p.m.

Mr. CHAIRMAN: Does the honourable Member for St. Michael West wish to speak further?

Mr. B. M. TAITT: Yes, Sir, just one little point. Mr. Chairman, I just want to make the point that the honourable Members on this side, all ten of them, this is for the record, have made a decision, and a commitment that any increases in pensions or salaries that they receive at this point, because of the situation in Barbados and because the people of Barbados have been called upon to behave in a particular way, that we as Parliamentarians have a responsibility to behave in that way too, and it is for that reason that we will not accept and have directed, and will direct in some cases, that these monies be sent to charity as a symbol of our rejection of the so-called policy position of the Government.

It does not require much more than that, but I would not allow the honourable Member to get away with making certain statements concerning the Democratic Labour Party.

(Asides)

Mr. CHAIRMAN: Will the honourable Leader of the House stop the cross talk?

Hon. L. B. BRATHWAITE: Mr. Chairman, at first I did not believe that this would lead into any discussion at all, and when the honourable Member for St. Michael South Central started, I thought that we would be free from any rancour or unpleasantness on this matter.

I want to say a few things which I was hoping to be able to say at the time when we were dealing with increases of salaries for Members of Parliament, Ministers and Parliamentary Secretaries. Unfortunately, the occasion did not present itself and, therefore, I was unable to say it.

In the past, I have remained very quiet when these matters were discussed, as I thought I was a comparatively new Member of Parliament and did not want to become too involved since it would appear that I was seeking to further my own interest.

But there is one thing I want to say, and I hope that honourable Members on all sides, not necessarily the other side, but this side as well, will understand that the public out there see all of us as politicians and do not see us with any different glasses — they see us in the same light. We are prone to attack each other and score cheap political points, but, when the chips are down, the country at large see us as politicians, and they reflect on us according to the picture we paint of ourselves.

I feel the time has come when the question of increase of salaries and pensions should be removed from the arena of these sharp types of discussions.....

Mr. CHAIRMAN: We are not dealing, may I submit, with increases in salaries or pensions. We are dealing with pensions with respect to parliamentarians. The matter of increases of salaries has been dealt with before.

Hon. L. B. BRATHWAITE: Mr. Chairman, with due respect to Your Honour's ruling, we are dealing here with pension to a former parliamentarian and we have to deal with pensions as well. There is no way that I can escape dealing with pensions, and the question of pensions must relate to the type of salaries which people draw. If you do not have salaries, you do not have pensions, and therefore they must relate to each other, no matter how you look at it.

Mr. Chairman, there might be some merit in the contention that there comes a time in your society when people in Parliament must take a particular line and must do certain things. I, myself, have my own views on a number of matters, but I feel that, if there are to be increases across the board, there is nothing morally wrong in receiving the increase that is made.

For myself, if I were told that there should be no increases for parliamentarians, I would gladly go along with that. If, on the other hand, it was thought that parliamentarians should have, say, 50 per cent of what was offered across the board, I would go along with any proposition of this nature at this point in time.

But what I deplore, and will continue to deplore, is the question of trying to score cheap political points, because they are not going to work.

Now, the honourable Member for St. Michael South Central dealt with the question of increased pensions and has no objection to that, but in terms of increased salaries for existing members, the party to which he belongs will not be in favour of them.

Mr. Chairman, a retired politician has no obligations; none whatsoever. Beyond keeping soul and body alive, he has no obligation. If, Mr. Chairman, one of your constituents lived beside a multi-millionaire and he woke up a morning and found himself without a penny, he does not go to the multi-millionaire; he will find you or she will find you.

You have to be at every beck and call. You have got to service your constituency if you are a serving Member like myself. You have got to serve them day in and day out, and there can be no question about the duties and the obligations which devolve upon a true parliamentarian.

I am not talking about a parliamentarian who comes into this Parliament to see how well he can feather his own nest and his own position; I am not talking about

that person at all. I am talking about a conscientious parliamentarian, who sees his first duty as that to his constituency and who sets out to improve the lot of his constituents.

In that sense, he is very much involved, and he is called upon to meet a number of commitments which another politician, who is aloof, and cannot readily be seen, would not have such obligations; and I feel that we should take the heat and the sharpness out of these debates, because they get us nowhere.

I feel that there has come a time when an enlightened approach should be made to the whole question of salaries and pensions for parliamentarians, because a lot of parliamentarians can be a very sad one after they have departed from this Chamber. We have seen, too often, the voices that praise you are the voices that eventually condemn you. And don't believe that the day will not come for you, no matter how well entrenched you believe you are. We have seen too much happen in the past and, certainly, it will happen again.

I hope that for the future, Mr. Chairman, when these matters are to be dealt with, that they can be dealt with in a manner free from all this hatred and this rancour.

That is the small contribution I wish to make on this debate.

Mr. P. M. GREAVES: Mr. Chairman, I should like to deal strictly with the Resolution and in particular that segment of the Resolution that relates to paying of an increase in special emoluments to Mr. Reynold Weekes, a former Member of this Chamber.

Now, Mr. Weekes has given, I would say, illustrious service to his country both in this Chamber as well as a Parliamentary Secretary and a Vestryman and Local Government representative.
12.25 p.m.

I fully support the increases being given here to Mr. Reynold Weekes, but it is on the reason for the increase, Sir, that I want to make a few comments, and the reason being given is that there is an anomaly which allowed Mr. Weekes to receive a lower pension than he would have received had he retired five years ago.

I think, Sir, that this is an anomaly that the Government should address itself to, and I do not believe that this is the proper way to deal with this anomaly. It is one way to deal with individual cases but, Sir, when it comes to dealing with individuals, we are likely to make bad law.

My suggestion is that it should be done in such a way that there will be no need to come to deal with this

on an individual basis. In other words, Sir, what I am suggesting is that if it recognises that there is an anomaly in the Law, the Government should then seek to amend the law so as to eliminate this anomaly, because, Sir, it will happen time and again when you will be called upon to rectify an anomaly in this way.

I believe it can be rectified generally, because it may be, Sir, that, for one reason or another, when it is sought to rectify it in this way, it might not be supported. But if the law is amended, Sir, well then, we would have no cause for complaint.

That is my contribution to the debate.

Mr. C. L. BOLDEN: Mr. Chairman, the honourable Member who has just sat down has thrown the whole problem right back into the laps of the Democratic Labour Party, because they failed to recognise that salaries and pensions are inextricably bound up together. And when they say that you must not pay parliamentarians any increases, they are saying to you, "You must also reduce the pension that will be paid eventually to parliamentarians."

So, they want to get around it by saying now, forget our argument over the past weeks and find a way of rectifying the non-payment of legitimate pensions, paid on our salary as a parliamentarian, take it clean outside of that and find a new avenue to deal with it, because that is exactly what happened to Mr. Reynold Weekes.

Mr. Reynold Weekes served for five years longer than his colleagues, Mr. John Yearwood and others. Every time that civil servants or parliamentarians got an increase in pay, or retired civil servants got an increase in pensions, they received their increases on the amount they are due as pensions based on the highest salaries they earned when they were in office.

Mr. Weekes continued to serve, and now he finds that drawing his pension based on the highest salary he had earned, which was his salary as a Parliamentary Secretary, he is receiving a pension less than those who served five years ago and resigned. Those persons have had the increases every time there was an increase in pension or in salary and their net figure today is higher than what he is drawing.

So, you have to come by way of a Resolution. Nobody has criticised this. They have not told the public outside that pensions are based on salaries and, therefore, that Mr. Reynold Weekes now finds himself in the very position that they advocated. They are saying, "Do not pay Mr. Reynold Weekes" in one voice, and coming back and saying, "We like what you are doing, but do it another way." That is what they are saying in a roundabout method.

(Mr. B. M. TAITT: Who says do not pay him?)

Mr. C. L. BOLDEN: You are not saying so, but that is what you mean.

You are saying parliamentarians in this time should refuse this; refuse the next. They are happy, Mr. Chairman, they are happy. And I heard, I heard.....

Mr. B. M. TAITT: On a point of order, Sir. I think that the Honourable House ought to be reminded that Mr. Reynold Weekes retired after the Democratic Labour Party lost the Government. I think the honourable Member is aware that when he retired, his side was in Government.

Mr. V. E. JOHNSON: What does that have to do with it?

(Hon. DeL. O. BRADSHAW: John Yearwood, too.)

Mr. C. L. BOLDEN: Mr. Chairman, John Yearwood retired after the Democratic Labour Party lost the Government. There are other MPs who did not come back in, who did not run at the time when the Democratic Labour Party lost the Government, and they are drawing more pension, based on the highest salary they received while in office. That salary would have been the same as Mr. Reynold Weekes'.

You know, this brings something back to mind. In 1976, when the Barbados Labour Party won the election, I was nominated to lead a delegation to Mauritius. That delegation had been put together by the Democratic Labour Party when it was in office and the same team, with the exception of Mr. Edwy Talma, travelled to Mauritius.

On board the aircraft, I said to Mr. Reynold Weekes, "Reynold, you are playing with a lot of money, hanging on a little string, down a 300 foot well, and the slightest thing, the string is gone; all your pension is gone and everything, your gratuity is gone." Mr. Reynold Weekes got vex with me. He never spoke to me in Mauritius for three weeks, because he well realised what I was telling him.

The Democratic Labour Party forced Reynold Weekes to continue in office after 1976. At that time, the Act was not even amended, so if that aircraft had crashed or Mr. Reynold Weekes had died from a heart attack, his gratuity, pension and everything would have gone down the bottom of a 300 foot well, and his wife and children would have been left out in the cold.

But he finds himself in the same position today, because his highest salary was the salary he drew when

he was a Parliamentary Secretary back in 1976, and his pension was based on the highest salary earned.

Now, the Democratic Labour Party have been unfair in this issue, and I heard the leader — he is the political leader or he is the party leader — talking about immorality.

Look at the question of salaries, Mr. Chairman. Every time you have a salaries' increase, even a minimum of \$108 across the board, you have got to come down here to amend the Overseas Leave Regulations, because the moment your salary goes up, it puts you in a different bracket, and officers who would normally not have qualified for overseas leave would get overseas leave unless you amend that. Every civil servant, who gets an increase in salary, has his pension automatically affected by that increase in salary.

I do not want to talk about my period as a Minister, because I can see the hypocrisy in this country. I hate the hypocrisy in this country. They talk; a lot of people out there, 98 per cent of the people in Barbados today believe that Members of Parliament, including the Opposition, get duty free cars, they get this free and the next free, and what's not. They do not understand that every Member of Parliament pays the same taxes, duties and everything that everybody else out there pays.

I saw, up to this morning, a Mr. Ridley Greene talking about big salaries. But I can tell anybody this: My first pay cheque as a Minister of Government was \$1 910 and I cried long water from my eyes. Nineteen hundred and ten dollars in my hand — and I have Life insurance policies for which I was paying out \$1 200. \$1 300 a month. I cried long water down my eyes, I am not ashamed to tell people that. A Minister was being paid something like \$2 000 a month, \$300 a month in travelling allowance and \$300 in entertainment allowance, which was non-taxable; so you can see how much money I carried home out of my salary.

1.05 p.m.

Another thing. People do not understand that, by some concoction by certain civil servants in this Government, they tell you that every Minister is a self-employed person, so he has to pay National Insurance out of his salary as a self-employed person, although he draws money out of the Treasury. So when you start reducing the total money paid to you, Mr. Chairman, you were worse off than the tractor driver outside. It is about time people learn the truth about this foolishness about parliamentary salaries.

You cannot sit down in your office before somebody comes through the door saying my child has to go back to St. Michael's and I have not got shoes, I want \$20.

A lady comes into my office telling me she came to town to shop and she had \$200 in her purse. She got out of the bus, she felt somebody bounce her, the purse was gone, the money was gone and she wanted money to buy clothing to send her children back to school. Now, you are the M.P. for the area. If you do not dive your hand down in your pocket and find something, you are deemed from then onward to be no good.

A house burns down and the first person they find is the M.P. for the area, and you have to get up, leave whatever you are doing and start begging, and you have to head the list with your name.

I have never seen a civil servant in that role, and I have never heard anybody tell you that a civil servant was not entitled to the money he gets. But this foolishness of asking for sacrifice from people who come in here and do the people's business, the result would be that you would get people coming into Parliament who do not even understand what it is all about, and you will become the tool of the people in Bridgetown again. So let the DLP get on with the mass foolishness and tell the people outside in the street that the BLP is immoral in taking the same \$108 across the board.

I have had the experience of sitting down in a Ministry, Mr. Chairman, where a civil servant looked at me and told me, "Skipper, I draw more money than you when the month is finished." They know more of what the Minister gets than anybody else. The Minister does not get a car to drive about free, he does not carry home the car. There are many luxuries that civil servants get without the problems that go with political representation. That is the thing that happens, that is what we must look into.

So, when the other side talks about finding a new Act to separate your pension from your salary, they are accepting that, the moment you put yourself up to serve in this country, you are going to be bled from top to bottom, and they are looking to retrieve it when they retire.

Now, in all countries, take Canada, for instance, when you get appointed to Parliament, you are a parliamentarian with a salary and you can do the people's business.

I would like to see the people of this country comment on salaries that are paid around the world to parliamentarians. Take the English situation, Mr. Chairman. The Prime Minister in England gets a Prime Minister's salary. The Prime Minister also gets an M.P.'s salary, because you have to be in Parliament first before you become a Prime Minister. The Speaker, every Minister, gets an M.P.'s salary first and then he gets a salary for his office.

But you do not hear the British people walking about and talking about how much money their M.P.'s are getting, you hear about how much money the Queen is getting. Every now and again you hear about how much money the Queen is getting, and you hear M.P.'s say her post is a decorative post, so you should do something about the amount she gets, but you do not hear M.P.'s getting up and talking about how much another M.P. is getting.

I will deal with the Democratic Labour Party now and the letter written by the leader, because a lot of them have not signed it. Do not mind what you hear in here today, at least one of them has told me that his is not going anywhere, his is going into his pocket. I will not embarrass him by calling his name. A lot of them have not signed the letter, that is a political gesture, and these political gestures have frequently come from the honourable Member for St. John.

I was sitting over there when he was Prime Minister of this country, and he got up one day in here and declared a salary for Ministers and parliamentarians, and I heard Frank Walcott in the back row here get up and say he did not want it, nobody had discussed it with him. The leader said they could not decide among themselves how much they wanted, he got up one morning and he decided on a figure, take it or leave it. Hansard will show you that. He is accustomed to making these statements and he has often said he never gets involved in arguments on parliamentarians' salaries.

But the members of the Democratic Labour Party believe that they can fool everybody with this talk about sending it to charity, and sending it to the Treasurer of the Democratic Labour Party.

Mr. Chairman, look at the amendment to the laws and see that you can deduct those payments to your political party from your Income Tax. That is what they are working on. All of them are employed in private enterprise like me, and they know as well as the world, that all they have to do is to draw it back from the Democratic Labour Party with one hand and spend it with the next hand, and the tax man loses. That is the first thing, so do not fool the public.

The second one is, they know they can put on their Income Tax returns "contributions to charitable organisations" and also have another deduction from their tax form, so the people outside in the street who are running behind the Democratic Labour Party, let them begin to think fast what the Dems are doing.

Mr. B. M. TAITT: On a point of order, Mr. Chairman. The honourable Member is misleading the House, Sir. The 31 per cent increase on the travelling allowance is tax free, and, therefore, if handed to charity,

it would make no difference. The \$108, the tax element is taken out, and the honourable Member knows the Income Tax rules. So to suggest that the honourable Members over here are handing the money to charity to take back through the side, I think he is straying a little far, Sir.

Mr. C. L. BOLDEN: Yes, you see, they go out there in the streets and they have a lot of people. There was a Reporter in the House who used to make parliamentary reports, Joe Broome, who used to report for Rediffusion. One evening I went into my constituency — it was a Tuesday — the programme "From Parliament" used to come over on Wednesdays. I had made a speech in this House on the Tuesday and the late Joe Broome completely twisted what I had said. When I went into my constituency a man in a rum shop asked me how I could say so and so. I said I did not say that. He said once he heard it on Rediffusion it was true, once he read it in the papers it was true. They do not know how much the papers pay for libel and slander, or Rediffusion; but once they read it, it is true, and the Democratic Labour Party has adopted this policy. Let me get into the House before 2 o'clock and say as much nonsense as I could to get in the Press next morning.

This is how the newspapers report, Mr. Chairman. Early on a Wednesday morning — Rediffusion too, if you listened to last week's debate at 9 o'clock in the night you would have heard that the House was still sitting, when the House was finished since 5 o'clock that afternoon. The Reporter reported what was said between 12.00 and 2 o'clock, but at 9 o'clock, when everybody is in bed, you still hear the House is still sitting.

On the Wednesday morning now you read the newspaper headline, you read what the Member for a particular constituency said, they do not tell you what the retort was, they do not report what was said afterwards.

And as long as they can put this mass foolishness out to tell the public that the Barbados Labour Party is immoral and should resign for being immoral, you will see the headline tomorrow: "ELP immoral — Resign", but you will not hear about the mass trickery that the Democratic Labour Party is working on the people in this country.

But do not fear, Mr. Chairman, I have all my faith and trust in the honourable Member for St. John, the leader of that party. I remember between 1974 and 1975, when the honourable Member came out and said there was a fuel crisis in this country, the leader came back and said there was no crisis at all, the crisis was only in the minds of those who said so.

He has already said it — the worst Bill he has ever had passed in this House was the one which protects people in here so they can talk what they like, but he forgot, when he moved the amendment to the Constitution, he stood up for four hours and lambasted the citizens of this country — and made Dr. Caddle get up and second it, when Dr. Caddle was telling everybody he was not going to second it.
1.15 p.m.

Do not worry your head, Mr. Chairman, time will catch up with them. The public outside will catch up with them. They will find out that when you come in here and talk about pensions and salaries.....

I heard one Member said that the people over here never worked for this kind of money before. I hope I do not hear you talk about money again, because, Mr. Chairman, we have sold ourselves too cheaply for all the years to come. We made people in Barbados believe that the politician is doctor, lawyer, the philosopher, the gardener, the scavenger, everything; so as you hear that something has happened in the village, the representative must be there.

He does not walk there nowadays. I do not know of one of us who walks. I always see the honourable Member butting about down Black Rock in those side streets with that big long car he has. You had better change it, you had better change it, and I want to know where you will get the money from to change it too.

It is time that we make the people of this country understand that if you want proper representation, if you want honesty in Government, and I say honesty in Government, you must be prepared to pay those persons, who put themselves up and who are elected to Parliament.

If you want to go back to the days when politicians were bought and sold at the cocktail parties, then you can follow the rule of the Democratic Labour Party. The Leader says that he does not see why you should pay people. Well, I do not believe in being bought or sold. The question of my buying and selling have passed when slavery was abolished.

Mr. CHAIRMAN: Order, please!

Mr. C. L. BOLDEN: If honourable Members there want to see, as in the old days, MPs dying in the almshouses, and that kind of thing; let them go back to the system, because you are up today, tomorrow you are down.

I see Mr. Talma, who cannot see very well, still butting through the alleys in Bridgetown saying he is running a legal office. You can determine whether that is what you want for yourself or for others to come.

Thank you.

Mr. L. L. SISNETT: Mr. Chairman, the honourable Member for St. Joseph has put the case very capably and ably for all of us here on this side and, I believe, for Members on the other side, too.

I have a few points to make concerning the Resolution in the sense that it is for a former parliamentarian, Mr. Reynold Weekes, who has served this country well, who has served the people of St. Philip South very well, who has worked very hard and I think in the end that he should be recompensed.

Also, I am supporting it because it is for one of my constituents, who has done her part as a mother and as husband. [Sic: Wife] — to one of the former stalwarts in Caribbean politics, the late Sir Grantley Adams.

I want to set the record straight about these gimmicks and the immorality of parliamentarians on this side. I have never seen an opposition that is so confused, so divided when it comes to granting salaries for parliamentarians. There has been an inconsistency with the Democratic Labour Party over the years when it comes to the question of money for parliamentarians.

I am surprised to see that the Democratic Labour Party is taking a stance for charity in this country. I am surprised to see that they are going to be giving \$18 000, which has been voted for as an increase to parliamentarians, to charity. They have never demonstrated in the history of this country that they are conscious or aware of charities in this country. They have never demonstrated that.

I remember in 1976, when a former member of the Democratic Labour Party, Mrs. Gertrude Eastmond, made reference to the fact that she was going to allocate her salary increase to charity, the honourable Member for St. John said that he would never ever consider giving his hard-earned money to any charitable organisation. He said he works for 18 to 20 hours a day in this country and he must be duly paid for the service that he gives to this country.

I do not understand what has happened in 1982, that that same honourable Member is now advocating the giving of that same very hard-earned money he works for to charity. It does not make sense. It is no more than a gimmick, Mr. Chairman; it is no more than a gimmick.

I do not see and I do not understand how parliamentarians on that side would want to give their salary increases and go through the length and breadth of Bridgetown seeking favours and loans from private individuals. It does not make sense.

The former speaker said that politicians sell themselves too cheaply, and today we have a classic example of parliamentarians, those in Opposition, pretending they have the interest of Barbadians at heart, that they are going to contribute their salaries to charity.

Okay, here is a suggestion. Why not as legal members of Her Majesty's Opposition, become charitable *in toto*. Why do you not go out there and join social organisations that contribute permanently to charities. There are many charities that will need your social work. Do not just come with a gimmick at this point in time pretending that you have the interest of these people at heart.

There is one member on this side, Mr. Chairman, who, over the past five years, without blowing his own trumpet, has contributed over \$300 000 to charity, to places like the Thelma Vaughn Memorial Home and the Home for Mentally Retarded Children. Does the Opposition now want to take on this function? Are we to understand that they will, in future, contribute all their time and effort to charitable organisations in this country?

In 1981, the honourable Member for St. Michael South made his position quite clear when the question of salary increases came into this House, and he made it known that he also works, and works hard, for his money and he is going to receive the money he has worked for.

There were two Senators, Senator Hunte and Senator Connell, who, because of a decision they took to support the salaries of 1981, were dismissed by the same very honourable Member for St. John. They were dismissed because they voted in favour of parliamentary increases.

Mr. CHAIRMAN: Order, order!

Dr. R. C. HAYNES: On a point of order, Mr. Chairman. It is well-known that the question that arose at the time in relation to the senators referred to, was the question relating to their position on the boundaries. It has nothing to do with their position on salaries.

Mr. L. L. SISNETT: Be that as it may, Mr. Chairman, there were all intertwined in the debate on salary increases and one can only surmise that the question of the boundaries was only part of it.

But just to get the record straight, Mr. Chairman, the country must understand that parliamentarians have a contribution to make, that they are bombarded from all sides by their constituents with inordinate demands for money here and there and that parliamentarians will have to leave this House some day.

1.25 p.m.

We have classic examples of parliamentarians today, Mr. Chairman, who have become piteous sights in the eyes of the public of Barbados, who came to this Chamber to do service for the country and in the end they are out on the streets and cannot find a comfortable living, cannot have a reasonably good meal, and this is what the Opposition would like us to believe they want to protect, the interest of Barbadians in giving the impression that parliamentarians should not be adequately paid for the job which they are doing.

I am saying that none of those parliamentarians, none of the Opposition members, who claim they are going to give their salary increases to charity, can afford it. And if we must raise the level of our politics and the image of our politicians above that which the people have normally of us in their minds, we must be firm, we must have a policy, and that policy must be supported by both sides of the House, when it comes to an increase for parliamentarians.

This should not be made a red herring year in year out, Mr. Chairman. I am saying that those parliamentarians in the Opposition need the money, perhaps, more than anyone else, and it is no more than a gimmick today to be pretending that they are offering their monies to charity.

Dr. R. C. HAYNES: Mr. Chairman, one very brief remark.

(Asides).

Dr. R. C. HAYNES: I deliberately will not speak for fifteen minutes because when I spoke on this matter I tried my best to make sure that it was non-controversial for very good reasons.

To start off with, there are two persons involved in this Resolution, Lady Adams and Mr. Reynold Weekes, and I wish no controversy of any kind to surround that in any way, and I was very careful to be most moderate in my presentation on this matter and to indicate our support for it.

I just want to make one brief clarification. I, at that time during that presentation, stated that I genuinely feel that the concentration on giving better pensions to parliamentarians, that is when they have left office, rather

than high salaries could in the long run have an important influence on the Democratic processes of this country.

It is a conceptualisation of a very important principle, that is, the principle that people can have an inducement to leave office, whilst at the same time you do not wish to have persons remaining in office principally because of the pecuniary award. It is a delicate balance that you have to strike.

The point has been made, Sir, that you can only get pensions at a given level because you have salaries at a given level. I will say this is not necessarily so. The point is that there can be an effective divorce in respect of parliamentarians between salaries and pensions. They are dealt with under different Acts and they can be principles for augmentation built into pensions which do not necessarily have to be reflected in salaries.

So, I think I should just like to rebut the argument that, by supporting better pensions, I am necessarily supporting better salaries for parliamentarians. That is not correct. It is a misinterpretation of the situation, and there is no reason why, under the current provisions, the kind of principle which I advocate today could not be put into the separate pieces of legislation.

I just want to make that point clear, and I think it is an important point whose relationship is not only to current domestic problems in relation to recent salary increases or anything like that. I make it because I feel that, by doing that and having that kind of approach to remuneration, you are more likely to strengthen the democratic processes of Barbados.

I recognise that the Government has its difficulty with the public and it has its difficulty within its own party and its party supporters on the question of recent salary increases. I am not getting into that.

I would like to say, finally, that we on this side in the given situation have no difficulty whatsoever in sharing the sacrifices of this nation and giving our increases to charity. We have no difficulty at all with that. Whatever the price may be, we will do it. It is a commitment by this party and it is a commitment because of a principle that we are committed to, and that is the situation.

I hope, Sir, that the debate will end in the same spirit in which it was begun, because much of the emotional talk I have heard around has really done nothing to enhance the position in relation to pensions, and regrettably so. I feel that much of that talk, which took place on the Government side, should never have taken place on the Government side.

Mr. CHAIRMAN: Will the Minister please wind up this debate?

Hon. H. B. St. JOHN: Mr. Chairman, this debate which started off as a very cool and calm debate regrettably degenerated, in my opinion, into a series of irrelevancies. A number of points have been raised with respect to pensions, and I think a little time should be spent dealing with that.

The principle of indexation of pensions is one which many political parties all over the world aspire to achieve. We, ourselves, are committed to indexation of all pensions. However, it must be recognised that pensions within a society have to be looked at not only in relation to the ability of one employer, namely, the Government, but also in relation to all other employers in the particular community.

The Government has been undertaking discussions not only with its own employees, but also with the private sector to see if it is possible for us to have a national pension policy and a National Pension Plan. This is very important, particularly in view of the fact that when National Insurance was introduced in Barbados, there were in existence a very large number of private pension schemes.

At that time, the then Government, when it was introduced, did not take a decision on a number of fundamental matters. One matter that is very fundamental is the question of a national pensionable age. Is it to be sixty or is it to be sixty-five?

The second matter is, are people to be allowed in the future to draw a National Insurance pension, in addition to the private pension, in the case of private employees? In the case of Government employees, are they permitted to draw a National Insurance pension in addition to their Government pensions? These are two fundamental matters which have to be dealt with.

A partial effort was made at dealing with one by the Government, that is, for people who entered the Civil Service after a cut-off date, they will only be eligible for the difference between the National Insurance pension and what they would have got had it not been for National Insurance — in short, the excess only of their salary at the date of retirement, and National Insurance payment would be paid by the Government — but in respect of those who were in the Government Service prior to this cut-off date, they are still eligible according to my understanding for both pensions.

A similar situation does exist in relation to the private pension scheme. As a matter of fact, since the insurability amount has increased, honourable Members who read the financial statements of public companies will know that many companies have now given back employees pension contributions, because their policy that is evolving in Bridgetown is that they are only going to insure

the excess of salary which is not insured in relation to National Insurance. That is happening.
1.35 p.m.

Now, it is very interesting also to watch the developments in other countries which have had indexation, particularly in the Scandinavian countries. One of the most significant things that have taken place in the last two years in the Scandinavian countries is the renegeing by all of the Governments on indexation. They cannot afford, out of their Social Security funds, to finance, with unemployment in those countries being what it is, the cost of indexation.

In the United States of America, serious problems have arisen as to the solvency of the Social Security System, and it is now the subject of a Congressional Committee enquiry to make recommendations.

In the United Kingdom lately, an all-party Committee of the House of Commons addressed its mind to this question of Social Security and a National Pension Plan.

One has just had the benefit of reading some of the reports, and what they have come up with is that, where you have a state scheme or a Government retirement age which is lower than the retirement age in industry and you wish to have a National Pension Scheme, taking into account Social Security contributory benefits, you have to have a compromise age. They have come up and suggested that the age 63 should be the compromise age, with an option to retire at age 60 with a reduced amount of pension, which would reach its full level at age 63.

We have those problems to deal with and the Government is going to deal with those problems.

So, I wish to say two things. One is that the Government recognises that a large part of the community and a large part of the pensioners expect that there would be some measure of indexation. We have been trying to fulfill this commitment by a periodic percentage rise increase in the pensions paid to retired people, it being at a higher level than the general average level of salary increase. The general average of salary increase, from top to bottom on this occasion, was 12 per cent, that is why the general average is 15 per cent.

Secondly, we recognise that a National Pension Scheme should be in existence, funded under the National Insurance Scheme, which would permit all employees in Barbados to be part of this scheme; but that there would be an excess, which would have to be insured both by the Government and by the private sector for those levels of income which are above the National Insurance insurability.

We also recognise that we have an anomaly in that the Government's retirement age is 60 and the National Insurance retirement pension age is 65. We also recognise that we have an anomaly in that some Government employees are eligible for both National Insurance Scheme pension and Government pensions and other employees of Government, who have come into the service after a certain date, are not eligible for both.

Now, these are difficult things. You cannot reverse by one stroke a whole current of practice overnight. And the Government is addressing its mind to it.

When we come to the question of parliamentarians, this anomaly was highlighted, as is often the case, by the fact that a *de facto* situation arose where a Parliamentary Secretary, who had had a longer period of service than another Parliamentary Secretary, in fact received a lower pension. That arose because the Pension Act for the Parliamentarians did not state that all supplements to pensions automatically go to those people whether they draw them or not and that is the anomaly. That is how the situation arose.

If you are retired.....

(Asides.)

Hon. H. B. St. JOHN: Look, Mr. Chairman, if you are retired, supplements are given to parliamentary pensioners like any other pensioner, but if you are in the House of Assembly, you draw your House of Assembly salary. So, how are you going to get a supplement if you are drawing your House of Assembly salary, which is more? Therefore, you cannot adjust it until you retire, and when you retire, then you say that, on retirement, when you come to draw, that you draw at a level as if you had retired before.

(Mr. P. M. GREAVES: The law said that.)

Hon. H. B. St. JOHN: But the law did not state that, because the law did not envisage that when the parliamentary pensions law was passed, it was an attempt to pass a law to deal with a very thorny subject. There was a lot of opinion that parliamentarians should not be entitled to any pension at all, but, thank God, it is now generally recognised that parliamentarians have to do work like everybody else and that they must be eligible for parliamentary pensions. So, as we go along, the anomalies would come to light and we would amend the law.

The honourable Member for St. Michael North was not in here when I spoke, because I said that not only this particular anomaly, which is a financial anomaly, has been drawn to our attention, but other people have

written to us and drawn other anomalies to our attention. I said then that they were more of a legal nature, not of a pressing nature, because they have no financial implications to any particular person at the present moment, but that we were going to put those anomalies to the Debates Committee so that we can attempt to arrive at a consensus on the amendments of the law relating to parliamentary pensions — and that is what we intend to do.

So, Mr. Chairman, I am not worried about all of this debate about parliamentary salaries, because the Government's hands are very clear and clean on this. We said, very clearly, that Minister's salaries, judges' salaries and the Governor-General salary would be tied to a relationship between the Permanent Secretaries, and that is all that we are doing.

The Permanent Secretaries got \$108 a month; that is what parliamentarians will get, that is what the judges will get.

The allowances in relation to travel have been increased as a result of negotiation with the unions to some 31 per cent and was paid from April this year; so, too, parliamentarians will get exactly the same thing, because the relationship has been tied. And, Mr. Chairman, as far as we are concerned, we will not be untying that marriage and the public knows the Barbados Labour Party's position. It is tied.

Now, if the honourable Member's political party on the other side now recognise that it is necessary to keep their party machinery geared with money that their parliamentarians must contribute, I will just tell them that I pay to my party out of my salary, \$425 a month, and that has been signed and deducted since the beginning of the parliamentary year. So that is all they have to do.

I welcome the opportunity, because we will know on the next occasion that they have money because they have a contribution every month.

Well, all of us pay our political tax. We now call it political tax. It is a separate political tax. It is like Income Tax, except that Roebuck Street draws it. Everybody has to pay that. So, therefore, this is what the public should know, that politicians have to pay not only Income Tax but they have to pay political tax to their party, because political parties are weak, they need money to run, and the politicians have to pay by way of deductions every month.

Every member of this political party has to sign, at the beginning of Parliament, that he will pay to the Treasurer of the Labour Party so much per month as decided by the National Executive Committee and it

would have to be given to the disbursing officer, and that has been done. The only quarrel you have is that you feel that \$425 is too much for Ministers. That is what they quarrel with. So, that is the position. The public knows our position, Sir.

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

Hon. Miss B. A. MILLER: I beg to second that.

The question that Head 24 stand part was put and resolved in the affirmative without division.
1.45 p.m.

SUPPLEMENTARY ESTIMATES 1982-83 No. 9

A Resolution for the sum of \$1 500 000 was called.

Hon H. B. St. JOHN: Mr. Chairman, this is a Resolution to supplement the Head of Equity Investments, and it is necessary for us to bring this Resolution. There are two claims on this Head and the requirements have now been made known.

At the time of the drafting of the Estimates, the collapse of Laker Airways had occurred only one week previous to the printing in February. Honourable Members, who are familiar with the arrangement with Caribbean Airways, would know that all equipment, working capital, office premises and management were provided by Laker Airways Limited.

When Laker Airways Limited collapsed, the Government of Barbados found itself in a position in which there were a number of passengers who had paid for transportation prior to the collapse but to be carried out at a subsequent date by Caribbean Airways, and a decision had to be taken as to whether we would proclaim to the world that we were so dependent upon the 49 per cent partner that we would permit a collapse, too, of Caribbean Airways.

The Government took the decision that it would not permit Barbados' name to fall in the same manner in which Laker Airways fell. We felt that the service from the U.K. and from Europe — and this is the most important point — was vital to the diversification of the flow of visitors and the source of visitors to Barbados.

We also had a situation in which there were a large number of passengers in Barbados in hotels, who had been brought here and who had to be transferred back to the United Kingdom. The Government felt that it was under an obligation, having proclaimed to the world that it was in control of Caribbean Airways, to ensure that there was a smooth transition from the Laker demise to other arrangements.

I am very pleased to say that Barbados can hold up its head to the United States, to Canada, to Trinidad & Tobago, to the British Government, to the German Government, to the Belgium Government, to the Government of Luxembourg and say, notwithstanding the fact that Laker collapsed, there is not one passenger who can say that he was left stranded anywhere in the world as a result of the demise of Laker Airways, the withdrawal of the equipment from Caribbean Airways.

Of course, some airlines charge a very high fee for their seat rate. We had to pay Economy Class to carry back known Charter Class or Apex fares. That is what they did to us, that is exactly what they did. It is what they did to Braniff and to other airlines. When you have collapsed, the other airlines not only are glad that you have collapsed, but they use the opportunity to ensure that they make an extraordinary return from the passengers that you have.

I am pleased to say that those days are over, that we were able to carry back everybody at a price, we were able also, very quickly, to make arrangements for alternative supplies of equipment of a comparable size, and that from March till now that Caribbean Airways has been in existence, it is providing an excellent connection service from Europe and London to Barbados, and negotiations are now going along for a long term agreement, a year's agreement, for next year. We have contracted now for the whole of the winter, and we are now dealing with the summer of 1983 and beyond.

I also feel it is appropriate that we should mention a few facts in view of the fact that within the Caribbean there is a lot of emotionalism but lack of understanding of the economics of airlines operations, lack of understanding of the inter-relationship between tourism and airlines.

BWIA was offered the contractual arrangements to carry the passengers which Caribbean Airways had in a similar way to which other contracts were put out to British Caledonian and Martin Air. BWIA was not able to provide the equipment.

And, Mr. Chairman, I would wish to make it abundantly clear that six months contracts are given for the carriage by Caribbean Airways of passengers. On each occasion, BWIA is invited to quote on the same basis that British Caledonian, Japan Airlines, Metro Airlines of America — which is a subsidiary of Capital, which comes out of Brussels — that Martin Air of Holland which has an association with KLM, that Sobil Air, which has an association with Sabina; we have circulated a number of airlines, including BWIA, saying these are our requirements, we offer you to quote.

Now, Sir, that was done in relation to the current winter business and summer business. Neither BWIA nor British Caledonian could provide us with the aeroplane of the seat capacity which we required, and the reason is very simple.

Caribbean Airways, when it had its arrangement with Laker Airways, had been selling seats upon the basis of a total charter or holiday type configuration. Laker used to have a 379 seat aeroplane, a DC-10. British Caledonian in all of its runs has a 300 seat aeroplane; that is, a first class or executive class plus the back of the plane. British West Indian Airways had its first class; its executive class, and they fly Tri-stars.

So, it is not easy to change from one method of operation into another method of operation overnight. We have been doing it on six months contracts because we are trying to give people, and BWIA in particular, an opportunity to quote in a competitive way.

So far, they were not able to quote for the summer business which will take us now into the winter business — they did not quote for last summer business — and the contract they are in now takes us right up to the end of May next year. They had the opportunity to quote for next year's summer business.

The second point I think the public should know, and some airline executives should know, is that, when you have a tourism destination, the providers of the seats to a large extent are tour operators, and tour operators have a planning lead time of well over six months.

This is something that many people do not understand. Many people do not understand that brochures are now being printed for summer of next year in the United Kingdom, and particularly in Europe. The Germans are now printing their brochures. They must hit the road in February, at the peak of winter.
1.55 p.m.

The aim of tour operators is to have their brochures so that the public can make their decisions on summer travel during the course of the winter time. It is something that a lot of people do not understand. Some people think that coming on a holiday is an impulse thing, that you can make up your mind in a month before deciding to come on a holiday. That is not how it works in practice.

So, Mr. Chairman, there are three quotations which are now being studied in respect of summer business next year, and of the three quotations, there are only two so to speak, because one is so ridiculously high that, unless the Board of Directors of Caribbean Airways wish their heads examined, they will ignore that. That quotation is

four and a half times as high as the other quotations; so that there are two questions which are being studied.

Now, Sir, since, originally, we never provided any money at all not only was money required to honour the commitments when Laker demised, but, also, we have to pre-pay for the airplane and for fuel. That means that the company must have money to pre-pay because tour operator contracts and travel agencies, you must include them too, Sir, their mechanism is that they report at various periods of time. People would travel, and then the travel agents, who report the first, report within two weeks of the sale of the tickets, but tour operators have a four month period to report. So, in effect, you need enough money to carry on your overhead costs while your revenue comes in to meet working capitals. What we need now, and what this money is for is working capital.

We also have another matter Sir, and the requirement of this will be coming again but I think we had better deal with it now, because we hope to get this through, and it is in relation to CARICARGO. CARICARGO is a joint venture between the Governments of Barbados and Trinidad.

I think I had better stop at this point, too, because it is two o'clock, and ask for leave to sit again, or, otherwise, honourable Members.....

Mr. CHAIRMAN: It is now two o'clock and I shall report progress and ask for leave to sit again.

Mr. SPEAKER resumed the Chair and reported accordingly.

SUSPENSION OF SITTING

Mr. SPEAKER: It is now two o'clock. This sitting stands suspended until 2.45 here today.

On Resumption —

Mr. SPEAKER: This sitting is now resumed.

Hon. L. S. CRAIG: Mr. Speaker, I have a few Resolutions to give notice of, and, if it is the pleasure of the House, I am seeking your Honour's permission to so do.

Mr. SPEAKER: The Minister may proceed.

GOVERNMENT NOTICES

Hon. L. S. CRAIG: Mr. Speaker, I beg to give notice of the following:

A Resolution to grant the sum of \$26 million from the Consolidated Fund and to place it at the disposal of the Government to supplement the Estimates 1982-83, Part I - Current as shown in the Supplementary Estimates 1982-83, No. 11 which form the Schedule to the Resolution.

A Resolution to approve the use of the sum of \$3,700,000 to be borrowed from Barclays Bank International Limited for the purchase of the Assets of Aero Services Ltd.

A Resolution to grant the sum of \$3,700,000 from the Consolidated Fund and to place it at the disposal of the Government to supplement the Estimates 1982-83, Part II - Capital as shown in the Supplementary Estimates 1982-83, No. 12 which form the Schedule to the Resolution.

A Resolution to amend the Explanatory Note to Capital Head 73 - Ministry of Finance and Planning, Subhead 3 - Purchase of Equity by Government in Commercial Ventures.

A Resolution to approve a Special Development Area (Parish Land) Order, 1982.

A Bill to amend the Barbados Port Authority Act.

Sir, I am trying to see if I can get all of these matters tidied up, knowing that the festive season is just around the corner, and to more or less get the business of the Government well on its way as we proceed into the new year.

I am hopeful, Mr. Speaker, I would like to come back on Friday so as to finish everything and go on recess, otherwise we will have to come back next Tuesday. I do not know if this is agreed to by my colleagues and Members on the other side, but I would rather come back on Friday, at noon and finish off Government Business on the Order Paper and then let us go on recess, Sir.

Dr. R. C. HAYNES: We have no objection on this side.

Hon. L. S. CRAIG: Do I take it, Sir, that this understanding is between the Member for St. Michael South Central and the Government or Members of the Opposition. I am not quite sure, Sir, I normally have words with the Deputy Leader of the Opposition or the Leader, so I may as well also seek the views of the Member for St. Michael North.

I have to be very careful on this, Mr. Speaker, because I recall that on the last occasion when I had an understanding with the Deputy Leader of the

Opposition, the Leader of the Opposition came in and said that he is not in that.

I really would not like these problems, Sir, knowing that we are dealing with No. 5 down the line, Sir, but I am just hopeful that things will be all right, and you can convey these sentiments to your colleagues.

Dr. R. C. HAYNES: I have spoken for Her Majesty's Loyal Opposition.

FIRST READING OF BILLS

On motion of Hon. L. S. CRAIG, seconded by Hon. L. B. BRATHWAITE, a Bill to amend the Barbados Port Authority Act was read a first time.
2.55 p.m.

Hon. L. S. CRAIG: Mr. Speaker, just one matter before we move into the business of the House.

DOCUMENTS LAID

Hon. L. S. CRAIG: Mr. Speaker, I am commanded to lay the following:

The Special Development Area (Parish Land) Order, 1982.

The Annual Report of the Department of Labour for the year 1979.

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

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

COMMITTEE OF SUPPLY

Mr. CHAIRMAN: This House is in Committee.

Hon. H. B. St. JOHN: Mr. Chairman, I had reached the point where I was dealing with Barbados' position in relation to Caribbean air services, not necessarily Caribbean Airways. The Government of Barbados has made it very clear that we are interested in the provision of adequate air services to support the industrial and tourism demands not only for Barbados but for the Eastern Caribbean. We have made it clear that, in our opinion, the most economic manner of providing these services is via a multi-Government owned airline, or series of airlines, with integration between the existing airlines.

There are two constraints to the effectuation of this objective. One is the attitude of third party Governments,

that is, whether they will relax the rule that, in negotiating aviation agreements, a country can only designate a carrier that is substantially owned and effectively controlled by that carrier. That is a normal rule in civil aviation agreements. The second constraint is the ability to obtain support for this concept by other Governments in the area.

I am very pleased to say that Barbados is now part of LIAT, which is working very well; we are part of CARICARGO and we have put forward to the United States Government, to the Venezuelan Government, and lately, and this is important because honourable Members may not be aware of it, to the Government of Canada that we are prepared to designate BWIA as our carrier in respect of any route rights which we achieve in our negotiations with Canada.

We have intimated that to the Canadian Government, and the Prime Minister, when he met with Prime Minister Trudeau, intimated that to him. It was backed up, when he came back, by a diplomatic note confirming that this is our position. We have heard from the Government of Canada and negotiations are going along in that direction.

The Government of the United States has accepted an exception from their rule; we have communicated this to the Trinidad Government, we have got an acknowledgment of the position and they say they are studying it.

The Venezuelan Government; in our latest bilateral with them, we have intimated very clearly that it is not our intention to designate any airline other than BWIA for the direct Caracas/Barbados route and LIAT, as a multi-Government carrier, in respect of routes coming through the other islands. So, I can say that substantial progress has been made in the Eastern Caribbean.

I, myself, from my Ministry, have circulated a document where I have proposed to other Governments in the Eastern Caribbean that now that we are all shareholders and subvention holders of LIAT, now that some Governments are agreed to the position of designation of BWIA to carry out their routes, now that we have decided in our minds that, in respect of Europe it is possible provided that our tourism interest is recognised, provided it is recognised that equipment necessary to carry out that run is available, provided also it is recognised that the services from Europe must be week-end services in the main, which is the traditional pattern of tourist demand; if we can get those things over, that the time has come when we can have a look and see whether we cannot use all of the existing airline companies and integrate them into a holding company or an associate company arrangement, where you will have a directorate

at the centre which will do planning and will do advisory work and will do integration, similar to what is done with Scandinavian Airlines and Air Afrique, similar to what the Governments of Barbados and Trinidad and Tobago did in respect of CARICARGO. That is the Barbados Government's position.

The Barbados Government is not having its mind befuddled with any esoteric concept of a regional carrier. That has been pursued for many years. What we understand very clearly is that airline agreements are negotiated on the basis of a bilateral arrangement, but that, within the bilateral arrangement, there can be a multi-governmental agreement as to how you exploit those routes.

The Scandinavian Airline system operates like that, there is a common air carrier which is owned by all of the Governments, but the routes are negotiated by the individual Governments, and, within the context of those agreed routes, the Governments then agree as to how they are going to be exploited and what agency they are going to exploit.
3.05 p.m.

But, of course, while all of this complex international negotiation takes place, it is necessary for us to ensure that we have a service which we have had before and which is vital to our tourism interest.

I think that one point will illustrate Barbados' need in this respect. If you look at Barbados' tourism, you will see that a tremendous diversification took place from the year 1970, and that is, we have greatly reduced our dependence on Canada and the United States as a source of visitors.

The European arrivals in 1970 were 15 000; by 1976, they reached 42 627. Mr. Speaker, Sir, at the peak time in 1981, before the recession and the devaluations took place in Europe, 101 711 people came from Europe.

It is vitally necessary therefore, that we have services from Europe to Barbados. And when you think of that, note that in 1981 Canada provided 69 000 visitors, the United States, 74 000 visitors and UK and Europe, which you look at as the European Economic Community, because it is one unit, provided 101 000 visitors came, 72 000 from the UK and 29 621 from Europe. The other area that is also of significance in our tourism is that the Commonwealth Caribbean provided 87 415 visitors.

So the point that our Ministry has been trying to get over is that Europe to Barbados is of tourism interest, and if you go through the figures in the rest of the

Eastern Caribbean, you will see the same figures; so Europe now, in the 1980s, is equally as important to us as Canada or the United States. And what makes it even more important than the numbers is the fact that the pattern of travel from Europe is complimentary to the pattern of travel from Canada and the United States. Europe and the Caribbean are complementary in essence, to the winter holidays, and the effect of that is that we are having a year-round business, so to speak.

So, while all of the discussions are going along, we have to keep our connections with Europe. It cannot be done with a Tri-Star. Two hundred and forty-five seats cannot replace 376 seats. It cannot be done.

Mr. Chairman, Sir, I hope honourable members will see the context. We are not closing the door to any future arrangements, but our position is that we must not be expected to be in a position to say that we are going to stop our services when there are no replacements. And it must also be recognised that, in any event, there is still room for a supplementary carrier, because the experience of other countries have proven that Condor is a subsidiary of Lathanza, Bel Air is a subsidiary of Swiss Air, British Air Tours is a subsidiary of BA, Martin Air is an associated company of KLM. So, for a particular type of graphic, it is necessary to have supplementary services.

I feel that, given goodwill, given understanding of the respective interests of all of these territories, a rational scheme can arise, and the Barbados Government is committed to that.

At the Heads of Government Conference recently, good progress was made in that it is now recognised that, by a stroke of a pen, or by the speech of a politician, these things cannot be effectuated. It is a matter of hard, complex negotiation, as well as obtaining the agreement of third party Governments. They have appointed a Committee to look at the legal structures that are necessary to effectuate these objectives.

Caribbean Airways will soon be signing, within another week or two, a contract for services for the whole or one year from May. I hope during the course of that year that these arrangements will take place, but we know, for a fact, that these things take time.

I wish to assure everybody that Barbados' service from Europe will be continued and that Caribbean Airways has made arrangements with Martin Air right up to the end of May, and that we will be signing, within another week or so, a contract which will take us to summer in 1984. That is the only way; we have to do a lot of pre-planning. In the meantime, all of these committees would report and I hope that by then everybody would have a clearer understanding.

There is one final point on this. There is some feeling that this thing can be done not only on a sub-regional level, that is from Antigua down, but, also, that it can include Jamaica and Guyana. My own personal belief is this that you have a good chance of getting Guyana in, but that the proximity of the northern Caribbean to Florida raises a lot of different considerations.

But we are open; just as in CARICARGO it is open to every Government, so, too, we hope that any arrangement that is made will be open to every Government. But I believe that if we want to get ahead with speed, that it is necessary for us to get agreement among those Governments who have a similar point of view and then the others will follow. After all, CARIFTA was formed as a result of three Governments agreeing to a basic structure and the rest of the Governments coming in. CARICARGO was formed as a result of two Governments agreeing, and the rest of the other countries have an opportunity to come in.

CARICARGO'S cargo demand has reached the stage where they needed more than one plane. They have just bought a second plane because the demand has increased. We do not know the exact capital requirement of that, because these things are done by financing and the Directors have to get the best interest rates that they can get available.

We are still awaiting a number of Governments and their ability to contribute to the equity. There are a number of Governments who have indicated that they are interested in participating in equity. But the honourable Members on the other side will know that an indication of interest may not always be backed by an ability at a particular period of time when the chips are called for. That is right. When the chips are called for, you can have the interest; but when it comes to coming up with the money they may ask for a little time.

An examination is going along, the board of Directors is supposed to report to us now as to whether this indication of interest will be backed by equity money. We have put up our equity, Trinidad has put up their share of the equity. If the others cannot put up their share of the equity at the present moment, we will have to put up our share of the equity. The two of us will have to put up our share of the equity and relieve CARICARGO of having to finance an overdraft, a capital purchase, which should really have been on an equity basis. Those are the positions.

I will also say, Sir, that, the way how transport in the Eastern Caribbean is going, Barbados is definitely a hub. Like it or not, Barbados is a hub. God ordained that it was stuck out here in the Eastern Caribbean, the people in Barbados ordained that they would invest money in the infrastructure necessary and, as a result

of that, we have been attracting a number of companies here and headquarters, which are predicated upon a swift, flexible system of transportation, and it is necessary for us to see how we can integrate all of the operators into one composite whole.

I look forward to the day when the recommendations of the Committee of Wisemen, who looked into this question at the time of the review of the Treaty of Chaguaramas, when their views would be put into effect, that is, that we will reach the stage where all of these operations could come under an umbrella holding company. We look forward to that day, but, until that day comes, it is necessary for us to ensure that Barbados' demand for air services are met.

I beg to move, Sir, that this Resolution do now stand part.

Mr. L. L. SISNETT: I beg to second that.

The question was that Head 72 stand part was put and resolved in the affirmative without division.
3.15 p.m.

SUPPLEMENTARY ESTIMATES 1982-83 NO. 8

A Resolution for the sum of \$98,000 was called.

Hon. H. B. St. JOHN: This is a small amount of money, \$98,000. These are Heads that have to be supplemented, and the Addendum clearly sets out what the amounts are for. The amounts for Government Hospitality have been increased by the fact that a number of regional conferences are now taking place in Barbados, a number of semi-international or sub-regional conferences; everybody who wants to have a conference, whether it is on labour administration, on safety or something, they are asking Barbados to be the host. We reject a lot of them, but there are some where the headquarters of the organisations are here and they come and prevail upon you.

There is a new arrangement now. Since the Dover Convention Centre is part of the Tourism Investment Corporation, it is on a different relationship than when it was a Government Department. Money actually has to be paid to them. It is no longer that you can waive the fees, because it is part of the Tourism Investment Corporation and it is self-financing so a lot of these we have and it does cost us some money. When they have their various functions, the Government is committed to entertainment in that respect.

I beg to move that this Resolution do now pass.

Mr. L. L. SISNETT: I beg to second that.

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

The question that Head 15 stand part was put and resolved in the affirmative without division.

On the motion of Hon. H. B. St. JOHN, seconded by Hon. L. B. BRATHWAITE, Mr. CHAIRMAN reported the passing of three Resolutions in Committee of Supply, and Mr. SPEAKER resumed the Chair and reported accordingly.

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

RESOLUTION TO APPROVE THE COMPULSORY ACQUISITION OF LAND AT WELCHES, ST. MICHAEL, FOR THE PURPOSE OF LANDSCAPING AND PROVIDING PARKING FACILITIES AT WELCHES POST OFFICE

Order No. 8 was called - To move the passing of the Resolution to approve the compulsory acquisition of land at Welches, St. Michael, for the purpose of landscaping and providing parking facilities at Welches Post Office.

Hon. DeL. O. BRADSHAW: Mr. Speaker, this Resolution seeks approval for the acquisition of a portion of land which is adjacent to the Welches Post Office.

The area of land is rather small, it is just about 602 square metres. At present it is owned by the estate of the late Mr. Edward Wiltshire, and it was felt for some time now that this area of land ought to be acquired in order to provide parking facilities for people who do business with the Post Office.

In addition to this reason, it is felt that better security should be provided, hence giving a wider area for protecting the premises of the Post Office.

The Chief Town Planner has agreed that it would not pose any traffic hazard, and as a result the Government has decided to acquire this land by compulsory acquisition.

There is not much that needs to be said on this particular Resolution; the Addendum sets out quite clearly what is the purpose for this particular acquisition.

With that, Mr. Speaker, I beg to move that this Resolution do now pass.

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

Mr. L. E. SANDIFORD: Mr. Speaker, we know that the particular area of land we are talking about is a very

congested area. There is heavy traffic around that triangle of land, and I would think that this House would appreciate a little further explanation from the Minister as to exactly how these parking arrangements are going to operate.

Will it be a through flow of traffic? Or will it require reversing on to the main road? What is it? I think the House would welcome some additional information on this particular matter, because it is not easy to envisage simply from the words that the Minister has spoken exactly what takes place at that particular site. I do some business there at that Post Office myself and I know the difficulties of finding somewhere to park around there, especially when the traffic is at its peak.
3.25 p.m.

Mr. Speaker, the Minister has spoken in terms of the additional area of land to be acquired, perhaps providing some additional security for the Post Office. Maybe that is required, but I have noticed that in the vicinity some landscaping has taken place on the roundabout and has improved the amenities of the area and I hope that it can be maintained in a condition that would remain appealing to the eye.

I do hope that the grounds of the Post Office itself would be maintained in a well-weeded manner, because, from time to time, it does look a bit unkempt and unsightly, and I hope that that point would be borned in mind.

When we go inside the Post Office itself, I believe I have raised this matter before and I do not quite recall whether anything has been done about it but I think the floor, this concrete floor, pitted with holes and so on, so that those who clean it cannot get it as clean as it should be and so on, you know, if it has not yet been done, I would suggest some tiles on the floor would really improve the amenities of that Post Office for the workers. The Minister can bear these matters in mind.

We are not opposing this particular Resolution, but I wonder if the Minister could give us a little more information and explanation.

Hon. DeL. O. BRADSHAW: The question of parking, the question of whether the traffic will be reversing, how they are going to park and access to the roads is one which can be summed up when I said that the Town Planner was consulted and had approved, because, on all plans which relate to accessibility or access on to the roads, the Town Planner must see the plans; they are usually prepared by the Ministry of Transport and Works and then sent on to the Town Planner, and it is between those two departments that some resolution of a particular problem is agreed to.

So, the Town Planner would have made his input and the Ministry of Transport and Works would have already made their submission, and, as far as the Minister is concerned, it is for me to table the Resolution.

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

The question that the Resolution do now pass was put and resolved in the affirmative without division.

SUSPENSION OF SITTING

Hon. L. S. CRAIG: I beg to move, Sir, that this sitting be now suspended until Friday, December 10, 1982 at 12 o'clock noon.

(Asides.)

Sir, the Member for St. Michael West is just gesticulating that it should not be Friday. The honourable Member for St. Michael South Central said Friday. He said it would be all right for Friday, now you are just stipulating not Friday.

Sir, this is the difficulty in trying to get things moving smoothly and having dialogue with members of the Opposition, but the problem is that we really do not know who to talk to on the Opposition side, Sir, and the Acting Leader. They are really a Hollywood team anyhow; they are always acting.

I beg to move that this sitting be suspended until Friday, December 10, 1982, at 12 o'clock noon.

Sir, I have indicated to the Member for St. Michael South Central that we hope to tidy up everything and hope that we can go on recess when we come back on Friday. The Member for St. Michael South Central has agreed with the Leader of the House.

The question that the Sitting be suspended until Friday, December 10, 1982 at 12 o'clock noon was put and resolved in the affirmative without division and Mr. SPEAKER adjourned the sitting accordingly.
3.35 p.m.

On Resumption:

Mr. SPEAKER: This sitting is now resumed.

Hon. L. S. CRAIG: Mr. Speaker, I have a supplementary Notice Paper here, Sir. There are a number of matters here, Papers to be laid, Replies to Questions and a Bill, and I would like with the pleasure of the

House and with Your Honour's permission to give notice of the appropriate measures which I have here with me, Sir.

PAPERS LAID

Hon. V. L. JOHNSON: Mr. Speaker, Sir, I am commanded to lay:

The Instruments adopted by the 68th Session of the International Labour Conference held in June, 1982.

Hon. L. S. CRAIG: Mr. Speaker, I am commanded to lay:

The Report of the Immigration and Passport Department for the period 14th March, 1980 to 31st December, 1982.

And also, Mr. Speaker, on behalf of the Minister of Finance and Planning:

The 13th Annual Report of the Barbados Development Bank 1981-82.

NOTICE OF BILLS

Hon. L. S. CRAIG: I would like to give notice Mr. Speaker, of a Bill to amend the Shops Act.

I would also like to seek the permission of the House — and I have not had a chance to discuss this with my colleagues on the other side — to have this Bill dealt with in all its stages today.

This surely, Mr. Speaker, is not controversial. This time of the year, around the Christmas season, it is primarily for the purpose of allowing the Minister to set regulations for the purpose of extending shop hours — that is all, and this is a normal thing which is done every year.

If there is no objection on the other side, I believe that I can chat with my colleague on the other side, the Deputy Leader, and see if we can get an agreement and have this done in all its stages.

FIRST READING OF BILL

Hon. L. S. CRAIG: I beg to move, Sir, that a Bill to amend the Shops Act, be now read a first time.

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

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

ORAL REPLIES TO QUESTIONS

Hon. L. B. BRATHWAITE: Mr. Speaker, I beg to give notice that the answer to Parliamentary Question No. 17 is ready.

Hon. H. B. St. JOHN: Mr. Speaker, Sir, I beg to give notice that reply to Parliamentary Question No. 19, asked by the right honourable Member for St. John, is now ready.

GOVERNMENT BUSINESS

Hon. L. S. CRAIG: Mr. Speaker, Sir, I beg to move that Item No. 7 be the instant Order of the day.

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

Mr. CHAIRMAN: The House is in Committee of Supply.

SUPPLEMENTARY ESTIMATES 1982-83 No. 2

HEAD 23 — MINISTRY OF FINANCE AND PLANNING — \$26,000,000

Hon. H. B. St. JOHN: Mr. Chairman, Sir, we had a long debate last week on this matter and on the Resolution to authorize the borrowing. We now come, in accordance with the Financial Administration and Audit Act of Barbados, to seek approval to pay out of the Treasury the money which would have been borrowed.

I beg to move, Sir, that this Head stand part as amended.

Mr. CHAIRMAN: The question is.....

Mr. B. M. TAITT: The honourable Member has said that this matter was debated in some detail, and because, Mr. Chairman, I was afflicted by the flu bug, I was unable to make my contribution to the matter at that time.

I do not propose to detain this Honourable Chamber on the merits or demerits on the acquisition of assets pertaining to the natural resources of Barbados. I believe that, in principle, most persons who have any connection with the development of the country will accept that in certain circumstances the natural resources of the country should be acquired for direction of the country itself.

Now, Sir, we have a Minister responsible for energy resources. I believe that it would be fair to say that he is a full Minister because, although it has not been announced, I believe that the real situation is that he has been elevated to the level of Minister, even if it is *pro tem*. I shall have something to say in due course concerning the methodology used by the Prime Minister for expanding his Cabinet outside of the method which we have come to accept.

12.15 p.m.

I want to deal with something which the Minister is reported as having said in the Other Place. While discussing the acquisition of this property in the Other Place, when the Bill went there, he is reported as having said that Barbados has acquired seismic reports without having spent one red penny.

Now, Sir, I find that statement amusing, because to the uninitiated, to those who are unfamiliar with the development of our natural resources as they apply to gas and oil over the years in Barbados, that may seem to have been something which the Government, through the brilliance of its Ministers, or a Minister, acquired for the people of Barbados.

The fact is, Mr. Chairman, that the agreements between the Government and the exploring or exploiting companies, that have come into Barbados, have always had as part of the licences the requirement that any seismic surveys that are done, and any results of those seismic surveys, would become automatically available to the Government and people of Barbados.

The predecessors of Mobil, General Crude, had signed a number of agreements concerning the exploration for oil and gas and related products in Barbadian territory, and in the surrounding territorial waters of Barbados, and those agreements are available, and have been available to the Government now in existence. I find it remarkable that, as part of the justification for this particular acquisition, we can have the Minister attempting to make a point that the seismic surveys have been made available as part of the negotiation.

I would like to think that the report in the newspapers is an incorrect report, because I cannot believe that the acquisition of surveys, seismic information, would be advanced as part of the acquisition, that we got arising out of the spending of \$26 million.

As the person who was responsible for well nigh five years for the development of the energy resources in Barbados, between 1971 and 1976, I state categorically that such surveys have been available to Barbados and are legally available to Barbados without reference to the purchase of any assets by Mobil or by anybody else.

I wish now to raise some questions concerning the acquisition itself. I have yet to see, at any point from the Government, a proper explanation in detail of what precisely are the assets which we have acquired, or which we are in the process of acquiring, for this \$26 million.

I am stating that the Government ought to be in a position to lay the agreement between Mobil and Barbados on the Table of the floor of this House. I am saying that, as is the case in any acquisition of assets, the details of those assets must be available in some document somewhere. I am saying further that it is important, in the context of the Petroleum and Winning Act, that those details be made available so we as a people can assess the true value of what we are supposed to be acquiring.

As I stated at the beginning, we are not questioning the acquisition in principle; we are saying that, in view of the price which has been indicated in this Resolution, it is very important that we in Barbados know exactly and precisely for what we are paying \$26 million.

Mr. Chairman, you are aware that in almost every country where there has been oil exploration, and where the Government seeks to acquire the assets of an oil company, that those acquisitions have generally been laid out in three areas. First, there is the equipment; secondly, there would be any licensing or any licences which would have been given to the owner of the assets and these are, if you will, "*choses in action*," if one could put it like that, would have some value, and therefore would be available for bargaining, discussion and the fixing of a fair price. But to the extent that such licences exist, they should be available to both sides, and hence to this Honourable House if this House is being called upon to acquire them.

Thirdly, it has been mooted that we have proven reserves. Mr. Chairman, it should not be difficult for the Prime Minister or the Minister responsible for Energy to delineate the proven reserves as follows: the amount of oil in transit, the oil or natural gas already stored, the amount of oil or natural gas in the ground which has been identified in the normally acceptable manner commensurate with acquisitions of oil and gas resources.

I am saying that the Government has not presented this information to the people of Barbados in a manner that is satisfactory. I am saying that attempts to get this information have been greeted with a lot of gobbledegook, a lot of jargon, and there is not enough information presented, certainly to this Honourable House, that will allow one to accept the acquisition in the spirit and in the manner which such acquisitions should require from both sides of the House.

Mr. Chairman, I recall very vividly, when the previous Administration came to this Honourable Chamber to deal with acquisitions of another kind, that the then honourable Member for St. Peter, based on the full information which had been put before the Chamber, was in a position to make a statement to the effect that the Government was not acquiring a sufficiently large part of the equity and that it was not in the interest of the community for the Government to hold less than a certain amount of equity. Arising out of that debate, the Government of the day went back to the Cabinet and changed its position, so that when it came down to the House subsequently, the House as a whole was able to accept the recommendation.

I am saying, Mr. Chairman, that unless the people in Barbados are satisfied that the acquisition has been done in such a manner as to be regarded as a fair transaction, the door would be open for all kinds of speculative rumours to be bandied about in this community.

12.25 p.m.

Mr. Chairman, news in the Barbados community does not lack for a carrier, and if the Government has clean hands — and I am not saying that it does not — it is in the interest of the Government to place the entire set of information on the table so that it can be given full public scrutiny and so that the Government and the Opposition, if necessary, can say to those persons out in the community, 'yes we agree with the purchase of these assets; yes, we agree that the price is reasonable; yes, we agree that it is a good thing for Barbados.' I think I have made that point and I need not dwell on it.

Mr. Chairman, I have heard the Government spokesmen all say, and I believe the Prime Minister was the principal spokesman down here, that they do not intend to explore, they only intend to process the oil and the gas in the Woodbourne field. I believe I understood the information coming out to be that they would be concentrating on production and they would not be dwelling on any exploration.

If that is so, Mr. Chairman, it leaves us with another question, which has to be answered in the light of the acquisition of this field and the creation of an additional subsidiary company.

I would wish to know who will be doing exploration in Barbados or whether the information which has been made available to the Government has made the Government come to the conclusion that further exploration for oil in Barbados would be a waste of time or

a waste of resources, or whether the Government intends to go out on the international market to offer areas of Barbados, as had been envisaged back in 1976 when we divided the country into sectors. I have heard nothing on this and I am seeking information.

I believe that the honourable Member for Christ Church East Central, despite the fact that he is no longer responsible for the portfolio, is probably the person on that side best able to explain what arrangements were made and what plans the Government has. But, so far, none of the spokesmen, other than he, himself, when he had responsibility, has given us any indication as to what we can expect in the future in terms of our development and exploration of those oil deposits, if any, which we might have in Barbados.

I have raised questions before, Mr. Chairman, concerning off-shore exploration. The answers which I got at the time were satisfactory, but I believe that enough time has elapsed by now that we should have a comprehensive statement concerning the exploration of our territorial sea, exploration of the areas off the shores of Barbados.

I would wish to know, Sir, for example, whether the proposed or considered joint exploration between St. Vincent and the Grenadines and Barbados of that area of ocean between those two countries is still a possibility. I would wish to know what are the results of the seismic surveys done in that area sometime ago by, I believe, General Crude and/or Mobil. I believe that, by now, that information should be available for analysis.

It was my understanding that the Ministry was seeking to increase and improve its capacity to examine this kind of information. I have had no information on that subsequently, and I believe that if we are in the process of acquiring assets, we ought to be clear in our minds where we are as of today. We ought to know whether the \$26 million now puts us in a position where we are the fundamental exploiters and explorers of our own resources throughout the country or whether we have merely taken over a small sector of the industry.

I should like to know what precisely is intended for the offshore exploration. Sometime ago, it was indicated that, because of the state of the oil industry in the world, the kind of rig which would be required to explore our offshore deposits, or to see whether we had any, could not then be made available to Barbados because the cost was prohibitive. That was the information which General Crude had apparently submitted to Barbados, but now that we are becoming masters in our own house, now that we are claiming to have the capacity to do this, I believe that we should be in a position to state what the facts are.

We are no longer dependent, apparently, upon the information or misinformation of General Crude and/or Mobil, and therefore we should be getting an analysis from the National Petroleum Corporation or its subsidiary company to tell us what our assets, what are our potential assets, where are we now, where do we expect to be in five years from now, are we closing down completely, are we going to be expanding or are we going to be marking time.

Mr. Chairman, these questions are not academic questions. When you are purchasing assets which you cannot see with the naked eye, you have to be extremely careful.

I recall, Sir, that a well at Adams Castle, which had gone out of production, suddenly proved, according to the instruments of General Crude, that it was capable of coming back into production, and they immediately capped the well, or re-capped the well, and they set up the system, they had the Minister come up, and we had the photographers and the Press — two days before it was flowing natural gas at a very high rate — we turned an open cistern — I call it cistern for ease of understanding — everybody cheered, and I believe that champagne was drunk. A new well had been rediscovered.

Mr. Chairman, as has happened in wells around the world in this business of exploration for natural resources, within five days the well had closed down again — completely, and it is within my knowledge that, from that day until this, there has never been a whisper of natural gas coming out of that well.

So, Sir, when I say that you cannot depend only on the instruments, I am not saying that to create a problem or to run down the Government. I am saying that none of us in Barbados has had the experience or the expertise to be able to state with 100 per cent certainty that what the oil companies tell us is gospel.

We, in my time, took the trouble to get a Barbadian, a Mr. H. M. S. McKenzie, to come down and advise the Government. We felt that expert as he was, working in Canadian oil fields, and Barbadian as he was, having been born here, that we could rely on the information which he gave us. I believe that the report which he submitted has been accepted as a reasonable report, and I see that the Government now says that they have gone to a part of the Canadian Government's oil company for their advice.

I am only saying, Mr. Chairman, that when that is done, the results of that advice ought to be put before the Parliament, to the extent that it is possible, when Parliament is being called upon to spend \$26 million for acquisition.

12.35 p.m.

I cannot with any degree of accuracy question the price which is being paid; I am not in a position to do so, but I am in fact saying to the Government that they ought to put us into a position where we can assess whether the \$26 million would be money well spent or otherwise.

Mr. Chairman, I recognise that, in the context of the Committee, my time is running out, so I will end up this segment by appealing once again to the Government to put, to the extent that it is possible, a detailed picture not only to us in Parliament but to the people of Barbados so that there is, once and for all, no question surrounding the transaction which will see us finally owning the assets of Mobil as outlined in the Resolution.

Thank you very much.

Hon. H. B. St. JOHN: Mr. Chairman, I am sorry that the honourable Member was not well last week when we debated this, otherwise some of the questions which the honourable Member raised today could have been answered, but it is quite easy for me to answer them.

The purchase price, as was explained last week, consists of two components, one is the value of the stores, equipment and facilities above the ground at Woodbourne. The Government had its own valuation done, and before the Government finally agreed on a bargaining position, we requested assistance from the energy departments of a number of international banks who were contemplating lending us the money, and, in addition, the Government had the benefit of the advice of Petro-Canada International. So the Government feels very strongly that any suggestion that the Government entered into this transaction without exercising the usual prudence and caution is not capable of being sustained.

The honourable Member asked what assets we were buying in the form of licences and things of that kind. All the Government is buying from Mobil Exploration Barbados Limited is the licences which they had. That is all. The rest of the petroleum rights in Barbados are already vested in the Government of Barbados; they are not vested in NPC; they are not vested in Mobil Exploration Barbados Limited.

The reason why the transaction is structured in this manner is that the Government has taken a policy decision that, with respect to these areas outside of the existing leases which Mobil Exploration formerly owned, there would be no exploitation by any third party without participation by the National Petroleum Corporation. That was a policy decision we took some time ago, and we said that in the House.

So, in respect of offshore licences, which have now been surrendered by Mobil, in respect of the rest of Barbados, in particular including that area of Adams Castle, which is geologically an interesting area, NPC will either apply for the licence in respect of that area or a third party will apply for it; but whoever applies for it, the understanding is very clear that the Government will not be giving out any licences in the future unless it is by way of joint venture with NPC. That has been a policy decision we have taken.

So, I think that effectively answers the two major problems that have been raised by the honourable Member. Except this: the Government said that none of this money that was being raised now was to be used for exploration, and I think this is a point, because the licences that we have here now are development licences. You explore in areas in which you have not found oil; these licences apply to areas where oil has already been found, so these are development licences.

Now, Sir, the World Bank and the UNDP have given us technical assistance over the course of the last four years in the evaluation of our resources. The final report on the assessment of the seismic data collected by Mobil, which has been financed on a grant basis by the Inter-American Development Bank, is now being awaited by a firm called ECL Consultants Limited. They have submitted a preliminary report. Their final report is due in December this year, and that relates to a total evaluation of all of the seismic data — an independent valuation; not Mobil's valuation; we have Mobil's evaluation. What we are having now is our own evaluation by ECL Consultants Limited, who were awarded the contract.

Mr. B. M. TAITT: If the honourable Member would give way for a minute, Mr. Chairman, the only point I made on that, and I would save him a long explanation, is that my understanding is that the Government is entitled to that without reference to the present transaction.

The Parliamentary Secretary and/or Minister responsible is reported as having said that we acquired this data without having spent a cent, and the impression given there is that this was part of the purchase of the assets for \$26 million. Clearly, that could not be correct, and I was seeking clarification and confirmation that that is no point.

Hon. H. B. St. JOHN: You see, Sir, unlike the honourable Member, I do not regard what I see in the Press as accurate, because we had a very long debate in here in which two members on the other side participated, the Leader of the Opposition and the honourable Member for St. Michael South Central, and the Prime Minister, myself and the Chairman of the National Petroleum

Corporation were at pains to point out that the Government had had independent advice when we were dealing with the price of this, from Petro-Canada International, from Morgan, Grenfell in London and from Morgan Guaranty in New York, yet still Olutoye Walrond could go on C.B.C. and give the statements made by the honourable Leader of the Opposition and the honourable Member for St. Michael South Central and leave out the fact that we said that that is how we arrived at it.

So, what the Press prints is what the Press wants to print, and if they are biased, if they are dishonest, they would allow their dishonesty and their bias to come through in the report. I caution the honourable Member — do not take what you see in the Press as accurate.

Asides

Hon. H. B. St. JOHN: I am not replying to anything you saw in the Press; I will reply to the statement. You asked whether the seismic reports were not.....

Mr. B. M. TAITT rose.....

I am not giving way. Let me finish the point I am making.

The seismic data that was collected under the terms and conditions of the seismic licence had to be made available to the Government of Barbados, together with Mobil's evaluation of that data. But, as is well known, Third World countries have come to the conclusion that they cannot rely upon the opinions expressed by multi-national corporations in relation to their own resources, so, therefore, they apply to multi-national institutions such as the Inter-American Development Bank or the World Bank for help to have independent consultants to have an evaluation.

That had nothing to do with the purchase price. The purchase price was the value of the developmental lease, which was estimated at the value of those wells which were producing — what were the actual provable reserves there — and as I explained last week, both Morgan, Grenfell in the United Kingdom, Morgan Guaranty and Petro-Canada have advised us that all we are paying is US\$6.00 per barrel for that oil, and I said that last time. The rest above the ground is stores and equipment. We have not paid a cent for Fisherpond, we have not paid a cent for the other leases. That is the position. It is very clear.

I agree with the honourable Member, that when we get in the ECL reports, we will be in a better position with the evaluation of the seismic data, both on-shore and off-shore, to go to the World Bank or the Inter-American

Development Bank or the European Investment Bank, or other banking institutions, to get money for exploration based upon this, but we were at pains to point out that we are not using hard money, that costs us interest, for the purpose of exploration. So, I hope the honourable Member understands the context in which it was said that this money is not going to be used for exploration.

The Government feels that exploration is such a risky activity that Barbados should get its share of the money on a grant basis which the World Bank and the Inter-American Development Bank have available. Jamaica got some, Madagascar is getting some; we feel that our turn is there too.

12.45 p.m.

And that is grant money, it is contingent money. They go out and they do the exploration, and the agreement is — only if you find something, you have to pay it back. So that is the position.

I beg to move, Sir, that with those explanations, this Head do now stand part.

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

The question that Head 23 stand part was put and resolved in the affirmative without division.

SUPPLEMENTARY ESTIMATES 1982-83 — No. 12

HEAD 73 — MINISTRY OF FINANCE AND PLANNING

Subhead 3 — Purchase of Equity by Government in Commercial Ventures.

(Mr. B. M. TAITT: Is that a separate \$3 700 000 or just coincidental?)

Rt. Hon. J. M. G. M. ADAMS: Mr. Chairman, Sir, since we are in Committee, we are appropriating the sum which, later on in the House, we will raise under the Special Loans Act. I think some honourable Members are a little doubtful about the matter.

(Mr. B. M. TAITT: Alright, that is all I wanted to know.)

Mr. Chairman, Sir, for some years, the company called Aero Services Barbados Limited has provided a service in Barbados and the Eastern Caribbean of aircraft maintenance and repair, passenger transport and mail transport from Barbados to various islands of the Eastern Caribbean.

The venture started as a joint venture between a number of interested citizens of Barbados and Barclays

Bank Ltd., and I should like to pay tribute to the pioneering spirit of all concerned in conceptualising this small airline and running it for so many years.

However, Sir, the principal shareholder, Barclays Bank Ltd., has decided that it will be no longer possible for them to continue to manage Aero Services, as its full owners, on the same basis as before. The Company has been incurring losses, which Barclays Bank is no longer prepared to finance.

The Government comes into this matter, Sir, because there is a contract between the Government and Aero Services Limited for the maintenance and operation of the Defence Force aeroplane, and we therefore had to consider whether we should seek a fresh contract or whether we should attempt, as Barclays Bank suggested, to participate in the Aero Services operation.

I might mention, Mr. Chairman, that our view, that we should have some share in the Aero Services operation, is something that has been canvassed for a number of years. We have been discussing this with Barclays for, perhaps, four years, and the matter, I dare say only became acute, as far as the bank is concerned, recently.

The Government had an analysis made of the operation of Aero Services and we came to the conclusion that, while it could not be said to be a profit-making enterprise, it was by no means necessarily a loss making enterprise since the losses seemed to us to be virtually paper losses, consisting as they did of the interest which Aero Services Limited was paying to Barclays Bank on large sums of debts which had been accumulated; and, of course, Mr. Chairman, it is by no means certain that the debts were accumulated at arms length, as the lawyers put it.

Our analyst said that, as a purely commercial operation, it might be marginal, but since the contract with the Defence Force was very advantageous to Government — the matter is open; I can say, Sir, that the amount of money, which I do not propose to reveal for commercial reasons — you never know, the Defence Force might have to bid again with somebody else for certain services — but the amount of money was so modest compared with the service that the Defence Force was getting, that we might have had to pay between two and three times as much if we sought to duplicate those services elsewhere without the back up facilities of Aero Services. Therefore, as an economic rather than a commercial matter, the Government decided to take a majority shareholding in the operation.

As negotiations progressed, it appeared that it would be better to form a new company, altogether a new company, to take over the assets of the old company

on the basis of a continued participation by Barclays and the writing off of a large part of the debts which the old company owed.

I am glad to say that we successfully agreed with Barclays Bank that in the new company the Government would hold 75 per cent of the shares and the bank 25 percent. The losses of the old company would be written off in, roughly speaking, the same proportion. Barclays Bank Ltd. would accept responsibility for any necessary severance of the employees of the old company, but none have been severed as yet, Sir. Barclays would make available a substantial overdraft to the new company and would lend us the money necessary to buy the shares which will, in due course, be paid to the old company to repay Barclays.

It is a circular transaction, Sir, but one very favourable to the Government. We will have a 25 year loan at 4 per cent, which is as concessional as you can get money these days. For the benefit of the honourable member for St. Michael South Central, I can tell you that this loan is of such length and such concessional terms that it is right outside any consideration of the international organisation with those initials he has been so free with in recent weeks.

The loan will be issued under the Special Loans Act. It will be repayed all in one instalment in the year, I believe, 2007. We really have no complaints about the arrangements. Those last few remarks may belong more properly to the debate in the House itself. I should really be dealing with the appropriation for the funds for starting the new company to buy the operations of the old.

12.55 p.m.

We have taken the best advice available, Sir. Aero Services, you can say, competitor LIAT, have examined their existing air planes and valued them for us. There is already agreement that there will be a sale of the uneconomic aircraft.

A committee is sitting to seek to make the airline viable in the future. We have already started to negotiate contracts for the new company. A re-negotiated contract has been agreed on with Safari Tours, and as far as Esso Standard Oil, for whom work used to be done on an ad hoc basis, we are preparing a contract based on full chartered rates, covering all travel in the Eastern Caribbean. There is an existing contract with the British High Commission which we are seeking to renew; we are trying to ensure of the continuing service. The Defence Force, of course, will have its contract. I observe that the file states that it should be a contract negotiated at arms length, which, I suppose, means that we will pay a little more than we were paying previously, but not, I think, as much as we might have paid had we not carried out this deal. We are also seeking to renew the dealership

in the Eastern Caribbean — Cessna Aircraft — which was enjoyed by the old Aero Services Company.

The old company, of course, Sir, is in receivership and I would like to express my thanks to the receiver, Mr. Philips, who has maintained the operations of the company and negotiated for the sale of the new company very efficiently and expeditiously, and, in my opinion, Sir, has carried out the duties in the best tradition of the accounting profession.

I said, Sir, that I would say a word about severance. I do not look forward to severing any of the employees, but it may well be Sir, that when the current study of future operations is undertaken, it may be found that one or two employees may be redundant, some indeed, may be overpaid — I cannot say, Sir. Nonetheless, honourable Members should be assured that full severance will be paid. Barclays Bank has already made arrangements to pay over to the new company the full amount required to sever the employees of the old as necessary.

Aside

Rt. Hon. J. M. G. M. ADAMS: I hear an honourable member asking *sotto voce*, how many employees? I would have to take that on reply, because the working file has not been supplied to me. You seem to have it sometimes with public officers, Sir. They would never dream of holding in their minds the facts of every single aspect of a matter, but expect to give a reduced file to a Minister or call on his memory to deal with all outstanding matters. The number of employees seems to me, Sir, to be 47..... That is what you are asking? The number to be severed? I really could not give any possible suggestion..... There are 13 pilots, 9 flight operators, 6 engineers, 13 mechanics, two clerks in the maintenance section, two radio technicians looking after the avionics, and there is office staff as well. I wonder if I have actually given all, Sir, I think that I may very well have omitted giving the numbers of the operating staff.

There is very little else that I can add, Sir. The company is necessary. It will be closely integrated into the Defence Force's operation. It is necessary to run the air wing of the Defence Force, some organisation is necessary, and we prefer to carry on with an organisation that has been doing it.

In economic terms, the overall cost to the Government will, we think, be less, even after paying the interest rate and raising a sinking fund to pay off the principal in the year 2007. Even after that, I think the overall cost will be less to Government than allowing Aero Services to collapse and having either to set up our own operations or to rent them from some other

company which set them up ad hoc, and I beg to move that this Head stand part.

Mr. CHAIRMAN: The question...

Dr. R. C. HAYNES: Mr. Chairman, I find it difficult to generate much enthusiasm about this Resolution. But I must say that the right honourable Prime Minister spoke with an unusual degree of candour on this matter when in point and fact he made it quite clear that the present Resolution has its roots basically, in the needs for defence and security rather than in the needs of aviation.

Perhaps, Sir, I would suspect that the Government might be wondering whether it was a correct decision to have acquired a plane for the Defence Force now that they see the series of sequential commitments that might result from that particular acquisition, and whether they would have not been in a better position had they acted on the advice given to them prior to the acquisition of that plane, namely, to seek contractual services whereby Government and the Defence Force would always have a plane with pilots, a plane with staff fully available to them at all times on demand, irrespective of the circumstances. Because, Sir, when you have one plane for a Defence Force, quite clearly the plane has to be grounded from time to time and cannot provide services on an all year round basis.

The second aspect of the Resolution I would like to look at is this, Sir. What is really happening here is that Barclays Bank, which ran this operation at a loss, piled up a large amount of debts — and I have a note here that the amount outstanding is \$4.2 million; this should be roughly corresponding to the 75 per cent allocation as pointed out by the Minister of Finance — that this is purely a circuitous financing operation which will leave the books of Barclays clean whilst the Government assumes the debt.

Never mind the interest rates would be lower, never mind the period will be 25 years and never mind it would be outside of the embrace of an organization whose initials have been mentioned very frequently in Barbados in the past two weeks, the net effect, however, Sir, is that it does represent an increase in the national debt, and I wonder whether, having only a week ago got into the area of oil, we should now be moving into the area of aviation, and whether the Government itself has the capacity to monitor all these areas at the same time.
1.05 p.m.

What is happening here is that a series of ventures are running into problems, and Government finds itself in a position where, in fact, it seems that all they can do is to go out there and try to rescue them, and therefore we have to look very carefully at the benefits to Barbados.

Now, Sir, I am advised that the rolling stock of Aero Services Limited on a market valuation is somewhere in the region of \$1.2 to \$1.5 million, because a lot of the equipment that they have would not fetch more than that on the open market. I would not like, of course, to say that that figure is necessarily correct; all I am saying is that I am advised it would be that on an open market basis as distinct from the Government's perceptions of the value to itself in the context of providing the services for the defence plane.

The question of severance payment, Sir, I do not think would be a major problem, because quite clearly, as far as I can see, my understanding is that there will probably be only about two to three people who are likely to be severed under the particular arrangements. That is my understanding; so Barclays Bank committing itself to paying severance payment is not really a major commitment.

Now, Sir, I wonder whether it is correct, but it is also my understanding that Barclays Bank had taken steps to put this company into liquidation, or that that process was taking place; and, indeed, effectively what we are doing is buying a company out of liquidation, and I think that we should be in a better position to negotiate a better deal on this particular matter if we decide to go ahead with it, because it is also my understanding that Barclays Bank's plane and I think they now have a jet, would also now have to be serviced by this same company.

It is also my understanding, Sir, that the assets of the company do not include the hangar; that they actually lease the hangar. I do not think the hangar is part of the assets of the company.

It is also my understanding that the commercial aspects, as distinct from the flying aspects of the operation, have been a dead loss for some years now, and therefore the Government has to be very careful how it gets into this operation, and we on this side would like to know how they propose to restructure the operation to ensure that it is not going to continue to chalk up the kind of losses which it has been chalking up over the years.

Now, Sir, it would seem to me that unless Government has the people who have the technical capacity to turn this company into a service company, attracting more work than it is now doing, and also scaling down the non-service aspects of its operations, then it is likely to continue to lose a considerable amount of money. Quite clearly it is not only a question of an acquisition of assets, but there has got to be a contingent plan whereby the operations of the company itself would have to be restructured.

I also understand from the right honourable Minister of Finance that, prior to this acquisition, appropriate financing arrangements had been made through Barclays Bank to ensure the financial viability of the company in the short term, by means of an overdraft, and I hope the Government will not find itself in a situation where it has to put further equity into the operation, whilst it undergoes the necessary restructuring of the company, to ensure that those components of the operation that are either making money or have the potential of making money; that that aspect should be emphasised, and I think that Government should get rid as soon as possible of the sector of the operations of the company which is not making any money.

Now, Sir, I know that the honourable Deputy Prime Minister, as Minister responsible for Aviation, was opposed to this particular matter. Whether he has changed his mind or not I do not know, but I would believe that he would only change his mind if he had plans in terms of aviation to demonstrate that this company, as an aviation entity, can make money irrespective of the commitments to Defence and Security.

I believe it is most important to gear your thinking along the lines that the obligations to service the Defence and Security plane must represent a peripheral activity and not a central activity for the future of this company. Also, to recognise that although the immediate reasons for our commitment to this loan stems from the needs of Defence and Security, nevertheless we should make sure that the operations shift substantially from that area and you reach the point where a Defence and Security contract has no further bearing on the operations of the company than providing a revenue in the same way as a contract with Barclays Bank or a contract with any other organisation that has planes to service. So, the Defence Force operation should be seen only as one of a number of contracts which this particular company would be able to handle.

Mr. Chairman, it would be interesting to know who are the local shareholders in this company, because it would seem to me that if Government is paying \$3.7 million for 70 per cent of the assets of the company, then the remaining shareholders would have a substantial amount of equity in that company. Is the remaining shareholder only Barclays Bank? Or are there other Barbadians who will retain their shareholding in this new setup? Have they been wiped out or not? I do not know what has happened to them, but it would be interesting to know, because from what the Minister of Finance is saying, 75 per cent of the shareholding would be Government, 25 per cent would be Barclays Bank, and that adds up to 100 per cent.

On the other hand, he has said that there were Barbadians who were original shareholders in this

company. What has happened to them? Has something happened between the decision of Barclays Bank to put the company into liquidation and the present situation where they would be wiped out according to what has been said here, or is it 70 per cent that the Government has acquired and not 75 per cent thereby leaving a small shareholding for certain persons, whose names as shareholders I see down here on a piece of paper; but since the honourable Minister of Finance did not mention their names, I certainly would not be inclined so to do. In fact, I do not think that it is necessary to do that, Sir, I am more interested in knowing what has happened to their shareholding than to know who they are. I do not think that is particularly relevant.

1.15 p.m.

I will also be particularly interested to know, Sir, whether or not the Defence Force might not have got a better deal if they had accepted the propositions originally favoured by the Minister of Aviation, to contract that work out to people who are technically qualified to handle that particular plane thereby obviating the need to go through this circuitous financial transaction.

I would say no more on that, I think the honourable Minister of Aviation knows perfectly well what I am talking about, because in the long run it might be cheaper for the Government and the Government certainly would not be faced with the task of managing, with restructuring and promoting the growth of an area which is known, let us put it this way, that, whatever your feasibility studies of your operation the aviation industry is today, there are certain pitfalls out there which you cannot necessarily anticipate at the time when you go into this kind of operation, whereas the other arrangement for the Defence Force plane would be one which would not commit you to any significant losses, which would purely be a service fee, I presume, which you would pay over a time. And it would be interesting to know, Sir, what are the advantages of this particular arrangement, which the Minister of Finance favours, over that which the Minister of Aviation originally preferred. As I said, he might well have changed his mind; I do know.

Anyhow, Sir, I hope that this particular enterprise will be adequately financed from the very beginning and, secondly, that adequate professionalism will be brought to bear on this operation. And I hope, somewhere along during this debate, that someone on the Government side would be able to demonstrate to this Honourable House how this loan will give further security to our aviation development in Barbados, whether it is likely to generate future employment opportunities over a time and whether, Sir, on the whole it is likely to redound to the advantage of our citizens and whether the company itself, as an entity, will be able to pay off this particular loan over a 25 year period.

These are the main concerns that I would have in respect of this matter and I believe that I will wind up at this point so that we can hear whether or not Government has paid attention to these particularly vital areas in this transaction.

Mr. CHAIRMAN: Is any other honourable Member.....

Asides.

Hon. H. B. St. JOHN: I am not winding up; the name of a Minister has been called many times.

The honourable Member would know that with this Government of Barbados, where one Ministry makes a proposal in relation to an expenditure that impinges on another Ministry, that the views of the Ministry upon which the expenditure impinges are very often sought. This is not Democratic Labour Party Administration in which the then Minister of Finance would go ahead with asking the views of another Ministry.

Now the views of the Ministry of Aviation are circumscribed by its judgment of aviation matters. An evaluation of Aero Services as an aviation proposition was undertaken by the Ministry of Aviation. The Ministry of Aviation made it clear that there were two aspects to Aero Services from the aviation point of view. One was from a maintenance point of view, and an analysis of the balance sheet showed very clearly that that aspect of Aero Services was not only profitable, but, provided it could enlarge the amount of work that it got in relation to the manpower, which is very highly skilled, very highly competent, that it would even make more profit in the area of makers.

As far as the flying operation is concerned, there are two aspects which had to be taken into account. One is what is the future role of a chartered airline in the Eastern Caribbean, in Barbados in particular, bearing in mind that Barbados is committed as a shareholder to LIAT. That is a very fundamental point, because, as I understand it, there is a clear need in Barbados for an air taxi service to provide the infra-structure for all of the regional organisations, both of a Governmental level and, very important, for the private sector in Barbados.

The Ministry of Aviation said clearly that unless the flying operations of Aero Services are integrated within the context of an overall rationalising plan for the air services in the Eastern Caribbean, that that area would continue to make a loss. That is the point that we made, that you could segregate the maintenance from the flying operations. And the advice of the Ministry of Aviation is that unless we have an integrated plant, tailor your equipment to be complementary to LIAT's operation in the Eastern Caribbean, so that you will have compatible

equipment, which would be guaranteed work at peak periods, because LIAT is a great user of Aero Services, when they have an excess of capacity coming in by the big jets and there are not able to carry all of the passengers; our advice is that you have to have compatible equipment and that LIAT itself, would be able to give you more money in that area.

These points were forcibly put by the Ministry of Aviation to the Ministry of Defence. As a matter of fact, a committee was set up to do the projections, and I do not know whether the honourable Member was not informed of that fact, and the Committee has good representatives from the Ministry of Civil Aviation as well as, from the flying operations point of view, we brought in two gentlemen, who, I believe, can probably be regarded as experts in the Caribbean on aviation. I do not have to call their names. The Managing Director of Caricargo is a well-known expert on aviation; he sat on the Committee and the recommendations of the Committee are consistent with the suggestions that have been made by the Ministry of Civil Aviation. That is a fact.
1.25 p.m.

Now we feel that another consideration - I do not want to say it now, I cannot say it now there is another consideration, the relationship between Aero Services and the Flying Club. I cannot say any more on that.

The honourable Member said that all we were buying is rolling stock. That is not quite accurate, because Aero Services leases from the Flying Club and the Flying Club leases from the Government of Barbados.

If the honourable Member wishes an explanation of the terms and conditions of that lease, I am sure the Minister of Housing, both the present and the former, would be able to tell you whether in their opinion the original transaction, which I do not believe ever came to Parliament - I believe it can best be described as charitable because nobody could ever have said that it is commercial - but the point is that there is a building there which Aero Services has built, which is on leased land from the Flying Club, and the Flying Club leases from the Government.

So, if you are the remainder landlord and if you are in the position to dictate the ground rent, and somebody has built a valuable building on your land, surely, as a remainder landlord, you are in a position to command the value of that asset into your hands only subject to the terms and conditions; and if you are a person who can dictate the rent, if you really want to get it into your possession, you can adjust the rent to make it non-profitable for anybody else but you. So don't say it.

I hope the honourable Member understands that there will always be a need for a training facility for

pilots in the Eastern Caribbean. There is an existing inter-Governmental agreement with respect to training, but it was always envisaged that that would have a limited life.

I foresee the day, and I have told everybody so, I believe that Barbados has built up expertise in aviation, contributed by both sides of this House, that is the envy of many countries in the Eastern Caribbean. We have an infrastructure in aviation in the Caribbean that is the envy of other countries in the Caribbean, and I see Aero Services as providing, not Aero Services

Let me deal with one other point. The honourable Member does not quite follow this one point, and it is this: we are not buying the shares of Aero Services. A new company is being formed which will buy the assets from the receiver, a big difference, because if you bought the shares you will not only have to buy Barclays Bank shares, you will have to buy out the other shareholders, whose names are well-known to the honourable Member.

We do not want to deal with them at all. What they will get is what the receiver receives, less what the company had owed to third party people, and then they would divide that on a liquidation. I do not wish to get into that at all.

So, all aspects of this matter have been looked at from the aviation point of view, and we feel that, provided certain decisions are taken with respect to flying operations and certain aggressive marketing is done with respect to the maintenance operations — because the maintenance operations have always made money — more money can be made in the maintenance operations, any losses in flying operations can be drastically curtailed — it is possible that they could operate on a break-even point — that the Ministry will achieve this objective of rationalising the air services in the Eastern Caribbean, and Barbados will continue to be the centre where engineering avionics for small planes can be built up.

We do have a lot of competence. We have invested and the other side has invested a lot of scholarship money in engineering in this area. There are a lot of young people who have been trained in this area.

What the honourable Member did not know, also, or if he knew he did not say it, is that opportunity was given, before the Government came into this, to these same young people who have the skills to finance the purchase of it. But, as usual, they have a lot of mouth, a lot of skill, but no money. That is the position. I hope that the queries raised by the honourable member will now be answered.

Mr. B. M. TAITT: Mr. Chairman, I listened very carefully to the honourable Member who has just sat

down as I had listened to the Prime Minister when he introduced this Resolution, and I am not convinced that the Prime Minister and the Deputy Prime Minister are seeing eye to eye on this transaction. The Deputy Prime Minister was very adept in carving out the area of agreement which he is able to find in this transaction, but those who are familiar with his methodology would have recognised right away that none of the, I almost said belligerence; none of the force with which he puts arguments when he is in agreement have so much as emerged.

I wish to ask a couple of questions on this transaction. It seems to me that it is very easy for the House to agree to a Resolution to borrow \$3.7 million, and it is easier for the Minister of Finance to indicate that it would be paid back 25 years from now, and he went on to suggest, as I understood him, that the company had certain paper difficulties, that is to say, their books seem to show up certain losses whereas the real position may not have been as clear.....let me put it another way, the real position would not have made this transaction anywhere as negative as it appears on the face. That is the best explanation I can get out of what he said.

But, Mr. Chairman, I am coming to the conclusion that on the question of the acquisition of assets of these kinds, notwithstanding what has gone in the past, notwithstanding the attitude which has been adopted by both sides of this House, I believe that these little bits and pieces of acquisitions require that we find a format for specifying all of the details of all of the transactions concerning these kinds of deals.

Now, Mr. Chairman, when the Deputy Prime Minister indicated that there is a wheel within a wheel concerning the property which is leased and on which a building has been placed, you begin to understand, or you begin to get a glimmer into the serious nature of a transaction of this kind as it affects the community; perhaps not today, but five or ten years from now.

We are borrowing \$3 million from Barclays Bank for 25 years. Barclays Bank are getting out of a situation and the Government is rescuing Barclays Bank.
1.35 p.m.

When you come down to the bottom line what it comes down to is this: Barclays Bank does not consider that it should continue to leave its money up front any longer and it turns to the Government and the Government has decided that it will borrow the money, to take the responsibility for the \$3 million, according to the Prime Minister, because, having assessed its requirements for certain aviation, shall we say, repairs, it feels that this investment is worthwhile.

The question is, who advised the Government on this issue? It seems to me, from the information I have,

that the Ministry of Civil Aviation has drawn certain facts to the attention of the Ministry of Finance, but the Ministry of Defence and Security has indicated that its requirement of air services are so high that an additional investment of \$3.7 million over the next 25 years would be considered not unreasonable.

Now, Mr. Chairman, if the Ministry of Defence and Security has an air wing, if we have an air wing in our forces and that air wing has need of support services, we ought to see those support services spelt out as you would see them spelt out in say, the United States Defence and Security budget — the cost of maintenance of the air wing is X amount of dollars. Whether it is \$10 million, \$10 000 or \$100,000,000 over the next 25 years, we ought to be able to see that spelt out clearly.

I do not believe that we should become involved in a transaction such as this, which Barclays Bank itself has said, according to the words of the Prime Minister, that it does not wish to continue with any longer. We hear a lot about the private sector and public sector. Here is Barclays Bank saying that they do not wish to become involved, they do not wish to continue any longer, and here comes Sir Galahad in a white suit, the Barbados Government led by the gallant and right honourable Member — he is head of the services so you would have to call him the gallant and honourable Member now — he comes on his steed to the rescue, and he puts forward the necessity and the desirability of continuing the support services for the air wing of the Defence Force as the basis for our borrowing this money.

On the face of it, \$3.7 million may not be a lot, Mr. Chairman, but there have been in the last few months a lot of small millions, \$2.4 million here, \$3.7 million there and they are beginning to add up. I would like the Prime Minister to specify what the services are that we will be getting for this loan for 25 years.

And the mere fact that the loan is postponed for 25 years does not move me, Sir. If, for example, he were postponing the \$26 million for the assets for Mobil for 25 years, that would move me. If he were issuing bonds to Mobil for the next 25 years to pay those assets, that would move me. But the fact that Barclays Bank will be receiving the interest on this loan for the next 25 years.....

(Rt. Hon. J. M. G. M. ADAMS: After eight years.).....

Mr. B. M. TAITT: There is an eight year moratorium. Well, it only means that whoever is the Government eight years from now will pay the going rate. The multiplier effect will still be there.

The fact that the Prime Minister is telling me, *sotto voce*, that it is only 4 per cent and there is a

moratorium for eight years; all of that brings me closer to the point that I am making.

If the situation is so delectable for Barclays Bank that they, in a time of high interest rates, will make it available to the Government with a moratorium of eight years and a 4 per cent interest, what it means is that the Government, by its participation, will be making the paper transaction for Barclays Bank that much more attractive. On the books, Barclays Bank is the ultimate winner. They are going to be repaid their principal, they are going to receive interest down the road, in eight years' time, but on the books, they now have the Government of Barbados shown as the substantive asset holder and, therefore, their books are bound to look better, as a result of this Resolution, than before.

So in the end, here is what we are getting, Sir. We are getting a continuation of the support services for the air wing of the Defence Force, which we have to pay for anyhow. So we would have been paying for them anyhow. We are no better off there, as far as I can make out.

The Deputy Prime Minister sought to suggest that we were going to be maintaining the basis for a continuing training in aviation. I do not take that as seriously as his words would suggest because he went on, himself, to point out that most of the training has been done outside of Barbados. Those who are trained in the area of mechanics who work in this field now, there is enough work at Grantley Adams Airport for the services that come in and go out of Barbados that almost anybody, who can qualify in Barbados in the field of aeronautical mechanics, will always find work in Barbados, if they are searching for it.

And thirdly, we have heard that the flying aspects of this service have been a disaster in terms of profit and loss. I do not recall whether the Prime Minister indicated that they intend to phase out this aspect. But I do not see how they could phase out this aspect because, put very bluntly, the flying area, which is the losing area as I understand it, and which the Deputy Prime Minister would seek to have integrated into another loser.....

(Rt. Hon. J. M. G. M. ADAMS: We have made money since Ian Archer left.).....

Mr. B. M. TAITT: The Prime Minister is saying *sotto voce* that since somebody left LIAT is making money, but that is not the information which has come out of Antigua from the mouth of the now Managing Director. The now Managing Director has sought to demonstrate a paper profit just like if, Mr. Chairman, you had three aspects to a business and you take out two and say that the third one made a profit, when you come to the bottom line for all three, you have made a colossal loss.

I am not going to knock LIAT Air Services because I believe that, in spite of the fact that LIAT might lose money, the benefits which we receive from having such an air service linking these Caribbean Islands outweigh any monetary losses which the Governments as shareholders can show. After all, so long as the airline is being run efficiently and so long as it is fulfilling its purpose, the need for LIAT to show a monetary profit is not as great as if it were an airline owned by two or three private persons, because the benefits which the people in the Caribbean receive from LIAT are, in many respects, incapable of being priced.

But the Deputy Prime Minister, himself, suggested that in order for the flying part of this company, to make a profit, it would have to be integrated into other services, and he sought to suggest a new approach to the use of this small company so as to make it profitable.

But if those who have the expertise in the field were unable either to forge such an arrangement or to get a profit operating in the way we know they would operate, there is all the more reason to believe that this is going to continue to be a loser, and there is all the more reason to believe that all that has happened here is that when Barclays Bank realised that they have to get out of the flying business, they looked around for a willing dupe and they found in the Government of Barbados someone to carry the burden.

Mr. Chairman, we are going to receive all of the burdens with none of the benefits. That is what is going to happen with this \$3.7 million, and it is merely because, in order to get another \$3.7 million, all we have to do is formulate a Resolution and come down to the House and pass it — because no money is passing hands. The Prime Minister is glorying in the fact that there is an eight year moratorium. It is precisely because that situation exists that we are going to add to the public debt an additional \$3.7 million.

1.45 p.m.

I put it to you, Mr. Chairman, that this country is not in any position to absorb any more public debt, whether it be \$3.7 million, \$370 million or \$3.70. I put it to you that at this time in Barbados we can ill-afford this excursion and I suggest that the Prime Minister and his advisers are off on a financial frolic of their own again.

I am surprised that he did not announce the benefit of this from Miami — I am winding up now, Sir — because, Sir, in order for us to know what is happening in Barbados, we have to hope that the Prime Minister would travel to New York or Miami, or wherever he wishes to go. So long as he moves to one of those capitals we can expect to hear what is the next step in Barbados.

My time has run out, Mr. Chairman, so I have to stop at this point.

Mr. CHAIRMAN: Is there any other honourable Member who wishes to speak? The honourable Member for St. Michael South.

Mr. L. E. SANDIFORD: Thank you, Mr. Chairman. My intervention in this debate will be very brief. I am not in the business of dealing with Barclays Bank. I believe that that bank is one of the outstanding institutions in this country and, I daresay, has been a good friend of Barbados, and I am not in the business, therefore, of speaking of that.

What I am concerned about really is the reason why the Government is getting into this business of aviation services and of all of the other general services that Aero Services Barbados Limited may be performing in this country.

I am not convinced, and the Opposition is not convinced, that the Government has any need, demonstrable need, to get into this area of activity. We have considerable doubts about this and we would need to be convinced that it is an area in which they should get involved.

From what we have heard in the debate so far, the arguments advanced have been very unconvincing. It appears to us that the main reason advanced is that the Government has established an air wing, of the Defence Force that is, that it has bought some kind of aircraft called — what is it? — a Cessna 401, 2, 3, whatever the Cessna is. It has bought a 402, I believe. It has bought an aircraft and, with the possible demise of Aero Services Ltd., the Government would find itself with an aircraft but with no company to service it under the existing arrangements. Therefore, they get into the business then not of negotiating a new contract, but of taking over or establishing a new company altogether to service one plane that it so far owns.

That appears to me the main argument. I do not know what are the other arguments involved. . . . whether the services that will be performed cannot be obtained in Barbados. I dare say that they are very large aircraft, wide bodied, L10, whatever they call them, L11 and Tri-Star, and all kinds of aircrafts come into Barbados and get serviced and maintained without. . . .

(Asides.)

Mr. L. E. SANDIFORD: Pink-Star too! But you would know about Pink-Star, Baxter's Road style. Yes, Mr. Chairman, I am not certain whether you know about Pink-Star, Mr. Chairman.

Mr. CHAIRMAN: You seem to be very familiar with it.

Mr. L. E. SANDIFORD: Yes, but we are asking the question, if all of these aircrafts of varying types can come into Barbados and be maintained and serviced, why cannot the Cessna?

Mr. CHAIRMAN: Order, order!

Mr. L. E. SANDIFORD: I suppose, I do not know, ordinary companies have these little executive darts that fly from here to there. I remember flying in one from somewhere up in the Great Lakes in Michigan or thereabouts. So you travel around in these "executive darts", I call them, and when you are ready, you know, they have their little bars in there too and things like that for the comfort of the Prime Minister when he and the Chief of the Defence Force and so on may be flying around from hither and thither and yond.

We are really seriously asking the question, why could not another arrangement be worked out for the servicing of that dart, the Cessna, without the establishment of a new company and the negotiation of this particular arrangement with Barclay's Bank?

We are told that the amount of money is \$3.7 million and that the rate of interest will be 4 per cent per annum from the 8th year, and that the loan at the end of that will become repayable in one lump sum payment, one installment. Now I would really like to know and I want to take a look at these figures to see exactly what they mean.

When the Prime Minister, and Minister responsible — is he responsible for this particular subject? It is coming under the Special Loans Act — when the Minister was speaking in introducing this subject, he did read out the addendum. He did not tell us, however, or rather I did not hear — I would not like to be unfair to the honourable Member and I know you, Mr. Chairman, would not permit me to be; I certainly would not deliberately set out to be — but I did not hear how much money exactly would be paid back on this particular loan over the 25 years period.

I have not heard and I do not know if it was told to the members of the Cabinet. Maybe they were told that over the 25 years period, with the 7 years moratorium, that from the 8th year paying this interest rate of 4 per cent from year 8 until year 25, how much that would amount to so that we could get an idea of the total amount of money that we are actually talking about. So the \$3.7 million may sound alright and the 4 per cent might sound alright. It is not a half of 1 per cent above the LIBOR or anything like that, but we would like to know exactly what we are talking about here.

The main drift of my argument, Mr. Chairman, is that we are not convinced that the Government should get into this particular operation. Very often, we find that the Government is entering into areas of activity which are very peripheral to the main problems facing the economy of this country, and we have our grave doubts that this particular area of activity could be described in any way as being very relevant to the economic problems which Barbados may be facing at this particular time. 1.55 p.m.

I have my own views about the role of Government in relation to public enterprise and in relation to private enterprise. I do not believe, myself, that this is a time for Government to be getting into these economic activities which, by performance, have established themselves as failures, since the end result may very well be that the expenditures of Government will increase and the revenues of Government will decrease.

I do not have any doctrinaire socialist approach to this problem, that it is something which will diversify the area of Government activity and therefore it is a good area to be in. I believe in this time of economic recession. I believe in this time when Government revenues are being battered that we have as a Government to be more careful in which of the areas we actually get into, and unless there is some clear demonstrable benefit which would result to the Government and people of Barbados from this kind of activity, I would tend to say, "No."

I would tend to say, also, that the private interests which may be involved in this particular operation can work out a reasonable arrangement with other companies or other interests, and maybe if the Government wishes to give some encouragement.....

Aside.

Mr. L. E. SANDIFORD: Do you mean there will be losses over 25 years? Every year there is a loss on the operation of this new company, the Government and taxpayers finally would have to be paying it, so the loss would be more than that.

Mr. CHAIRMAN: It is now 2 o'clock. I shall report progress and ask leave to sit again.

Mr. CHAIRMAN reported progress and asked for leave to sit again, and Mr. SPEAKER resumed the Chair and reported accordingly.

SUSPENSION OF SITTING

Mr. SPEAKER: This sitting now stands suspended until 2.45 p.m. today.
2.00 p.m.

On Resumption:-

Hon. L. S. CRAIG: Mr. Speaker, I am aware of the fact that this is the continuation of a sitting. However, we have two Questions of which we gave notice today, and I shall be seeking your permission and the pleasure of the House to have these Questions laid.

Mr. SPEAKER: In considering the request of the Honourable Minister, I should also take into consideration the right of the questioner. That is, I understand the answers are ready to Questions which were tabled by the right honourable Leader of the Opposition, the right honourable Member is not now in his place, and I am to wonder whether or not the Chair would seem to be acting fairly and justly to entertain the request of the honourable Minister without having an opportunity to hear from the other side.

Mr. L. E. SANDIFORD: Mr. Speaker, at your invitation I wish to respond. These extended sittings, of course, do tend in some circumstances to deprive the Opposition members of certain rights, and I am very pleased that in these particular circumstances you are wondering in the exercise of your undoubted respect for the area of impartiality, and to ensure that the rights of the Opposition are not whittled away in any respect. You are wondering whether this would affect the rights of the Opposition in any way, and particularly the Member who has asked the question. I would just say this.

Mr. SPEAKER: I am not wondering.

Mr. L. E. SANDIFORD: I thought I heard the word "wondering", Sir.

Mr. SPEAKER: I am satisfied that I must respect the rights of the Opposition; quite satisfied with this.

Mr. L. E. SANDIFORD: I was just about to make the point that these Questions were set down with an asterisk, which meant that they were for oral reply, which would lead us to believe that the honourable Member who set down the Questions would be interested not only in hearing the reply personally, but also, perhaps, in asking some supplementaries if necessary.

I would therefore ask in the circumstances, in as much as this is not Government Business *per se* — we are facilitating and co-operating and collaborating with the Government in this extended sitting — but we are saying that we would consider this to be a little unfair to the Opposition if this were proceeded with at this stage, and we are therefore asking that the Minister withdraw the laying of these Replies.

Hon. L. B. BRATHWAITE: Mr. Speaker, with your permission — since I am Acting Minister responsible for the particular item under discussion — I would just like to make a brief observation.

The honourable Member for St. Michael South has adverted to the fact that this Question has an asterisk, in which sense the honourable questioner wanted to be present and to participate.
3.00 p.m.

That the honourable Member is not in his place is not a matter for me or for the Government. All honourable Members should be in their places. If the House is in a continual sitting, Members have a right to be there. If it is meeting every Tuesday, Members have a right to be there. They have an obligation, otherwise they should not seek the sufferings of the people in terms of seeking to enter into Parliament.

While it is true that these answers were given today, and this is a continuing session, proper notice was served that the answers were ready.

The Cabinet has given a time limit for all Ministries for replies to Parliamentary Questions and we cannot just say that we are not going to give these replies, because we will find a situation where the Opposition, or any person for that matter — because all Members in here are entitled to ask questions; be they Opposition Members or Government Members they are entitled to ask questions — and they are entitled to have answers and quick answers less it be thought that Members of Government are shying away from the questions.

We have seen on numerous occasions, Mr. Speaker, where questions are laid just because Members are not present to answer. I can very well understand and I can appreciate and nobody can question the ruling of Your Honour on matters such as these, but, in answer to the honourable Member for St. Michael South, I would say that it is the duty of all the Members to be present unless they are ill or unless you, Mr. Speaker, are aware that they cannot come. They should be present in Parliament to participate in the lawful duties to their constituents and the country.

The public expects that of us and the activities of the Chamber should not be inhibited by the failure of a Member or Members not to attend its sittings. I just want to say that.

It takes a considerable amount of time, Mr. Speaker, to research the questions, especially the questions which were asked in this Parliamentary Question. It took a lot of time to do the research.

The Government is quite ready and not hiding from anything. If a request is made by the Opposition that the matter be delayed, we can look at that, because we have nothing to be ashamed of on this side and we are quite ready to do it.

But we do not feel that people should just absent themselves or, for some reason or the other, not be in Parliament and believe that the Government's work should be inhibited by the fact that they are not present. Mr. Speaker, that is just my comment on this matter.

Hon. L. S. CRAIG: Just briefly, Sir, my colleague has made a very salient point about attending meetings of Parliament and, if I want to be more specific, Sir, where you talk about having the asterisk here and it should not be laid, you could easily find that we could have been notified by the right honourable gentleman for St. John of his inability to attend the sitting today, under Standing Order 72, but we do not get into the nitty-gritty of these things. I can be very specific.

I have no objection if Members on the other side would rather have them held over. I have no objection at all, but I do not in anyway want the efficiency of the Government — we are always accused of sloppiness and we never bring down things on time. This is part and parcel of the speed with which the Government has always tried to work at.

I do not mind having them held over. But in the meantime, I do not know if the Member for St. John has gone abroad to have his batteries recharged, and I do not know how long it would take to have them recharged, and if when they are reached if the charger is going to be holding; so I am not in a position to determine how long they will be on the Order Paper.

But as far as I am concerned, I have no objection of holding them over so that supplementaries can be asked. Maybe it is in his own interest to hear a number of things.

Mr. SPEAKER: Government Business is the instant Order of the day. When the suspension was taken, the House was in Committee of Supply. To that it now reverts.

Mr. SPEAKER left the Chair and Mr. ODLE resumed the Chair.

COMMITTEE OF SUPPLY

Mr. CHAIRMAN: The House is in Committee of Supply. The honourable Member for St. Michael South was addressing the Committee. It is now his privilege to resume.

Mr. L. E. SANDIFORD: Mr. Chairman, I will not be very long on this particular matter. The main drift of my argument is, and can be summed up in these statements: Barbados is at present afflicted with a problem of rising unemployment. It is afflicted with a problem of inflation. It is afflicted with a problem of high interest rates. It is afflicted with a problem of its public expenditures and revenues being out of balance.

I am asking this fundamental question — will this Resolution that we are currently debating, if it is approved, do anything substantially to deal with those fundamental problems that I have just identified? Will it bring down interest rates, which is a major problem? Will it substantially solve or help to reduce rising unemployment? Will it reduce the rate of inflation and will it in any way assist in restoring the imbalance between Government revenues and Government expenditures? I think this is the acid test in which we should judge this particular Resolution.

If the Government can answer "yes" to those questions, if the involvement in this particular area of activity will help to stimulate the economy and correct some of the ills which Barbados is suffering at the moment, then we on this side are prepared to support the Resolution. If the Government cannot answer "yes" to those questions, we will have, perhaps, to reserve our position on the matter.

Mr. CHAIRMAN: If no honourable Member wishes to speak, I will ask the Prime Minister to wind up the debate.

Rt. Hon. J. M. G. M. ADAMS: If any new matters arise in my reply, I do not mind, I am responding to them, but this is intended to be my final reply.

Honourable Members, if I may so, with great respect, except for the honourable Member for Christ Church East Central suffer in this matter from a lack of knowledge of the whole circumstances. An assumption has been made that Aero Services is necessarily a company which can never, under any circumstances, make money. Aero Services started as an under-capitalised company, because it was formed by the members of the Barbados Flying Club originally, and when, eventually, Barclays took it over, the money went to the Flying Club to pay off existing debts and so on and Aero Services virtually never had any capital. If Barclays Bank had been prepared to put in capital by way of equity, Aero Services would not have the debts it has today, because Barclays advanced a couple of million dollars, \$2.1 million, I think, to buy aeroplanes and it advanced another \$1 million to pay off old debts, and it is the interest on those advances which made Aero Services commercially unviable.

3.10 p.m.

If somebody had started Aero Services as a company with money, it would not have had the debts which eventually had accumulated, because the commercial operations were, some of them, quite viable, and even the flying operation is not unviable.

Just in parenthesis, Mr. Chairman, I would say this: it is anticipated that the Defence Force and the newly formed Regional Security Organisation will, between them, contribute more to Aero Services than the Defence Force has contributed in the past.

The Regional Security Organisation has a very small staff. If honourable Members opposite, especially the honourable Member responsible for handling defence matters on the Opposition side, had read the document laid in the House, he would realise that the Organisation has some existence and is likely to have some small expenditure. It has a very small staff, but travel is likely to be greater than in the past.

But to return to the main stream, and on this same thing as the Defence Force, honourable members have suggested that if the aeroplane hadn't been bought you would not have to worry about Aero Services. Not so. There is a need to travel to the Eastern Caribbean. If you do not travel on the Government aeroplane or on an Aero Services aeroplane, you are going to pay LIAT. The Aero Services operation and the Government aeroplane have already saved the Government thousands of dollars — I could not quantify it — perhaps hundreds of thousands of dollars in air fares.

The Government's plane has carried delegations to Independence in Antigua, to talks in Trinidad, to energy talks in Venezuela, to official visits to Martinique, ordinary travel for Ministers and others to Trinidad and so on, and that is a saving. We do not quantify it; we just know it is there. That is point one.

Point two is this, and this is in reply to the speech made by the honourable Member for St. Michael South Central, who said we should have entered into a contract with Aero Services to provide pilots on stand-by and an aeroplane at all times whenever we needed it.

Well, the honourable Member for St. Michael South Central holds himself out as a great possessor of accurate information. If he really possessed accurate information, he would know that we have a contract with Aero Services, which provides that there are always two pilots standing by twenty-four hours a day and that an aeroplane will always be available for the purposes of the Barbados Defence Force. If our aeroplane had to be maintained, Aero Services has to give us an aeroplane. If we need a second aeroplane — the honourable Member can imagine circumstances in which the capacity of the

Government aircraft may be insufficient for the needs of the Defence Force — Aero Services give us that aeroplane, and they have done so on one occasion already. We have called on them on at least one occasion for that type of logistic support.

The honourable Member is percipient in saying that we should have a contract and his judgment is accurate. He is only mistaken in his facts. We do have such a contract.

Now I have refreshed my mind from one of the closed files, because there has been a lot of documentation over the last three years, and I observe that a careful study revealed that it would cost just a little more than three times as much to provide the Defence Force with the services we get from Aero Services than it now pays, if the Defence Force had to provide those services itself. And that is without any assignment of the cost of the capital of putting in a stock of spare parts, buying equipment for doing repairs and so on; that is just the office expenses, cost of pilots, mechanics, staff and so on. And Aero Services' operating loss is well comprehended within that margin. In other words, the difference between what we are now paying and what we would have to pay exceeds by a considerable amount Aero Services recent losses.

Now, Mr. Chairman, I am not going to open a file and tell you that Aero Services estimated its loss in 1980 was only \$36 000 and so on. All these estimates are made when you are selling something and you are trying to get a profit for it. Aero Services put to us that their shares were worth \$1 000 each, the 1,400 shares in the smaller company. We put to them that their shares were worth nothing and that we would make a nominal offer of a dollar each for them. So when you are negotiating at that breadth apart, naturally a lot of figures are going to be produced.

But the fact is that Aero Services were being assigned a great deal of debt to Barclays and this was showing a loss on their books, although not so great an operating loss, but that it is entirely possible that if the company is properly capitalised, if the aircraft that are uneconomic, the Trilanders I think they are called, if they were disposed of and a better aircraft, a more modern aircraft bought, we could probably carry out the commitments to Safari Tours, to the British High Commission, to Esso and so on, and make a profit — probably.

These are matters for the future and the consideration of the Government, but it should not be suggested that just because the debts are big that we are buying a pig in a poke. Certainly the maintenance operations are commercially viable, extremely useful to Barbados. They

stand ready to provide a service to overseas airlines, and there are one or two overseas airlines, in addition to those that Aero Services already handle, which have made overtures. Even the very Trilanders, they may not be economic for us.....

Mr. L. E. SANDIFORD: I wonder if the Prime Minister is saying that the feasibility study and the projections for this particular new company are that it will be viable and will make a substantial profit.

Rt. Hon. J. M. G. M. ADAMS: No, I cannot possibly say that, and the honourable Member should know better than to try to trick me into saying that. I cannot possibly say that it will make a profit.

Even in 1981, all I said was the economy had been well managed and Barbados had got richer. I did not say that we were going to be richer in 1982.

I spoke of the past and I now project. We are projecting a rate of viability in the future, because the burden of interest will be so much less. I hope the honourable Member would pay attention to that, and in a moment I will tell you about the burden of interest; but, first, the debt.

The honourable Member for St. Michael South Central is mistaken in his projections of the debt. The whole amount that Aero Services owed to Barclays is over \$5 million. Barclays is writing off the difference between not \$3.7 million and \$5 million, it is actually writing off the difference between \$3.347 million and \$5 million. The Resolution is for \$3.7 million. That may be a little bit ambitious, because I do not believe that Barclays feel like lending anymore than is actually the amount, but the amount to be paid for the shares is \$3.347 million and the difference between \$3.347 million and \$5.163 million — well, even so it is more than that now; that was the debt at March this year, it would be more than that — the approximate \$2 million difference is being written off by Barclays. The Government is not carrying that.
3.20 p.m.

Now, the terms for the agreement. The honourable Member for St. Michael South, he shook me a little bit. He forgets he is in the education business. I am 30 years away from it; and he was showing me a calculator and he was asking me to help him with an anti-log and so on. Well, I am glad he did not turn to the honourable Member for St. Michael South Central, because I really think he would have been putting his trust on a broken reed. In my case, he is only putting his trust on a slightly bent reed.

But if you borrow money from a man in these days of inflation and you do not have to pay the man

back for 25 years, you have to discount the cost of that debt by an annual estimate for inflation. Now, to pay this amount back — not the \$3.7 million — the \$3.347 million will cost approximately, at projected rates of interest on inflation, \$45 000 a year and we are making allowance for a sinking fund based on an amount of \$45 000 a year. If you start paying \$45 000 a year now, by 2007, you should have the \$3.7 million. So that is the cost of the capital.

The interest. We have seven years interest free, and then in the eighth year we begin to pay \$135 000.

If the honourable Member works the whole thing out, he will find that the cost of buying Aero Services is really so modest, it will surprise him. It is half the cost, less than half the cost of servicing the present debt. Barclays is getting more from Aero Services now, twice as much, as it will actually cost the Government to buy the company, pay the interest and everything.

Mr. L. E. SANDIFORD: I rise on.....the right honourable Member has given way. Why is it then that Barclays is so very interested in this particular deal?

(Hon. H. B. St. JOHN: Man, go down at Barclays Bank and ask them.)

Rt. Hon. J. M. G. M. ADAMS: The honourable Member, perhaps, could ask Barclays if it wants to carry a \$5 million bad loan in its books constantly. Whether it wants to write off \$5 million as an alternative to carrying it in its books or not? By the year 2007, that debt is going to be \$20 million if they do not do something about it. I can only presume that.

The honourable Member for St. Michael South Central is also in error when he said that Barclays' liability for severance was negligible. He is wrong. Barclays has agreed to pay in cash the whole amount required to sever all the staff, whether or not they are severed.

We have some hard negotiators. We have been two years at it. I am not going to say what the amount is I do not think that anybody will ask us to discuss this sort of personal cash detail. But we have been two years at it and our negotiators have been successful in dealing with this.

The number of staff is 48. We are thinking that we have to sever two. I am fairly certain that two will be severed. I cannot promise that everybody will be employed at the same salary though, Sir. I cannot possibly promise that salary levels will remain the same, but there it is. This is into the future.

The point which is being made that we would not buy this company were it not that we bought an aero-

plane and have these needs, that is not a good argument. You have to argue about whether you want a Defence Force or not. If you want to close down the Defence Force, say you are going to close down the Defence Force, disband it, send home the soldiers and you will have no need to maintain the aeroplane.

But if you do not buy an aeroplane, you would have to pay Aero Services an amount of money greater than you are paying them in order to allow them to have the extra plane so that they can fulfil their commitments to you. We could not get the contract with Aero Services at the price at which we got it unless we had an aeroplane which was embodied in the contract.

(Aside.)

Rt. Hon. J. M. G. M. ADAMS: If Aero Services had to buy further aeroplanes to provide services to us, you would not get the services at any couple of hundred thousand dollars a year. You would have to pay \$1 million a year or more, because Aero Services would have to pay the cost of carrying the capital and repayments on an aeroplane which they could not use for their own purposes but would have to hold for the Barbados Defence Force whenever it needed it.

It is not unusual, the Government of St. Vincent also had an arrangement with Aero Services to use its aeroplane. The Government of St. Vincent also has an aeroplane. It is now, I believe, used by LIAT, but we are hopeful that it will all be able to be straightened out and integrated.

LIAT and Aero Services as passenger carriers.....

Mr. L. E. SANDIFORD: I wonder, Mr. Chairman, if the Prime Minister would tell us what are the projected new expenditures for this new company for years 1, 2 and 3 out of the feasibility study.

(ASIDE: How many things do you want to hear?)

Mr. L. E. SANDIFORD: It is not a question of speaking, it is courtesy on the part of the Prime Minister. He is giving way, not you. The right honourable Prime Minister is courteous in debate and I wish his other members would follow example.

(Hon. H. B. St. JOHN: You had better ask the Leader of the Opposition.)

Mr. CHAIRMAN: Please take your seat.

Rt. Hon. J. M. G. M. ADAMS: The honourable Member is being discourteous to honourable Members on this side and me to accept that as a legitimate question.

The honourable Member had his chance to deal with that at an earlier stage. I do not have the figures here to hand.

If the honourable Member wants to have a debate on the new Aero Services company, after it has been formed — well, it has been formed; it was formed this week, — after it has been dealt with, he can have a debate. A committee is sitting. The committee has not projected. They are still selling aeroplanes. They have a telex there from another Caribbean country asking to lease some of the aeroplanes which we feel are uneconomic for us. They may be economic for them.

How can I give the honourable Member any projection of revenue, where, just a couple of days ago, a telex comes in:

"TURNING TO OUR TELECON OF YESTERDAY WE WISH TO CONFIRM OUR INTEREST IN THE POSSIBILITY OF LEASING ONE OF AERO SERVICES CMA. WE WOULD ASK YOU TO LET US KNOW WHETHER YOU HAVE ANY INTEREST IN SUCH A PROPOSAL."

So and so and so and so. So and so's national airline. I am not calling the name. How can I give a projection when I do not know if by next week we will have that extra aeroplane or whether it would be leased to somebody.

(Hon. H. B. St. JOHN: They are selling. We come in here to buy assets, that is all. We come in here to buy assets which we can dispose of.)

Rt. Hon. J. M. G. M. ADAMS: Which we can dispose of.

There are one or two other inconsistencies in the arguments really of the honourable Member for St. Michael South Central but they are not unpleasant inconsistencies. The value of the equipment, \$1.7 million, \$1.9 million, that is all that we think it is worth. He says \$1.7 million, we say \$1.9 million, maybe \$1.7 million. The higher figure actually seems to be more viable but these are the day to day commercial matters which fall to the management of the company.

And, in conclusion, ...

(Hon. H. B. St. JOHN: He asked you about the lease. He has not asked you about the lease his Government gave the Flying Club.)

Rt. Hon. J. M. G. M. ADAMS: Oh, that it has no assets, the hangar and so on. The honourable Member for St. Michael South Central, he said that the hangar was not part of the assets. I am glad I am reminded of this.

The hangar was given to the Flying Club at next door to no money. We had to consider this in Cabinet on a number of occasions and it is in fact a valuable asset.

All that part of the airport, the southern side of the airport in the hands of Aero Services was given away virtually, and it was an asset because there is a lease. Honourable Members seem to think that only freehold property has a value. Leasehold property also has a value and, of course, the hangar is a part of the assets.

(Mr. L. E. SANDIFORD: Incentives.)

Rt. Hon. J. M. G. M. ADAMS: The honourable Member seems to know more about it than other former members of the Cabinet will admit to. I did not know he was in the inner circle to receive words of wisdom when things like airline leases were being given out and shares in airlines being applied for. I have seen the application form for certain persons attempting to acquire an interest in Aero Services. Obviously, the honourable Member is also in this particular inner circle.

I mean, other remarks, "Barclays put the company into liquidation." Of course, the company is in liquidation. I said it has a receiver. There is no mystery about that. It has a receiver because all of the transactions leading up to this have involved receiverships and so on.

3.30 p.m.

I cannot Sir, really say very much more. Aero Services is an asset to the country as well as an asset to the Government. The existence of Aero Services allows Safari Tours to carry on its business. It carries on the tours to other territories in the Caribbean. I, myself, have been on a Safari Service Air Tour. I suppose that now the Government is providing the transport so I can do some advertising. I found them very helpful and efficient and I considered it a real contribution to tourism in Barbados.

Perhaps, one point: if you were to take Barbadians abroad and spend money, you are damaging the foreign exchange. But, equally, it is one of the attractions of Barbados that it can be used as a center for touring other Caribbean territories, and I am told, for example, that, when we had many tourists from Germany, tours through Safari Services on Aero Services' airplane to Martinique and other islands were a significant part of attracting tourists to Barbados. All of these things have to be taken into account. When you consider the value to our country of the existence of a small airline like Aero Services.

Caricargo has been making inquiries about the possibility of Aero Services carrying cargo from Barbados to the smaller territories, which cannot take a Caricargo airplace, a Boeing 707.

I think, Sir, that really there is no point of keeping unnecessary secrets. Officials of the United States Government have approached me and made certain offers relating to supply of aircraft which are potentially viable, if

put in the services of Aero Services. They might notionally be owned by the Government of Barbados but, in fact, they will be operated by Aero Services for commercial as well as defense and security purposes. The whole future has possibilities. I do not want to go too far, but the future has possibilities.

I mentioned the Regional Security Organization and the honourable member for St. Michael South said, "What is that." I think he knows better than that. But the Regional Security Organization will obviously depend on an airline operation such as Aero Services can provide.

I only wish, Sir, that we had the money to buy some helicopters to have them maintained by Aero Services for air/sea rescue purposes, for easy transportation from one point to another. But that is not in the offing, because our enquiries revealed that when you buy a helicopter, that is only a small part of what it is going to cost you. It costs an enormous amount to run and maintain them.

But this whole operation, the relationship with Caricargo for carrying cargo, a distribution line for cargo; the relationship with LIAT, for carrying surplus Liat passengers from Barbados to other points; the relationship with the Defence Forces in Barbados, air/sea rescue, transport of Government officials, transport of security personnel, back up in cases of emergencies to meet our responsibilities under the regional security pact; the fourth item, the Regional Security Organization itself, headquarters in Barbados but with personnel in many other parts of the Caribbean, personnel in St. Vincent, personnel in Dominica having to be transported — all of these things are involved in the Aero Services equation.

A very, very generous loan from Barclays Bank of \$3.5 million, or whatever the actual amount is, an extremely generous loan, easy in concessional terms and an obvious future use, economic as well as security, for the airline. I can only recommend it to the House.

I hope that all the questions asked by the honourable Member for St. Michael South have been satisfactorily answered. I think they have been, Sir. I do not know if the general anti-Defence Force stand of the Opposition will cost them to vote against this even though it is only a marginal part of the whole defence operation. But I do not believe that, in any reasonable analysis, the House is going to seek to turn down a highly concessional loan for an obvious praiseworthy purpose.

I beg to move that this Head stand part.

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

The question that Head 73 stand part was put and resolved in the affirmative without division.

RESOLUTION TO AMEND THE EXPLANATORY
NOTE TO CAPITAL HEAD 73 – MINISTRY
OF FINANCE AND PLANNING,
SUBHEAD 3

Hon. L. S. CRAIG: Sir, this is very simple. This is just a Resolution to carry out the purchase, to get the funds out of the Consolidated Fund.

I beg to move that the appropriate Head stand part.

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

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

On the motion of Hon. L. S. CRAIG, seconded by Hon. H. B. St. JOHN, Mr. Chairman left the Chair and Mr. Speaker resumed the Chair and reported the passing of three Resolutions in Committee.

3.40 p.m.

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

Hon. L. S. CRAIG: Mr. Speaker, earlier in the day I gave notice of a Bill to amend the Shops Act for the purpose which the Minister will explain, and my colleague on the other side, the Deputy Leader of the Opposition, did agree that we could do it in all its stages, since this is not really a contentious piece of legislation.

RESOLUTION TO APPROVE THE USE OF THE SUM
OF \$3 700 000 TO BE BORROWED FROM
BARCLAYS BANK INTERNATIONAL
LIMITED FOR THE PURCHASE
OF THE ASSETS OF AERO
SERVICES LIMITED

Hon. H. B. St. JOHN: I beg to move that this Resolution do now pass. This is just consequential on the previous debate.

Rt. Hon. J. M. G. M. ADAMS: I beg to second that.

Mr. J. G. ODLE: Mr. Speaker, this Resolution has to deal.....

Mr. SPEAKER: Please.

A pause.

Mr. J. G. ODLE: Thank you, Mr. Speaker.

Much that has been said before today relates to this Resolution. It has been well dealt with, and I must tell the Honourable House that I agree in large measure with

what has been said on both sides of the House in connection with this Resolution. However, I cannot but regard it, to some extent, as a Christmas package, a Christmas box, and I think it needs a little bit further examination.

There are people in this country who are not in the least bit interested in Aero Services or in flying, but who have problems of their own, and it is for these people that I want to make a few comments.

Only yesterday, Mr. Speaker, I was travelling through your constituency, and there are people down there who have no interest in flying but who have a serious interest in some of the nicer things of life and in some of the things that would make life more comfortable for them. Right in my constituency I have a situation where people are not particularly interested in flying but who have the stamp of misery around them all the time, and who are particularly interested in seeing that they do not fall down in the bad roads, in the mud holes in Cottage, in Retreat and in Rock Hall, all over the place.

Street lights, Mr. Speaker. I would have been very much happier today if the honourable Deputy Prime Minister and Minister of Aviation had come in here and suggested that we even rent or lease a 747 or a 1012 to bring tourists in from Scotland or Finland to help in the tourist industry. I cannot see this as doing anything in terms of bringing any immediate relief or benefit to this country and to the people.

While it seems like a good deal, I cannot fool myself that Barclays Bank is doing us any big favour. If they are particularly interested, let them show their interest in the people of this country by organising a similar loan under similar conditions, easy terms, to put some roads up in Cottage and Retreat and street lights in Constant. Let them do things like that and then I will be convinced that they are interested in the livelihood and the well being of the people who work in agriculture, who have to go to Church with Christmas coming up walking in mud. Let me see something like that happening and do not let them fool me that they are doing something wonderful or extra wonderful.

If the Minister of Finance could arrange a loan of that sort, I would be the first to say hip, hip hurray, three cheers for the Government, and if Barclays Bank agrees to that, I would say hip, hip, hurray, ten cheers for Barclays Bank, but I am not at all overly enchanted with this, Mr. Speaker.

Mr. SPEAKER: Did the honourable Member for St. George North second the Resolution before the House?

Mr. J. G. ODLE: No, it was seconded by the honourable Prime Minister and moved by the Deputy Prime Minister.
3.50 p.m.

Mr. SPEAKER: I am now advised that the right honourable Prime Minister did second the passing of the Resolution.

Hon. L. S. CRAIG: Sir, I know and I see that Members are anxious to get out. Let me first pay tribute to my colleague for St. George North for the speech which he just made on the floor of the House, and just briefly to indicate to the House the democracy that exists in this party.

Woe, if it was on the other side when that side was in power, you would have heard about the Lord giveth and the Lord taketh away. There is no Lord on this side and therefore no one can give and no one can hence take away, and I want to commend him for what he had to say. It is how he feels about something, the Resolution which is before the House.

Lest it is feared by the Members on the other side that there is a split in the ranks — you know, that is the first thing you will hear; a back bencher has not shown full favour with the Government and therefore there is something wrong — there is nothing wrong but this is how we operate in this party.

Any Minister can sit down in Cabinet and tell the Prime Minister how they feel about anything at all. Equally, Mr. Speaker, can say likewise to the Leader of the Barbados Labour Party. That is how we operate, so do not be too concerned about pushing up your hand to your head and about any crash helmets. This is the democratic process that exist in this party, and we have exhibited it publicly.

I just want, finally to salute my colleague, and I can add, for that matter, that I would like to see some things done in St. James North, but I have to go along with Government policy, since I am part and parcel of it.

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 without division.

Mr. L. E. SANDIFORD stands.

Mr. SPEAKER: The honourable Member has risen on a point of privilege.

Asides

Hon. L. S. CRAIG: I beg to move that Item No. 12 be the instant Order of the day.

Mr. SPEAKER: Item No. 12.

SHOPS (AMENDMENT) ACT, 1982

Order No. 12 was called — To move the Second Reading of the Bill to amend the Shops Act.

Hon. V. L. JOHNSON: Mr. Speaker, the matter before the House concerns a simple amendment to the Shops Act, which would make provision for the opening of shops on Sundays and those occasions when cruise ships are in the harbour.

We propose a subsequent date to move a more comprehensive amendment in the Shops Act, but at the moment we are merely concerned with facilitating the wish of the commercial sector in Bridgetown, to make available their shopping facilities to several cruise passenger ships that will be passing through here during the Christmas holiday season.

Sir, I would therefore move that this Bill be read a second time.

Mr. L. L. SISNETT: In seconding this, Mr. Speaker, I would like to give some support to the amendment in as much as the Ministry of Tourism is making a great effort in trying to attract more cruise liners to call on the Port of Bridgetown, and I think we should do everything that is possible, without infringing upon the rights of the workers, to accommodate these vessels when they call in Barbados.

Over the past month, there have been a number of vessels which call on Sundays but, because of the present Act, shops are not permitted to be opened and as a result the country has lost a lot of valuable foreign exchange.

The amendment today is to especially assist one of the world's largest cruise liners, which will be calling here this Christmas, and a number of City interests have enquired of the Ministry of Tourism and the Ministry of Labour to facilitate these passengers and the operators of these vessels that have been vested largely in coming to Barbados.

The operators of the vessels must know in advance of arrival whether the shops in Barbados would be open so that they can pass this information around to the passengers; and if the shops are not open in Barbados, then they are advised that shops will not be open and hence passengers will do shopping in other competitive areas such as St. Thomas, the U.S. Virgin Islands.

The merchants have indicated that the shops will be open for four to five hours at the most and there are hoping to achieve anything in the region of \$300 000 and \$400 000. The workers will be duly compensated for the hours of work and we do not see that they are infringing on the rights of the workers in this respect.

Mr. Speaker, I would just like to give my approval of this Bill as the Ministry of Tourism is trying its best to induce more tourist liners calling here on Barbados.

Mr. L. A. WEEKES: Mr. Speaker, Sir, this amendment to the Act seems to me to have not been properly discussed at another level because most of our workers have been accustomed to having Sunday as a special day, and by that, I mean I hope that this particular amendment would not deprive them of the choice of that particular Sunday, because there is another way of getting around the worker to make him work against his will sometimes, Sir.

Some workers might fear that if they do not offer their services on that particular day, Sir, that they are likely to lose some kind of... not recognition, but the attitude of the employer might suggest then that they are not putting that interest or care enough to add to the improvement of that particular enterprise.

I only rise to say, Sir, that I hope that this amendment would not meet with some kind of frustration from some of the workers, who have already been accustomed to working under cordial conditions, and, obviously, I would think that this is an overtime exercise as well and, naturally, that they would not be compelled to offer their services.

4.00 p.m.

Hon. H. B. St. JOHN: To reply to the honourable Member, this Bill does not make it obligatory on any person to work on a Saturday. All it says is that the shop owners can open, and they can hire additional labour. This adds to employment. That is all.

Hon. V. L. JOHNSON: Mr. Speaker, I take note of the concerns expressed by the honourable Member for St. Michael North West, and I should like to give him the assurance that the amendment that we are moving today is only a part of a comprehensive amendment package that will come before the House at a subsequent date. We are only accelerating this part of it in the interest of accommodating a request coming from various sectors, with regard to the fact that a number of ships are going to be calling here very shortly.

But I have made provision in the amendments that are coming forward, and which we will be debating at a later date, for overtime work to be voluntary.

Nobody will be compelled to work any overtime, it will be strictly a voluntary exercise, and if the existing staff does not feel inclined to work on any of those Sundays when the shops are likely to be opened, this Bill simply means that the merchants will be in a position to hire additional staff to cover for those hours when they will need to be open outside of standard business hours.

There are a number of specialty shops that are currently doing business under this special arrangement. They open on Sundays and, of course, they do not use overtime labour, and this is no fundamental departure from what is happening at the moment.

Under the circumstances therefore, I move that this Bill be now read a second time.

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

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

COMMITTEE

Mr. CHAIRMAN: This House is in Committee.

Clause 1 was called and passed.

Clause 2 was called.

Hon. V. L. JOHNSON: Mr. Chairman, I beg to move that Clause 2 stand part.

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

Mr. B. M. TAITT: Mr. Chairman, I do not propose to raise a question concerning Sundays. I know the Minister is not too concerned about Sundays, and I do not propose to raise any question about Sundays in the context of the religious aspects, but as a Sunday believer myself, I feel that the Minister should indicate to us whether he has canvassed the community on this issue.

The question of persons who work on those Sundays when the tourist ships are in is not a matter that can be taken merely in the context of tourism and our needs to provide for tourism. The issue of whether persons who work on those Sundays will have to do so as part of their normal work day or whether they are going to be paid specially as persons working outside the normal work day is a matter which I believe on which the House should be informed.

(Asides)

Mr. B. M. TAITT: I took the trouble to canvass my colleagues who could not recall his having dealt with this matter in any comprehensive way. He might have made a passing reference to it.

(Asides)

Mr. B. M. TAITT: Mr. Chairman, this is a very serious matter. I am not questioning whether it is desirable or undesirable, I just wish to know whether the Minister is able to tell us what are the arrangements, because any minute now you are going to hear that the people are working on Sundays and that it is now legal to work on Sundays, and that overtime on Sundays does not arise and this is now part of the normal day, and although we have a little problem in the tourist industry, I think this whole question of regulating the hours of work, since we are doing this under the Shops Act, is something which requires a more fundamental statement.

I will take this opportunity to raise a question which the Minister has said in another capacity concerning of staggering of opening hours. I do not know if this operation is a new thrust in the area of regulating commerce from the labour point of view, but it would seem to me that if the Minister is going to be making statements concerning the staggering of opening hours in Barbados that he has got to approach this in a comprehensive way.

The whole question of the availability of transportation, the whole question of the staggering of school hours, all these are areas which, although I do not intend for him to have a full debate at this point, I would like the Minister to be aware that this side would be expecting a comprehensive approach to this whole question. We take it that this is an omnibus amendment which he is doing, but that in due course he will be coming to the House with a comprehensive policy which we can examine in a proper debate.

Thank you, Mr. Chairman.

Hon. L. S. CRAIG: Sir, just briefly: the honourable Member for St. Michael West indicated that, because my colleague on my right is an Adventist, he was advocating the opening of shops on Sundays, but I would have to be very careful with that because all the Adventist would work on Sundays and they would get all the overtime, so I would not touch that at all.

Here it is that you hardly have any Adventists in your constituency, and you are advocating in here today that all of the Adventists should work on Sundays. The Adventists, on the other hand, will argue that everybody stops work on Saturdays. It cannot work that way. He is

a Christian and as long as it is Saturday or Sunday, he determines when best he must serve his God, whether it be Sunday, Monday, Tuesday or Wednesday.
4.10 p.m.

There is one aspect of the Bill which I would like to raise, Sir. I know there is a comprehensive Bill coming before the House, but for some time, I have felt that at this time of the year Broad Street should be turned into a mall. I will even go further, on Fridays and Saturdays they should divert the traffic and have Broad Street as a shopping mall, and from the corner of Tudor Street up to the end of Baxters' Road should be opened any hour of the night, not only the Pink Star — you will go at Basil and buy fried black pudding but I go at the Pink Star and buy fried chicken; you are a fried burst black pudding man. I know that — and give the people an opportunity. Sir, the small people, the small people, who sell the apples and the Christmas cards, an opportunity to open at night, right through the night, so that they would have an opportunity to earn a few more dollars.

They are in no position to have the high powered advertisement like Manning 500 and people of that nature. Sir, and I would hope that in the near future my colleague, or the Minister of Labour, whoever he is going to be, whoever he is going to be,..... in any Government for that matter, Sir, would determine within himself the best area, Sir, that he should conduct a study in that light, Sir.

Those are my views, Mr. Chairman, and I sincerely hope that the appropriate Minister in any Government, whoever he is going to be, would take heed and examine Broad Street at some future date where they can divert traffic and have it as a real shopping mall. It is a very small area and I am quite sure traffic can be congested and so on there especially at this time of the year and it really does no good to any of us, Sir.

Mr. CHAIRMAN: The question is.

Mr. L. E. SANDIFORD: Mr. Chairman, we are in the time of Christmas and I know my friend likes to talk about the Pink Star and what he would buy, fried chicken and so on. It is not really the point at issue.

I hope these coming events. . . . casting their shadow. I heard, "whoever the Minister of Labour may be", or "whoever the particular Minister may be". Within the context of ministerial changes and things like that, we do not know what is.

Hon. L. S. CRAIG: Sir, the vagaries of democracy dictates changes in ministerial position. At some future date, they may be over here and we may be over there.

That is the vagaries of democracy. You can interpret it how you care to interpret it. I am going to try and make sure that you do not dictate. I am going to try very hard.

Mr. L. E. SANDIFORD: Mr. Chairman, on this question, the matter has been raised relating to persons working on Sundays and those working on Saturdays and I do not think that we could really dismiss this matter as lightly as that, because I have some reason to believe that those who follow the faith of the Seventh Day Adventist, some of them do find some difficulty in obtaining employment because they might not be available to work on Saturdays. This is a fact, and I believe if other Members in this House would care to speak on it, they would know of cases in which Seventh Day Adventists find it difficult to obtain employment simply because they are not available to work on Saturdays.

I believe we might be in danger, if the business prolongs, that we might lose our quorum in here. We might lose our quorum in here because when 6.00 o'clock comes, we know that some members may follow their religious conviction and disappear.

(Hon. L. S. CRAIG: No, they will ask God to forgive them.)

Mr. L. E. SANDIFORD: But the point I am really raising, my representative for the constituency of St. James North.

(Hon. L. S. CRAIG: Not yours. The man you voted for. Not yours. The man you voted for. The person you voted for.)

Mr. L. E. SANDIFORD: My representative for St. James North. When he is elected in here he represents, he is supposed to represent all of the members, the people who live in a particular constituency. He is now giving advice to the Minister of Labour.

(ASIDE: Instructions)

Mr. L. E. SANDIFORD: It is instructions to the Minister of Labour. to turn some place, the corner of Tudor Street, wherever that is, I think his exact words were the corner of Tudor Street, wherever is the corner of Tudor Street.

(Hon. L. S. CRAIG: From the corner of Tudor Street right up to the corner of Baxters' Road.)

Mr. L. E. SANDIFORD: right up — and Broad Street. into a mall.

I notice he is giving the advice now, he is Minister for Parliamentary Affairs; but when he was Minister of Labour not so long ago.

(Mr. B. M. TAITT: Not one word about this.)

Mr. L. E. SANDIFORD: we did not get the Bill coming down to this House, the amendment or the thing, I wonder why.

(Hon. L. S. CRAIG: You had up there so confused, I did not know where to start.)

Mr. L. E. SANDIFORD: He is now giving some advice there to his colleague, but when he was there, I know he did not do it. He would not attempt that one but he is giving some — of course, I know he would not attempt to give any similar advice to the Minister of Housing.

(Mr. B. M. TAITT: Cannot touch him.)

Mr. L. E. SANDIFORD: because the Minister of Housing would not be in that at all. He would not take it at all.

Anyhow, I think we are in the Christmas spirit now. We are coming to the end, so we leave it at that.

(Hon. L. S. CRAIG: You see we are not frightened on Friday evenings.)

Mr. CHAIRMAN: The question is.

Mr. R. E. BRATHWAITE: In supporting this Bill, Mr. Chairman, I am very happy and I am sorry it did not come before, because, as you know, there are some people who start to work on Mondays to Saturdays and those people never have an opportunity to shop at all. This will give such people an opportunity.

We all know the position of the tourist industry in this country and I think it is a sad mistake to let those boats come about here on Sundays and find a closed down town and then they have to shop in the Virgin Islands and other places.

I feel this is a means of bringing in extra revenue and there are always some nice girls out there who would be glad to work on Sundays, because there are some people today who do not work on Saturday nor Sundays and they would be just glad to work on Sundays.

I believe it is a very progressive move. It will be helpful, also, to the store owners because I believe they would like to do business and I am sure that all of us in here at sometime have found ourselves in the position that on Friday evenings and Saturday we have to finish off our rounds and would like to go Sunday morning to do things.

I hope that when this Bill comes back to us that the Minister would make it possible not only when

tourist boats come into the island but that it would be possible, for at least half day every Sunday, that we all could go and have time to shop.

I thank you.

The question that Clause 21 stand part was put and resolved in the affirmative without division.

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

On separate motions of Hon. V. L. JOHNSON, seconded by Hon. L. S. CRAIG, the Bill was read a third time and passed.

BILL TO AMEND THE BARBADOS PORT AUTHORITY ACT

Item No. 11 was called — To move the Second Reading of a Bill to amend the Barbados Port Authority Act.

Hon. Dr. D. G. BLACKMAN: Mr. Speaker, in 1978 the Port Authority Act of 1975 was amended, and at the time it was amended Part 6 of the said Act, which provided for the disposition of unclaimed goods, was omitted. It is not entirely clear, Mr. Speaker, why it was omitted in view of the fact that the Ministry's documents on this subject were destroyed by a fire which took place in the Spring Garden Project office.

During this time, there has been an accumulation of goods worth millions of dollars in the Port Authority and in recent times some of these goods stored there are perishable.

If the Authority does not have the power that this Bill seeks to confer upon them to dispose of these unclaimed goods, the rat population in Barbados will multiply considerably. The proliferation of rats in the area and the incitement of human beings to take unauthorized possession of such goods create serious problems for the health and law and order within the society.

This is a short Bill, I have indicated its purposes, and I beg to move that it be read a second time.

The question that the Bill be read a second time was put and resolved in the affirmative without division, and Mr. SPEAKER left the Chair and the House went into Committee on the Bill, Mr. ODLE in the Chair.

Clauses 1 to 3 were called and passed.

On the motion of Hon. Dr. D. G. BLACKMAN, seconded by Hon. L. S. CRAIG, Mr. CHAIRMAN left the Chair and Mr. SPEAKER resumed the Chair and reported the passing of one Bill in Committee.
4.30 p.m.

On the separate motions of Hon. D. G. BLACKMAN, seconded by Hon. L. S. CRAIG, the Bill was read a third time and passed.

RESOLUTION TO APPROVE THE SPECIAL DEVELOPMENT AREA (PARISH LAND) ORDER, 1982

Hon. DeL. O. BRADSHAW: Mr. Speaker, under the Land Development Act, Cap. 78, the Minister of Finance is empowered to declare areas special developments. In order to do so, the Act makes provision for him to make Orders. In order for such Orders to be effective, parliamentary approval is necessary.

In this particular Resolution parliamentary approval is sought in order to enable the Minister of Finance to declare Parish Land in Christ Church a special development area. The Parish Land area has already had the structural services put in, there are a number of persons who have the assigned lots and presently reside there.

Earlier this year, I made mention in this Honourable Chamber that persons who were allocated lots in that development would be able to purchase them at a price of 48 cents per square foot. This Order would legalise that announcement.

Mr. Speaker, I think that I have given a thorough account of what the purpose of this particular Resolution is about, and with that I beg to move that this Resolution do now pass.

Hon. H. B. St. JOHN: I beg to second it, Sir. The explanation is quite simple. Parish Land is situated in Christ Church, in that part of Christ Church which, formerly, was vested in the Foundation School Trustees. It was taken over by the Government, a tremendous amount of money was spent in this area providing the infrastructure.

When one takes into account that the Government allowed the existing tenants plus new tenants to come into the area and buy the land at 48 cents a square foot, it became clear that all around Christ Church in that area that the economic price of land varied from Land Developers Limited at \$4.00 to \$3.25. So if we sold lots at 48 cents per square foot to people, it is clear that they will get a tremendous increment.

All we are doing is declaring a special development area so as to recapture some of the expenditure. It does not prevent them from selling. They can sell, but if they sell above the base valuation, we feel that the rate of tax

— I think it is 50 per cent of the land rent; so if they sold above a dollar the Government would get something out of it. The truth of the matter is that the pressure up there is so great — at Kingsland and all around it is now \$4.00 for a small lot — that we have to protect ourselves.

People do not realise it is 90 acres, and about 30 acres have been developed, and we have to pay for the development costs of the other 60. We know that anybody who buys a lot from Government now at 48 cents per square foot, they do not even have to move, they can get \$2.50 without question, because the roads, the water, the light and everything is there.

I beg to second this Resolution.

Mr. W. O. FRANKLIN: Mr. Speaker, I find no problem in agreeing with the principle behind this particular one, but it turns my attention again to the problem that confronts a lot of people in private tenancies throughout Barbados.

I have spoken, Mr. Speaker, before of the problem that people in the large private tenancies like Lynches in St. Philip — I am certain there are lots of them all over Barbados — and these are problems that this Government and any future Government must address itself to seriously.

The problem in a nutshell, Mr. Speaker, is simply this. Because of the Tenantry Control Bill, the rents that the people pay for the particular lots they are on are regulated. The rents in most cases are uneconomic rents and as a result the owner finds it very difficult to put in the necessary infrastructure. Two things happen. First of all, the infrastructure becomes very very bad, and, secondly, as a direct result of this, there have been very little security of tenure beside that granted by the Tenantry Act. The people are not disposed toward the development of their houses in these tenancies.

The one I know most about, Mr. Speaker, is Lynches in St. Philip. If you have a large private tenancy with well over 60 people on it, and the situation has reached the stage where the owner of the tenancy is refusing to grant permission to the tenants to put down water borne toilet systems.

In this present day and age where these people have their little boys and girls going to Harrison College, Lodge and Combermere, it is not in keeping with the standard we set ourselves in housing to have any more backyard toilets. The people are willing to develop their land, but they cannot get permission from the individual owner to carry out development.

The Ministry must begin to take a very serious look at these tenancies, acquire them, put in the infrastructure

or upgrade the infrastructure and bring them under the same Development Act that Parish Land is now under. I know that there is legislation available where tenants, collectively, could force the owners into doing the same thing, but I am saying that a lot of the tenants have not seen fit to get together yet to do it, and the Government needs to take the necessary lead in this procedure.

If you look at the historical development of land, it is a truism that, the moment people own the land, the house immediately improves and it goes from a little wooden house to the wall structure, and the time is right where a lot of these private tenancies throughout the place, that the owners are refusing to let people to develop their houses properly, must be taken over by the Government, developed and sold to the tenants in the individual tenancies throughout Barbados.

I support this particular one, because it is only right that if the Government has gone to the expense to put in infrastructure, that any increment in value should not be allowed to go to the owners of the land, but Government should recoup some of the money that they put out, therefore I have no problem in this particular theory.

I am only asking as a matter of urgency that the Minister have a look at Lynches in St. Philip. I know the owner has offered it to the Ministry of National Housing, and I want to see something done at Lynches in St. Philip for those 50 people who are going through a serious situation where there are difficulties, where they cannot acquire and develop the houses that they want for their offspring to be happy and comfortable in, so that the little boys and girls could do their work by electric light at night and they could have their inside baths so that they can finish their homework and go to bed clean and wake up early in the morning.

4.40 p.m.

I do not need any back door toilet in St. Philip. The quality must be improved, so I am making a direct appeal to the Minister of Housing to have a look at Lynches in St. Philip and let us get something done there.

Hon. DeL. O. BRADSHAW: Mr. Speaker, I am surprised to hear the honourable Member appealing to my Ministry to speed up work in Lynches, St. Philip. The honourable Member knows full well, and better than anyone in this Chamber, that most of the surveying work, which is done under the Tenantry Freehold Purchase Scheme, has been done in the parish of St. Philip. I will go as far as to say that one third of the entire surveying services was conducted in St. Philip, and he knows that. I think that is rather disproportionate, but that is how things work. However, I do take the point that he has made and I will endeavour to see what can be done to speed up the work in Lynches and on all other tenancies.

As far as the point relating to the landlords refusal to allow persons to add or improve their homes, I want to say this: the landlords, one hoped, would have co-operated; but on hearing this about the policies of the landlords, I would wish to remind them that there is a penalty for those landlords who refused to convey to a qualified tenant the lot on which he lives.

The Act, the Tenantry Freehold Purchase Act, 1980, states quite clearly that a qualified tenant may opt to purchase by filling out and handing to the landlord a Form 1, on the receipt of which he must proceed forthwith to survey the land and have the title passed on to him. That is quite clear — forthwith.

The Government has, in order to facilitate this, entered into an arrangement with the Land Surveyors Board and we have got a number of surveyors, around 20 of them, who are working with the Ministry. Their services can be called upon or the landlord can ask the Ministry to provide some services, because we know that surveying is a prerequisite to the completion of the handing over of these titles.

I would just want to issue a word of warning to the landlords.....

Mr. SPEAKER: The honourable Member is dealing with the plantations and plantation tenancies.

Mr. W. O. FRANKLIN: On a point of elucidation, if the honourable Member would give way. Thank you very much. This is the same point. Lynches is not one of the tenancies that was scheduled under that particular Act. It is a private tenantry with 50 people on it; so the Act does not apply to this particular tenantry. That is why I am making the appeal.

Hon. DeL. O. BRADSHAW: That is exactly the point. The honourable Member, if you were in here when the Act was being introduced and the Opposition had taken the time to study the Bill, they would have seen that it applies to all tenancies. Once it constitutes two or more lots, that is a tenantry.

You do not read the Act. You cannot understand the interpretation? You cannot blame me for that. Whether it is private or plantation tenantry the Act says "tenancies."

Anyway, the honourable Member has enough time to acquaint himself with the Act and I am sure that he will not wish to raise that point again. It is a non point.

What I am concerned with, Mr. Speaker, is the point which was raised by the same honourable Member that people are not disposed to developing their houses.

I would want to say this, and I would stress this, that that is exactly why the Government has entered into an arrangement with the United States Government to have a loan of some US\$20 million, to enable persons to buy the land or the lot on which they live in plantation tenancies and to enable them to have funds to repair and improve their homes.

So there is no question that persons should be suffering, and if, as I said, this is drawn to my attention, that landlords are obstructionists in this particular matter, I will see to it that everything is done so that the tenants are not deprived of their rights under the law.

It was this Government that passed the law in order to enable those tenants, who qualify, to own their lot and improve their respective lots and their houses.

As I said, Mr. Speaker, I take the points which were raised by the honourable Member and I think that it was only fitting that I draw his attention to the Act and ask him to read it a bit more closely so that he would not get up and make those non points in here.

The question that the Resolution do now pass was put and resolved in the affirmative without division.

ADJOURNMENT

Hon. L. S. CRAIG: Mr. Speaker, this brings us, Sir, to the end of today's sitting and also, Mr. Speaker, our final sitting for this year 1982.

You will appreciate, Mr. Speaker, that, on behalf of my colleagues, I wish to extend to you, the Clerk, staff of Parliament and Members on the other side, a blessed, cool, calm, and peaceful Christmas.

I believe that the \$108 per month would at least buy a little thing to make the Christmas season even brighter than it had appeared to be in the past.

As is customary, we sincerely hope, when we come back on January 11, 1983, that we would come back with renewed vigour and to carry out business in the manner in which we have tried to carry it out to the best of our ability.

It has been a rather interesting sitting. The cut and thrust of Parliament will always be there and, as we say, the best of luck to each and everyone of us who helped to make Parliament what it has been this year. It is only left for me to reiterate my best wishes for Christmas and the coming year, Sir.

I beg to move that this House now stand adjourned until January 11, 1983 at 12 o'clock noon.

Mr. L. E. SANDIFORD: Mr. Speaker, from the Opposition benches I rise to associate myself with the sentiments expressed by the honourable Leader of the House and the Member for St. James North. I wish to join him in extending to you, Sir, to my colleagues on the Opposition Benches, the Members of the Government, the front bench and the back bench, to the Clerks at the table, the reporters and to the other Members of the staff of Parliament, those who come into this Chamber and those who are not in the Chamber during debating time, I wish to extend to them the Seasons Greetings and, for all of us, I wish that we may have a very joyous Christmas and a happy New Year.

4.50 p.m.

I know that there is no point in wishing prosperity, Mr. Speaker, because prosperity will elude all of us, so I wish a joyous and prosperous New Year.

I do join with the honourable Member for St. James North, the Honourable Leader of the House also in hoping that when we return we will come with renewed vigour. I know that there will be very many problems to tackle because those problems will not disappear with the coming of Christmas and with the celebration of the birth of the Christ child; so I do hope that we will return to tackle those very grave problems which are confronting our country at this particular time, and that when we return we will be able as Government and Opposition to perform our roles with you presiding in your customary impartial manner, Mr. Speaker, and to keep the debate on an even keel and ensure that whatever we may say and whatever we may do would be in the best traditions of parliamentary democracy in this country.

With those few remarks, Mr. Speaker, I extend best wishes to you and to everyone associated with Parliament for this season and the coming New Year.

Mr. SPEAKER: Honourable members I take this opportunity to extend Seasons Greetings to each and everyone of you. In doing so I bear in mind our staff and think deeply of the contribution they have made throughout the year.

There is one thing that comes to my mind particularly. We look forward after a joyous Christmas, which I wish for each and everyone, to prosperity in the new year, and it is my fervent hope that an atmosphere will prevail in the new year that will lend itself to us to initiate in this Parliament a prayer breakfast feature.

In other words, that some time early in the new year, not necessarily the first or second day of January or anything like this, but as soon as is conveniently possible that we should so bend our spirits together that we can sit down as one people over breakfast in prayer to Almighty God asking that He guide us through the coming year, that He will direct us and that He will take care of us in doing the people's business with courage and conviction.

Honourable members, I leave this with you, give a thought to it. Let us see what we can do in the coming year.

May each and everyone of you have a real joyous Christmas and share with the prosperity that we look forward to in the coming year.

The question that this House do now adjourn until Tuesday, January 11, 1983, at 12 o'clock noon was put and resolved in the affirmative without division, and Mr. SPEAKER adjourned the House accordingly.

4.55 p.m.

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Hon. L. S. CRAIG:

The Post Office (Overseas) (Parcel Post) (Amendment) Regulations, 1982.

The Vessels (Registration Fee) Regulations, 1982.

The 31st Annual Report and Statements of Accounts of the Natural Gas Corporation, 1st April, 1981 to 31st March, 1982.

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The Annual Report of the Barbados Export Promotion Corporation at 31st March, 1982.

GOVERNMENT NOTICES

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Resolution to approve the compulsory acquisition of land at Welches, St. Michael for the purpose of landscaping and providing parking facilities at the Welches Post Office.

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LEAVE PASSAGES (AMENDMENT) ORDER, 1982 Mr. Adams.

THE FACTORIES ACT, 1982 (d.r) (Order No. 2) Mr. Craig, Mr. Speaker, Mr. Chairman, Mr. Sisnett, Mr. L. B. Brathwaite, Dr. Haynes, Mr. Tull, Mr. Greaves.

SUSPENSION Mr. Speaker.

PRIVATE MEMBERS' BUSINESS

RESOLUTION RE NOTICES OF ARREARS OF LAND TAX (BY DR. R. C. HAYNES) d.r.....Mr. Speaker, Mr. Adams, Dr. Haynes, Mr. Craig.

GOVERNMENT BUSINESS

RESUMPTION OF DEBATE ON ORDER NO. 2.....Mr. Chairman, Mr. Craig.

SUSPENSION.....Mr. Craig, Dr. Haynes.

(Sitting Resumed)

MOTION TO SUSPEND FOR 20 MINUTES.....Mr. Craig, Mr. Barrow.

RESOLUTION RE BORROWING OF US\$13 MILLION FROM BARBADOS NATIONAL BANK, MORGAN GUARANTY TRUST CO. AND OTHERS TO FINANCE PURCHASE OF ASSETS OF MOBIL EXPLORATION BARBADOS INC.....Mr. Adams, Mr. St. John, Mr. Barrow, Mr. Speaker, Mr. Forde, Mr. L. B. Brathwaite, Dr. Haynes, Mr. Truss.

MOTION RE REOPENING OF GOVERNMENT NOTICES.....Mr. Adams, Mr. Speaker.

GOVERNMENT NOTICES

Rt. Hon. J. M. G. M. ADAMS:

Resolution to grant the sum of \$2.5 million from the Consolidated Fund and to place it at the disposal of the Government to supplement the Estimates 1982-83 Part I - Current as shown in the Supplementary Estimates 1982-83 No. 10 which form the Schedule to the Resolution.

SUSPENSION.....Mr. Craig.

(Sitting Resumed)

SUPPLEMENTARY ESTIMATES 1982-83, No. 10.
(\$2 300 000)

HEAD 24 - PENSIONS - \$2 360 000 Mr.
St. John, Dr. Haynes, Mr. Craig, Mr. Taitt, Mr. L. B.
Brathwaite, Mr. Greaves, Mr. Bolden, Mr. Sisnett.

SUPPLEMENTARY ESTIMATES 1982-83 No. 9
(\$1 500 000)

HEAD 73 - MINISTRY OF FINANCE -
\$1 500 000.....Mr. St. John.

SUSPENSION.....Mr. Speaker.

MOTION TO REVERT TO GOVERNMENT NOTICES.....
Mr. Craig, Mr. Speaker.

GOVERNMENT NOTICES

Hon. L. S. CRAIG:

Resolution to grant the sum of \$26 million from
the Consolidated Fund and to place it at the dis-
posal of the Government to supplement the
Estimates 1982-83, Part I - Current as shown in
the Supplementary Estimates 1982-83, No. 11
which form the Schedule to the Resolution.

Resolution to approve the use of the sum of
\$3,700,000 to be borrowed from Barclays Bank In-
ternational Limited for the purchase of the Assets
of Aero Services Ltd.

Resolution to grant the sum of \$3,700,000 from
the Consolidated Fund and to place it at the dis-
posal of the Government to supplement the
Estimates 1982-83, Part II - Capital as shown in
the Supplementary Estimates 1982-83, No. 12
which form the Schedule to the Resolution.

Resolution to amend the Explanatory Note to
Capital Head 73 - Ministry of Finance and
Planning, Subhead 3 - Purchase of Equity by
Government in Commercial Ventures.

Resolution to approve the Special Development
Area (Parish Land) Order, 1982.

A Bill to amend the Barbados Port Authority Act.

PAPERS LAID

Hon. L. S. CRAIG:

The Special Development Area (Parish Land) Order,
1982.

The Annual Report of the Department of Labour
for the year 1979.

GOVERNMENT BUSINESS RESUMED (SUPPLE-
MENTARY ESTIMATES No. 9).....Mr. St. John.

SUPPLEMENTARY ESTIMATES 1982-83, No. 8
(\$98 700).....Mr. St. John.

RESOLUTION RE COMPULSORY ACQUISITION OF
LAND AT WELCHES, ST. MICHAEL FOR LAND-
SCAPING AND PARKING FACILITIES AT
WELCHES POST OFFICE.....Mr. Bradshaw, Mr.
Sandiford.

SUSPENSION.....Mr. Craig.

(Sitting Resumed).

MOTION TO LAY PAPERS AND GIVE NOTICE OF
ITEMS.....Mr. Craig.

PAPERS LAID

Hon. V. L. JOHNSON:

The Instruments adopted by the 68th Session of the
International Labour Conference held in June,
1982.

Hon. L. S. CRAIG:

The Report of the Immigration and Passport
Department for the period 14th March, 1980 to
31st December, 1982.

The 13th Annual Report of the Barbados Develop-
ment Bank 1981-82.

GOVERNMENT NOTICES

Hon. L. S. CRAIG:

A Bill to amend the Shops Act.

FIRST READINGS OF BILLS

Hon. L. S. CRAIG:

A Bill to amend the Shops Act.

ORAL REPLIES TO QUESTIONS

Hon. L. B. BRATHWAITE:

Answer to Parliamentary Question No. 17.

Hon. H. B. St. JOHN:

Answer to Parliamentary Question No. 19.

GOVERNMENT BUSINESS

SUPPLEMENTARY ESTIMATES 1982-83 No. 11.

HEAD 23 - MINISTRY OF FINANCE AND
PLANNING - \$26 000 000.....Mr. St. John,
Mr. Taitt.

SUPPLEMENTARY ESTIMATES 1982-83 No. 12.

HEAD 73 - MINISTRY OF FINANCE AND
PLANNING - \$ 3 700 000.....Mr. Adams, Dr.
Haynes, Mr. St. John, Mr. Taitt, Mr. Sandiford.

SUSPENSION.....Mr. Speaker.

MOTION RE QUESTIONS No. 17 and 19 for Oral
Reply.....Mr. Craig, Mr. Speaker, Mr. Sandiford,
Mr. L. B. Brathwaite.

RESUMPTION OF DEBATE ON SUPPLEMENTARY
ESTIMATES No. 12.....Mr. Sandiford.

RESOLUTION TO AMEND THE EXPLANATORY
NOTE TO CAPITAL HEAD 73 - MINISTRY
OF FINANCE - SUBHEAD 3.....Mr. Craig.

RESOLUTION TO APPROVE THE USE OF \$3 700 000
TO BE BORROWED FROM BARCLAYS BANK
FOR THE PURCHASE OF THE ASSETS OF

AERO SERVICES LIMITED.....Mr. St. John, Mr.
Odle, Mr. Craig.

SHOPS (AMENDMENT) ACT, 1982.....Mr. Johnson, Mr.
Sisnett, Mr. Weekes, Mr. St. John, Mr. Taitt, Mr.
Craig, Mr. Sandiford, Mr. R. E. Brathwaite.

BARBADOS PORT AUTHORITY (AMENDMENT) ACT,
1982.....Dr. Blackman.

RESOLUTION TO APPROVE THE SPECIAL DEVELOP-
MENT AREA (PARISH LAND) ORDER, 1982.....
Mr. Bradshaw, Mr. St. John, Mr. Franklin.

ADJOURNMENT.....Mr. Craig, Mr. Sandiford, Mr.
Speaker.

SPEAKERS IN THIS ISSUE

ADAMS, Rt. Hon. J. M. G. M. (St. Thomas).
BARROW, Rt. Hon. E. W. (St. John).
BLACKMAN, Hon. Dr. D. G. (St. Michael East).
BOLDEN, C. L. (St. Joseph).
BRADSHAW, Hon. DeL. O. (St. Michael South East).
BRATHWAITE, Hon. L. B. (St. Andrew).
BRATHWAITE, R. E. (St. Lucy).
CRAIG, Hon. L. S. (St. James North).
FORDE, Hon. H. deB. (Christ Church West).
FRANKLIN, W. O. (St. Philip North).
GREAVES, P. M. (St. Michael North).
HAYNES, Dr. R. C. (St. Michael South Central).
HINDS, His Honour W. C. B. (St. Peter).
JOHNSON, Hon. V. L. (St. Michael West Central).
ODLE, J. G. (St. George North).
ST. JOHN, Hon. H. B. (Christ Church East Central).
SANDIFORD, L. E. (St. Michael South).
SISNETT, L. L. (St. Michael North East).
TAITT, B. M. (St. Michael West).
TRUSS, A. (St. Michael Central).
TULL, Hon. L. R. (St. George South).
WEEKES, L. A. (St. Michael North West).

