

THE House of Assembly Debates

(OFFICIAL REPORT)

SECOND SESSION OF 1981-86

HOUSE OF ASSEMBLY

Tuesday April 23, 1985.

Pursuant to the adjournment, the House of Assembly met at 12.15 p.m. o'clock.

PRESENT

His Honour C. L. Bolden, LL.B., (Speaker)
His Honour R. E. Brathwaite, (Deputy Speaker)
Hon. L. S. Craig, (Minister of Parliamentary Affairs and Leader of the House)
Hon. H. B. St. John, Q.C., LL.B. (Prime Minister, Minister of Finance, Planning and International Transport)
Mr. L. E. Sandiford, M.A., (Econ.)
Hon. Miss B. A. Miller, (Minister of Education)
Hon. L. B. Brathwaite, (Minister of Housing and Lands and Minister of Trade and Industry)
Mr. J. G. Odle, B.Sc., (Chairman of Committees)
Hon. V. L. Johnson, M.A., (Minister of Transport and Works)
Mr. B. M. Taitt, B.A., (Hons.), M.A., LL.B. (Hons.)
Hon. L. R. Tull, Q.C., M.A., (Attorney General and Minister of Legal Affairs and Minister of Foreign Affairs)
Hon. DeL. O. Bradshaw, (Minister of Labour, Social Security, Sport and Community Services)
Mr. L. L. Sisnett, (Parliamentary Secretary, Ministry of Trade and Industry and Ministry of International Transport)
Hon. Dr. R. L. Cheltenham, M.A., M.Sc., (Econ.) (Minister of Agriculture, Food & Consumer Affairs)
Dr. R. C. Haynes, Ch.B., F.R.C.P., (Edin.)
Mr. W. O. Franklin, A.I.A.S., J.P.
Hon. A. Truss, (Minister of Tourism and the Environment)
Mr. O. S. Arthur, M.Sc., (Econ.), (Parliamentary Secretary, Prime Minister's Office)

Prayers were read by Mr. R. E. BRATHWAITE.

Mr. SPEAKER: The Minutes of the meeting of April 16, 1985.

Hon. L. S. CRAIG: Sir, I beg to move that the Minutes for the meeting of Tuesday, April 16, 1985 be taken as read.

Mr. SPEAKER: If there are no observations or objections, let the Minutes stand confirmed.

PAPERS LAID

Hon. H. B. St. JOHN: Mr. Speaker, I beg to lay the following:

The Defence (Rate of Pay and Allowances) Regulations, 1985.

The Economic Report, 1984.

Statement of the Return of Output of Locally Produced Spirits during the quarter ending March, 1985.

The Annual Report, the Auditors' Certificate and Financial Statements of the Central Bank for the year 1984.

Hon. L. S. CRAIG: Mr. Speaker, on behalf of the Minister of Labour, Social Security and Sport, I am commanded to lay:

The Annual Report of the Department of Labour for the year 1982.

Hon. V. L. JOHNSON: Mr. Speaker, I am commanded to lay the following:

The Second Annual Report of the Transport Levy Fund for the year 1983-84.

The Second Annual Auditors' Report and Financial Statements of the Transport Levy Fund for the year ended March 31, 1984.

ORAL REPLIES TO QUESTIONS

Hon. L. B. BRATHWAITE: I beg to give notice that the reply to Parliamentary Question No. 8, asked by the honourable Member for St. Michael South, is ready.

Hon. H. B. St. JOHN: I beg with the leave of the House to ask your Honour's permission to re-open the Item Statements by Ministers. When it was called, I was engaged in a conversation with the Leader of the House. I have a short statement to make.

Mr. SPEAKER: If we have completed *Oral Replies to Parliamentary Questions*, then we can revert to *Statements by Ministers*.

Hon. H. B. St. JOHN: I beg to give notice that the Reply to Parliamentary Question No. 19, asked by the honourable Member for St. James South, is ready.

STATEMENTS BY MINISTERS

Hon. H. B. St. JOHN: Mr. Speaker, I have just laid the Barbados Economic Report-Survey for 1984, and the 1984 Central Bank Report. You will recall that custom has been to lay these documents in this Honourable House on the same day of the presentation of the Budgetary Proposals. This practice has drawn criticism from the honourable Members on the other side, although it must be pointed out that when they formed the Government, there were occasions when these documents were not even made available on Budget Day. I have therefore decided to lay the documents well in advance of Budget Day.

Budget Day will be Tuesday, May 7, 1985, and I wish to inform this Honourable House that the established rules for equal time of reply and the rest of the ensuing debate will be applied.

SUSPENSION OF STANDING ORDERS

Hon. L. S. CRAIG: Sir, I beg to move that Standing Orders 6, 16, 18, 20, 42(5), 43, and 44 be suspended for the remainder of today's sitting.

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

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

GOVERNMENT BUSINESS

COMPULSORY ACQUISITION OF LAND AT ST. LAWRENCE, CHRIST CHURCH

Order No. 3 was called – To move the passing of a Resolution to approve the compulsory acquisition of land at St. Lawrence, Christ Church.

Hon. L. B. BRATHWAITE (St. Andrew): This is another of acquisitions which would tend to facilitate the West Coast-Airport Highway, which the Government proposes to construct. Sufficient has been said, as I have said on previous occasions, on this highway, and I do not think it is necessary to go into the historical background of everything surrounding it. If there are any questions to be asked about this acquisition, I am quite willing and prepared to give that information.

I beg to move that the Resolution do now pass.

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

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

THE LEAVE PASSAGES (AMENDMENT) ORDER, 1985

Order No. 2 was called – To move the passing of the Resolution to approve the Leave Passages (Amendment) Order, 1985.

Hon. H. B. St. JOHN: Mr. Speaker, this is a short Resolution, and it is one that honourable Members will recall occurs regularly, immediately after a salaries revision, in order to ensure that that category of employee in the Government Service whose salary makes them eligible for leave passage provisions is not expanded as a result of the improvement in the terms and conditions of service of Government employees. As soon as there is a salaries revision, there has to be a raising of the threshold sum, and this Resolution seeks to do that in respect of the last salaries revision.

I beg to move that this Resolution do now pass.

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

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

GUARANTEE BY THE GOVERNMENT OF BDS, \$3,272,400
AND INTEREST THEREON TO BE MADE BY THE
CARIBBEAN DEVELOPMENT BANK TO
LIAT (1974) LTD.

Order No. 4 was called – To move the passing of a Resolution to approve the guarantee by the Government of a loan of Bds. \$3,272,400 and interest thereon to be made by the Caribbean Development Bank to LIAT (1974) Ltd.

Hon. H. B. St. JOHN (Christ Church East Central): The Barbados Government is a shareholder of LIAT, and we have been a shareholder since the re-organisation which took place in 1974, when Courtlines became a financial difficulty and went into receivership and the Governments of the Caribbean Economic Community formed a new company, with the help of CDB, to carry on the work of LIAT, which provides essential inter-island transportation. All of the Governments became shareholders, however, as part of the terms and conditions of the loan from CDB, some Governments undertook the responsibility of providing, in the event that it was needed, a subvention to cover any operational losses.

Periodically, a review takes place of LIAT's equipment needs and of its financial position. Honourable Members will be aware that the service that has been performed by LIAT has improved greatly, particularly in the last four or five years, and so has its financial position. A number of reports and reviews of LIAT's equipment needs have been carried out – starting with a survey carried out by a team in essence provided under CIDA financing and which was to a large extent provided by Transport Canada; subsequently by a team provided under the regional allocation from the European Economic Community to the Caribbean region and a consulting firm which was largely Dutch – and all of these reviews stressed and emphasised that the generation of piston engine aircraft now used by LIAT would have to be replaced.

The Caribbean Council of Ministers approved part of the allocation of the regional funds under the Lome II Convention for the re-equipment of LIAT. Having approved the funds, those of us who are familiar with the EDF procedures, as they are called, would recognise that considerable investigation would have to take place prior to the signing of a financing agreement with the European Economic Community on the procurement of suitable equipment. The Caribbean Development Bank was the agency authorised by the CARICOM Council of Ministers, with the approval of the European Development Fund, as the channel through which funds would flow to the procurals of the providers of the equipment.

I regret to say that profound differences of opinion arose between the Board of Management of LIAT, the Caribbean Development Bank and the European

Economic Community as to the suitability of particular aircraft to carry out the functions required by the peculiarity of LIAT's route structure. Given the parameters of the procurement agreed beforehand by the European Development Fund, both the Directors of LIAT and the Caribbean Development Bank insisted that the only aircraft which will satisfy LIAT's route structure as well as the procurement rules agreed to would be the Avro 748, which was an updated and revised version of the existing Avros. The European Economic Community, on the other hand, were of a different view; their view being that a newly designed plane by a consortium in Europe called an ATR was the best plane to be procured by LIAT, given its advanced stage of design, the configuration and features. There was only one point, however, and that is that that plane had not been commercially certified nor had it a track record from which it could be judged.

A compromise position was subsequently taken by the Governments, with one or two reservations. The compromise position was that LIAT would accept an offer from the manufacturers of the Avro, from the British Government, whereby a number of Avros would be purchased with the approval of CDB with a guarantee of the Governments, and that a buy back provision would form part of the agreement, that at the outset LIAT would be given the opportunity to sell the Avros back to British Aerospace at any time within a given period of time, so that when the ATR was flying, when other model planes were also in commercial production and flying, LIAT would be able to assess for the long term the suitability of the new technology. That was an option which the Government of Barbados felt was the best solution in the circumstances in that it would allow LIAT to get the modern equipment which was in existence, and at the same time it would allow LIAT a period of time within which it could assess the new technology aircraft and not necessarily limit LIAT to the ATR, the 42-seater plane, but LIAT would be in a position, given its projected increase in traffic and its projected route structure, to assess any new planes that would be coming on stream in the commercial market during the buy back period.

12.35 p.m.

It is therefore necessary for us, as a shareholder, and a subvention holder, to guarantee that proportion of the loan which bears the same relationship to our subvention agreement as is contained in the original CDB loan agreement. Honourable Members will note where there is a correction, which I will ask to be inserted by way of an amendment. The correction arises from the fact that the draughts of the Resolution did not appreciate that although Barbados is a 18.18 per cent shareholder, we are a 20.69 per cent subvention holder, and the reason for that is that Jamaica and Guyana, although they became shareholders, never signed a subvention agreement. It is

not really a subvention holder, we are a subvention obligee, because in the event that LIAT makes a loss, we do not pay 18.18 per cent of the loss, we pay 20.69 per cent. It is over two per cent greater obligation than we have as a shareholder. That is the reason for the amendment.

I think that all honourable Members are fully aware of the great role that LIAT plays in the Eastern Caribbean. As far as Barbados is concerned, we certainly regard it as one of the more successful instruments which has been created as a result of the integration movement. I am sure that this has the support of all honourable Members of this House and, indeed, of the whole community in Barbados. We will continue to do our best to ensure that all Governments honour their obligations to LIAT and provide the level of support to LIAT which they originally undertook to provide in 1974. That has always been the guiding principle of successive Governments of Barbados in their dealings with LIAT.

I beg to move, Sir, that this Resolution, as amended, do now pass.

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

Rt. Hon. E. W. BARROW (St. John): Mr. Speaker, the only redeeming feature about the arrangements which are being entered into with the British company for the purchase of the HS, that is, the Hawker Sidley 748, is the fact that at sometime in the future they have undertaken to buy back and to free LIAT of the obligation to continue to operate the most unsuitable aircraft. Nowhere in this exercise has the comfort of the traveller been taken into consideration.

First, I wish to say that there is only one regional carrier as far as I am concerned, and that is the Leeward Islands Air Transport. There are certain features of the present arrangement which do not conform either with the commonsense or the best interest of the operation of the airline, and I am not afraid to mention this. The first is from the point of view of the cruise, and the efficiency of the airline.

The politics of keeping the headquarters in Antigua is completely inimical to the efficient operation of the aircraft. It is no reflection on the administration in Antigua. It is, in a measure, due, perhaps, to our own — I mean the BLP Administration, and the Government of Trinidad and Tobago — anxiety not to rock the boat and to let the people in the Leeward Islands feel that they were getting something. I wish to say right at the outset that it is the most unsuitable arrangement from the point of view of maintenance, from the point of view of the frequency of the flights, from the point of view of the crews and everything else. Since we are discussing the Act, I wish to say it here without any compunction whatsoever.

When I said at the beginning of my intervention that the travelling public was never taken into consideration, it is not quite as bad as the national airline of a neighbouring member of the Caribbean Community where when they were making decisions to purchase aircraft, the people who had to fly the airplanes were never consulted on the acquisitions of those planes, whether they were the Lockheed 10-11s, the DC 9s or any of the other unsuitable equipment which they acquired. I have heard discussions by engineers, who are not aeronautical engineers, that the 748 as it exists has economical engines and then there would have to be conversion of crews and that kind of thing, using different types of engines. I have always maintained that for the traffic which we have to carry between the territories, the countries and the states of the Eastern Caribbean, it requires an aircraft of the nature of the F-27, which carries more passengers and more luggage, and from the point of view of passenger convenience was certainly much more congenial than the cramped accommodations which are offered by the 748.

It is the policy of the British Government to try to sell their goods all over the world. It has been stated in a formal White Paper in the House of Commons that the only purpose of having a Foreign Office is to sell British goods, and no other reason at all — it is not for diplomatic purposes — and therefore you would expect that whenever the sale or purchase of some kind of equipment is being mooted, the British officials and the British salesmen would put on a high level drive to make it appear as if the product which they have is the only suitable product for these benighted colonies. I wish to say categorically that the Folker 27, which is being manufactured on licence by the Fairchild Company, is a far superior aircraft. People questioned me about the engines and I pointed out that the engine is the same engine which is being used on the 748, the only difference being that being a larger aircraft, the range of the Fairchild Folker 27 is about 200 miles shorter than the range of the 748. But since there is no sector distance in the Eastern Caribbean longer than 330 miles, an aircraft which has a range of 1 100 miles is more than adequate going non-stop from Barbados even probably to Puerto Rico, with possibilities for alternate landing in case of the close down of airfields.

12.45 p.m.

The French Government gave the Government of Martinique — I will say, 'Administration', because the Government of Martinique is the Government of France — the Administration of Martinique and the Administration of Guadeloupe two F-27s. I had the pleasure of travelling with them from here to Martinique and from here to Guadeloupe, when we had a service between Barbados and those islands, and I can confirm that they are much better aircraft which we probably could have got and at quite as good arrangements. I know nothing about the ATR that the European Community is bringing

out, but I know that, technologically, it has to be a superior aircraft, because the 748 is at least ten years old, and I do not mean ten years off the drawing board, because the possibility of getting a Super 748, as they say, was being mooted as early as 1974 in this country with the Board of Management of LIAT.

The next thing that we have to look at, of course, is that by the agreement to form the new Leeward Islands Transport we agreed that we should take it in rotation to be Chairman of the Board of Management. That has been a pure unmitigated disaster, because you have people who had no exposure, I would go so far as to say, some of them with even parliamentary experience, being put as Chairman of the Board of LIAT with all the consequential bad decisions that have been made there from time to time. But I am a supporter of LIAT, for the simple reason that I have always maintained that it is the only true regional carrier, and that it is essential for the support of our tourist industry, that we should be able to get people in and out of Barbados to the, not to use a derogatory term, what I describe as the Lesser Antilles, because we have the main international airport prior to the opening of the Point Salines Airport in Grenada. We certainly had the main international airport to feed the services which the other islands and territories required and *vice versa*.

As I said, the one redeeming feature is that we will be able to trade back in the 748, but I hope that in future, when we come to consider services which are being provided either for the general public of Barbados or for the public of the Caribbean in its wider sense, we will consider the convenience and the requirements of the people who utilise those services. This has been sadly lacking in the case of air transport services throughout the Caribbean up to the present moment. I hope, too, that due consideration will be given to the experience of the people who have to fly and fly in the aircraft as part of their jobs, because they are the people who can give advice to the political directorates as to the suitability of certain types of aircraft and landing at certain types of airfields in the region which they have to utilise from day to day in the course of their daily employment.

The public has been very badly served in respect of passenger comfort by LIAT. The public is badly served by LIAT in a lot of other respects. The computers are always breaking down, they are always overbooked, they are always leaving people on the ground, sometimes whole plane loads of people, without proper provision being made for the accommodation of those people. They have as their anthem "Never on a Sunday", because you cannot get any office of LIAT in any country on a Sunday. You have to go up to the airport and stand by; you cannot stay at home and ring an office and find out what planes are flying or not flying that particular day,

and there are lots of inadequacies which I know will not necessarily be cured by the acquisitions which we are discussing here today, but which I hope the representatives of Barbados on the Management Board of LIAT will raise, and raise with a very strong voice, in the very near future in order to let us have a regional airline serving the region of which we can be justifiably proud after spending all this money on subventions — I do not mean this particular sum, I mean what we spent in the past on subventions — and that the general public will have less cause for dissatisfaction.

Dr. R. C. HAYNES (St. Michael South Central): I want, first of all, to reinforce the very important contribution made by the Honourable Leader of the Opposition in respect of the selection of the most appropriate aircraft in the context of an airline such as LIAT, which has an almost built-in economic disadvantage by the nature of its scheduling, short periods in the air and frequent landings on the ground. The implications of that in respect of aviation engineering and selection and of durable and good equipment are of fundamental importance to the viability of LIAT.

The second point I want to make is that I think that there is time, having managed to persuade the Honourable Minister of Finance to lay certain documents in the House prior to the Budget, a very good approach which he has initiated, that at some time.....

Mr. SPEAKER: The honourable Member is well aware of the Rules of this House.

Dr. R. C. HAYNES: I am not debating it.

Mr. SPEAKER: You must not anticipate debates in this House.

Dr. R. C. HAYNES: To continue, Mr. Speaker, we are being called upon to guarantee our proportion of this obligation, which I gather is not 18 per cent but 20 per cent, or somewhere in that region. The point I am trying to make is that at some time it will be necessary for this Honourable House to be given an adequate picture of the current status of the public guaranteed debt of Barbados, because with this addition of \$3.272 million or a little more than that, one can say that since the Honourable Minister of Finance became Minister of Finance, the public guaranteed debt would have risen by almost \$18 million, and that is in about forty days or so. So it is absolutely important that at some stage, since it cannot be found in any document that is published or any document that is laid in this House at any time, a proper presentation of the public guaranteed debt should be made available to this Honourable House, so that we know that when we are being called upon to vote for guarantees we have a clear context and clear parameters in which we are discussing any escalation in the public

guaranteed debt. I have a pretty good idea what it is, but I would like to know for sure.

Asides.

Dr. R. C. HAYNES: It is alleged that it is not a secret, but it is not published any place.

We on this side, as the Leader of the Opposition has indicated, support the entire principle of LIAT as a regional carrier in terms of the service that it provides, the passengers that it carries and its benefits to the tourist trade. We also recognise it as a major infra-structural development within the region that is of particular advantage to Barbados and the other territories. It is on that basis that the subventions given by succeeding Governments could be justified. Indeed, on that basis, provided there is adequate management of LIAT, this guarantee and other guarantees probably in the future could be supported, but I have one or two reservations.
12.55 p.m.

I believe that there must be a clear policy in relation to a public sector venture like LIAT where the airline must be charged with the responsibility of meeting its operating expenses, must be charged with the responsibility of meeting, to some extent, the cost of depreciation of its equipment, and must be charged with the responsibility, at some stage, to structure its finances in such a way as to contribute significantly to the replacement of equipment. I believe that there is a need for a clear management structure to be clearly defined, at the political level, in respect of the financial management and objectives of an airline such as LIAT.

Last night, I spent a lot of time looking back at what has happened to LIAT since LIAT (1974) was formed. What seems to have emerged is that the initial losses have been gradually reduced over the years, and it would appear to me that from 1981 there has been an element of profit. I could not pick up the 1981 profit, but it appears that in 1982, there was a profit of some \$820 000, and in 1983, a profit of about \$2.56 million. But when you look at that, against the background of the last statement that I had access to, the 1983 statement, and I believe the financial year ends some time around October, I am not happy at all with what I saw as the status of the subvention account of members at that particular time. There were at least five countries owing substantial amounts of money in terms of their subvention, and one of them owed almost \$1 million, some \$995 000. I believe that country has already been mentioned on the floor of this House in debate. In fact, the total amount of default in respect of subvention payments was some \$2.28 million. And when you look at the status of the company, you would see that the current assets at that time were valued, at some \$24 million, the current liabilities, \$25.4 million, leaving a

working capital deficit of about \$1.14 million. In other words, one can clearly see that in 1983, the viability of the operation, its capacity to borrow without guarantees — indeed, whether one could designate it a viable or non-viable enterprise was heavily influenced by the fact that several Governments did not honour the obligations in respect of paying into the subventions account.

I think that while in Barbados we are prepared to promote the concept of regionalism, it can only work if members, shareholders, are not delinquent in their payments. I must say that the Barbados Government owed some \$28 000 at the time. I hope they have paid it up by now.

Aside

Dr. R. C. HAYNES: At that time. I am not saying you owe it now.

This has other implications, because it is the very people, quite often, who default in their payments into the subvention account who are the same people who demand all sorts of services that would clearly cause the airline to lose more and more money. That is why I said earlier that it is absolutely important that a clear financial policy structure should be established for LIAT in the future.

We have seen examples in LIAT where, because of the structure of the Board and its relationship with management, sometimes very necessary steps that need to be taken cannot be taken. Some time ago, there was a question of an increase in fares in order to stop the losses in LIAT. By the time the various Governments got around to agreeing to the increase in fares, substantial amounts of money had been lost. There has got to be some methodology whereby management can operate and can take appropriate steps at an early stage in order to protect the viability of the airline because, in the long run, it is the shareholders who have to pay by contributions into the subvention account or by guarantees one way or another — and you never know when there might be a call for payment in respect of a guarantee.

The second point, and it is important that I make this note here quite independently of hearing the speech of the Right Honourable Member for St. John, is that it is quite clear that some other mechanism has to be found in respect of taking decisions in relation to appropriate equipment to be purchased.

Another point is that a management structure must be established which would insulate those charged with the day to day running of the airline from structuring their schedule to meet political pressures rather than to meet the social and economic needs of the various terri-

tories. That is very important, because you can get demands coming from one country, "We want ten flights today" and when the time comes to put up a cent as a result of the losses, not one cent is forthcoming.

There has also been an area where, I think, management needs a freer hand. It is in respect of personnel matters, because it would seem to me that the management of LIAT over the years has been virtually paralysed from time to time, sandwiched, as they are, between dealing with the unions on one hand and on the other hand dealing with a Board of Management, many of whom know absolutely nothing about the economic concerns or what should be the true aims and objectives of an airline such as LIAT.

I certainly would wish to support the position taken by the Leader of the Opposition, and would certainly urge on the Government to look very carefully at that Board of Management and see whether or not something cannot be done to get a more relevant structure between those representing the shareholders, the management itself, in relation to these critical areas, which require a high degree of technical knowledge. They also require, in my view, a lot of skills in financial management, because, ultimately, one or two things will happen.

1.05 p.m.

We have seen, and I do not think that anyone has adverted to this so far, fantastic increases in the fares charged by LIAT over the past ten years, astronomical increases, and it is my belief that part of those increases to offset the losses could have been avoided if the shareholders paid more attention to having a more viable unit, clearly recognizing that the more stable the financial structure of LIAT is, then it would be in a better position to deliver the kind of social service that they require in the future. In other words, you cannot bleed the airline up front. You have to allow the airline to consolidate and, once it is in a strong position, then it will be able to provide not only the economic service, but the extra one or two flights that might fall into the category of social or partially social service for the particular territories. I think they have gone the wrong way around. Try and get the airline on a sound financial footing and then look and see how it can meet those obligations and any additional obligations.

I think the Government needs to be very firm in this one, because these ventures are not like building a road or something like that where there is a given outlay of expenditure and that comes to a halt. Let it be clear that once you have signed a guarantee, and once you go borrowing another \$18 million, sooner or later more equipment is going to be needed to be replaced, and more and more obligations are going to fall on all the shareholders, including Barbadians, and, of course, more and

more obligations on those who travel on the aircraft. I would think that the key to the future development of LIAT, bearing in mind the important infrastructure of economic and social advantages to the region, must lie in a different approach to the financial management of LIAT by all the shareholders, and the Barbados Government should commit itself to a policy not only on calling but also demanding that the other shareholders meet their obligations, because in the long run, it is in the interest of Barbados and in the interest of all the other shareholders in LIAT (1974) Limited.

Hon. H. B. St. JOHN: There are a few points that merit a reply on behalf of the Government if only to clear up some misunderstandings of the Government's position, which may have arisen through a lack of knowledge of the intimate details of the proceedings of the Board of Directors of LIAT or of the shareholders' meetings.

I will start with the fundamental point that has been made by the last speaker on the question of a clear policy direction as to the need of commercial viability of LIAT. The honourable Member should be aware of the fact that that objective has been set out repeatedly, not only in Resolutions of the shareholders as instructions to the Directors, but also as part of the recycles in various loan agreements. There cannot be any question of any lack of a policy directive from the shareholders, or indeed from the lenders of money, as to the overall commercial objective of LIAT.

The second point relates to the management structure. LIAT has probably been the most examined company there is in the Caribbean. It has had multinational examinations, and when I say multi-national, it has had examiners from a number of countries, Canada, Holland and other Member States of the E.E.C. Indeed, there is now a team of people working with the management of LIAT who are being financed as a result of the grant from the European Development Fund; I think that the principal consultants have come from Air Lingus in Ireland. So LIAT has had the benefit of examinations as a result of grants or loans from consultants from Canada and from the EEC, and the C.D.B. takes an active interest, through a Director, in the management performance of LIAT.

The figures will show that LIAT management has improved in accordance with all airline criteria. We must also recognize that LIAT is a peculiar airline, it has a multiplicity of short stops and operates in very difficult conditions. Notwithstanding that, I think that the performance of LIAT's management has been and can be rated as good. At least all the reports do indicate that the managers of LIAT are by no means incompetent people, and the financial performance backs and justifies that position.

We do, however, have a problem of a conflict and it is an inherent conflict, because there are some LIAT shareholders who do not quite appreciate – and I am glad to say that they have become more and more appreciative, certainly in the general meetings – that sometimes it is not always possible to serve all of the requirements of a particular area because of the fact that it is commercially unjustified. But I must say that there has been a greater understanding for the need of commercial justification. I believe that, by the constant repetition of the overall objective of commercial viability, it has sunk more and more into the consciousness of many Governments that this is necessary.

I think it is also true to say that there is a great change in the attitude in respect of subvention payments. Many Governments who are strong payers of the subvention have to resort to threats of non-payment of the subvention in order to evoke and provoke a more realistic attitude. The fact that we only have three or four out of eleven Governments being in arrears is indicative of the fact that some progress is being made here.

The other fundamental point about LIAT made by the honourable Leader of the Opposition – and I am very glad that he has acknowledged that it was a point that should have been dealt with, or could have been dealt with more conveniently at the very outset of the formation of LIAT – is the question of its headquarters. There are two hubs in LIAT, the northern hub and the southern hub, and the traffic in the south is far greater than the traffic in the north. Notwithstanding that, the administrative and operational structures are more inclined to the north and, in fact there are more people involved in the north than in the south in the management of LIAT. I think that the last group of studies that have taken place have demonstrated that, had it not been for the fact that there is a difference in costs of operation in Barbados than there is in a lesser developed territory, by reason of the difference in the value of the parity of our dollar *vis-a-vis* the U.S. dollar, there would have been no commercial justification for retaining the headquarters there. Today, there is a strong view that the evidence points to the fact that you should retain the two stations, bearing in mind that the Barbados station probably has the greater amount of traffic, but the cost structure of operating in Barbados is slightly higher arising from the difference in the value of the currency. But I wish honourable Members and the Leader of the Opposition in particular to bear in mind that the Board of Directors, and the shareholders have endorsed the view of the Board of Directors, believes that the questions as to the siting of headquarters, siting of pilots and siting of administrative machinery must be determined on commercial considerations. So every now and again there is an update and there is a review.

1.15 p.m.

The third problem which honourable Members have raised, and which goes to the root of the viability

of the airline and is a potential point for the future, is the question as to whether all Governments are still willing to give that measure of protection to LIAT from competition, both intra-regional competition and extra-regional competition, as was envisaged in the original agreement. That was a matter that has to be looked at in the light of a continuous review of the performance of LIAT in the sense of its being able to satisfy the reasonable commercial demand in the particular countries.

I am pleased to say that LIAT, not only by this re-equipment, but also by the fact that they have now got an agreement to be supplied with some intermediate size aircraft, namely the Dash eights, is in a position to respond to almost all of the demands of these islands. LIAT is crucial to the development of the eastern Caribbean as one of the premier tourism destinations in the world. It is important that, just as a tourist can go to Greece and go to a number of islands by plane or by boat, we in the eastern Caribbean are able to offer the tourist the possibility of coming to one island and going to the other islands for a very reasonable add-on fare so as to promote double destination holidays. We have to understand that that is fundamental to our competitive position *vis-a-vis* Hawaii, Greece, Italy, the Philippines, and all the island territories. We must have in existence a LIAT, and we have been successful in getting what is called a LIAT pass in operation where there is a particular add-on and you can go to a number of islands for a specific fare.

The first four months of the current financial year do indicate, according to management accounts, that LIAT continues to improve and that they have carried a larger number of passengers. LIAT's traditional peak times are winter and summer; the winter, when you have the large number of tourists coming into the islands and travelling between the islands, and the summer time when you have a whole mass of West Indians travelling between the islands on holiday. They have done better this winter than they have done for a long period of time, but that is a reflection of the fact that LIAT mirrors the performance of the tourist industry in the islands of the eastern Caribbean, and there is no doubt that there has been an upsurge in this winter season in all of the Caribbean islands.

There is one further point, and that is on the selection of the aircraft. No doubt about it, there are strongly held opinions as to what is the most suitable plane, but I must say that the competition I have heard of is between the Avro and the ATR. I have never heard of the competition of the Folker. Early on, all the consultants had ruled out the Folker 27 and its new derivative, or new variant, because they upgrade these planes all the time with a variation in the original design. That was overruled early. There may be a new one being designed now to compete with the ATR, but none of the

short lists I have ever seen have evaluated the Folker as coming within the first two.

I think it is important for us to understand the symbolic significance of what has occurred in this area. This is probably the first time that the European Development Community has faced a united position by a group of small countries which were determined that the parameters for the loan agreement were going to be adhered to. I must say that review after review of the original choice was done, and on each occasion the CDB and the Board of Directors of LIAT came to the conclusion that, bearing in mind the fact that LIAT's equipment had to be replaced almost immediately, the correct thing to do would have been to enter into a short term arrangement for the purchase of a small number of the traditional type aircraft, although they were upgraded and modified, and have a period of time within which to evaluate the performance of a new generation of aircraft. That is what they did, so that the buy back agreement was crucial.

There is only one other point I think should be replied to, and that relates to the question of how we are going to ensure that what we do is continuously monitored. I really believe that the structure of LIAT is very important now, and the concepts inherent in this regional effort, and I definitely affirm and agree with the view that LIAT is the only true regional airline because you have an essential ingredient, namely a multiplicity of shareholders. I do not think you can have a regional airline with one shareholder, you would have to have more than one. LIAT and CARICARGO are genuine. LIAT is a greater example of a multi-Government owned airline, but we have to have a continuous procedure for getting the policy objectives of the Government across to the Board.

There is, and has been, a view that there should be an inter-governmental agreement governing the operation of LIAT. We are in favour of that. That was proposed a long time ago, that it was too important a regional institution not to have the concepts and principles supporting it embodied in an inter-governmental agreement, as opposed to a company registered with a number of Government shareholders, and that is what we are trying to work out.

I am not saying that LIAT has been seriously harmed or that it has been seriously affected as a result of it, but we have this difficulty, and I will tell you where the difficulty has been illustrated. It has been illustrated when you come to dealing with the Government of France; depending on which country is dealing with them, they deal as though LIAT is an airline of that particular country. When they are dealing with Barbados, they say LIAT is our airline. When they are dealing with Antigua, they say LIAT is Antigua's airline. When they are dealing with Dominica, they say LIAT is Dominica's

airline. We have been trying in our bilateral agreements with other countries to let it be known at an early date that we regard LIAT as being a Barbados airline for the purpose of designation, and we have been successful in getting the Venezuelans to accept that LIAT is an airline that we can designate to do Caracas coming through one of the other islands. We have that in the agreement.

Those are the major outstanding points. I do not have any difficulty in accepting the suggestions of the other side. We have been following them and they embody the position of the Government. I do not believe that the Government is going to be in jeopardy.
1.25 p.m.

The tariff fixing regimes have played a great role in ensuring that the consumers are protected. LIAT has to justify fare increases like any other airline. In fact, periodically a review on a prorata basis is done on LIAT's cost per mile, and compared with the United States and with the countries in the European Economic Community, LIAT certainly has a higher per mile cost than comparable airlines in the United States but considerably lower than the interim European per mile cost, so LIAT is in-between. We in the Caribbean are not being disadvantaged. We are not getting as good a break as the internal pricing structure that they have in the United States, but then there is a strong view that de-regulation has provided some uneconomic situations there. We are certainly better off on a per mile basis than traditional per mile cost.

We constantly keep LIAT under review so honourable Members should have no fear that we are not monitoring the economic operation of LIAT. We are also trying to create and encourage a sense of responsibility among Governments in LIAT, like in everything else, whether it is the university or otherwise, to the view that you have to pay your dues if you are a member of the club. You cannot be a member of the club if you do not want to pay your dues.

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

CUSTOMS (AMENDMENT) ACT, 1985

Order No. 5 was called – To move the Second Reading of a Bill to amend the Customs Act.

Hon. H. B. St. JOHN (Christ Church East Central)
In moving this amendment to the Customs Act, I think it would be appropriate to say a few words on the general principle on the Second Reading about our efforts to respond to the need to upgrade and update Customs in Barbados. Honourable Members will recall that we have always acknowledged the importance of the Customs Office in Barbados and the need to have a very efficient

and updated Customs administration. I am pleased to say that considerable progress has been made on the review of the staffing procedures and the administration of the Customs. Not only has the Government taken advantage of the large number of training opportunities that were offered over a period of years, but we have sent people to other developed countries so that our customs officers could be exposed to modern and updated Customs administration and modern and updated customs laws and procedures.

The Government also, after consultation with the private sector, has reviewed a number of the laws, which are the responsibility of Customs to administer, particularly the laws relating to imports, and I am quite satisfied in my mind that the creation of the Enforcement Unit within the Customs administration has been an important innovation and that it has certainly led to far greater efficiency at the ports of entry in Barbados.

We have also brought in by way of technical assistance an advisor, with considerable experience in Customs enforcement, who has been reviewing and looking at the operation of Customs in Barbados. It is clear, from the advice that has been given to me ever since I have become Minister of Finance and previously, that the officers of the Customs are responding well to the suggestions and to training.

We have considerably increased the career opportunities in the Customs Department. There are now two Deputy Comptrollers, and increase in the number of Assistant Comptrollers, and an increase way down in the Customs. We aim to intensify our efforts in training to Customs, particularly at the entry level and at middle management level, so I must say that I cannot agree with those who put forward the view that the Government has not taken considerable steps to improve the policing of illegal importation of goods into Barbados or indeed any goods at all.

The Government has made it clear that it holds absolutely no brief for anyone who breaks Customs Laws or related laws, the laws relating to licensing, trade and things of that kind. The Government will continue to be vigilant and continue to foster co-operation between the enforcement agencies in this area.

There is a very great area, arms and ammunition, in which there is cooperation between Customs, the Exchange Control of the Central Bank, the Police, through their responsibility under the drug laws in Barbados, and the Defence Force, through their responsibility in relation to advising the Government on the illegal importation of arms, and I believe that the origin of this Bill is rooted in the fact that it is necessary for Ministers to be able to delegate a public officer certain authority to issue licences to import certain types

of goods, and here we are talking about arms and ammunition in particular. It is not the view that it is desirable for a Government Minister to exercise that responsibility. A Government Minister must determine the policy. That is how it has to be dealt with because we are not the experts in this area, and it is better we do not have power to issue licences. We should have power where licences are refused to hear an appeal, and that is the methodology of operating in the Government.

In moving the passage of this Bill, I thought that I would use the opportunity to bring this House and members of the public up-to-date on the considerable steps that are being taken, not only by the amendment of the laws relating here to increase in the funds but also by the steps on the administration side and on the establishment side which have been taken to ensure that we have an efficient Customs administration.

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

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

Mr. B. M. TAITT (St. Michael West): The assurances given by the Prime Minister and Minister of Finance are assurances which I am sure will fall well on the ears of the public, especially when he said that steps have been taken to upgrade the quality of the Customs administration, and indicated that training programmes have been made available and have been utilized. I think, however, that the Minister will agree that the public is from time to time still anxious about information and stories which come out concerning Customs and the whole area surrounding customs.
1.35 p.m.

I do not propose, as he did not engage in a full scale debate on the Customs Department, to attempt to do so at this stage. I wish, however, to draw to his attention that one of the major difficulties surrounding the Customs is the lack of co-ordination between the Customs Department and other agencies of Government relating to the importation of various items, the collection of duties, the collection of Customs Duty in particular, the refund of duties that have been paid and for which persons are entitled to refund, and that lack of co-ordination becomes more and more evident as one examines the department. Recently, and I do not believe this is a breach of the Rules, in examining in the Public Accounts Committee some aspects of the Customs, it became clear, for example,.....

Mr. SPEAKER: The honourable Member is fully aware that the only person who can discuss the Public

Accounts is the Chairman of the Public Accounts Committee, when he makes a report to the House.

Mr. B. M. TAITT: I am not discussing them. I am about to say that something became clear.

Mr. SPEAKER: You are raising matters which were discussed in the Public Accounts Committee. The only way you can do that arising out of the Public Accounts.....

Mr. B. M. TAITT: I withdraw the reference to the Public Accounts. I assure Your Honour that I did not intend to reveal information gained in the Committee.

I go on to make the point that it is apparent to almost anyone who examines either the accounts of the Customs and/or the Accountant General that there has not been a reconciliation between those two departments for some considerable time. This creates a tremendous amount of difficulty for anyone who wishes to examine the viability of the system which is being used.

Some time back in the Seventies, when I worked in the Ministry of Trade, I made a recommendation then, which I believe was accepted by all of the technical people concerned, that there ought to be a computerisation of the Customs Department, especially in relation to the importation of items into the country, and especially those items that attract duty. I believe that monies spent by the Government of Barbados in computerising the system of customs entry in Barbados will lead to a substantial co-ordination of the relevant departments and the relevant information which would be vital to determining whether the management systems which the Minister just described are being effective, and whether they are functional. I believe that in Canada, in the United States, in the United Kingdom and indeed in a number of other countries where customs entry is now by a computerised system, it is possible to have information about almost any days activities at the end of that day. If we in Barbados could get that information at the end of a week, the administrative machinery of Government would have been improved considerably, and I make bold to say that we would do it at a substantial saving to the Treasury, and, therefore to the taxpayers of Barbados.

One of the difficulties which the ordinary citizen has is that if he overpays his taxes, especially in the area of Customs and Excise taxes where drawbacks are in order, some considerable time will elapse before the individual can recover monies which are very important in the running of his business. Conversely, there are records of persons, or at least stories of persons, who have been able to lift goods out of the Port, to lift goods out of the Customs area, without paying the duty on a promise to pay the duty, and subsequently it is difficult

to find any record of the duty having been paid. Some Customs officials have indicated that they have tremendous difficulty enforcing some of the rules of the Customs Department, precisely because of administrative difficulties outlined by the Minister when he sought to deal with the specific cause for this amendment to the Customs Act.

On the question of delegation, I might point out that it might behove the Government generally to re-examine all of those areas where the Minister has power to issue licences and/or Heads of Department have power to take certain actions, because it must be well known by now that the court in Barbados has been known to hold, for example, that the only person who can do an income tax assessment is the Income Tax Commissioner. By inference, that would suggest that a Head of Department, who is specifically given the power to take a particular action and who may believe that in having one of his deputies or one of the people functioning in his office perform that function he is carrying out his duty, may come to discover, in fact, that he has been in breach of the law. I believe that the particular decision with regard to the Income Tax situation has been mitigated by an amendment to the Income Tax Act which was subsequently brought to this Honourable Chamber.

In the case of the Customs Department, however, there is also some difficulty experienced in the perception of the public with regard to duties of the customs guards and the customs officers. Very often, guards, perhaps I should not say customs guards, the odd customs guard has exercised responsibility in such a manner as to suggest that his duty exceeds his power. On the other hand, I have had indications from members of the public that they have witnessed particular incidents at the airport, and more recently at the seaport, which have led to the view that there is a serious need not only for a statement of co-ordination between the Customs, the Police, the Defence Force and all of the other agencies, but that there should be the creation of a specific agency co-ordinating these four or five agencies so that there can be no problem of jurisdiction in the execution of the law in Barbados as it relates to control of illegal drugs in this country, to take one example. What we need is for the Government and its administrative machinery to get the Police, the Defence Force, the Customs Department and whoever else needs to be involved and set up a council or a department or regular meeting so that no customs guard can stop any police officer from going into the Customs Department if the police officer is in pursuit of an illegal activity, so that no police officer can ever be heard to say that he was prevented from carrying out his lawful duty because he was not sure about the jurisdiction. I am not here relating necessarily to any particular or specific incident, I am saying that we ought not to have the kinds of statements, and sometimes non-

statements, which are made in Barbados. We are too small a community to have jurisdictional difficulties in an area such as the Customs.

1.45 p.m.

Mr. SPEAKER: But the jurisdictional difficulties which may arise between the Police and the Customs, I do not believe should be a subject matter of the matter before the House.

Mr. B. M. TAITT: I would be guided by you, Sir. But based on the phrasing of this Resolution, and based on what the Minister said, I would think that if we are now getting:

"The licensing authority referred to under subsection (2) may, by instrument in writing, delegate to such public officer as the authority determines, the power to issue licenses in respect of goods in transit."

The "goods in transit", the Minister said, are guns and illegal....

Mr. SPEAKER: Are they illegal drugs coming into the island?

Mr. B. M. TAITT: Oh yes, Sir.

Mr. SPEAKER: Are "goods intransit" illegal drugs?

Mr. B. M. TAITT: Yes, Sir. Goods and guns and other things like that. This is where the problem arises. A number of the goods are said to be intransit, Sir. I thought the Minister of Finance was almost specific as he related to the illegal traffic in guns. But I will continue with your guidance, Sir.

Mr. SPEAKER: Proceed.

Mr. B. M. TAITT: Thank you, Sir.

Let me be a little more specific. When an item arrives at the Port and that item is deemed to be destined for, say, St. Vincent, it remains in the Port area — it now is not owned by anyone in Barbados — and then, suddenly, someone may turn up and exit with the item that was destined for St. Vincent. In those circumstances, the person who turns up for the item may find that he is not guilty, or may be in a position to say that he is not guilty of breaking any law in Barbados, except possibly, theft or some minor law, or some law that attracts a minor penalty; whereas, in fact, he might be moving with a large quantity of cocaine, or a large quantity of other illegal drugs, or a large quantity of illegal guns. If, however, the Minister is the only one who could issue a licence and the Minister has not issued the licence, then the police may have some difficulty.

I am deliberately trying not to go into specifics about the kinds of activity which can go on, because I do not think it is necessary, but the point I am making, and I am going to finish on this point, is that there is need for a very high, sophisticated co-ordination between the law enforcement agencies in this country as law enforcement relates to the Customs area. I believe that, notwithstanding the training that the Customs Department has had, and I think the country will welcome the Prime Minister's statement that this has occurred, there is need for an even higher level of training at the level of policy implementation. I believe that many of the Heads of Departments which are involved in this area of law enforcement need themselves to become aware of the co-ordinating efforts which occur in other countries. An example is the Drug Enforcement Agency of the United States. This is an agency which cuts across the other law enforcement agencies in that country. It has a specific responsibility and, therefore, is allowed to go across the bounds of jurisdiction, if you will, in order to enforce the objective of preventing the spread of illegal drugs in that country. I am suggesting that we, in Barbados need to have a crack Policy Implementing Force to deal with drugs, not in relation to drugs in the country, because I believe that the Royal Barbados Police Force does, and is doing, a magnificent job, but at the point of entry into this country.

I was told, just about three weeks ago, that, recently a plane came in from outside of Barbados, landed at our airport and everybody headed for the green line. The green line for the Customs Department is that line that you go through without any inspection. It is designed and can be found in most progressive airports to assist in the speedy exit of passengers from the airport. I am told that when the police had informed the Customs Department that this airline with this particular group of passengers needed some very close examination, not less than three or four of the passengers indicated that they had specific — I cannot say rights — privileges with regard to green lines. What is interesting to me is that the Customs Department went about their duty in the way they are accustomed. They examined every single one of the passengers. The Police were not able to participate in the activity until after the Customs had been finished and the passengers had stopped outside of the Customs area. Somehow, the information, as I was told, proved to be inadequate, or the search was not successful. The point I am making is that there is a body of opinion that had the police been able to participate in the activity inside the Customs area, perhaps the search might have been more successful.

I am not going to go any further on that because I do not have enough details, nor would I wish, if I had enough details, to be more specific. I merely cite that example to reinforce the point that I have been making, that it would be in the interest of the Government to

create a Policy Implementing Force. It may consist of senior officers from the various services, but it would be of great use to the country in the co-ordination of these activities.

I end by saying that I believe that a substantial number, indeed, maybe 99.9 per cent of the customs officers in this country are honest, upright and straight. I have no doubt in my mind, based on my own experience with customs officers, that they are as courteous, as efficient and as committed as those I have seen anywhere else in the world. There may be, and no doubt there is the odd one who is the bad....

(Hon. L. R. TULL: You are going overboard.)

Mr. B. M. TAITT: Do you think I am going overboard? The Attorney General is suggesting that I do not go too far down that road. But I think there may be, as in any other system or department the odd one or ones who do not stay on the straight and narrow path. I have heard the late Prime Minister indicate that some person working in the Customs had linked with somebody in the manufacturing sector to frustrate the wishes of the customs law. Be that as it may, my point is that, generally speaking, the Customs people are honest and straightforward. However, the kind of international criminal that pushes dope at the level where we are dealing in millions of dollars, that deals with the illegal import and export of arms, is such that if they have been able to subvert, assuming that it is true, even a Premier, then our people in the Customs in Barbados would be no match for them. It is therefore necessary that the Government exercise every possible ounce of its energy to assist the Customs Department in becoming the most efficient in the Caribbean, if not the most efficient in the Western Hemisphere.

1.55 p.m.

Any money which we spend on updating that department to allow us in Barbados to sleep peacefully at night in the knowledge that, to the best of their ability, they are preserving us from the international gangsters, then that money will perhaps be the best money spent in Barbados. I do not think that this Opposition or the people and taxpayers will begrudge the Government of a single cent if we can be assured that the money is being spent to ensure that the country is going to be free of all of the degradation which flows out of the onslaught of international crookery which seems to be the order of the day, especially in these ungarded islands of the Caribbean. I do not believe that we have any reason not to support this amendment to the Customs Act.

Hon. H. B. ST. JOHN: The Government's position, as enunciated repeatedly by me and my predecessor in office, and by other Government Ministers, is clear. We have no brief for anyone who attempts to use Barbados as a base for the illegal importation of arms, goods, drugs

or any other illegal matter. The Government will do everything in its power to ferret them out and prosecute them, irrespective of who they are. I think that success can be seen by the fact of crime reports and magisterial decisions, and we will see that the arm of the law, as used to be said by the former Chief Justice of Barbados, is long enough to reach each and every person who tampers with it. We will continue to do our best to train and upgrade customs officers within our means. A joint operation between all law enforcement agencies in Barbados is one that I have long advocated, will continue to advocate, and will continue to see, as far as possible, within my power, that it comes into operation at an early date in Barbados. But let us not forget that when you are dealing with a tradition of separatism in activities, it is difficult to persuade people who co-ordinate activities that it is the only way to deal with this matter.

Anyone who is living in this part of the last century and who is living in the Caribbean should appreciate that probably the greatest threat to the security of the body politic in the Caribbean is the efforts of these international gangsters who wish to use the Caribbean as a base for their illegal drug activity. I have no fear — this has always been my position — in repeating that not only in Barbados, but in the House of Assembly, CARICOM Regional Councils, at the LOME Conventions, Latin America and in every country in the world, because I genuinely believe that the whole of the Gulf of Mexico, certain parts of the United States, a large part of the Caribbean and a large part of Latin America, are under seige. That is one of the reasons why I am firmly convinced that a regional effort is necessary, including a Regional Defence Security Force. Put that in your pipe and smoke it. If you think that you can do it on your own, you are living in a fool's paradise. I have been around politics long enough to know that sometimes the best policeman, not in the sense of an office holder, but the best enforcers of the law are people who come from abroad. I have been around the Caribbean long enough to know that it is a good thing to have a little outside influence sometimes — bring in a little outside influence.

Honourable Members do not need to have any fear, they are pushing an open door. But what I resent and object to is the fact that there are people who continuously make statements and allegations, and when called upon to produce a scintilla of evidence, they are not able to do it. Those people are irresponsible people. They are perverters of institutions, for their own peculiar purposes. I do not know what purpose it is, because they do not seem to have any legitimate business purpose, because they have no businesses any longer.

The basic position is that we have repeatedly said that the institutions in Barbados are totally open to the receipt of evidence from everyone, whatever the state of the activity, however mysterious it may be. Let them give

their evidence. We are doing everything in our power. I believe we are making progress in the detection and conviction, and we have amended the law to allow the Comptroller of Customs and others not only to prosecute, but to fine instantly. If we have to come back here to amend the law to allow the Comptroller of Customs to fine people \$1 million, \$2 million or \$5 million for false invoicing, we will do it. We will bring the laws here. If we have to bring the law for forfeiture, we will bring it too, because the whole integrity of the financial system in this country is dependent upon the proper collection of revenue, just as the integrity of our health, peace of mind, mental stability and things of that kind are dependent upon the enforcement of the drug laws.

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

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 on the Bill, Mr. J. G. ODLE in the Chair.

Mr. CHAIRMAN: The House is in Committee.

Clauses 1 and 2 were called and passed.

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

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

SUSPENSION OF SITTING

Hon. L. S. CRAIG: Sir, I would like to inform honourable Members on both sides of the House that we have to go to Queen's Park again to have lunch in the light that the dining hall is still under repairs.

I beg to move that this sitting be now suspended until 3.30 p.m. today.

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

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

ON RESUMPTION

Mr. SPEAKER: This sitting is resumed.

THE PENSIONS (PRIME MINISTER) (AMENDMENT) ACT, 1985

Order No. 6 was called — To move the Second Reading of a Bill to amend the Pensions (Prime Minister) Act.

Hon. H. B. St. JOHN (Christ Church East Central): Mr. Speaker, in moving this Bill, I think it would be proper for me to disclose that in the event of this Bill being passed, my position, in the event that I were to die, would be affected. I disclose that because recent events have drawn to our attention the fact that there is an anomaly in the law relating to the pensions of a Prime Minister which places a Prime Minister in Barbados in a totally disadvantageous position *vis-a-vis* a legislator, *vis-a-vis* the Governor-General. No one knows how this anomaly arose, but legal opinion has established that if a Prime Minister dies in office, his estate is not entitled to a gratuity in the same manner in which the estate of a member or the estate of the Governor-General would be entitled.

The history of this matter can be traced to a Cabinet decision of the 15th July, 1976 in which the then Cabinet authorised the amendment of the law, the Pensions (Prime Minister) Act, Cap. 11 and the Retiring Allowances (Legislative Service) Act, Cap. 12A, to provide for the payment to the estate of a Prime Minister or any other legislator who dies in office of the gratuity for which he would have been eligible immediately prior to his death. The Bills were drawn by the Attorney General's Office and submitted to Cabinet on 27th August. On the 30th September a new Cabinet came into being and the new Cabinet concluded that the Bills, while agreed to in principle, should await an all-party review of the questions of qualifying periods for pensions and other matters relating to pensions.

A Constitutional Commission was set up and reported in 1977. That Commission's Report was submitted to a Select Committee of this House, which reported on the 14th November, 1978, and the conclusions of the White Paper were approved by the House of Assembly by Resolution on the 21st November, 1978. On the 1st April, 1979, consequent on the amendment of the Retiring Allowances (Legislative Service) Act, 1979-42, a new section 5A was introduced, and it reads as follows:

"Where a person dies while he is a legislator and would but for his death, have been eligible for a gratuity and a retiring allowance under this Act, there shall be paid to his legal personal representatives an amount not exceeding the annual salary of his substantive office or his commuted gratuity, whichever is greater."

Subsequently, a similar provision was introduced by way of an amendment to the Governor-General's Pensions Act. For some reason, which we are unable to trace, there was never any amendment to the Prime Minister's Act, although a Prime Minister has to be a legislator first, and although to illustrate the anomaly, if I had died before 11th March, 1985 my estate would have got a gratuity, if I die tonight before this Bill is passed, it will get no gratuity. That is the position.

I do not think that anybody could possibly have envisaged that this could have occurred, but in drafting pensions legislation, however careful one is in looking at these matters, and however meticulous one is, sometimes these things still slip you. This is an anomaly that I do not believe any honourable Member of this House would have thought existed. I certainly never thought that it existed, and I note, just for the history, that in 1977, on the 6th December, a Mr. F. G. Smith, then Leader of the Opposition, tabled a Question in this House in which he asked:

"Is the Minister aware that if a Member of Parliament dies while in service, his estate is not under the provisions of the law entitled to a gratuity?"

Will the Minister take immediate steps to have the law amended to remedy this obvious defect?"

3.35 p.m.

The reply to that was that there was going to be an amendment to the law dealing with this matter after a review.

Those are the simple facts, and I believe that an amendment to the law would be in order to cure this problem, because one would not expect that a Prime Minister should be placed in a different position from a legislator or the Governor-General.

I should also say that the drafting was quite clear that they wanted to preserve the retirement provisions in respect of the legislation as a separate Act from those relating to the Prime Minister.

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

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

Dr. R. C. HAYNES (St. Michael South Central): I have a few comments to make on the principle underlying this amendment. I believe that I have been very consistent in my approach in this House to the question of retiring benefits of all parliamentarians. I think that it certainly does not make any sense to have a situation where, if a person dies in office, then his estate is not entitled to be paid the retiring benefits of the individual. It would seem to me to be an anomaly which could have been corrected, I believe, it was in 1979 or thereabouts,

because I recollect very clearly that the former Member for St. Philip South, in dealing with the matter as it related to other parliamentarians, which was subsequently corrected, did refer to this particular matter. It was soon after I became a Member of this Honourable House. It was raised on the floor of this House, but, in typical manner in those days, anything said by the Opposition was largely brushed aside.

We on this side have examined the general principle underlying this amendment, and we will support it because, as I said, it is an entitlement under the laws of Barbados, and that entitlement should extend, of course, to the estate of the person who has passed away. However, it is important that we should not have too many Prime Ministers "benefitting" in these unfortunate circumstances.

Certain remarks made at this stage by Dr. R. C. HAYNES were ordered expunged from the Record by Mr. SPEAKER.

Dr. R. C. HAYNES: The point I was making is that we will support it as a general principle. I think the stand of the Opposition is pretty clear on this matter.

The question that the Bill be 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. J. G. ODLE in the Chair.

COMMITTEE

Mr. CHAIRMAN: The House is in Committee.

Clauses 1 - 3 inclusive were called and passed.

On motion of Hon. L. S. CRAIG, seconded by Mr. L. L. SISNETT, Mr. CHAIRMAN reported the passing of one Bill in Committee and Mr. SPEAKER reported accordingly.

On separate motions of Hon. L. S. CRAIG seconded by Mr. L. L. SISNETT the Bill was read a third time and passed.

RETIRING ALLOWANCES (LEGISLATIVE SERVICE) (AMENDMENT) ACT, 1985

Order No. 7 was called - To move the Second Reading of a Bill to amend the Retiring Allowances (Legislative Service) Act, Cap. 12A.

Hon. H. B. St. JOHN (Christ Church East Central): There are a number of other anomalies which, from time

to time, have been drawn to the attention of the Cabinet in relation to the difficulties that may arise with legislators as distinct from the Prime Minister's salary. These have been the subject of debate for a long period of time, and the Cabinet has taken the view that all of these outstanding matters must be tidied up and not left to chance.

All of these have been debated in here from time to time either by way of Committee Reports, some of them arising from the Constitutional Commission, some arising from Sub-Committee Reports.

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

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

Mr. B. M. TAITT (St. Michael West): We are going to support this Bill. We think that it is a good piece of legislation in that it now finally corrects an anomaly that was particularly foolish.

My colleague, the Attorney General and I were in the Senate together, and were it not for this amendment, the five years he spent in the Senate would not count towards his pension, whereas the five years which I spent would count, even though he subsequently became a Minister. The only difference between us was that I was a Minister when I was there. I wonder if there was anything more ridiculous than that!

3.45 p.m.

Asides.

Mr. B. M. TAITT: I became a Minister by appointment and he won a seat and became a Minister by appointment, too.

I really rise to ask the Prime Minister if he would confirm that those persons . . .

I am not too sure about the effective date of this Bill, I have not got my glasses, Mr. Speaker, I must confess.

Mr. SPEAKER: If the honourable Member is having difficulty I would have no objection in coming to his rescue.

Mr. B. M. TAITT: Let me state what the problem is. There are a number of persons who are now not in active legislative service who will be caught or who were caught by these anomalies. I think that justice demands that we include them, and that we make this legislation retroactive. The question may very well be asked, "How far back will you go?" but let me explain.

There is a Mr. Brathwaite who was a Parliamentary Secretary. He was a Senator for twelve years, but he was

only a Parliamentary Secretary for three years, and the nine years before he was a Parliamentary Secretary had not counted towards his pension which he gets for being a Parliamentary Secretary. It is under the same legislation, however, that he gets his pension. In other words, if you serve as a Senator for twelve years or ten years, or whatever it is, it seems to me that that is legislative service within the context of our Parliament, and I draw it to the Prime Minister's attention, because it is a very serious anomaly, and I really think that . . .

Hon. L. S. CRAIG: On a point of order: Would this in any way affect the honourable Member for St. Michael South? I am not quite sure. I am not following you quite clearly. I know he was a Senator and I am trying to ascertain whether or not his years in the Senate would be covered in this. He is in full cry now.

Mr. B. M. TAITT: The honourable Member for St. Michael South, in whichever direction you go, is full. He is going to be here for another five years after this Session, so he would be full and over-flowing.

Mr. SPEAKER: This dates back from the date of the Act.

Mr. B. M. TAITT: I am grateful to Your Honour. You had, in fact, drawn this to my attention, that the point I am raising has been covered. I literally could not see the point because I could not read the section. I think then that that takes care of all the anomalies that we can find, until something happens and we discover that something is not there.

I do not think that any honourable Member on any side would wish to question the efficacy of this legislation. We feel if a person serves, whether he is appointed or elected, as long as that person serves a number of years, then we think that all legislators should be treated similarly in so far as it is possible to do, and so we are going to support this legislation.

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. J. G. ODLE in the Chair.

Clauses 1 to 6 inclusive were called and passed.

Clause 7 was called.

Hon. L. S. CRAIG: I beg to move that Clause 7 stand part.

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

Dr. R. C. HAYNES (St. Michael South Central):
Clause 7 reads:

"The principal Act has effect and shall be deemed always to have had effect as amended by sections 3 and 4 of this Act."

There seems to be a general intimation that the point raised by the honourable Member for St. Michael West would have been covered by the commencement date of this Act in relation to a former parliamentarian who has spent ten years in the Senate and then three years as a Parliamentary Secretary, as I understand it. I am not too sure of the legal ramifications here, and I would be grateful for clarification to see whether that kind of case raised by the honourable Member would be covered by the commencement date of this Act.

Hon. H. B. St. JOHN: I am informed by a number of people, including the Clerk, that the effect of Sections 7 and 4 is that the situation outlined by the honourable Member for St. Michael West, and repeated by the honourable member for St. Michael South Central, will be covered by these two sections. I am assured of that. This, I am told, is specifically drawn in such a way as to deal with that situation. I can only go by the experts, and one of the experts in this matter was the Clerk; he was on every Select Committee that they had in relation to this he was aware of this anomaly and they tell us that this is how it is done.

I give the honourable Member the assurance that if it is not dealt with we will have to deal with it today, but the lawyers tell us that it has been dealt with. Pensions is a very difficult area, and we intend to cover it. We have been told that this has been covered, but I leave it in the hands of the lawyers. I say as a matter of principle that we intend to cover it.

Dr. R. C. HAYNES: I thank the honourable Member for the assurance.

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

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

3.55 p.m.

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

QUESTION TIME

Mr. SPEAKER: It is now Question Time.

Question No. 8, standing in the name of the honourable Member for St. Michael South.

Mr. L. E. SANDIFORD: Mr. Speaker, Question No. 8.

Hon. L. B. BRATHWAITE: Mr. Speaker, the answer to Question No. 8 is as follows

"Since 1976 substantial progress has been made implementing the sale of lots at Bayville in the constituency of St. Michael South.

The surveying of lots is almost completed and the Town Planning issues have been resolved. It is therefore expected that lots would be ready for sale within a short time.

Mr. B. M. TAITT: Supplementary, Sir.

Mr. SPEAKER: Supplementary No. 1, by the honourable Member for St. Michael West.

Mr. B. M. TAITT: It has been drawn to my attention.

Mr. SPEAKER: That is not a question.

Mr. B. M. TAITT: I will rephrase it.

It having been drawn to my attention that persons who would fall into the category of these persons, having paid off all the money since some years ago, have had difficulty collecting the conveyances, can the Minister indicate whether when these surveys are completed and the persons pay all the money, a system for these persons to get their conveyances without having to engage the services of a lawyer will be implemented?

Hon. L. B. BRATHWAITE: Mr. Speaker, there is a standard approach towards this.

With respect to a conveyance, being given to a person in the Pine before the lots were properly surveyed, I take it that once the land has been conveyed, you would have to have a plan to define the area for the conveyance. Obviously, there must be a plan, otherwise the land would not have been conveyed. The mere fact that there is a conveyance would mean that a plot exists, and in the circumstances the person would be entitled to ownership of the land so surveyed. The conveyance would have to stipulate that and the boundaries. That is the essential ingredient of the conveyance of any land.

Aside.

Mr. SPEAKER: If there are no other supplementaries for that question, we now move to the other question.

Question No. 19, standing in the name of the honourable Member for St. James South, who is not now in his place.

The honourable Member will still be allowed to lay the question.

That brings us to the end of Question Time.

ADJOURNMENT

Hon. L. S. CRAIG (St. James North): That also, brings us to the end of Government Business for the day.

I beg to move that this House do now stand adjourned until Tuesday, May 7, 1985 at 4.45 p.m., when the Prime Minister will be making his Budgetary Presentation at 5.00 o'clock.

Of course, Mr. Speaker, as indicated by the Prime Minister, I will be having discussions with you, and the Leader of the Opposition on the other side, in respect of the arrangements which we normally have for such an occasion.

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

Mr. B. M. TAITT (St. Michael West): Mr. Speaker, speaking on the motion for the adjournment, I wish to draw to the attention of the House, a matter affecting this House which I think can be corrected by the simple fact of raising it.

The television station purporting to carry the proceedings of this House has been, from Tuesday to Tuesday, while giving the report of what occurred on Tuesday, running film of Members of the House in action. What I could make out from observing last Tuesday night is film of a Budget Debate. There is nothing wrong with that, but it seems to me that it is file copy and should so be designated by the television station. Members of the public believe that what they are seeing is the proceedings of this House as they occurred on that day.

Mr. SPEAKER: The honourable Member is totally out of order. Matters which can be raised on the motion for the adjournment certainly cannot include the matter which the honourable Member is raising.

The honourable Member is raising a matter which falls, in my view, in one or two categories

- (a) a breach of privilege of the House which would have to be made on a particular day;
- (b) the honourable Member would have to bring a motion which is debated on the adjournment in respect of that matter.

The honourable Member is seizing the opportunity to deal with this matter because of what is coming up next time. If it is of such importance to the honourable Member, I would rather that that be dealt with.....

Mr. B. M. TAITT: With respect, Sir, I think that what I was drawing to Your Honour's attention is today's proceedings, since the House is adjourning. I think, with respect, and I was showing, which Your Honour did not mention.....

Mr. SPEAKER: The televising of a previous matter should not relate to today's sitting. That would be a breach of privilege, unless it was sufficiently sub-titled.

Mr. B. M. TAITT: I think Your Honour has hurried the situation by the ruling which you have given me and...

Mr. SPEAKER: If you read your Rules, or May's Parliamentary Procedure, they would tell you that any report of partial matters which occurred in the House is a breach of the privilege of the House. If, in fact, the honourable Member thinks so highly of the matter, it should be raised.

Mr. B. M. TAITT: The point is taken, Sir. I did not consider it sufficiently grave for me to raise it as a matter of privilege, but I am grateful to Your Honour for the guidance. I think that in giving this honourable Member guidance, Your Honour would have inadvertently given the public at large, and the television station in particular, some help.

The question that the House do now stand adjourned until Tuesday, May 7, 1985 at 4.45 p.m. was put and resolved in the affirmative without division and Mr. SPEAKER adjourned the sitting accordingly.
4.05 p.m.

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