THE

House of Assembly Debates

(OFFICIAL REPORT)

FIRST SESSION 1991 – 96

HOUSE OF ASSEMBLY

Tuesday, April 5, 1994

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

PRESENT

His Honour L. A. **WEEKES,** G.C.M., J.P., **(Speaker)**

Rt. Hon. L. E. **SANDIFORD,** B.A., M.A., (Econ.), J.P., (Prime Minister, Minister of Economic Affairs, Tourism, International Transport and Minister for the Civil Service)

Mr. H. **deB. FORDE,** Q.C., M.A., **LL.B.**

Hon. B. M. **TAITT, B.A.(Hons.),** M.P.A., **LL.B.(Hons.),** (Minister of Foreign Affairs and Deputy Leader of the House)

Hon. P. M. GREAVES, Q.C., B.A., (Deputy Prime Minister, Minister of Home Affairs and Leader of the House)

Hon. M. A. KING, **Q.C., LL.B.,** (Attorney General, Minister of Justice and Minister for CARICOM Affairs)

Hon. W. **O.** FRANKLIN, A.I.C., M.I.A.S., JP., (Minister of Trade, Industry and Commerce)

Mr. H. A. BLACKMAN, **B.Sc.** (Econ.)

Mr. O. S. **ARTHUR, M.Sc.(Econ.),** (Leader of the Opposition)

Mr. D. A. C. SIMMONS, Q.C., **LL.M.**

Hon. C. V. WALKER, **J.P.,** (Minister of Health)

Mr. L. L. **BRATHWAITE,** J.P., (Chairman of Committees)

Mr. W. W. HALL, G.C.M., H.B.M., J.P.

Hon. D. J. H. THOMPSON, **LL.B.** (Hons.), (Minister of Finance)

Hon. H. B. St. JOHN, Q.C., LL.B.

Mr. L. R. TULL, Q.C., M.A.

Miss B. A. MILLER

Mr. **DeL. O.** BRADSHAW, **B.Sc.** (Hons.), J.P.

Dr. R. L. CHELTENHAM, Q.C., M.A., **M.Sc.** (Econ.)

Hon. J. **O.** TUDOR, J.P., (Minister of Labour, Public Works, Community Development and Sports)

Hon. D. W. BOWEN, **B.Sc.** (Accounts) (Hons.) (Minister of Agriculture, Food and Fisheries)

Mr. R. C. EASTMOND, B.A., **LL.B.**

Hon. T. C. ESTWICK, **B.Sc., LL.B.,** (Minister of Education and Culture)

Prayers were led by Rev. Father Ivan Harewood.

Mr. SPEAKER: The House is in session.

MINUTES

Mr. SPEAKER: Minutes of Monday, **28th** March, **1994.**

Hon. P. M. GREAVES: Mr. Speaker, I move that the Minutes of proceedings of this Honourable Chamber for the meeting held on 28th March, **1994** be taken **as** read and confiied.

Hon. M. A. KING: I beg to second that, Sir.

Mr. SPEAKER: If there are no objections, then let these Minutes stand **confirmed.**

ORDERS OF THE DAY

SUSPENSION OF STANDING ORDERS

Hon. P. M. GREAVES: Mr. Speaker, I **am** going to move that the following Standing Orders be suspended – they are Nos. 6, 16, 18, 20, 42(5), 43 and 44 – and that they be suspended for the remainder of this sitting.

Hon. B. M. TAITT: I beg to second that, Sir.

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

ORDER NO. 1 – RESOLUTION TO APPROVE THE GUARANTEE BY THE MINISTER OF REPAYMENT BY THE BARBADOS DEVELOPMENT BANK OF A PRINCIPAL SUM OF $10 MILLION

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, in respect of Order No. 1, I think it will be recalled that this matter has been dealt with in another way as far as the Resolution to approve the guarantee by the Minister of the repayment by the Barbados Development Bank of a principal sum of $10 million, which it was proposed would be borrowed by the Bank by means of a ninth issue of National Development Bonds in order to discharge certain functions and for the payment of interest on that sum.

I rise merely to withdraw this particular Resolution, Sir, inasmuch as the matter has already been dealt with by this Honourable Chamber in another way. I therefore move that this Resolution be withdrawn.

Hon. P. M. GREAVES: I beg to second that, Sir.

Mr. SPEAKER: If there are no objections, then the Resolution is withdrawn.

ORDER NO. 2 (resumed) – THE SHIPPING BILL, 1994

Hon. H. B. St. JOHN: Mr. Speaker, on the last occasion when this matter was before the House it was postponed in order to allow the Opposition time to consider the Bill.

The Opposition is not opposing the revision of the existing Shipping Act. We are, however, of the opinion that the full extent of the impact of the revision should have been delineated in a separate document so that the people who are responsible in Barbados for giving advice to the potential users of the Act would be in an easier position to give that advice without having to do the elaborate exercise of a comparison of the existing law with this law so as to see the changes.

The second point we would wish to make is that we do disagree with the principle of the incorporation of third party legislation, namely the United Kingdom legislation, with the ambulatory provisions of the legislation in the UK being described as the legislation from time to time.

We have had within the Caribbean many instances of that pattern of draftsmanship causing tremendous problems of judicial interpretation arising from the fact that that legislation very often in the United Kingdom can be changed from time to time and a new institutional framework created to empower individuals or entities to operate under that legislation, when there are no such individuals or entities in Barbados able to operate in a comparable manner... If one is going to use legislation by reference it is far better to do an analysis of that existing legislation, to affix our provisions in the Bill to the provisions of that legislation as is in existence and the onus be placed on our administrators when the relevant legislation is amended abroad to update by subsidiary legislation our legislation. If that is done, a conscious effort would have to have been made to decide whether the amendments in the United Kingdom would be applicable in Barbados. That is a very important point. I can draw that to Your Honour's attention and I can give the House the specific examples of that. It was very fashionable in many of the countries in the Caribbean to have company statutes which were tied to the United Kingdom legislation from time to time and great difficulties arise in that respect. I envisage that great difficulties will arise here.

12.30 p.m.

Now, Sir, the third point I would want to ascertain is that we have recently been trying to make Barbados an attractive centre from the point of view of being a shipping registry. The existing legislation that we had was legislation that was passed in the 80s and comparable legislation was passed in the Shipping Incentives Legislation. We had a Shipping Act and a Shipping Incentives Act.

What I would like to hear from the Attorney General is a review of what progress has been made under the existing legislation and also what are the particular defects in the existing legislation, based upon experience, because it is impossible for a draughtsman to sit down and draw legislation which will meet all of the contingencies of the potential users. That is an impossibility. You have constantly to update and revise your legislation in the light of practical experience in the limitation in its attractiveness. I have no problem about that. I am not being critical in respect of the fact that you want to change. What I am saying is that you should have had enough experience now of the defects in the existing legislation and we want to hear about them.

I know also that one of the principal purposes of this amendment will be to ensure that it will be possible to have regismes outside of Barbados. It has always been felt that you should be able to provide a comparable service to that which is provided by your competitors, namely that you will have a ships' registry administered in various parts of the world, particularly where you are going to have potential users of your shipping registry. This Bill

attempts, as I understand it, to effectuate that objective in a clearer way.

Now the 4th point that I would like to make from this, Sir, is that we have had experience in Barbados of problems that arise with the integration of smaller commercial vessels under the Shipping Act, particularly the fishing vessels. We have had long line vessels trying to fish in Barbados and there have been difficulties in the registration of these vessels, particularly in the light of the conflicting provisions of the Fishing Act and the then Shipping Act.

Now the pattern, as I understand it, in other countries is to treat vessels which go to sea outside of the internal waters as being ships for certain purposes and at the same rime fishing vessels for other purposes. Now there is a clear section dealing with these ships so as to ensure that the rather stringent and elaborate provisions of your Shipping Act which are designed to protect crews and certain parts of the safety measures which would be too elaborate for these smaller vessels are exempted therefrom. Nevertheless, that part of the Shipping Act which relates to the obligation of owners of ships would still apply because despite the size of fishing vessels they are still basically ships.

Not only fishing vessels. There are others. We have problems here with respect to what we call small water craft operating which come within the omnibus definition of ships. They arrive on our shores and it is time to clarify it. Accidents can happen and have happened with speed boats in Barbados. Serious accidents. They definitely do come within the definition of a ship. They don't have to be registered. That is perfectly correct; but questions do arise as to whether they are entitled to take advantage of such things as the limitation of liability and matters of that kind.

In other words, your Shipping Act becomes the breadth of the definition of ship, captures a number of entities which in common acceptation would have to be regarded as ships but nevertheless all the provisions of the Act would not apply to them. So we want to make that clear, I hope that that is very clear because there is a Schedule in this Bill which deals with the incorporation of the conventions. I just want to make sure that in our drafting of the provisions of this Act that this matter is taken into account. I notice that an attempt has been made. At least I hope that it is successful to deal with the problem which arises both with fishing vessels and other vessels relating to the definition of owner.

Normally, under the Merchant Shipping Act and under our Shipping Act the owner of a ship is not only the person who one would regard as owner in the sense of having bought the ship but also includes a person who has chartered a ship by demise. This is a very important point. It arises all of the time with fishing vessels and indeed with other vessels we are likely to have around here, inter-island vessels, if we are going to attract them, or with yachts.

There is a method of buying these boats in which the builder charters the boat with options or in which the finance company has the title but it charters the vessel with options. In many countries of the world hitherto those vessels could, for the purpose of their shipping acts be legitimately regarded as owned by the parties because they paid the fuel for operating. They hired the crew. They have to insure and they are in total control and there is nothing wrong with them. It has a practical connotation in the context of Barbados because as many members here may be aware, Barbados is entitled to certain fishing licenses off the coast of South America

The way how the European Economic Community regulations are, the vessels have to be Barbadian vessels but the European Economic Community recognises this form of ownership of a charter and we had difficulty. We managed to get around it by a special provision in the Fishing Act but I think the opportunity should be taken to make it very clear that if you are a Barbadian company or a Barbadian individual and you charter a vessel – the term is what is called a charter by demise – the whole of the vessel is chartered to you and you are responsible for fuelling it and for insuring. That is regarded as being an owner.

It is the same concept that you have in relation to land which is applied to ships. In land you can have a freehold which means you have the totality of the ownership for ever. You can have a leasehold ownership where you only have the totality of the ownership for a period of time. Again, I see the Shipping Act here is very clear on that. I am not clear in my mind as to the integration between that and the Fisheries Act because, as I still say, my understanding of the provision is that above a certain tonnage you will have fishing vessels that theoretically will be ships.

12.40 p.m.

Where we are talking about long liners that are 100 feet long or 30 metres, certainly above 30 metres, that cost anywhere in the vicinity of U.S $1 million and these boats have steel or fibre glass hulls, they can carry 50.60 or 80 tonnes together with ice and things like that. They are certainly registerable. The way they are made in the United States of America or in the U.K. under their Shipping Acts because when you go to buy them or transfer them you will see that is the certificate and we want to have that clear. We want to register them as fishing boats for certain reasons but at the same time under certain provisions, other countries have had to deal with that. This is

important. As I understand it, the object of the exercise here is to maximise the attraction of this register to all types of vessels whether there be fishing vessels, yachts, ocean going vessels, and as ocean going in the sense that you are operating outside of the territorial waters, so I would like to have that clarified, Sir.

Obviously in committee we will deal with the details of the legislation but in principle, Sir, I can conclude by saying we have no objections to the updating of the Law. We have said there are specific areas of principle where we are worried and we hope that the Bill will fulfil its objective of making Barbados an attractive area for the registration of ships. The registration of shipping is an integral part of the offshore regime as was envisaged by this side when we created it. You just have to look at the pattern of legislation and you will see that there was legislation originated in the late 1970s and early 1980s and it was part of the package.

Some countries have done well in their shipping. I believe countries like Cyprus have done well and there are other countries that have done well in shipping. The Bahamas does well with shipping in the Caribbean. Cayman has some registration. I know that the British Virgin Islands has done well with the registration of yachts and I hope that we will find our niche in the market. I know that Barbados was getting tankers. I believe we will find our niche in the market because in marketing this you will have to target niche markets because we do not wish to have a register which is the same as a register in some other countries in the world whose countries do not have any of the desirable provisions that we would regard as absolutely necessary in Barbados to preserve the integrity of Barbados as a registration domicile.

Thank you, Sir.

Hon. B. M. TAITT: Mr. Speaker, Sir, I do not believe that this is a matter that requires long discussion. I just wish to say for the record that we have, in fact, established the Registry in London at the premises of the Barbados High Commission. We have an arrangement by which the Registry is operating on the commercial floor. We have re-organised the property in such a way that we are getting what I choose to call maximum commercial benefit from the establishment of a High Commission in London.

The complete bottom floor houses the Barbados Tourism Authority. On the next floor we have the Ships' Registry and the activity on behalf of the Industrial Development and Business Administration. We also have our consultant and advisor on medical matters. There is also the advisor to the sugar industry. He functions on that floor. So the second floor, which is the first floor in English terms, has all of our commercial activity. Then the next floor begins our Mission proper with consular work, passports, visas and other documents available at that point.

We have made specific arrangements with the company that is running the ships' Registry on behalf of the Government. That company has its activities clearly separated from the activities of the High Commission even though they are functioning out of the location and property of the Barbados Government. Provision has been made for after hours registration so that technically the Registry is open 24 hours a day. Arrangement is made that where it is necessary for the ships Registry to be functioning after hours, consultation with the Chief Security Officer at the Mission will result in the opening of the appropriate doors and facilities to allow the Registry to operate. So far, all has been going well and the anticipated result seems to be reasonable. It is expected, therefore, that the revenue deriving from the establishment of the Registry will not be insignificant.

It is difficult at this stage to make projections as such because, at least on our side, we are still somewhat embryonic in our understanding of how these things progress. I am assured by the relevant authorities in other countries that so long as there is efficiency of the kind which I anticipate that the benefits will start to flow very swiftly and that we will see the results of those benefits not long from now. It is important that we establish very early a credible operation. I am satisfied that all steps have been taken to ensure that Barbados' name is synonymous with a high quality Registration.

Mr. Speaker, that is what I wish to add to the debate except to say that this is something which we have discussed and toyed with for a very long time. For at least 25 years now we have been talking about having this matter form part of our thrust into economic development and foreign exchange earnings.

I would like to congratulate the Attorney General on having got the amending legislation here with the speed and accuracy with which he has been able to do so. Because it has been said the performance of the Registry will depend, to a large extent, on these Amendments which now fall before the House.

12.50 p.m.

One of the things that is not usually stressed in these matters is the whole question of employment on ships. One of the unfortunate things for Barbados and other Caribbean countries, but in particular Barbados, is that we had a long line of well-trained seasoned seamen who, on the change of the patterns of the shipping trade, have found themselves unable to work even though many of them are willing and able. One of the things I have discussed in great detail with the Honorary Counsul General at Miami for example is

the need for us to pursue, on an active basis, the employment of trained Barbadians on ships plying the international waterways. I am satisfied, Sir, that out of Miami there is potential for Barbadians to become employed on ships both *cruise* liners and merchant ships at remunerative levels. I am satisfied that, with the establishment of our Ship's Registry, with the reputation which our seamen have had over the years, and the combination of the reputation has for stability, good government and a high quality of people that it will not be long before we are able to make demands with the shipping companies for an increase in the number of Barbadians who are seamen. I hope it will not be long. I am not to be taken, Mr. Speaker, as holding out any unreasonable promise that suddenly and shortly there will be an avalanche of seamen jobs. But it is important that we focus early on those areas of benefit for Barbados. I believe that employment on ships is one of the areas on which we can focus. In the Ministry of Foreign Affairs we are insisting that our Representatives overseas lose no opportunity to bring this particular area into our scheme of operations.

I am grateful to you, Sir.

Hon. M. A. KING: Mr. Speaker, there are a number of points which have been raised by the Honourable Member for Christ Church South. The first one to which 1 will respond was his comment that he disagreed with the principal of incorporation of third party legislation, in this case legislation of the United Kingdom. These are Regulations of a technical nature which are incorporated by virtue of the provisions of Section 349 (3) at page 172 of the Bill which says:

> "The regulations, rules and orders enumerated in the Third Schedule and as from time to time amended are deemed to have been made under this Act and shall have full force and effect accordingly until replaced by regulations made under this Act."

Let me say, Mr. Speaker, that in principle I too do not like the concept of incorporating third party legislation particularly in an independent country where we, as a country, need to decide what we want and to specify in our own legislation the rules of law which govern us.

But the practice seems to have sprung up in a lot of the legislation within the Caribbean region of incorporating third party legislation of this type. I would like to think, Mr. Speaker, and this is my way of dealing with this, that the way .in which the Act has been formulated would indicate that the incorporation of these regulations should be regarded as a transitional measure. Because one understands the argument that especially in relation to technical regulations, it is possible that with the advance in technology in the more developed countries – and these are the regulations of more developed jurisdictions – it is quite possible that our technological development might not keep pace with the modernization of technical regulations in other jurisdictions. There is that inherent danger which one does not disregard.

But I think the emphasis would have to be on continually monitoring the regulations which are passed in other jurisdictions and I would like myself to express the hope that all the regulations which are in the Third Schedule of this Bill will in time be identified in our own legislation as our legislation rather than by incorporating them. In other words we can put together – by whatever means possible and certainly by reference to the technical regulations of other countries as well – a set of technical regulations which are Barbados' regulations which we can incorporate, which we can reference as the regulations to which the Bill refers.

I should like to think that the provisions of this Bill are transitional and that, in the course of time, we will have technical regulations which are Barbados' regulations with which we can all be comfortable and which we can be assured, from time to time, will reflect the state of technological development in our country and reflect the needs of our society.

Another point made by the Honourable Member for Christ Church South in fact was to make an enquiry as to what progress had been made? What were the defects in the existing legislation and what were the problems which this Bill seeks to correct? I suppose one can spend a lot of time going through this Bill and the old Shipping Bill, both of which are large bits of legislation, with a view to identifying the problem areas. It perhaps would take quite a bit of today's sitting to do that, but I am going to highlight just a few of them.

In general terms the problem with the old legislation is that it was not effectively oriented towards international shipping. There were some areas which, from the point of view of developing an international Shipping Registry did create some problems. Those who are interested in the legislation and in the Shipping Registry saw those problems.

I would just refer to a few to indicate, in general terms, what the problems were. Take a situation for instance where, like in Sections 58, 59 the change of name of a Barbadian ship now does not need to be Gazetted. Now, under the old law, before the change of name of a ship could be valid, that name had to be gazetted in the Barbados *Official Gazette.*

1.00 p.m.

Now from the point of view of the international community, publication in the *Official* Gazette is

not something which will be exciting and in many cases those engaged in international shipping are not going to be fully aware of what is done in a local gazette. Publication in the *Official Gazette* is something which is very useful for publication purposes in a local context but when you are dealing with the International Shipping regime it has been felt that the requirement for gazetting, for instance, created a hindrance.

Take then also, Mr. Speaker the provisions in relation to bareboat charter, for instance, under the old legislation there was an absence of adequate provision for bareboat charter. One of the points raised by the Honourable Member for Christ Church South could not be dealt with, for instance, where there were foreign owned boats but where the whole ship is chartered to a Barbadian ship owner for instance, and the Barbadian ship owner provides the crew, the fuel and exercise all rights of ownership in relation to the ship for the chartered period.

Now this legislation provides that during the period of the bareboat charter that the ship may be registered as a Barbadian ship. There is a corresponding provision that a Barbadian ship may also be bareboat chartered to a foreign owner and may be registered under a foreign registration. So that facility is here and preempts that kind of problem where you could not charter a ship, exercise all rights of ownership in relation to that ship, even although everything in relation to the operations of ship indicated that it would be appropriate and proper for the ship to have a local registry. That too facilitates the international dealings in relation to this particular matter.

The sections dealing with the mortgage of ships: A provisionally registered ship, Mr. Speaker, under the old law could not be the subject of a mortgage and within the context of financing activities in relation to ships it is likely that a mortgage will be necessary even whilst registration of a ship is being finalised. So that incorporating into this new Bill the provisions allowing for there to be a mortgage of the ship which is provisionally registered, facilitates the international dealings in this area.

There are a number of areas of this kind, Mr. Speaker, essentially relating to what will facilitate the international dealings in relation to shipping and ships which from the local stand point would have been all right, from the point of view of what is done locally or from a Caribbean perspective. But when you take the international considerations into account and what those at the international level would be looking for in relation to a shipping registry, one recognises that what this Bill seeks to do is to facilitate the international aspect of the whole problem and permit easier dealings from the international perspective.

Now, the Honourable Member for Christ Church South raised some questions in relation to fishing boats. I think the provisions of the bareboat charter and the facilitating of registration of foreign owned vessels, which are bareboat chartered, the provisions for those vessels to be registered as Barbadian vessels during the period of the charter would apply to fishing boats as well. So that vessels which are used for fishing can be bareboat chartered, could get the benefits of the legislation which deals with the provisions of bareboat charter.

Fishing vessels, Mr. Speaker, are basically required to be registered under the Fisheries Act and what the Shipping Act does is to compliment the provisions of the Fisheries Act and facilitates the registration of all types of vessels – large vessels, small vessels, fishing vessels and the like. I believe that this Act does provide for a small vessel register at some point, and sets out the requirements which are needed for the establishment and maintenance of that small vessels' register.

One other point which I need to comment on briefly before I conclude on this and that is in relation to the publicising of the provisions of this Bill. Clearly the Bill is seeking to provide enhanced opportunities for the use of the Barbados Shipping Registry. So that marketing of the registry is going to be tremendously important.

I am sure that what the Ministry responsible for Shipping will do very shortly and should do very effectively is to prepare an appropriate handbook for practitioners in the business so that a full summary, so to speak, of all the provisions which are set out and the requirements which need to be followed in relation to this new Bill can be easily available and kept easily accessible and easily known to all.

1.10 p.m.

So that, Mr. Speaker, with those comments, I do move that this Bill be read a second time.

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

On the motion of Hon. M. A. KING, seconded by Hon. B. M. TAITT, Mr. SPEAKER left the Chair and the House went into Committee on the Bill; Mr. L. L. BRATHWAITE in the Chair.

COMMITTEE

Mr. CHAIRMAN: The House is in Committee.

Clause 1 was ***called.***

Hon. M. A. KING: Mr. Chairman, during the course of the second reading, I have indicated that there were a number of typographical errors in the Bill which needed to be corrected. In fact, a document was circulated which does not help. But I am going to move the amendments as I go along.

I move that Clause 1 stand part.

Hon. B. M. TAITT: I second that, Sir.

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

Clause 2 was called.

Hon. M. A. KING: In moving that Clause 2 stand part, Mr. Chairman, there are a number of typographical changes which I wish to make. For instance, I start with F(2) – Caribbean trading area. Through the Bill, Caribbean trading area the "C" is large case and the "t" and "a" are in low case letters. I am saying they are purely typographical. I am just cleaning it up. So that in Caribbean trading area only the "C" in Caribbean is capital and the rest is in low case. In G, the same thing in relation to Caribbean trade ship, in the second line near coastal lower case, lines 2, 3, 4, and 5.

Now on Page 2 at Q and R in the same clause, "fishing boat" really comes before "foreign ship". Fishing boat is R and foreign boat is Q. "Fishing" goes before "foreign ship". Once you put fishing boat before foreign ship, the rest follows.

Mr. Chairman, on Page 4 C(c) as you see in the definition clause, there is a capital "R" for Registrar. Throughout the Bill, it is going to be tedious because it is in lower case right through. Wherever "Registrar" appears, it should be with a capital "R".

I move that Clause 2 as amended stand part.

Mr. CHAIRMAN: The Honourable Member for Christ Church West.

Mr. H. deB. FORDE: Mr. Chairman, I want to make an intervention of Clause 2. The definition under "W" of a local fishing vessel means a commercial fishing vessel which is either wholly owned by the Government of Barbados, wholly owned by one or more individuals who are citizens of Barbados and who are residents in Barbados or permanent residents of Barbados within the meaning of the Immigration Act, and wholly owned by a company, society or association of persons incorporated and established under the laws of Barbados and have a principal place of business in Barbados.

The legislation could have been wider to include a vessel that is owned partly by the Government of Barbados and partly by citizens or residents or permanent residents of Barbados in order to qualify because it does not take into account the possibility of joint venture unless you come under a company. It does not say that the company with shares in the company has to be owned by citizens or residents of Barbados. The other point that I take is this. Why if a person has emigrant status which is really the first step to permanent resident and if a person has lived here for twenty odd years sometimes before they are given emigrant status cannot qualify to be in the fishing business? What is absolutely wrong with that? It seems to me that there is a restriction that is not necessary in defining what is a local fishing vessel. That type of approach seems to permeate most of Part 1 and Part 2 of the Act.

The other point I would like to make, Sir, is that later when we are talking about companies we facilitate a CARICOM company or a Barbadian shipping company, as the case may be, and we talk about a company being incorporated in the state of the Caribbean Community, but there is the concept of the Caribbean Enterprise. It would have been easy if one is looking towards considering the Caribbean, particularly in relation to fisheries, as an area for joint enterprise to have included a specific reference to the Caribbean Enterprise in those circumstances. There are various measures that can be taken. As a matter of fact, Sir, I am sorry that I missed the second reading of the Bill and perhaps without going into the policy behind the Bill, let me say that it is the sort of Bill that the Government would be well-advised to send to a small Select Committee so that they can get the benefit of improvement of the legislation. It is a non-controversial part of legislation and a small Select Committee meeting quickly... The Committee should be given directions to report back here by Date X, but the Government would get the improvements that are necessary in quite a lot of the wording of the Bill. Some of it is technical stuff. Some people are not interested in the law governing crews. We are really codifying the laws of merchant shipping insofar as they affect the terms and conditions of crews and that sort of thing, but there are some problems I can see arising from the amendments we have done to the existing legislation, which needed amendments. I believe the Minister may have been inspired by some of the Caribbean amendments as well, but we ought to look at the points I have raised.

1.20 p.m.

Hon. H. B. St. JOHN: Sir, speaking on this same clause, I wish to draw to the Attorney General's attention that you have a great conflict between (w) in the Shipping Act and (c) in the Fisheries Act, 1993-6, which was recently passed. The definition of "local fishing vessel" in this Bill is different from the definition of "local

fishing vessel" in the Fisheries Act, and the difference is (c), which states:

> "wholly owned by a company, society or other association of persons incorporated or established under the laws of Barbados and having its principal place of business in Barbados, . . ."

That is the same as (c) here, but the local Fisheries Act goes on:

> ". . . all the members of which are citizens of Barbados or permanent residents of Barbados within the meaning of the Immigration Act or all the shares or stock of which are beneficially owned by such citizens or permanent residents of Barbados or by a company, society or other association of persons described in this paragraph."

In other words, they take the precise point that was raised by the Honourable Member for Christ Church West We left out that section. This is the Fisheries Act we passed last year and I recall we had a debate oh it. We cannot have two different definitions, because constantly this Act cross references to the Fisheries Act, so we would not want to have this conflict. As it is, I think that the local Fisheries Act also is defective, because it should embrace the same definition of "owner" as this does.

Hon. M. A. KING: Mr. Chairman, my immediate response to the Honourable Member for Christ Church South is that I believe the intention was that the definition of "local fishing vessel" in the Shipping Bill should be the same as the definition in the Fisheries Act which we have just passed. As the experts say, the rest of the definition may have dropped out of the computer. Might I suggest, Mr. Chairman, that we postpone further consideration of this clause, Clause 2, until later in the day so that I can clarify the position.

I move that further consideration of Clause 2 be postponed.

Hon. C. V. WALKER: I beg to second that, Sir.

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

Clause 3 was called.

Hon. M. A. KING: Mr. Chairman, in moving that clause 3 stand part, just to tidy up again, clause 3(c) says:

> "to provide for the safety of passengers, crews, ships and cargo in conformity with any international conventions in that behalf to which Barbados adheres."

The words "in that behalf' are totally unnecessary, so I am moving that those words come out. I move that the words "in that behalf' in subparagraphs (b) and (c) be deleted. Subject to that, I move that clause 3 stand part.

Hon. C. V. WALKER: I beg to second that, Sir.

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

Clause 4 was called and passed.

Clause 5 was called.

Hon. M. A. KING: In 5(2), Mr. Chairman, typographical again, I am moving that the words "Coastal" and "Trade" be changed to lower case. Subject to that, I move that Clause 5 stand part.

Hon. C. V. WALKER: I beg to second that, Sir.

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

Clause 6 was called and passed.

Clause 7 was called.

Hon. M. A. KING: Mr. Chairman, in moving that clause 7 stand part, at 7(2) the word "Barbados" appearing in the first line should be changed to "Barbadian". Subject to that, I move that clause 7 stand part.

Hon. C. V. WALKER: I beg to second that, Sir.

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

Part I was called.

Hon. M. A. KING: Mr. Chairman, with the consent of the House, the Bill will be taken in Parts. In moving Part I, there are a number of amendments. I will just call them by the clauses to which they relate. Clause 8(6), at the fourth line, the word "on" appearing after the word "made" should be deleted.

1.30 p.m.

Clause 8, subsection (10)(b). All shares or stocks which is beneficially owned by. No. "All shares or stocks of which is beneficially owned by or wholly owned by..."

The amendment I really want to make, Mr. Chairman, is that it should be subsection (9)(a).

Mr. Chairman, as you will note, there is no 5(a). The correct reference is subsection (9)(a).

In subsection (10)(b), line 3, the reference says subsection (5)(a) but there is no (5)(a). That is incorrect and it should be (9)(a).

Asides.

Hon. M. A. KING: We are dealing with Clause 9, line one, I am moving that the words, "used in navigation" be deleted.

"A foreign-going ship used in navigation of 500 gross register tons or more may, regardless of the nationality of the owners, be approved for registration by the Registrar."

Delete the words that follow after that.

That clause should read:

"A foreign-going ship of 500 gross register tons or mope may, regardless of the nationality of the owners, be approved for registration by the Registrar."

In subsection (2) line 5, "registrar" a capital "R". Subsection (3), the first word in line 5 is a capital "R".

In clause 10:

"A near coastal or Caribbean ship", put in the words "trade ship". That is the definition in the Interpretation section – A near coastal trade ship or Caribbean trade ship.

Line 3, capital R for Registrar.

Asides.

Hon. M. A. KING: Mr. Chairman, Clause 10, line 4 "will operate generally as a near coastal trade ship or Caribbean trade ship".Clause 10(2), 2nd line, capital R for Registrar, 4th line capital R for Registrar.

"S" comes off "ships". Near coastal trade ship or Caribbean trade ship.

Clause 15, Mr. Chairman, line 3, the fact is that 14(3) in "a small vessel register as prescribed in section 14(3)". Section 14(3) in the Act does not in fact do the actual prescription but it provides that it may be prescribed. So we need to put in the words.

1.40 p.m.

Aside.

Hon. M. A. **KING:** At 15(1) line 3 "shall be registered by the Director in a small vessel Register as may be prescribed" – put in the words "may be".

Clause 21 on page 14 just typographical, 21(2) "registrar" should be capital "R", 21(3) "registrar" capital "R".

Clause 23 "registrar" capital "R".

Clause 24, subsection (2) capital "R" for "registrar"; (4) capital "R" for "registrar", first line and second line.

Clause 25(b) line 2 capital "R" for "registrar".

Clause 27(1) line 2, capital "R" for "registrar".

Clause 27(b) the penultimate line capital " R for "registrar". Clause 27(e), page 17 "in the case of a ship registered under the law of a foreign country and bareboat chartered to any citizen of Barbados or to any body corporate established under the laws of Barbados, a recent certificate by a proper officer in that foreign country of the temporary transfer" – the Act says "any liens recorded in respect of that ship". I am moving that before "liens" we insert the words "mortgage or".

Clause 28, line 2, capital "R" for registrar".

Clause 29, first line, capital "R" for "registrar".

Clause 37, (1) and (2) capital "R" for "registrar".

Clause 38 (2), line 2, "registrar" should be a capital "R" and "Registry", the third line from the end should be a small "r" "certificate of registry".

Then in the last line "particulars of any mortgage instruments which", not "which is" but "which are recorded".

Clause 39 (1) line 5, there are three "registrars" which should be capital "R". Clause 39(2) line 4 "registrar" twice, line 5, "registrar" once, line 6 "registrar" once – all should be capital " R .

Clause 39(3) "original registrar", last word on line 3, capital "R".

Clause 43(2) two "registrars" should be capital "R".

Clause 46 (3) the last word on line one "registrar" capital "R".

Clause 47(1) line 3, "original registrar" capital "R". Clause 47(2) line 2 "registrar" 47(3) line 4 "registrar" all capital "R".

Clause 48 (1) second line "registrar" capital "R".

Clause 53(2) second and third line "registrar" capital "R".

Clause 54(3) second line "registrar" capital "R".

Clause 55 (1) third line "registrar", clause (2) first line "registrar" should be capital "R".

Clause 58(1) capital "R" for "registrar".

Clause 60 (2) second word capital "R" for "registrar".

Clause 61 (1)line 4 "registrar" capital "R". Clause 61(2) line 2 "registrar", Clause 61 (3) line 2 "registrar", Clause 62(1), line 2, "registrar", should all be capital "R".

Clause 62(1) line 2 "registrar", clause 62(2) lines 1 and 2 "registrar" should be capital "R".

Mr. H. deB. FORDE: If the Minister may give way, Sir, to save the Minister all this work I would suggest that the Minister moves that wherever in this Part the word "registrar" appears with a small "r" that the small "r" be deleted and a capital "R" be substituted and that would cover all his difficulty. It would save him a lot of time. That is the quickest way to deal with it.

Hon. M. A. KING: Mr. Chairman, I am going to move that wherever the word "registrar" appears that it be replaced by a capital "R".

Hon. P. M. GREAVES: I beg to second that, Sir.

Hon. M. A. KING: Mr. Chairman, in clause 66(1), for instance: In this section (a) "legally incapacitated person means a person who, by reason of infancy...." Infancy is not a word which is used today. Because of the Minors Act which is used today the word is "minority". Substitute "minority" for "infancy".

At clause 82 (1)(c), page 36 "The Certificate of Survey shall be delivered to the Registrar before registry". Substitute "registration" for "registry".

Subject to that, Mr. Chairman, I move that Part I stand part.

Hon. C. V. WALKER: I beg to second that.

Hon. H. B. St. JOHN: Sir, Part I as amended, even with the amendments there are still some points of principle that we must draw to the attention of the Government. Let us deal with Part I the Registration of Ships, subsection (4) of section 8:

"A ship qualifies for registration under this Part when

(a) the ship is a pleasure yacht;

(b) the ship is a local fishing vessel registered under the Fisheries Act; or

(c) at least 44 of its 64 shares are owned by persons singly or in association, who are qualified persons or CARICOM persons."

As I understand it any ship, other than a pleasure yacht or a fishing boat which satisfies (c) qualifies for registration.

1.50 p.m.

When we come to Barbados, qualified persons, I have been looking for the definition of qualified persons and obviously it is a different category from CARICOM persons. At the top of page 9 subsection (7): It reads:

"A qualified person is

(a) an individual who is either a citizen:

Accepted. Or:

(b) a Barbadian shipping company.

A Barbadian shipping company is not defined other than as, presumable, a company that is registered under the Companies Act. Tom, Dick and Harry could be the shareholders if you understand the point I am trying to make. You are not tying the ownership of the shares of the Barbadian company to being Barbadian, whereas you have done it with the CARICOM people.

If you look at the next section, section 10, it reads:

"A Caricom shipping company is a corporation incorporated under the laws of a state of the Caribbean Community.

(a) whose principal place of business is within a state of the Caribbean Community, and

(b) all the shares or stock of which is beneficially ownedby, of it is otherwise beneficially and wholly owned by, individuals described in subsection (5)(a),"

Do you understand what I mean? You have opened the door with Barbados. It is the same problem that you have with the...

Aside.

Hon. H. B. St. JOHN: Right. But that is not what is intended. That certainly is not what is intended.

Aside.

Hon. H. B. St. JOHN: It is the same problem you had with local shipping vessel. In addition to the incorporation you have to integrate (b) with (a) is a Barbadian shipping company all of whom all the shares or stock of which is beneficially owned by the persons mentioned in subsection 8. That is it. If you do not Q it otherwise than that, you will get citizens from all over the world just forming a company in Barbados and that would be a Barbadian Shipping Company which is not what you intended. I know that.

Hon. M. A. KING: I think, Mr. Chairman, that one of the problems of this is that the existing draft is a complete restatement of the existing law. Under the existing Shipping Act, a Barbadian Shipping Company is a corporation incorporated under the Companies Act or any special Act...

Aside.

Hon. M. A. KING: ... "(10) (a) whose principal place of business is within a state of the Caribbean Community, and

(b) all the shares or stock of which is beneficially owned by, or it is otherwise beneficially"...

Asides.

Hon. M. A. KING: Mr. Chairman, again I believe in copying the definition it is clear that part of the definition...

SUSPENSION

Hon. P. M. GREAVES: Mr. Chairman, I think it is a good time to take a little interval here and I am moving that you do now report progress to His Honour the Speaker and ask for leave to sit again.

Hon. B. M. TAITT: I beg to second that, Sir.

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

Hon. P. M. GREAVES: Mr. Speaker, I beg to move that the sitting be now suspended until 3.00 p.m.

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

1.58 p.m.

RESUMPTION

Mr. SPEAKER: This sitting is resumed. When the suspension was taken the House was in Committee, to that it should revert.

Hon. B. M. TAITT: If Your Honour does not mind we would like to ask that the House does not go back into Committee at this time but should move on with some other Government Business and that further consideration of this Bill be now postponed.

Hon. M. A. KING: Seconded.

Mr. SPEAKER: If there is no objection then the motion of further consideration of this Bill be postponed is granted and then we will continue with Government Business.

ORDER NO. 6 - A RESOLUTION TO APPROVE:

(1) THE BORROWING BY GOVERNMENT OF UP TO US$15 MILLION FROM THE INTERNATIONAL CAPITAL MARKETS, AND

(2) THE ESTABLISHMENT OF A SINKING FUND FOR THE REDEMPTION OF ISSUES OF SECURITIES FOR THE MONEY TO MAINTAIN AND SERVICE THAT FUND

Hon. D. J. H. THOMPSON: Mr. Speaker, I will be very brief in introducing this Resolution and certainly will be very happy to respond to any questions which Honourable Members may raise in relation to this proposed borrowing by the Government.

It is the intention of the Government to acquire foreign financing of up to US$50 million under a global medium-term loan programme through and arranged with the Bankers' Trust International of New York. The proceeds of this borrowing are intended to assist in financing Government's 1994–95 Capital Investment programme. The size of the initial tranche of this borrowing is US$25 million and it is proposed that the financing be employed under the authority of the External Loans Act, Cap. 94B.

The borrowing requirement for fiscal year 1994–95 based on the 1994–95 Estimates puts the Government's borrowing requirements at $249.4 million of which

foreign financing is $174.9 million including up to $50 million in foreign commercial borrowing.

The first tranche of the global medium-term loan programme to be arranged by Bankers' Trust International PLC has been identified as the source of the 1994-95 foreign commercial finance.

In respect of this particular borrowing the notes may be issued at par or at a discount or premium to par as specified in the relevant pricing supplement but for the initial tranche it is anticipated the rate of interest will be 425 to 450 basis points above United States 3-year Treasury Notes which at the end of March 1994 were trading at 5.57%. I think the latest figure I got for today is that the 3-year U.S. Treasury Bill is trading at 5.96% which is almost a percentage point increase over the figure that I just quoted for the end of March. The maturity could go up from 1 to 10 years and one anticipates that in the initial stages the first tranche will be 3 years based on current market conditions. This programme does not have a final expiration date but it is continuous under the requirement that pertinent information on Barbados can be updated periodically.

Basically I think that information should provide Members with an adequate background and I should be happy to provide any further information. I therefore beg to move that this Resolution do now pass.

Hon. B. M. TAITT: I beg to second that and reserve my right to speak.

Hon. H. B. St. JOHN: Mr. Speaker, Sir, the Opposition is fully aware of the fact that the Government needs to satisfy its borrowing requirement this year by reference to international borrowing. So as to make the position of the Opposition clear we would like to register our concern at the fact that what we are being asked to endorse here today is a very skeleton loan, an outline, because as I understand it this Resolution is unique in a number of respects. The loan has not, and the final terms of the loan, have not been determined. So we are not in a position to say, for instance, exactly how much of the $50 million is being borrowed. We are not in a position to determine the maturity date. We are not in a position to determine the interest rate, nor are we in a position to determine the commission. What we are doing here is a very unique thing because the Resolution itself says that Bankers Trust International PLC is only an arranger. They are not underwriters. They are purely arrangers. In other words they are agents of the Government of Barbados and what we are doing is just declaring the broadest parameters of the loan.

There is grave danger in this modem approach and I just want to point out one thing. I am not saying that it is so but it could well be that this may be an opportunity for these arrangers to participate in a laundering exercise.

I will tell you why I say that. These notes may be issued in a "Bearer" form. That is a very new and unique thing. Now, for many years many people have been asking for Bearer Bonds and the objection which has always been taken to Bearer Bonds is that the identity of the holder is not known.

Now, I do not want to say it, Sir, but it seems to me that we must be in a very desperate position that we have to resort to agreement to the issue by an arranger of Bearer Bonds. That is all I want to say, Sir. We are in a unique position, Sir.

We have had a debate on the economy. We are not going to re-debate the economy. This Resolution here, when you look at it, is an indication of the desperate state that we are in. I trust, Sir, and the Opposition's position is that Parliament, since we are in control of borrowing we would require the assurance from the Minister of Finance that as soon as this matter becomes crystallised that he comes here, whether in a Ministerial Statement or otherwise, and tells us what are all of the conditions of the loan, Sir. We are entitled to that, Sir. That is all I am saying because this is a unique Resolution, Sir.

Hon. B. M. TAITT: Mr. Speaker, Sir, I am really amazed, Sir. I agree with almost everything that the last Honourable Member who just sat down had to say except that I do not understand what he was complaining about. I am having a difficulty. I thought he would congratulate the Minister of Finance on being able....

Aside.

Hon. B. M. TAITT: Not so long ago they were indicating that the situation was so bad that we could not show our faces on the economic markets, et cetera.

The Honourable Minister has come and he says it is unique. Now there used to be a complaint that things are done and Parliament is not aware of what is going on. Now the Minister has come beforehand, Sir, laid it out and said, this is what we are proposing to do, this is how we are proposing to do it. I cannot say I can find anything wrong with the methodology and I think it is unique. I think it is indeed, Sir, a good indication of how Barbados is going to be looking to the future. You see if you drop the concept of laundering and if you leave it without mortar to the uninitiated, it can start a whole new debate and a whole new thought process. But you have to examine the *bona fides* of the company that is being used as the facilitator. That is the issue. If it came in and said that there

were some facilitators who shall remain nameless or who have been operating in the phantom market or underground, any of those things, then the Honourable Member's point would be valid. But, Sir, anybody *can* launder but very few people will take the chance to open a laundromat because, if you belong to a certain quality of international financial institution, you cannot take the chance. The stakes are too high and I would make bold to say that when I have examined this...

3.15 p.m.

Aside.

Hon. B. M. TAITT: It is true that all kinds of companies...

Aside.

Hon. B. M. TAITT: Well, BCCI is not something that was known about. BCCI has only become a scandal. The Honourable Member mentioned BCCI. BCCI is one of the best articulated and worked out scams the world has ever seen. Everybody knows about BCCI. It is just that they did not bother. Everybody agreed to look the other way. Even some of the reputable advisers known and respected by some of the Barbados institutions apparently had knowledge of BCCI. I am not going to dwell on that, Sir, because BCCI is still being discussed elsewhere. I would only say that if any of the Barbadian advisers had been in the same situation as some of the American advisers we would never have seen it laying so quietly to rest. It is fascinating how the BCCI has been laid to rest.

To come back to the point that I was making. The Honourable Minister of Finance has been able to bring to this House early clear transparency, if you will pardon the expression...

Aside.

Hon. B. M. TAITT: You cannot have non-clear transparency. But the Honourable Members know what I mean. The Honourable Member has brought it here and said up front that this is what we are proposing to do and this is how we propose to do it. Yes, it is open to examination, clarification, and questions. But at the end of the day I think that Honourable Members will agree that the ***bona fides*** of the company that has been identified would have to be questioned if you are going to go down the route of the possibility of laundering. The possibility of laundering only exist in the sense that it is technically possible. But if you say that and leave it without saying more, then you are raising questions about the ***bona fides*** of the parties concerned. I do not think that the Honourable Member wanted to do so and I got up for that reason to be certain to put on the record that I did not understand the Honourable Member to be saying that he questioned the ***bona fides*** of any aspect of the loan. That is the only point that I wanted to raise.

Mr. O. S. ARTHUR: Mr. Speaker, Sir, the Opposition has no objection to the broad strategy on which the Government has embarked, namely to raise funds to assist in the carrying out of Government's capital programme. The point that is being made by the Opposition is a simple point; that in the past when loans have been raised, the specific parameters of the loan were clearly specified. What is here being contemplated is that the Minister of Finance is laying out the parameters of a medium-term loan programme under which a series of bonds are to be issued with each bond in the series having a different set of characteristics. What the House is therefore being called upon, Sir, is to approve the programme under which the Government is going to raise up to US$50 million by issuing bonds from time to time on the U.S. market. Some of these bonds may be zero coupon bonds, some with fixed interest, and some may be registered bonds. What the House is being called upon as I understand therefore, Sir, is to approve the programme.

The point that is being made from this side is that historically the House has approved specific loans. The cardinal point that is not being missed and that has to be taken by the Government as a cautionary point, is given all that *can* happen in the international market and has been happening, Sir, let us protect the good name of Barbados by making sure that when all of these transactions which have not yet been specified have been specified the House is kept informed of them. As I understand it, there is a first tranche because I am just seeing this thing for the first time today. There is a first tranche that is going to involve up to $25 million through the issue of bonds. As I understand it, these bonds may be variable priced bonds linked to the United States Treasury Bill and having a maturity of 3 years. But the comments that are being made by my other colleague who spoke earlier is that other things that have to do with the placing of a bond in the market like the commission to the arrangers have not been specified and the House is entitled to be provided with that information by way of report, given the unusual nature of this arrangement.

I want to stress the point, Sir, that we are not saying that there is anything unusual in the sense of creating a business for laundering of money. But what is unusual about this arrangement, and this is not used in a derogatory sense, is that the House is being called upon to view the parameters of a programme on the understanding that individual bonds will be issued under the auspices of that programme. Our position is that as the bonds are issued and as the terms of each specific bond become clear the House would only need, since we are agreeing to it in broad principle, to be apprised of the specific terms as they become available. That is the point, Sir, that I want to make by way of my contribution to this debate.

Mr. H. A. BLACKMAN: Mr. Speaker, I just want to make a few brief comments which are not critical but of some concern to me. I must say that it is very good of the Minister to have brought this measure to Parliament and to allow us to know how the Government is thinking. But I have a few concerns with respect to the matter.

My first concern, Mr. Speaker, and before I say that I want to say that I would hope and I believe that when certain things are finalized the Minister will come back to Parliament. Looking at this Resolution as it stands, the first thing that I am concerned about is on page 1 of the Resolution that was given to me: "Be it resolved therefore that Parliament" and "(b) approve the establishment of a Sinking Fund for the redemption of each issue of securities and the monies necessary to maintain and service that fund." I thought that was already the law of the land and I find it interesting that that was put there. I really would like to know why that was put there when that is already the law of the land.

I turn now to the Addendum and what the Government is apparently contemplating is going on the bond market in the United States and the United Kingdom to raise funds. Now for many, many years most Governments endeavoured to raise funds from banks or other lending institutions and not on the bond market. Those of us who have been following the situation with Trinidad a couple of years ago realize that Trinidad went this same route where they raised money on the bond market and because of the slightest thing that happens in one's country the people who are holding these bonds can discount the bonds at a lower rate than on the market. What it does is that it compromises the country itself and Trinidad found itself in a very embarrassing situation a couple of years ago when this was done by Trinidad. Many, many years thereafter Trinidad found it very, very difficult to borrow money on the international market because they followed this route regarding bonds.
3.25 p.m.

Mr. Speaker, my position is, as I said, if in the past Governments tried their best to borrow money from banks and other lending institutions and the bond market was avoided, I am trying to find out if the Government found it difficult to raise loans on the financial market or from financial institutions as opposed to borrowing on the bond market. I am very concerned, because I remember what happened to Trinidad, I think, in 1983 or 1984, and they suffered badly by raising money on the bond market. If there is anything that goes on in a country that the people who have the bonds suspect may make the country other than trustworthy, the people just get rid of the bonds and that therefore causes some trouble to the country that has done the borrowing.

In the same Addendum I have noticed that BTI will conduct a due diligent investigation with respect to Barbados and its macro and micro economic perspective. If BTI is only acting as an agent, as I can see here, I would like to know what this due diligent investigation entails. Further than this, BTI will ask for the acquisition of documents in the country. I would like to know what sort of documents the Government will have to provide to BTI with regard to this loan, because I am concerned about that as well.

Mr. Speaker, I realise that in the paragraph dealing with expenses, that all expenses associated with the programme will be paid by the issuer, which in this case is the Barbados Government. I want to know if it is normal for all the expense funding, without limitation, to be met by the issuer. I would just like to say that in the 14 years I have been in here I have not come across anything like this and it really has me in a bit of trouble. I have to be honest. I have never come across this. I have taken part in many debates already where funds were being raised overseas, but as is stated, I suspect what is being said is that the market for lending has changed and this probably represents the change in the market. I do not know. I would like this explained to me because, as I said, I have not seen this type of loan before. I am very concerned though that the Government finds it necessary to go on the bond market as opposed to going to a bank or other financial institution. If possible, I would like to have it explained to me why this move was taken.

Thank you, Mr. Speaker.

Mr. H. deB. FORDE: Sir, let me say that the bond market has become an attractive market for institutional investors such as insurers who are looking for a long-term bond that would give a certain guarantee and would give a certain amount of yield to maturity. I have grave doubts concerning three-year bonds insofar as they have any attraction at all for the institutional investors, like the insurance companies, and what not. In fact, I am concerned that the three-year bond really is in the nature of a bullet loan, because you have to repay that bond within the three-year period and it is fully redeemable at that time. As I understand it, the Minister is going for his first $25 million on that basis, in a certain open ended cost which the House does not know at the moment what that cost will be, because we have no idea from the Addendum to the Resolution as to what really will be the effective cost to the Government of the bonds. The Minister said that they may be issued at par. If they are issued at par, then if you are buying a Bds.$100 bond, you are paying U.S.$100 for it. I am not sure that you are going to get that situation, but at a discount, which is most likely, at a premium to par, which again might be attractive and as specified in the relevant pricing supplement. The Minister must at this

stage have had from the arranger some more concrete information in relation to the issue price at which the arranger, given the parameters of the market now and the market which he is going to test in the future, would be sure he is going to get on that market. I think the House is entitled to some of that information at the moment.

Hon. D. J. H. **THOMPSON:** Sir, on a point of order. I do not wish the Honourable Member to mislead himself or to give the appearance that I have withheld information. Very early in my presentation I indicated that the notes may be issued at par or at a discount or premium to par as specified in the relevant pricing supplement. I also went on to say that it is likely to be priced at 425 to 450 basis points above the three-year Treasury note, which I said at the end of March was trading at 5.57%, and I gave the up-to-date figure. It is trading today at 5.96%, so what the Honourable Member can now do is take the 425 to 450 basis points, which I indicated at the beginning of my presentation would be the likely price as the information on which to continue the debate.

Mr. H. deB. FORDE: Mr. Speaker, I am very glad that the Minister has got up and said something that obviously slipped me. The Minister is saying then that he is going for a three-year bond at a rate that is liable to be 10.46 at the moment, if he is going between 425 to 450 above the trading rate of 5.96. That is an expensive bond. That is why I am saying, in the interest of Barbados, we should be going for the longer term institutional investor because the cost in the long run to us is going to be less. That is my concern, because if the rate increases between now and the time at which the bonds are issued, we could well be paying even a higher rate of interest. That is why I was asking the Minister how much detail he has in the pricing supplement other than what he has given to us, because it may be very expensive money that we are having to get at this moment and we would have to be desperate to be taking the money at that rate whilst we know that the normal bond market for institutional investors, as shown in the financial supplements, whichever, the Wall Street Journal or the Financial Times, is at the moment not running at that rate. That is a very high rate and I have great concerns about that.

I also have concerns about some of the points made by the other Members.
3.35 p.m.

Now, the bonds may be on the official list of the London Stock Exchange. None of us can have any problems with that, although the Stock Exchange itself, as you know, Sir, and particularly the Lloyds people on the Stock Exchange, have recently come under some grave scrutiny from investors, but they may also be unlisted. They may also go through private placement. I want to emphasise that, Sir, because the note which the Minister has given us says that they may be placed privately either on the Euromarket or in the U.S. private placement market. As I understand it therefore, these bonds are not necessarily going to be on the normal financial market but are being placed by special arrangement through the BTI, Bankers Trust International, who are doing the arranging for the Government.

Sir, it is not unreasonable for reasonable expenses in connection with the borrowing to be met by the borrower. That is not unusual. What I have difficulty with is that the House at the moment is not being given what is the upfront placement fee arrangement, what percentage. The Minister must have some details at this stage of the percentage of the amount that will be paid to the BTI, the arranger, depending upon how much he has managed to place.

If he manages to place the full $25 million or it manages to place the full $25 million, then a percentage of the fee decreases as he places more. He may get, let's say, 5% of the first $4 million or $5 million on the market. Are there any clauses as well or anything in the nature of a guarantee from the arranger that he is likely to get these bonds placed in any way? The Government is committing itself no doubt to some expense because it has a due diligent clause up front without disclosing – and I would have to use the word "disclose" because the Minister has not disclosed to the House if it has the information – what are the guarantees that the Government has for itself.

The Honourable Member for St. Philip South has raised the issue of what happened to Trinidad when it went on the bond market. Trinidad was lucky eventually that the people who really saved the position for the Telco bonds were basically West Indian institutional investors who had to come in, use whatever foreign holdings they have and rebought the Telco bonds when they were unleashed on the market at a discount because they were affecting very badly the financial standing and creditworthiness of the Government of Trinidad & Tobago in the market.

Yes, the institutional investors did make money and eventually it did cost the taxpayers a little bit more than it 'ought to, but I will say that Barbadian financial institutions also participated, given their statutory liability under the Insurance Act in Trinidad & Tobago. Our West Indian institutional investors realising that we have to live in this area and therefore we have to protect the good name of the financial market whether it is in Trinidad & Tobago, in Jamaica, or here within the limits of our capability, to find foreign exchange for this particular purpose.

I would wish the Minister to take very seriously the comments which have been made by both sides of the House, the Honourable Member for St. Philip South

and the Opposition on this side because they are fears. There are fears that we must all share although of course we recognise that the Government has to find foreign currency in order to carry us over the very difficult period where our reserves may not be responding in the manner that we hoped they would have responded.

With those words, Sir, I trust the Minister will give to the House the undertaking which has been asked for, both by the Member on his side who has spoken and on this side, that as soon as he is in a position with the first series of the bonds to tell us what has been the cost and how they have gone on the market to make an update statement or report to the House.

I do have a lot of problems with bearer bonds for Government. I believe the Honourable Member for St. Michael West has apparently misunderstood to some extent the comment of the Honourable Member for Christ Church South. People are always pressed to give bearer bonds. The place you can get bearer bonds more easily in the Caribbean is in Antigua. But what is happening is that some of those very bearer bonds have been used for money that is being channelled sometimes to purchase arms and various other things that have occurred. The Honourable Member will know that when I speak on these matters I do not speak lightly. It is information that anyone who has to monitor what happened... I am not a consultant for anyone on these matters.

I have taken an interest in them because of the problems that they can pose to the financial and other security of small island states. In fact, when I sat on a Committee on the vulnerability of small states some years ago set at the direction of the Commonwealth Heads of Government. I was deeply conscious of how small states, because of their genuine needs, can find themselves exposed to pressures that you would not normally have expected from the source from which it came. We have to be conscious of these things. We need the money, make no mistake about it, but we ourselves have to be sure when we are going into transactions that the people with whom we are going to deal in the long run - and I am not even talking about the arranger. I am talking about those people from whom bearer bonds pass from hand to hand.

The Honourable Member must be aware that if he buys the bearer bonds, for instance, and that is a genuine transaction, that bearer bond can find itself in the hands of someone in Northern Ireland, Columbia or wherever you like and eventually it redounds that it has to be recouped by the Government and paid eventually and because of the nature of the intelligence industry it would not be long before you hear that the Government of Barbados has been redeeming bearer bonds which have been in the hands of undesirable people. That is the nature of the bearer bond.

For that reason, the first transaction could be highly legitimate and above board but there is a danger involved and wherever possible the Government, if it can tell its arranger that it would prefer only as a last resort to go this route so that the safeguards of which we speak are there and that we know as a people that everything is above board.

I hope the Government does not take this - sometimes when you speak in this House it is interpreted as though you are speaking f a the sake of just criticising the Government. We are speaking very seriously here, Sir, in a constructive manner from the experiences which we have accumulated from seeing transactions of these natures take place in other parts of the world. We are living in a world that we cannot be so simple in our minds to recognise that even when you are dealing above board with your immediate agent that there are dangers which can follow if one does not make sure that you dot your "i"s and cross your "t"s in these circumstances.

Hon. D. J. H. **THOMPSON:** Mr. Speaker, I am assuming that nobody else wishes to contribute. Perhaps I should begin where the Homurable Member for Christ Church West just left off and say that the reason why people feel sometimes that people get up in here and only criticise and offer nothing constructive, and I don't mean in respect to this debate, but sometimes generally, is precisely because that is just what they do. It is precisely that is what they do because perhaps about two months ago, not on this side, but on that side we heard that this Government, the Rt. Honourable Prime Minister and the Minister of Finance and others were traipsing all over the world cap in hand and that there was absolutely no prospect of their securing any foreign finance on any market in the world, even though the Government was boasting that it had a fine credit rating.

3.45 p.m.

Perhaps if the Opposition had retracted that in the national interest, perhaps if the Honourable Member f a Christ Church West in particular for whom I know integrity, generosity and fairness are always part of his demeanour in politics were himself to retract those remarks and say that he is happy to see that his country is one of the few in the region that is able to go on a market like this, but that would not happen, Mr. Speaker. Therefore the interpretation that would be put on their actions is something they have to live with.

I wish to commend the Honourable Member for St. Peter because in a very succinct way I believe he made all of the important points about this particular loan. In fact, he was so succinct, clear and knowledgeable that he contradicted the remarks of his previous speaker, the Honourable Member for Christ Church South. I think

in particular the issues that he raised relating to the bearer bonds and those things are to be appreciated.

I want to spend a couple of minutes explaining this particular transaction because this is very important. The world financial markets are changing. There are only two Governments in the English speaking Caribbean which are actively on the capital markets so there are not any big comparisons that anybody can draw to other countries in the region because they are not either on the market in which private international banks invest nor are they entering into the emerging markets.

Trinidad is very fortunate in that it entered on to this market about three years ago. However, the first point needs to be made that the first effort by Trinidad was not successful, unfortunately. Because it had an underwriter, the underwriter absorbed almost the full tranche of the bonds. It paid a very high price for the initial bond series because (1) it was a small bond issue by comparison to the kinds of bond issues which are on the market which in fact defeats the point about money laundering. Anybody who has money to launder is not going to launder little piddling U.S.$25 million loans in terms of the world international bond market. It would be considered to be a very small placement.

The second point is that on its second effort in the market the Trinidad Government paid nearly 400 basis points above the three-year U.S. Treasury which is about the same as Barbados would be if it were into its second tranche of this. As I have said, the private international banks are not welcoming countries with open arms. They have been stung in the past and they are shifting the way in which they invest their money and the kinds of risks they take so that this is the first time that Barbados is entering into this particular market and therefore the conditions which attach to that first entry into the market are going to be difficult and nobody denies that.

The due diligence requirements alone for your first entry into this market are so severe, the kind of information you have to provide to the investors is so significant as to be almost like baring your soul because the arranger has a relationship with the persons whom he seeks to attract to this particular investment which, particularly because it is a private placement, puts obligations on him that would not be there. The Honourable Member for Christ Church West should know this. If those particular bonds were listed on the market, being a private placement it attracts conditions which are more onerous than those which would occur if it were listed in the "Financial Times" or any of the documents in which these bonds are listed.

There have been several issues in recent times and the interest rates vary. The Turkish one was about 380 basis points over the U.S. Treasury with another one at 375 and one at 365, each of them ranging between four years. There are some countries that cannot even get to two years. There are some countries that are into just over 12, 18, 19 months and sometimes less bond issues of this type so one has to be more flexible.

I also think, Mr. Speaker, that the Members of the Opposition should realise that this is the kind of bond which somebody would buy and essentially put away until it matures. It is not a bond that is going to have high liquidity because Barbados is not any major player and whereas there may be a few pension funds, a few major institutional facilitators or lenders, whatever, which would purchase this particular bond, they are not going to do it simply because they know Barbados. They are going to do it based on what the arranger and others in the market say about the country. So it is not a liquid bond and you have to pay a price for those kinds of constraints. I think Members of the Opposition should be understanding of that.

In particular, Sir, there is concern about the issue of bearer bonds. I can only refer the Honourable Members of the Opposition to the traditions in this regard, the kinds of bonds that are being issued and they can see whether those notes are generally registered or whether they are bearer notes. They will find that by and large they are bearer notes and are not registered notes. You check it for yourself and see. You can check it. If you have all the information bring it to the House and you can refute that.

On the question of laundering, as I say, I do not know but that is perhaps tomorrow's headline. The point is we have secured the loan and laundering a U.S. $25 million, even if the person took up all $25 million of the issue to launder money it simply, as far as I am concerned, based on what happens in the world financial markets, would make a nonsense of that person's ability to launder money. One launders money in a larger envelope. You do not launder money in a very small loan like this and particularly via a public company. You have all the information so you can give it to the public.

The Honourable Member for Christ Church South said that the interest rate, the amount and the maturity have not been provided. We have given the broad outline on these issues and in due course we can return to the House to indicate what the elements of the transaction are.

For the Honourable Member for St. Philip South, the full requirements of the External Loan Act are being complied with. If he would take a look at section 6 of that Act it requires a sinking fund to be established for redemption of each issue of security under the Act. Therefore, the Resolution merely seeks to carry out the terms of that section which is to establish a sinking fund

in accordance with section 6(1) so the (b) really relates to the 4th paragraph of the Preamble and the sinking fund will be established shortly.
3.55 p.m.

The due diligence has almost been completed as far as I understand it. It is true that the information is rigorous but it is no more rigorous than the kind of information that, in the Ministry of Finance, we seek to have available at our finger tips on a daily basis and which informs important national decision-making. That apart, the initial prospectus will set out most of the information, if not all, which was a result of the due diligence and that that prospectus is not a private document which cannot be made available and, if necessary, I can give the Honourable Member for St. Philip South – when it is available – a copy of it. It would show all of the elements of the due diligence which the Bankers Trust International as agent had undertaken. The documentary 'evidence which they require is essentially documentary evidence relating to previous loan transactions between the Barbados Government and other countries. That is normal information that is requited.

In a sense, Barbados is in a path-breaking exercise by virtue of this particular loan and we are going into that market with our eyes open, we are not seeking to conceal from the public any information and Honourable Members can rest assured, that as time passes and as we meet more success through prudent borrowing to support our capital works programme and as confidence in the Barbados economy is emboldened and as the Honourable Member for St. Peter has said as we start to have access to the kinds of resources with which to carry out a capital works programme, he said we need about BDS$70 million. This is about fifty and he should be very happy to support this, even though it might not be at the interest rate that he wants. But countries like Barbados which have good credit-ratings and which people think can pay are not going to attract these low interest rates. The kind of small borrowing which we do on the financial market means that we have to make the investment in Barbados attractive and therefore we may have to pay a premium for the kinds of opportunities which we make available to others to invest in this country.

With those few words, I beg to move that this Resolution do now pass.

Hon. D. W. BOWEN: I beg to second that, Sir.

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

Mr. SPEAKER: Order No. 3. When the House resumed further consideration of that Bill was postponed. The Minister is now seeking to rejoin that Bill.

Hon. M. A. **KING:** Mr. Speaker, Sir, I beg to move that consideration of this matter be now resumed.

Hon. B. M. **TAITT:** I beg to second that, Sir.

On the motion of Hon. B. M. TAITT seconded by Hon. M. A. KING the House went into Committee on the Bill, Mr. L. L. BRATHWAITE in the Chair.

COMMITTEE

Mr. L. L. BRATHWAITE: Committee is resumed.

Hon. M. A. **KING:** Mr. Chairman, when further consideration of this matter was postponed a question had been raised by the Honourable Member for Christ Church South. In relation to the definition of Barbadian shipping company which appeared at Clause 8 (8) the Honourable Member had drawn reference to the original Shipping Act that I had referred to. He made the point that the qualification, apart from the fact that the shipping company was incorporated under the Companies Act required that the company had to have a place of business within Barbados and all the shares and stock of that company had to be beneficially owned by or otherwise beneficially or wholly owned by individuals described in 3(a) of the Act with other Barbadian shipping companies within the meaning of the subsection or by the Crown.

Originally I had thought that the omission of the definition may have been accidental and dropped from the computer as had been the case in relation to the definition of the local fishing vessel. The explanation given me is that the omission has been deliberate because it is hoped by omitting the requirement for the shares to be owned by Barbadians or by Barbadian companies to encourage non-Barbadian investors to invest in Barbadian shipping companies in Barbados. It is part of the offshore services regime, Mr. Chairman, in encouraging non-Barbadians to create Barbadian shipping companies, invest in Barbadian shipping companies and therefore qualify under this Act. That is the policy, I am told, which is behind the omission. The omission has been deliberate from the point of view of the policy behind the Bill and that is the position.

You will note, Mr. Chairman, that reference is made to Barbadian shipping companies registered under the Companies Act or any special Act. There is, in preparation, a Business Corporations Bill which will provide part of the foundation for this expansion of the offshore services sector to provide for Barbadian corporations to be incorporated. This would allow them to form shipping companies and so expand the opportunities for foreign investment in Barbadian shipping companies. That is the explanation for that omission.

Hon. H. B. St. JOHN: Mr. Chairman, Sir, Clause 14. This deals with the books that the Registrar is required to keep.

The Registrar shall keep...

(a) a register for merchant ships,"

I am not worried about that:

"(b) a register-book for fishing vessels except for vessels registered under the Fisheries Act;

(c) a register-book for merchant ships under construction;

(d) a register-book for fishing vessels under construction;

(e) a provisional registry file."

Those are the books he is required to keep.

"(4) Where a vessel is registered under the Fisheries Act as a fishing-boat, it may be registered by the Director of Maritime Affairs in a register-book for local fishing vessels under this Part."

By subsection 4 they have a requirement that once you produce your fishing boat register the Director of Maritime has to register you. He would have to have a register for that too because he cannot keep under (a), (b), (c), (d) or (e). You are entitled to have automatic registration if you are registered under the Fisheries Act. One of the register books that the Registrar should keep is not a register of those vessels who are registered under the Fisheries Act and who request to be registered under this Act. I trust that the point is taken. It seems to me that somewhere you should have in that position. Something is wrong there because you specifically excluded it in (b). It appears so to me, maybe I am reading it wrong but that is how it appears. It seems to me (b) specifically exempts it and (4) says that you are entitled to have it.
4.05 p.m.

The reason for that is this. Let me explain this, Sir. When you have a boat that comes here and is registered under the Fisheries Act but wishes to trade in international waters, the captains of those boats feel much more comfortable when they are carrying a Barbadian ship registered certificate rather than a Barbadian Fishing Boat registered certificate. Therefore a person may want to have its local fishery registry endorsed on the shipping register so that when they are arrested by the Coast Guard of foreign countries they will have their fishing boats certificate but then they will be able to present a certificate which would be recognised internationally. You will find that people want it, particularly those boats...

I will tell you there are two areas relatively close to Barbados. One is the French Departments, Guadeloupe and Martinique and the other one of course is Venezuela. We have long liners going far to the East. With Venezuela you have problems because of fishing between Grenada in that area. So therefore it does not seem to me to make sense to exclude it specifically in one section and in the next section say it empowers them to give you a ce cate. So in respect of those vessels who are registered under the Local Fishing Act where is that going to be kept? That is all I want to know, Sir. That is a deliberate policy decision.

Aside.

Hon. H. B. St. JOHN: That is a matter entirely for you because it means now that you are going to have another category. You have foreign-going ships which would be registered abroad but you are entitled to be registered under our register and you will have the CARICOM ships, then you will have the Barbadian ships and so on.

Hon. M. A. KING: Mr. Chairman, the section 14 provides for the Registrar to keep certain books – a register for fishing vessels except for vessels registered under the Fisheries Act.

Now, there is provision in (4) for the Director of Maritime Affairs to keep a register in relation to vessels to be registered under the Fisheries Act so there are two sets of books, one kept by the Registrar for the vessel identified in (a), (b), (c), (d) and (e) of 14 and then one by the Director of Maritime Affairs.

You will note, Mr. Chairman, that the functions of the Registrar of Shipping and the Director of Maritime Affairs have been separated in this Bill. The Principal Registrar keeps all the register books except those of the fishing vessels under the Fisheries Act and the other book is kept by the Director. I believe the small vessels register under Section 15 – Registration of Ships by Director, the Director of Maritime Affairs keeps a small vessels register. The particulars, as may be prescribed, are to be included in the register of small vessels kept by the Director of Maritime Affairs.

Mr. CHAIRMAN: The question is ...

Mr. H. deB. FORDE: Let me just address on Section 74 in particular of Part 1. Now, Sir, it is a known fact that what is attractive for offshore shipping companies is the level of fees prescribed and to some extent the ease with which registration can be accomplished. I am not sure that

at the same time to prescribe certain standards and I am a little bit concerned about the open-endedness of section 8 (8) to which the Honourable Member for Christ Church South has already ...

Whilst I can understand the Government's policy of trying to attract offshore shipping, I think at the same time whatever Regulations or whatever other Act is being placed on the Statute Book to deal with such shipping, should require certain standards to be met.

I may, for the purpose of the record, advert to the position in Cyprus. Cyprus has been able to attract 7 000 shipping companies which are registered and it now probably has the largest registered fleet after Liberia, Panama, Japan and Greece and has been growing at a fast rate.

It has been able to also attract investment from outside in its own shipping industry within the last few years but there has been a failure in some respects of the legislation and of the administration to police even what legislation it has on the Statute Book. For instance one has heard criticism internationally of the wages paid to crew, the conditions under which the crew act, and although I admit that in this Bill later we are going to come to deal with the legislation dealing with crew in Part III of the Bill. But it has also found itself into international problems because its ships or registered bearing the Cyprus Registry have not been complying properly with legislation dealing with oil pollution, the environment and also there have been problems with drugs.

We know already that in a neighbouring CARICOM state there has been a good deal of pressure occurring because a couple of the ships bearing the port of registry, in an easy registration situation, have been found carrying large loads of cocaine and drugs ***et cetera.*** So that whilst I understand the desire to go into the offshore shipping industry, we must at the same time have built in sufficient safeguards to guard against the evils of which I spoke. This Bill does have some of those safeguards in relation to the crew, but I think we have to do a bit more in respect of the other matters. I would expect that to be competitive the fees prescribed will take into account the fees being prescribed in other jurisdictions with whom we are hoping to compete. It seems to me that Cyprus is probably going to be the main jurisdiction within the Caribbean here in Barbados and St. Vincent and the Grenadines, which I do not believe have as stringent legislation as we even have at present in our Shipping Act. This Bill is basically, Mr. Chairman, updating the Shipping Act. The existing Shipping Act which was passed in 1985 has substantially most of these provisions.

4.15 p.m.

I also note that the Government has taken the deliberate decision that no stamp duty will be charged on any instrument effecting any of the purchases in Part I of the Bill. So that whether you are registering a mortgage or transferring a mortgage, ***et cetera*** it will now be free of stamp duty. The existing legislation allowed an exemption from stamp duty on certain instruments. The way in which Clause 74(2) is drafted it is now mandatory that there will be no stamp duty on these instruments. That is obviously a policy decision. I am not sure whether Government has given full thought to that aspect of the matter.

Hon. M. A. KING: Mr. Chairman, let me assure Honourable Members that every attempt will be made to ensure that there is effective policing of this legislation to ensure that the evils of which the Honourable Member for Christ Church West spoke and wishes us to guard against are taken care of.

The position in relation to stamp duty, as he rightly said, is a matter of policy and it is not a matter on which I can in any way pronounce. That is a policy decision which has been taken. I am sure the Ministry of Finance would have taken all of the necessary implications into account. Before we complete discussion of this Part, Mr. Chairman, there are just two other minor amendments which need to be made and which I omitted in the earlier presentation. In Clause 15, the near coastal trade ship. We need for consistency to put in 15(1) "near coastal trade ships and Caribbean trade ships which are below 150 tonnes". The other one, Mr. Chairman, is in Clause 8(3) which begins: "save as provided in Section 15". Section 15 is not correct. It should be Section 9(2).

Subject to those amendments, Mr. Chairman, I move that Part I stand part.

Hon. B. M. TAITT: I move to second that, Sir.

The question that Part I as amended stand part was put and resolved in the affirmative without division.

Part II was called.

Hon. M. A. KING: In moving that Part II stand part, Mr. Chairman, there are again a couple of minor amendments in addition to those we have made in relation to the capital "R". At Clause 91(2) take off the "d" in provided. It is the fourth word in the second line – "whose laws provide" on page 43.

On page 46 in Clause 98(1), it should read: "The director shall keep a copy of every contract or indenture of apprenticeship". So it is "or" in place of "of".

On page 47 in Clause 100, subclause (3)(a), "the name of the ship or vessels". Take off the "s" in vessels.

Mr. H. deB. FORDE: Go back to Clause 99(1) second paragraph.

Hon. M. A. KING: The master of any vessel...what section? What do you have?

Mr. H. deB. FORDE: When.

Hon. M. A. KING: I have got "whom" here. This is on Clause 99.

Hon. B. M. TAITT: I think everybody else has "whom".

Hon. M. A. KING.. "The master of every Barbadian ship shall enter into an agreement in accordance with this Act with every seaman whom he engages." The Prime Minister has it.

Aside.

Hon. M. A. KING: On page 57, Section 117(2)(b): The note was given by the owner or by the master or an authorized agent." Put in the words "or an" authorized agent, I move that the words "or an" be included.

Page 67, Section 137(2), this is just stylistic, Mr. Chairman. 'The master of a ship is guilty of an offence who fails without reasonable cause to comply with Section 1" . Now just transpose the words "is guilty of an offence" to the end of the subclause.

Page 70, Clause 147, a master or seaman belonging to a Barbadian ship ...the last word is intended to be wilful. I do not know what anybody else has.
4.25 p.m.

Page 71, Clause 148(1)(e), "imprisonment" should be one word rather than two.

On page 72, Clause 150(1), "negotiating" should be one word rather than two.

Page 78 Clause 162(2), "Near Coastal" should be lower case and add in the words "trade ship" or "Caribbean trade ship" rather than "Caribbean trading ship". Trade ship is in lower case.

That reads:

"The master or the owner of every Barbadian near coastal trade ship or Caribbean trade ship."

On page 79, as well. Subsections (b) and (c) at the bottom of the page "near coastal" in lower case and "trade ship in lower case as well". Trade ship is two words.

"In the case of a near coastal trade ship or Caribbean trade ship."

On page 80, 164(4). Take out the apostrophe in "ship's".

On page 82, section 168(2),

"Notwithstanding subsection (1) the master or owner of the ship from which a seaman..."

These words have been left out.

'has been left behind or discharged".

Section 171, same page 82, line 3, after "demise", add in the word "or". It should be "demise or charter". In the marginal note rather than "Application to foreign ships", insert "Application to foreign vessels".

Page 83, Clause 172(5) in the penultimate line after the words "so far" insert the word "as". So far as that amount is not sufficient.

On page 84, Clause 172(8)(b). There is a reference to the wrong section on line 4, "conduct constituting an offence under section 148 or 150" delete 150 and insert 149.

At 174(3), line 3, "section 172" should be substituted for section 171. Delete 171 and put in section 172.

Clause 175(2), line 2, delete 175 and put 173.

Consequential amendment over the page on the marginal note – Non – Application of section 172 and not 175.

Subject to those amendments, Mr. Chairman, I move that Part II stand part.

Hon. C. V. WALKER: I beg to second that.

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

Part III was called and passed.

Part IV was called.

Hon. M. A. KING.. Mr. Chairman, in moving that Part IV stand part, in Clause 197 on page 96, the second line:

'The Principal Registrar may, with the approval of the Minister either generally on..."

Remove the word "on" and substitute "or in".

That reads:

'The Principal Registrar may with the approval of the Minister either generally or in a particular case."

On page 101, clause 208, line 4 "regulations made under section 199 and 210". Section 199 is not a regulation section. Substitute "200" for "199" and "211" for "210".
3.35 p.m.

On page 107, clause 223 "any signal prescribed by regulations under section 217. Substitute "222" for "217."

At page 108 clause 224 (4) which reads "It is the duty of the master of a Barbadian ship that is requisition" it should be

"requisitioned".

On page 111 clause 232 (1)(a)(ii) "by an inspector in the case of a local load ship" – insert the word 'line" after 'load" and before "ship". It should be "load line ship".

On page 116 at 241(3) it says " 'The Director" may exempt any local load line ship" in place of "Director" substitute "the Minister".

Similarly at page 121 clause 256(1) where it says "The registrar may make regulations", it should be "the Minister". Substitute "Minister" for "Registrar".

At page 125 section 266, line 2 Wear Coastal or Caribbean Trade ship", in lower case insert the words "trade ship" after "Coastal" and 'Trade" should be lower case. It should read "Near Coastal trade ship and Caribbean trade ship".

Subject to those amendments I move that Part IV stand part.

Hon. P. M. GREAVES: I beg to second that, Sir.

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

Part V was called.

Hon. M. A. KING: Mr. Chairman in moving that Part V stand part I move the following amendments. At page 130 clause 276(1) "caused to be posed" substitute the word "posted" for "posed". In line 2 of that same subsection "where the wreck was found" I think in your copy "or was found" is repeated; Take out "or was found".

Aside.

Hon. M. A. KING: The original formulation is probably clear "The Minister has the general superintendence of all matters relating to wreck, and may, by notice in the ***Gazette,*** appoint any person to be a receiver of wreck". Insert "wreck" after "relating to".

Aside.

Hon. M. A. **KING:** I am on clause 267. 'The Minister has the general superintendence of all matters relating to wreck".

Now, if I can just continue, Mr. Chairman. At clause 283, page 132 in the penultimate line the last word is "his", that should be "this".
4.45 p.m.

On page 134, Mr. Chairman, Clause 289, subclause 2. As it is drafted it creates a little problem in understanding. There is just a small adjustment to be made.

"A receiver may release any detained property if"

I am proposing that the "if" be removed from there, and put the "if' before "security" and after "a" in the next line and after "b" and before "the" in the following line. It will then read:

"(a) if security is given to his satisfaction"; or

"(b) if the claim for salvage exceeds $4 000 and any question is raised as to the sufficiency of the security, security is given to the satisfaction of a court."

The words "security is given" are to be inserted at (b) after the word "security" and before the word "to".

A receiver may release any detained property

(a) "if security is given to his satisfaction;"

The second case is:

(b) If the claim for salvage exceeds $4 000 and any question is raised as to the sufficiency of the security, security is given to the satisfaction of a court."

If the claim is for more than $4 000 the receiver must be satisfied that security is given to the satisfaction of the court. After the word "security" in the second line add the words "security is given". That clause reads then:

"A receiver may sell any detained property

(a) if security is given to his satisfaction; or

(b) if the claim for salvage exceeds $4 000 and any question is raised as to the sufficiency of the security, security is given to the satisfaction of a court."

Clause 295 (2) on page 137:

'The wreck commissioner holding a formal investigation

(a) shall conduct it with the assistance of 1 or more assessors with nautical, engineering or other special skills or knowledge; and

(b) shall conduct it in accordance with any 'regulations rather than' rules made under section 349."

The section is really 349 and 349 provides for the making of regulations.

On page 138 Clause 296(4):

"A copy of the report made to the Minister under subsection (6) if"

Not "if", that should be "of':

"of".

On page 140 at the top of the page subsection (3) (b):

"(b) must be conducted in accordance with rules made under section 347,"

Subject to those Amendments, I beg to move that Part V stand part.

Hon. H. B. St. JOHN, Sir, I should like to draw to the attention of the Attorney-General and the Government the likely consequences of section 267, page 126 and I hope they are prepared to create the machinery necessary for dealing with what is really improper. Around the coast of Barbados there is a large number of abandoned fishing vessels. They have them in St. James. The Honourable Member would be familiar with them. Old boats.

Aside.

Hon. H. B. St. JOHN. Yes. Just on the beach. Luckily they are the best shelters for some people who left the mental institution and have nowhere to go and they live in them in Oistin. But some of them are using them for toilets. They are using them for all kinds of things. You hear about it all the time. The police magistrates were the receivers of wrecks. You used to be able, under the old Merchant Shipping Act in Barbados, to draw it to their attention. They used to be able, they were empowered, some of the powers which were in the other Bill may still be in this Bill.

The definition of a wreck and flotsam, jetsam and lagan and derelict found in or on the shores of the sea. It definitely comes within wreck. There is no question about it. I am very glad to see that the Minister is responsible for the general superintendence. I assure him that he will have work to do very early, Sir, because people harrass me. I will make very careful note of these provisions. I expect that whoever the Minister is that the machinery will be put in place, at an early date, to deal with this problem. The Fisheries Act does not deal with it. Therefore the only solution you have is that it is a ship and I am very glad to see the definition of "ship" is very wide and it deals with it, Sir. It is a problem that has to be dealt with.

Aside.

Hon. H. B. St. JOHN: I am very happy once I know I brought it to the attention of everybody. This is not a theoretical problem. This is a real problem.

Aside.

Hon. H. B. St. JOHN: I do not think that they are appointing them now. I do not think that they have appointed anybody recently, Sir. Check it out. But it is a real problem.

I am glad to see the section. I support the section. I am very supportive of it because I know the need for it.

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

Part VI was called.

Hon. M. A. **KING:** Mr. Chairman, in moving Part VI there are some errors which crept into Part VI. The Bill has been redrafted and revised and therefore it makes reference to things which are non-existent.

In Clause 301, page 142, first of all subsection (1) just before the last word "Schedule" just insert the words "the First" "(hereafter in this section and in the First Schedule referred to as the "Convention")."

Clause 301 subclause 3. Delete the whole of 301 (3).

Over the page at page 143 Clause 303 (2) (b):

"In a case where the master or member of the crew is the servant of a person whose liability would not be excluded by that"

There is some symbol there, that word should be "that".

In Clause 304 subsection (1) comes out because there is no Third Schedule. Delete the whole of **304(1).** Remove (2) as well. What remains is subsection 304 which will read as follows:

> "Nothing in sections 302 and 303 in the First Schedule shall apply in relation to any liability arising out of an occurrence which took place before the coming into force of those sections,"

Delete everything else that comes after that.

4.55 p.m.

The marginal note will read "Provision Supplementary to sections 302 and 303. Second Schedule."

So 304 reads: "Nothing in sections 302 and 303 or in the Second Schedule shall apply in relation to any liability arising out of an occurrence which took place before the coming into force of those sections."

On page 148 Section 308(b) reference is wrongly spelt. Change "rererence" to "reference".

On page 149, Section 311, we need to correct the references there. Section 311 (1) should read: "Sections 308 to 310 ..."

In subclause (2) 'The expression "owners" in sections 308 to 310 includes persons referred to in subsection (1) and all persons responsible for the navigation and management of vessels pursuant to a demise or charter.".

Subject to those amendments I move that Part V1 stand part.

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

Part V11 was called and passed.

Part V111 was called and passed.

Part 1X was called and passed.

The First Schedule was called.

Hon. M. A. KING: Mr. Chairman, I move, Sir, that the First Schedule be the First Schedule to the Bill.

Hon. B. M. TAITT: Seconded.

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

The Second Schedule was called.

Hon. M. A. KING: Mr. Chairman, I move, Sir, that the Second Schedule be the Second Schedule to the Bill.

Hon. B. M. TAITT: Seconded.

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

Hon. M. A. KING: Mr. Chairman, just to correct an error in the Third Schedule. The Third Schedule, first of all, states at the top, sections 304 and 349. There is no reference to 304 so it is really reference to section 349 only. Delete "304 and".

Secondly, Mr. Chairman, in relation to the Third Schedule, you will note that in the third column the heading is "Relevant Provision of Act". In the Bill which has been circulated some of the relevant provisions do not appear in the Act that was circulated but I have a revised version which includes all the relevant provisions so if the House has no objection I will submit this to the Clerk for inclusion of all the relevant sections.

Subject to that I move that the Third Schedule, as amended, be the Third Schedule to the Bill.

Mr. CHAIRMAN: The question is that the Third Schedule as amended be the Third Schedule to the Bill. Honourable Members in favour please say aye ...

Hon. M. A. KING: Remember, Mr. Chairman, I asked and obtained the leave of the House to postpone further consideration of Clause 2. If Your Honour would now recommit Clause 2 ...

Mr. CHAIRMAN: Before putting the Third Schedule?

Hon. M. A. KING: No.

Mr. CHAIRMAN: Because I was about to put the Third Schedule and somebody stopped me.

Hon. M. A. KING: I am sorry.

The question that the Third Schedule as amended was put and resolved in the affirmative without division.

Clause 2 *was called.*

Hon. M. A. **KING:** In Clause 2, Mr. Chairman, in relation to the definition of local fishing vessel, I am going to move, Mr. Chairman, that sub-paragraph (c) be amended by adding ...

To put it in a nutshell, the definition which appears in the Fisheries Act of 1993, I move that that be substituted for the **definition** there because the intention was to make ...

The definition of local fishing vessel in the Fisheries Act must be consistent with the definition of local fishing vessel in the Shipping Act. So that the definition at (c) in the Fishing Act replaces the definition of "local fishing vessel" at (c) in section 2.

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

On the motion of Hon. M. A. KING seconded by Hon. C.V. WALKER, ***Mr. CHAIRMAN, reported to Mr.*** SPEAKER ***the passing of one Bill in Committee with amendments and Mr. SPEAKER resumed the Chair and reported accordingly.***
5.05 **p.m.**

On the motion of Hon. M. A. KING, seconded by Hon. B. M. TAITT, Mr. CHAIRMAN reported to Mr. SPEAKER ***the passing of one Bill with amendments in Committee, and Mr.*** SPEAKER ***resumed the Chair and reported accordingly.***

On the separate motions of Hon. M. A. KING, seconded by Hon. B. M. TAITT, the Bill was read a third time and passed.

ORDER NO. 3 - TO MOVE THE SECOND READING OF **THE** SHIPPING (OIL POLLUTION) BILL, 1994

Hon. M. A. **KING:** Mr. Speaker, this Bill is in some ways complementary to the Bill which has **just** been passed. It replaces the Oil in Navigable Waters Act Chapter 394 of the existing laws. The purpose of this Bill is to make provision for dealing with the problem of oil pollution in the waters of Barbados by ships and to give effect to certain international conventions relating to pollution of the sea. The Act is fairly **straightforward,** Mr. Speaker. It is in about 8 Parts and it has two Schedules. The first 2 Parts deal with interpretation and prevention of oil pollution. There is for instance clear prohibition against Barbadian ships discharging oil or a mixture of oil into any part of the sea outside of the **territorial** waters of Barbados. In fact, all ships are prohibited from discharging oil or a **mixture** of oil into the temtorial waters of Barbados and the Minister may make regulations of course requiring Barbadian ships to be fitted with such equipment for the purpose of preventing or reducing discharges **of** oil or a **mixture** of oil.

There are defences in the Act to the problems of pollution. The defences exist in the event of a discharge or escape of oil which may also occur from exploration activity either on the sea bed or on the land. These defences include for instance that the safety of the ship or life was threatened and proof that reasonable care had been taken by those who are responsible for discharging the oil to prevent or reduce contamination. So that once those who discharge oil show that there was sufficient danger to life or to the ship and that they have taken sufficient care to ensure that as little contamination as possible had taken place, then that is a defence to the charge of pollution.

There is in the legislation a requirement that the Port Authority should provide what is called reception facilities for ballast water and oil residues either on their own or with another person or company. There is provision for reasonable charges to be made for such facilities to be provided by the Port Authority. The Minister may of course **direct** the Port Authority to provide the appropriate facilities necessary for this purpose. Mr. Speaker, oil may not be discharged to or from a vessel between sunset and sunrise unless the requisite notice has **been** given to the appropriate authorities. In the event of any discharge or escape of oil, the owner or the master must forthwith inform the Minister of Health or the Director of Maritime Affairs of such discharge or escape.

Part III deals, Mr. Speaker, with shipping casualties and incorporates the convention and the 1973 Protocol in relation to this matter. Part IV - Apart from the criminal liability of ship owners, Part IV provides for civil liability of ship owners for oil pollution and incorporates the provisions of the 1969 Convention on Civil Liability for Oil Pollution with its 1976 Protocol. In essence, what those Conventions require and what the legislation provides for is that where oil is discharged or escapes from a ship the owner of the ship shall be liable for any damage caused in the area of Barbados by contamination resulting from the discharge or escape and is also liable for the cost of any remedial measures taken, and for the damage caused by such measures. Where more than one ship is involved and the damage cannot be apportioned between the ships, the owners are jointly liable. No liability is incurred in certain circumstances, for example where there is an act of war, or negligence of a Government or other authority in maintaining navigational lights, aids and other equipment. There is provision for limitation of liability and those provisions in relation to the limits of liability, are specifically set out in the legislation.

Sir, there is set up in Part V an International Oil Pollution Compensation Fund and that Fund is a result of the Convention which has been agreed in that connection. The Fund is established in essence to provide for the compensation payable in respect of any damage caused as a result of the pollution. Part VI provides for the enforcement procedures of the Convention as incorporated by the legislation. In Part W, there are supplemental provisions which provide for the more effective operation and application of the Act. Now Part VIII embodies the 8 major Conventions relating to the avoidance of the marine pollution. In the case of a conflict between the Act and a Convention, the Convention prevails unless the Minister provides otherwise in regulations made by him.

Finally, the Oil in Navigable Waters Act, Chapter 394 which is presently the subsisting legislation on this matter is repealed by this Act.

With those comments, Mr. Speaker, I move that the Shipping Oil Pollution Bill be now read a second time.

The question that this Bill be now read a second time was put and resolved in the affirmative without division. 5.15 p.m.

On the motion of Hon. P. M. GREAVES, seconded by Hon. M. A. KING, Mr. SPEAKER left the Chair and the House went into Committee on the Bill, Mr. L. L. BRATHWAITE in the Chair.

COMMITTEE

Mr. CHAIRMAN: The House is in Committee.

Parts I to III were called and passed,

Part IV was called.

Hon. M. A. **KING:** Mr. Chairman, in Part IV, there are one or two adjustments that are necessary. I am going to ask later that the earlier parts be recommitted because there are some changes which have been necessary as well.

On page 19, Part IV, (5) after subsection (5) 1 need a short interpretation subsection (6) just to explain, which will read as follows:

"for the purposes of this Part and Part V "oil" means '.'persistent oil".

On page 22, subsection 4:

'Where a sum has been paid in or towards satisfaction of any claim in respect of the damage or cost to which the liability extends..,"

(a) by the owner or the person referred to in section 32 as "as..."

Take out the second "as" and the inverted commas.

Subsection (6) at the bottom of the page:

'The Court may, if it thinks fit, postpone the distribution of such a..."

Take out "a" – such part.

On page 24, Clause 25(b) – no judgement or decree for any such claim shall be enforced, except so far as it is for "costs" with an 's'. "C-o-s-t-s.

On page 30, clause 35(3):

" for the purpose of section 303 of the Shipping Act, 1994 any liability incurred under this section shall be deemed to be a liability to damages in respect of such loss, damage or infringement as is mentioned in..."

Take out the word (1)(d) of – as is mentioned in that section.

Subject to that, I move that Part IV stand part, Sir.

Hon. D. W. BOWEN: I beg to second that.

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

Parts VI to VIII were called and passed.

The First Schedule was called.

Hon. M. A. KING: I move that the First Schedule be the first Schedule to the Bill, Sir.

Hon. D. W. BOWEN: I beg to second that, Sir.

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

The Second Schedule was called.

Hon. M. A. KING: I move that the Second Schedule be the Second Schedule to the Bill, Sir.

Hon. D. W. BOWEN: I beg to second that, Sir.

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

Hon. M. A. **KING:** Mr. Chairman, with the leave of the House I am asking that Parts I, 11 and III be recommitted.

Hon. D. W. BOWEN I beg to second that.

Mr. CHAIRMAN: If there is no objection, leave is

Hon. M. A KING: Part I, Mr. Chairman. There are a couple of adjustments again.

The description of oil needs to be changed At page 3 it reads, "oil" except for sections 38 and 39 means any persistent oil and includes spirits, etc.

Asides.

Hon. M. A. KING: Remove that to read as follows:

" "oil" except in Part IV and Part V means oil of any description and includes spirit produced from oil..."

The rest of the description remains that is "and includes spirit produced from oil of any description and also includes coal tar". Take off the last word "oil". That will now read:

" "oil" except in Part IV and Part V means oil of any description and includes spirit produced from oil of any description and also includes coal tar."

In Part II, this is purely typographical at the top of page 6:

"Particular descriptions of oil or mistures of oil;"

The word "mistures" is spelt wrongly. Correct it to read "mixtures".

5.25 p.m.

On page 10, Mr. Chairman, clause 10 – "Where any oil or mixture is discharged in consequence of (a) the exercise of any power conferred by section" – it should be "sections 281 and 282".

At the bottom of the page, section 12(1) – "The powers exercisable by a port authority in respect of a port shall include power to provide facilities" – just to make things right. Again, it is stylistic. The words "in this section referred to as 'oil reception facilities'" at the end of the paragraph insert "those" after "facilities". That reads:–

"The powers exercisable by a port authority in respect of a port shall include power to provide facilities, in this section referred to as "oil reception facilities, for enabling vessels using the port to discharge or deposit oil residues."

On page 12 clause 13(5), the bottom of the page, the last line "...commits an offence and liable". Insert the word "is" before "liable".

Similarly over on page 13, the last two lines "commits an offence and liable". Put in the word "is", please.

On page 17, clause 17(3) the last line begins with the word "or". Take out "or" and the comma after "direction" in the previous line.

Mr. Chairman, subject to those amendments I move that Parts I, II and III as amended stand part.

Hon. D. W. BOWEN: I beg to second that.

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

On the motion of Hon. M. A. KING, seconded by Hon. D. W. BOWEN, Mr. CHAIRMAN reported to His Honour, Mr. SPEAKER, the passing of one Bill in Committee and Mr. SPEAKER resumed the Chair and reported accordingly.

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

ORDER NO. 5 – THE PRAEDIAL LARCENY (AMENDMENT) BILL, 1994

Hon. D. W. BOWEN: Mr. Speaker, the Praedial Larceny Prevention Bill was passed in all its stages in 1992. On January 31, 1992 the Governor-General gave assent to the Bill. This amendment seeks to effect certain changes in sections 5 and 10 of that Bill. The proposed amendments are (1) in relation to section 5 that we delete the words "police officer in uniforms" and the word "officers" appearing in the Act and substitute the word "constable" so that the word "constable" remains constant throughout the Act.

You will note, Mr. Speaker, that under the Police Act, Cap. 167, there is a definition for "constable" as opposed to "police officer". That is the proposal with respect to Section 5.

With respect to section 10 we believe that there is a need to provide for restitution of vehicles to those persons whose vehicles have been stolen. Therefore we are recommending the following insertion. This will now become 10(2) in the Bill. It will read: "Where a vehicle seized under section 7 is found to be unlawfully in the possession of the person brought before the Magistrate under section 9(1) the Magistrate may make an order for the delivery of the vehicle to a person who claims ownership and who appears to the Magistrate to be

the owner subject to such terms and conditions as the Magistrate thinks fit".

With these remarks, Mr. Speaker, I move that this Bill be read a second time.

Hon. D. J. H. THOMPSON: I beg to second that, Sir.

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

5.35 p.m.

On the motion of Hon. D. W. BOWEN seconded by Hon. D. J. H. THOMPSON, Mr. SPEAKER left the Chair and the House went into Committee on the Bill, Mr. L. L. BRATHWAITE in the Chair.

COMMITTEE

Mr. CHAIRMAN: The House is in Committee.

Clauses 1 to 3 inclusive were called and passed.

On the motion of Hon. D. W. BOWEN, seconded by Hon. D. J. H. THOMPSON, 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. D. W. BOWEN, seconded by Hon. D. J. H. THOMPSON the Bill was read a third time and passed.

RESOLUTION TO APPROVE THE SALE TO THE NATIONAL INSURANCE BOARD OF LAND AT CULLODEN FARM TO THE NATIONAL INSURANCE BOARD

Order No. 4 was called – To move the passing of a Resolution to approve the sale to the National Insurance Board of land at Culloden Farm, St. Michael.

Hon. D. W. BOWEN: Mr. Speaker, this Resolution seeks the approval of the sale of 2 895 square metres of Crown land at Culloden Farm to the National Insurance Board.

The capital value provided by the Commissioner of Land Tax in respect of approximately 2 640 square metres was assessed at $284 200. That is approximately $10 per square foot. That is how the value was arrived at; the asking price of $311 700 for the proposed piece of land the 2 895 square metres which approximates 31 161 square feet. The land, as I said, is to provide additional car parking facilities for the National Insurance Office. But in addition to car parking facilities, Mr. Speaker, it should be noted that the site has been marked out by the National Insurance Board for basketball, road tennis and netball. Permission has been given to the Challengers Sports Club for the use of this site as a basketball court on weekends and after 4.30 p.m. during the week. Therefore the facility would be used, not only for car parking, but also for recreation after 4.30 p.m. and on weekends.

I should also take the opportunity, Mr. Speaker, to inform this Honourable House that with regard to the replacement of hard courts which formerly occupied the Sir Frank Walcott Building, plans are being pursued for the construction of a multi-purpose hard court on lands adjoining the former changing room at Culloden Farm.

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

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

Hon. P. M. GREAVES: I am seeking leave to revert to the Order of Government Business in order for the Minister of Finance to make a Ministerial Statement.

Mr. SPEAKER: If there is no objection, then leave is granted. The Honourable Minister of Finance.

STATEMENTS BY MINISTERS

Hon. D. J. H. THOMPSON: Mr. Speaker, Sir, the Government has adopted, and is implementing, a structural adjustment programme which is intended to provide the basis for sustainable economic growth and development. Public sector reform, which includes the privatisation or divestment of some state-owned enterprises or assets and the restructuring of other enterprises, is an integral component of the structural adjustment programme.

Heywoods Hotel, which is owned by the Barbados Tourism Investment Corporation and currently managed by Wyndham Hotels and Resorts, has been selected by the Government for full privatisation.

Heywoods Hotel was prepared for privatisation by Ernst and Young, Chartered Accountants, and was advertised for sale in the local print media on December 24, 1992 and January 8, 1993. As of February of this year approximately 105 copies of an Information Memorandum on the Hotel had been distributed to individuals and companies in Barbados, other countries in the region, North and South America, and Europe with a known potential interest.

The Office of Privatisation of the Ministry of Finance met, corresponded with, and arranged site visits for

parties expressing an interest in the purchase of the Hotel. The Office of Privatisation also entered into three agency agreements for the marketing and sale of the Hotel.

As of February 23, 1994, the Office of Privatisation had received and evaluated five proposals for the sale of purchase of the Hotel. The cash purchase price attached to these proposals were:

(i) Bds $10 000 000

(ii) US$10 000 000

(iii) Bds. $24 000 000 negotiated upwards to $29 300 000 and the issue of Class B shares valued at $2 700 000 to be redeemed after two years

(iv) Bds.$32 000 000

(v) US$9 000 000

On February 24, 1994 correspondence was received advising of an offer of US$20 000 000. This could not be evaluated in time for consideration by the Cabinet at its meeting held on the date and the Cabinet continued of, and accepted, the single proposal which was then under consideration.

Because of past experience of offers being made and withdrawn the parties submitting the US$20 000 000 offer were requested to deposit 25% (Bds. $10.0 million) of the offer price by February 28, 1994 as a show of good faith. This deposit has not been made.

The Cabinet at its meeting held on February 24, 1994 agreed that Heywoods Hotel would be sold to Barbados Shipping and Trading Resorts Limited. This decision was confirmed by the Cabinet at its meeting held on March 3, 1994. The principal terms and conditions attached to the sale are :

(i) The sale is subject to the concurrence of the Board of Directors of Barbados Tourism Investment Corporation and to contract.

(ii) The purchase price is $34 000 000.

(iii) The Purchaser will deposit 10% of the purchase price on signing the sale contract.

(iv) The remainder of the purchase price will be paid in two installments: $20 600 000 on the execution of the conveyance and the balance of $10 000 000 will be paid in the equivalent United States currency, together with interest thereon from the date of completion at the rate of 1% above the prime lending rate charged by the Barbados National Bank, when the proposed renovations to the Hotel have been completed.

(v) The property will be conveyed free from all encumbrances, debts and liabilities, but subject to the encumbrance if any shown on the title.

5.45 p.m.

(vi) The take over date of the hotel by the purchaser will be such date as may be agreed between the parties but no later than May 20, 1994.

(vii) The purchaser will give preference to the present employees and the recruitment of staff. Final selection will be based on the recommendation of the Barbados Tourism Investment Corporation, interviews and performance of prospective employees and the purchasers' training programme.

(viii) The purchaser will provide and maintain one car park to the South and one to the North of the hotel property for public use and provide and maintain public access from the car parks to the beach in lieu of maintaining the pedestrian footpath which runs through the hotel property.

(ix) BS&T Resorts Limited will offer for sale to the public of Barbados, subject to the approval of the Securities Exchange of Barbados, 10% of the issued capital of that company within 18 months of the re-opening of the hotel at such price as BS&T Resorts shall determine.

Thank you.

Mr. SPEAKER: End of statements.

ADJOURNMENT

Hon. P. M. GREAVES: Mr. Speaker, that brings us to the end of Government Business for the day. I think, at this point, I will also have to say, Sir, that it is normal and would have been the case, had it not been for the urgency and the need to do certain measures here today, that there would have been a recess after the end of the budget debate, just around Easter time.

As I said, because there were matters here today on the Order Paper that we want to conclude, we had to summon this meeting today in order to deal with those matters. Now that they have been dealt with, we will take the brief recess to which I made reference.

The normal recess would really put us into the middle of the Global Conference to take place in Barbados. So in effect what will have to happen is that the recess of Parliament will now extend beyond the time of the Conference.

I am therefore moving, Sir, that the House be adjourned until Tuesday, May 10 because the Conference ends on the 6th.

Aside.

Hon. P. M. **GREAVES:** It appears to me, Sir, that the 17th May is the most convenient time for the House to meet and I will therefore have to move, Sir, that the House be adjourned until Tuesday May 17,1994 at 12.00 o'clock noon.

Hon. M. A. **KING:** Seconded.

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

5.50 p.m.

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