

THE SENATE DEBATES

(OFFICIAL REPORT)

FIRST SESSION 1981 – 86

THE SENATE

Wednesday, 3rd November, 1982.

The Senate met in the Senate Chamber, Public Buildings at 11.20 a.m., today.

PRESENT

His Honour Senator the Honourable Sir Arnott Cato, M.B., Ch.B., LL.D. (President)

His Honour Senator J. C. W. Wickham, M.B.E., (Deputy President)

Senator the Hon. O'Brien Trotman, (Minister of State in the Prime Minister's Office)

Senator Mrs. E. M. Lynch, B.A., G.C.M.

Senator C. A. Griffith, (Parliamentary Secretary, Prime Minister's Office)

Senator J. E. D. Williams

Senator Miss J. Clarke

Senator A. P. L. Reece

Senator St.C. E. Howell

Senator Mrs. M. O. Reece

Senator E. E. Greaves, B.A., Ed.M.

Senator W. W. Hall

Senator A. W. A. McClean

Senator Mrs. G. G. Reader, M.B.E.

Senator C. D. Seale

Senator the Rev. Can. I. McK. Jones

Senator K. A. Rouse

Senator L. A. Ward

Prayers were read by Dr. Rev. Lionel Crawford.

ABSENT

Senator the Hon. N. A. Barrow

Senator H. R. Linton

PRESENTATION OF PAPERS

SENATOR THE HON. O'B. TROTMAN: Mr. President, I have the honour to lay the following documents:

Report and Financial Statement of the Barbados Port Authority for the year ended 31st December, 1981;

The Profession, Trade, Business Registration Order, 1982.

The Profession, Trade, Business Registration (No. 2) Order, 1982.

The Health Services (Domestic Animals) Regulations, 1982;

Statement and Accounts of the transactions in rum in the several districts of the island for the months January to March, April to June, and July to September, 1982.

INTRODUCTION OF BILLS

SENATOR THE HON. O'B. TROTMAN: Mr. President, I beg to give notice of the following:

A Bill to amend the Prisons Act, Cap. 168.

A Bill to amend the Final Appropriation (1980–81) Act, 1982.

Mr. PRESIDENT: Let it be recorded in the Minutes that these Bills have been read a first time.

PUBLIC BUSINESS

SENATOR THE HON. O'B. TROTMAN: Mr. President, Item No. 2 – a Bill to amend the Telephone Company Act – and Item No. 6 – a Bill to amend the Income Tax Act – are both on the Order Paper for First Readings. If there is no objection, I will seek permission to deal with them in all their stages today.

Mr. PRESIDENT: I think the first step would be to record that they have been given a First Reading.

SENATOR THE HON. O'B. TROTMAN: If there is no objection, I will seek the permission of the Senate to deal with them in all their stages today. In that event, I will beg to move the suspension of Standing Order 45(2).

The question was put to the Senate and agreed to.

THE BARBADOS TELEPHONE COMPANY (AMENDMENT) ACT, 1982

Order No. 2 was called — To move the Second Reading of a Bill to amend the Barbados Telephone Company Act, Cap. 274.

SENATOR THE HON. O'B. TROTMAN: Mr. President, the Telephone Company Act, Cap. 274, provides in Section 7(b) that the company shall pay to the Commissioner of Inland Revenue, in respect of every overseas telephone call made, a surcharge as may be prescribed by the Minister of Finance from time to time.

However, Sir, the Act in its present form does not stipulate any time frame in which the company should pay the surcharge to the Commissioner of Inland Revenue, and even though at present there is no evidence to suggest that the company is not doing its best to pay the surcharge as quickly as they can, it is considered necessary to establish such a time frame in order to ensure that the work is done properly and there is no hold-up at Inland Revenue.

In that respect, therefore, the Bill before us seeks to amend Section 7(b) to provide that the company shall pay the surcharge over in not less than three months from the day in which the demand for the payment is made. In other words, not from the date on which the call is made, but the date on which the person is billed.

Section 7(e), the new section, provides a penalty for non-compliance by the company in the event that it is not paying the charge over in the schedule time.

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

Mr. PRESIDENT: It is proposed that this Bill be read a second time. Senator McClean.

SENATOR A. W. A. McCLEAN: Mr. President, this Bill, in terms of its strict provisions, cannot be said to be controversial in any way. It seems as though it had occasioned a wider debate on the operations of the Telephone Company in the Other Place, and so, perhaps, it is appropriate to reflect on some of the ideas which have been thrown around regarding how the Telephone Company should be operating.

The first matter on which I will like to make some comment relates to the present system where the local service for telephones is billed on a flat rate basis, with a fixed charge per month.

We know very well that this is different from what obtains in most countries in the world, and it seems as though there are those who feel that, by virtue of this fact, there is something wrong with our system and that we should get in line with the other parts of the world. There are some people who believe that the test of what is good is what other people are doing.

I would like to suggest that the system which we have is superior in many respects to what obtains elsewhere. It has been shown to be quite operational in our context, and I do not think that it should be changed — and the reasons for my feeling so relate both to the consumer and the company.

The flat rate system enables the company to project its revenue with greater accuracy than if every customer has a fluctuating bill from month to month, and that ability to project basic revenue — apart from overseas calls and so on — with a view to accuracy, facilitates planning.

Also, in terms of the wider society, I think that the system where people pay for telephone services by the call leads to certain anti-social practices. In Barbados today, you can walk into anyone's home and ask for a telephone call; yet you will hesitate in other countries to do that, because if you do not have the 10 cents, 20 cents \$1 or whatever it is to give to the person, you will be imposing some type of charge on them.

We know that perhaps Barbadians spend a lot of time, especially the young children and so on, on the phone on evenings; but I think that is still preferable to a situation where people reduce their communication considerably because they know if I spend three minutes or over on the phone it is going to cost me — so you minimise your communication to the nearest essentials, leaving out all courtesy and so on. Those things are not to be desired.

The system which we have, in spite of the fact that it is an unlimited call system, has proved to be a system which is not costly to operate in comparison with services elsewhere, and this brings me to the second point.

It has been remarked that the cost of telephones in Barbados is very cheap as compared with places elsewhere and, the way that was said, it seemed as though there is something wrong with that — it should not be so cheap. There seemed to be some undertone — I hope not, I hope I was misreading that implication — but there are

very good reasons why Barbados should have a cheaper telephone service in terms of the cost to the consumer.

To begin with, in terms of comparisons with places like the United States of America and so on, the workers, the people who man the system, are paid much lower wages, so the wage component of cost of service would be rather low.

Also, when you look at the demographic and topographic aspects of Barbados, you will find that we have a nice convenient community to service with telephones. We do not have to run cables for miles and miles through the bush to get to the next village. You start from wherever your sub-station is and, as you go along, you connect your subscribers all along the line.

So you find that the distribution lines, in relation to the number of customers, would not be as great as, say, in Jamaica, Guyana or even St. Lucia. For those types of reasons, you will find that our system ought to be cheaper — and if it were not cheaper, something would have to be wrong.

It is true that the existing telephone rate has persisted for about four years or thereabouts, and I dare believe that it can persist for a longer time, but the reasons for that are fairly clear: you have had a burgeoning of demand for overseas calls and so on, you have had clearly substantial expansion in the number of customers to the company, and also, equally important at the last rate case, in a submission of the Telephone Company, if you check the record, they underestimated the level of service that they would be providing in the immediate year after.

So when they projected their revenue on monthly rates, they projected on the basis of a lower level of customers than they did have. In fact, they projected it on a lower level of customers than were already connected, plus the outstanding applications.

They did this in spite of the fact that they had enough capacity to link up the outstanding applications — and the Board granted it to them in spite of the fact that that was adduced in evidence, and submissions were made to the Board that they should have adjusted the revenue projections. Those are the reasons why the rate persisted.

It is true that the rate today is lower than the Telephone Company was asking for in 1974. If you check it, you will find that in 1974, and again around 1977, in submissions of the company, they were asking for rates that are higher than now persist.

It is also true that the company has been operating most profitably in the last two or three years. I say that to suggest that sometimes we should be very careful about the way in which we permit rate increases, because companies like any other organisation or any other individual, if they have excess money, they can find ways to get rid of it.

Very often, allowing rate increases to go in advance of what is required usually leads to inefficiencies in the company, as they find ways to spend the money. Like individuals, if you have a lot of money, you find ways to spend it. Companies are not particularly different, so basically, I feel that the present basic rate is quite all right.

I also feel that the Telephone Company should be commended for the recent improvements in the service, and, at the same time, coming from the Cave Hill area, I notice that they are now about to do something about that. I do believe that improvements in the Cave Hill area were somewhat overdue — that system has been overloaded now for almost 10 years — and I cannot for the life of me see why it has been given such low priority in terms of upgrading it. I see a lot of work going on along Black Rock Road, and roads leading from Cave Hill to the Exchange, so I believe that they will shortly be doing something about that, Sir. I will not stress that point any further.

In terms of the balance between revenues from overseas and domestic calls, there is nothing wrong with the company making as much or more money from overseas calls. Barbados is a small open economy. We have a lot of intercourse — not only private intercourse, but business intercourse with the rest of the world, and we would be using telephones a lot.

In America, one business might call from one city to a next, but when we call at a distance of more than twenty miles from where we are, it is an overseas call, so you would expect that you will have a high proportion of overseas calls in a small country, and there is no reason why a telephone company located in a very small economy should not obtain the largest share of its revenue from overseas calls.

I also know that the Telephone Company has some dispute with Cable and Wireless in relation to the distribution of the charges for overseas calls. I have not been seized of the particular facts — I do not know what type of equipment and the type of cost Cable and Wireless incur in relation to these calls vis-a-vis the Telephone Company — but I think that it is a matter which should be carefully examined, and Cable and Wireless should also be required to show cause why the Telephone Company should not get a larger share of the cake.

On the face of it, it would seem to me as though at least the Telephone Company has some type of reasonable position, but it should be examined. It should not be done arbitrarily; it should be carefully examined and, maybe, Cable and Wireless can be brought under the Public Utilities Board in relation to charging for overseas calls and so on, so that you would have the possibility of a systematic examination of that particular provision.

Mr. President, apart from that, I think that one will have to support the particular provisions of this Bill, although one wonders why it should have become necessary. One would have anticipated that the company, as a good corporate citizen, would have done its best to pay promptly.

I thank you, Mr. President.

SENATOR J. E. D. WILLIAMS: Mr. President, it behoves me to speak on this Bill for the simple reason that Senator McClean made some rather interesting points, some with which I agree and others on which I sort of depart from his position.

If I look briefly at a few points that he made before I go into my own presentation, I would first want to say that the idea of a measured system vis-a-vis a fixed rate system both have their merits and demerits. You have the situation in Barbados now where people will take up a telephone and they will dial their friend internally, be it from a kiosk or be it from their homes, and they will stay on the telephone for hours.

Now that predisposes people a certain way. They believe that that is exactly what you should use a telephone for, just to talk endlessly, and therefore that same kind of attitude exists with respect to overseas telephone calls. People will take up a telephone and dial overseas for hours, and then you will find that they have run up a bill for thousands of dollars — and in the Other Place we have the situation where people were making overseas calls from schools illegally, and Government was then saddled with that expense.

But the point that I am making is that when you go to places like North America and other parts of the world where you have the measuring system, people are more conscious of how you should use a telephone and of the purpose of a telephone, but here it is not the same thing.

Coupled with that is the fact that there are some people who have a telephone and they do not use it very often. If I am using my telephone ten to fifteen times in a month and somebody else is using theirs a thousand times, then obviously, there should be some system which would reflect itself in the cost for using the telephone.

I do not want it to appear as though I am pushing the idea of a measured system vis-a-vis a fixed rate, but I am saying in short that they both have their merits and demerits, but what I would like to see is that Barbadians look at the question of usage of the telephone seriously — and in my humble opinion, right now it is being misused and abused.

I appreciate Senator McClean's point about the idea of revenue the fact that the Telephone Company might be in a better position over the period of a year to anticipate the kind of revenue that it will get on a fixed rate basis, and I would humbly suggest to the Telephone Company, having said all that I said previously, that if they are going to move to a measured system, a careful study has to be done as to whether or not it would not be in their own interest to remain with the existing system if ultimately it might reflect itself in telephones costing the public even more than they do now.

So I am saying that one has to look at the two systems, and at the same time the Telephone Company has to be sure in its mind that it would not be worse off to move from the fixed rate system to a measured system.

Senator McClean also made an interesting point when he said that taking Barbados and the size of the country, when you run a telephone cable it is indeed an expensive thing, but, in as much as we are small and the Telephone Company does not have to run these lengths of cable that you will find in other countries, that in truth and in fact there are reasons why the cost of a telephone in Barbados should be a lot cheaper vis-a-vis those in other countries, and I think that the point he is making is that it is sometimes wrong to make these kinds of comparisons in isolation.

With respect to the cost of telephones, the existing rate, I think we recognise that in the last two or three years the cost of telephones have remained relatively constant, and I think the reason for that has been that the Telephone Company was able to make up for any deficit in revenue by the pay-out ratio in net revenue between the Telephone Company and Cable and Wireless when it was moved from a 70/30 basis to a 60/40 basis.

I firmly believe that at that time the Telephone Company was pretty happy with that, and, furthermore, they might even have been prepared, and this is my own view, to allow the existing rate to remain as it is if they can probably get a further accommodation on that particular pay-out ratio between Cable and Wireless and themselves.

That brings me to the last point that Senator McClean made where he suggests that Cable and Wireless should be brought under the Public Utilities Board.

Indeed, it might not be such a bad thing, because in situations where you have two companies who find it rather difficult to come to some kind of agreement as to what the pay-out ratio on net revenue is supposed to be, then I believe that some independent body separate and distinct from Government should indeed make that kind of decision.

For instance, I know that, in the case of Cable and Wireless, they were quite prepared to have a third party arbitrate as to what that ratio ought to be. Such a suggestion did not materialise, but I believe that in the interest of communications in Barbados, this whole question of revenue and its division between the Barbados Telephone Company and Cable and Wireless should be resolved amicably and I am not so sure that the individuals who should make that decision ought to be Government itself rather than an independent body.

Both the Telephone Company and Cable and Wireless are highly capital intensive operations. Over the years, Cable and Wireless has spent a lot of money in Barbados. As a matter of fact, the reason why the past Administration was reluctant to take over Cable and Wireless – any interest that is – was because of the cost of operations and the fact that it is necessary to keep up with technology.

It is necessary to improve the system as time goes on. For instance, we have an earth station being established in St. John and time and time again it is necessary for the company to install new equipment as the old equipment get obsolete. These are things that successive Governments recognise, and I honestly believe that it would be an extremely expensive exercise for any Government at this stage – and I only say, “at this stage” – to get involved in the purchase of an operation as costly as Cable and Wireless. That is not to say that it is something that should not be looked at in the future.

But in order for both companies to plan for the future, it is necessary for that whole question to be resolved. You talk about a flat rate system and suggest that a company through that system would be able to anticipate what the revenue would be. That is true. Similarly, if you have a situation where the pay-out ratio of net revenue will be altered from time to time, where the respective companies cannot budget for the long-term as to what their revenue would be, then it becomes a very difficult thing in terms of planning.

I am very glad to see that the company – I am talking about Cable and Wireless – acceded to the request of Government a year or so ago and are now coming up with Financial Statements which reflects the operation in Barbados and not in the West Indies, which was the case.

I think we would be in a better position, and I think that only computises my point that it would be better if some independent body looks at this whole question of the division now that the company is producing those Financial Statements which will show revenue and expenses in Barbados.

I think we have a communication system, both at the local level and at the international level, that we in Barbados and we, as Barbadians, can be very proud of.

When this country moved towards the path of industrialisation, it was necessary to have certain infrastructures, and a good communication system was one of them. Therefore, I think it is necessary to compliment both the Telephone Company and Cable and Wireless for the service that they have provided – the very good service.

I think we have become rather complacent in believing that the kind of service that we get here is representative of the service that you get over the entire universe. That is very far from the truth. There are some Caribbean countries, which in “economic terms” are in better positions than Barbados, that have a very poor – I repeat, extremely poor – a very extremely poor telephone service, and we should be very happy with the one we have.

I must also at the same time compliment Cable and Wireless for the foresight they had back in 1971–1972 when they put down an earth station here. At the time, it had a certain potential that was not utilised. I am happy to say that today that we can sit in our homes at night and view the UPITN news. That is the kind of communication that I am talking about.

The different systems that you have – data systems, telex systems, all of these are because of both the efforts of the Barbados Telephone Company and Cable and Wireless, and I believe that in the interest of both organisations those problems which now exist ought to be resolved.

Mr. President, it gives me great pleasure to support this Bill.

Mr. PRESIDENT: Senator Clarke.

SENATOR MISS J. CLARKE: Mr. President, as I understand it, the Bill which is before us is a very simple one. I am constantly amazed when fellow Senators find it necessary to range far and wide in dealing with matters of this sort.

In his introduction, Senator Trotman explained that there was no implication that the Telephone

Company had been delinquent in handing over the surcharge.

I find it very surprising that the original amendment, when Section 7(B) was provided, did not extend to a stipulation of a deadline by which the surcharge should be paid.

I therefore see this as being very simple and straightforward. It is simply a case of regularising the position by expanding that particular clause.

I have no difficulty whatever in supporting it, and, as I said already, it is simply a case of putting matters right. Perhaps, it was an oversight when the original amendment was drafted. Whatever the situation, I believe that we can get on with the matter in hand without undue debate.

Thank you, Sir.

Senator Hall rises.

MR. PRESIDENT: Just a minute. You have to be called before you speak.

I think members must leave to the discretion of the Chair how much scope is allowed members on subjects of this sort. It will be very difficult on a debate on the Telephone Company to stop members from speaking in general on the communications system, which will also involve Cable and Wireless. You must leave that to the discretion of the Chair. Senator Hall.

SENATOR W. W. HALL: Sir, I am very grateful that you have so directed that these matters can be debated, because I think the honourable Senator will find that in politics it is sometimes necessary to range far and wide.

This is not simple, Sir, it is not at all. I do believe that we should try and identify a problem area. In the Lower House the Prime Minister and the Leader of the Opposition achieved something that I do not think has been achieved in the last 20 years. They agreed on something, and it was this Bill, so let us have a look at it, it made history.

I believe, as I said, we have to look at the problem area, and it would seem to me that the Telephone Company should look at this very carefully and try to realise that this problem area seems to be in the facility to make overseas calls by the consumers.

It does seem to me that since direct dialling is now with us, it goes to say that some massive programme, a public educational programme, should be embarked upon

whereby consumers would be educated in the use of the telephone in relation to overseas calls.

I say this, because let us assume that you have a telephone in the office. For 20 years the telephone has been there, you have not been able over the years to take up the phone and phone Australia simply because when you dial 118 you would have to give the company your name and they would probably have a system whereby Mr. A, Mr. B and Mr. C are the respective persons who make such calls, so it was rather difficult in the old days. Now, Sir, you have a system where any Tom, Dick and Harry can take up their telephone and dial to the furthestmost parts of this earth.

That is the problem, and this has been thrown upon us. People who, in former years, had no hope of making overseas calls to such a magnitude, now find that as soon as the office is empty, or as soon as someone does not look their way, they simply take up the phone and make an overseas call.

I am saying that perhaps a public awareness in this direction would have been a better way of looking at it. It is not too late — too late shall not be the cry. We have not reached the point of no return; it is only that we are caught in the midst of this simply because, as Senator Williams alluded to the fact, some people have abused the system.

We have a very good telephone service. There is no doubt in my mind about this, but I will also say that the overseas telecommunications in Barbados are first class.

I know, Sir, that Senator Williams is now employed by Cable and Wireless, and it was very interesting to hear his points of view. I know that Senator Griffith also worked at Cable and Wireless, and no doubt he will come up with some views of his own. I, myself, had the privilege of working in the capacity of Senator Griffith — we were both operators — and, subsequently, Sir, as a member of management, therefore he must expect me to know something about rates as they relate to revenue of the Telephone Company and Cable and Wireless.

Sir, it is a fact that the average man does not concern himself with whether the split in the revenue is 80:20, 60:40, 50:50 or 90:10. He has not had to concern himself because it does not really determine how much he pays for an overseas call. I believe that Senator Williams did say that at one time the split was 70:30 and then it was moved to 60:40, and he did say he hoped it would be resolved amicably. I too, share that view, because, as I have already said, Barbados has a good service.

There are many Trinidadians who come here, Trinidadian businessmen, who probably arrive on the early morning plane, book in at a hotel, make an over-

seas call which he cannot do from Trinidad — it would take him a year to complete those calls — that is a fact — and he would then fly home quite happily in the evening.

There are many companies which give us a vote of confidence. They are very confident in Barbados as far as our telecommunications and that facility is concerned, because they have moved their head offices here. One has only to look at Barclays Bank and the Trinidadian company, Neal and Massey. They have come here not because they love the weather but simply because it is a good place to operate from, and therefore we must do everything possible to keep it that way.

I am saying that we must do everything possible to keep the telephone service a good service, and indeed the telecommunications with overseas calls, another good service, because one must realise that when you make a telephone call from X to Y, it is not really a matter of X and Y splitting the spoils. Far from it. What happens is that there is along the line a C, D, E, F and G who will also take their piece of the cake. I am sure that Senator Williams is quite aware of that, and therefore they all take a bit of the spoils.

My colleague has asked me who are C, D, E, F and G. On a point of elucidation, I must just say that if you were making a telephone call from Barbados to, say, Australia, and the intermediate station, let us say Canada or what have you, gave you a better deal, X dollars per call less — it is a highly competitive field, so if you get that deal you would take it — the X, Y and Z could be the intermediate stations that you will have to go through in order to get the call all the way to Australia. That is the point I am trying to make, Sir.

So that it is not necessarily a matter of a call being \$8.50 per minute, and you take up your telephone and it is a matter of a \$4.25 split, it is a matter of how many people along the line have chipped in. I think Senator Griffith is aware of this, and this is what surprises him, the fact that I know.

I see nowhere where the Telephone Company has said that they are going to embark on an increase in the rates. I do not know, Sir, I am not one of those people who would know very early if they have applied to the Public Utilities Board for an increase. What I have seen is that there is a proposed increase in the reconnection rates. That is what bothers me, Sir. It is this inordinate increase from \$5 to \$35, and if the reconnections more or less range to the tune of 3,000 reconnections per month, and there is an average of 36,000 a year, and they are all charged \$35, it is easy to see that they will raise a cool \$1 million.

Mr. PRESIDENT: Try not to get this into a discussion on rates and things. I can only give you some latitude but do not stretch it too much.

SENATOR W. W. HALL: Sir, I was only saying that the arithmetic reads like that. I will not stretch the latitude — I will try and stretch the arithmetic.

What I am saying, Sir, is that I am worried that the increase is such a large one. Suffice it to say that I am a little worried that the increase is a large one, from \$5 to \$35, Sir. I think that is an inordinate increase.

For fear, Sir, that you might think that you are giving me any greater latitude than anyone else, I would just say that as far as I am concerned, I hope that the situation is amicably resolved.

I also hope that the telephone services in this country which, in my opinion, ranks with the best that I have seen, and indeed the telecommunication services with our very modern equipment and facilities, making Barbados an ideal place in the business world for people to think in terms of setting up their offices will be maintained.

I hope that this matter will soon be solved, so that peace will reign and that Barbados will continue to boast of its fine telephone services and, indeed, its fine telecommunication services.

The question that the Bill be read a second time was put to the Senate and agreed to.

On motion of Senator the Hon. O'B. TROTMAN, the Senate resolved itself into Committee on the Bill Senator J. C. W. WICKHAM in the Chair.

Clauses 1 to 3 inclusive were called and passed.

SENATOR THE HON. O'B. TROTMAN: Mr. Chairman, I beg to move that the Senate be now resumed and the Bill reported.

The question was put to the Senate and agreed to and Mr. PRESIDENT resumed the Chair and reported accordingly.

On separate motions of Senator the Hon. O'B. TROTMAN, the Bill was read a third time and passed.

RESOLUTION TO APPROVE THE BORROWING BY THE
GOVERNMENT FROM THE INTERNATIONAL BANK
FOR RECONSTRUCTION AND DEVELOPMENT OF
THE SUM OF US\$2.7 MILLION TO ASSIST IN
FINANCING OF THE TECHNICAL ASSIST-
ANCE PROJECT IN AGRICULTURAL
DIVERSIFICATION AND ENERGY
CONSERVATION

Order No. 3 was called To move the passing of the Resolution to approve the borrowing by the Government from the International Bank for Reconstruction and Development of the sum of U.S.\$2.7 million to assist in the financing of the Technical Assistance Project in Agricultural Diversification and Energy Conservation.

SENATOR C. A. GRIFFITH: Mr. President, the matter before this Honourable Chamber is to seek approval of a Resolution to borrow the sum of US\$2.7 million for a technical assistance project in agricultural diversification and energy conservation.

The purpose of the project is to strengthen the institutional capabilities in Barbados to assist us in diversifying and increasing our agricultural production, as well as to formulate promoting and inventing an energy conservation programme.

I would just like, for the benefit of honourable members, to point out that of the US\$2.7 million, \$1.6 million will be allocated to agriculture and \$1.1 million will be allocated to energy conservation.

In the Agricultural Diversification Programme, the objective is to review the country's agricultural institutions and identify and carry out measures that will promote diversification of agricultural production, including the organising and strengthening agricultural extension services; establishing within the extension service a system for guidance and technical assistance for growers of vegetables and other non-sugar crops; introducing to farmers water management systems and methods of efficient water use; the identification of alternative marketing arrangements and development of a system for the transfers of essential market information to farmers.

On the Energy Conservation Project, it is designed to set up a system which would, in effect, provide for the training of Energy Managers, dissemination of information, embracing not only Government sector but the private sector; and indeed we have already identified the institutions in Barbados which would benefit.

On the topic of energy, I have just attended a signing ceremony where the Government of Barbados has entered into an agreement with the Government of Canada through two state agencies, the National Petroleum of Barbados and Petro-Canada International of

Canada, where we have entered into a \$4 million Canadian Technical Assistance Agreement which is designed to assist the country in its production of conventional energy, particularly at the Woodbourne field, and a little later to assist in looking at the off-shore areas.

Details of that, I am sure, will be coming out this evening in the evening news, but why I say that, Sir, is that it is within the context of some of the discussions we have been hearing about the Government decision to purchase the Woodbourne fields.

I was rather distressed to see a front page article in last Friday's Nation, which is attributed to the Leader of the Opposition, that the purchase of oil fields is a scandalous one. I really would not want to believe that a man with the political sagacity of the former Prime Minister of this country would make such a statement, but it was there and I have seen no retraction.

It is like other statements that have been made from time to time in this country, and whereas one might have forgiven such a person many years ago for making these kinds of statement, it is certainly not forgivable in these days.

What we have noticed since we have been able to take over the oil fields at Woodbourne is that we have been able to make production at record levels in the last six weeks or so. A higher production at the Woodbourne fields has come in the last six weeks since we have been controlling the Woodbourne fields. Over 1000 barrels of oil per day have been produced.

What is also very informative about this whole thing is that the efforts which the Government has been making in the last year or so to come to terms with the energy crisis, have begun to bear fruit.

Now if we go back to the last four years and look at our oil import Bill; for instance, we will find, if you go back only to 1978, that we imported over one million barrels of crude and paid almost US\$17 million; that in 1980 we imported something like 965 000 barrels at a cost of US\$31 million, and in 1981 when the importation jumped to US\$46.2 million, almost 50 per cent over the 1980 figures, this year the hard evidence is that we will be experiencing a decline both in volume and in terms of dollars.

Figures projected for the year so far show that we will be spending roughly \$US38 million, roughly Bds.\$76 million, to import something like a little over one million barrels of crude, and while it is not significant in terms of dollars especially, it is significant in terms of the fact that the volume of crude has been reduced.

One can make the point that if you have a reduction in terms of dollars from \$92 million in one year to \$76 million, that \$16 million drop can be attributed to a number of things, including the stability of the price of oil or the falling prices as people may want to say, but what is significant is that the importation of the volume has dropped by over 200 000 barrels. I do not know who must take credit for that, but you must also look at the fact that alongside this significant drop in importation, we have had a significant increase in production in Barbados.

Last year when we were fighting with the Mobil people trying to get them to continue shallow drilling, and they did deep drilling alone, it was a bit expensive for them, but it turned out to be a disaster for us simply because we fell to a production of 211 00 barrels for the year ended, and we are projecting that, by the pressure we have been putting on Mobil and the efforts of our own National Petroleum Corporation, we will be in the vicinity of 260 000 barrels this year, and that tells something.

It tells also that as far as a drop in importation is concerned, I am satisfied that Barbadians are sensitized now to the problems associated with the inefficient use of energy. Even though steps may not have been taken so far to put into operation a lot of the conservation hints that we have been putting before the public, I am satisfied that they are sensitized to the whole question of energy usage.

Every Barbadian should feel justly proud to see that in the last year we have been able to cut back not only on the dollar value of our importation, but on the volume of imports in terms of barrels, especially at a time when the economy is having the kind of difficulties, and where our export earnings from sugar and tourism have been seeing significant declines.

The reason why I say that Barbadians have been sensitized is that I have seen some efforts made by people in the business sector, not only in the commercial and industrial sector, but in the hotel sector, where efforts are being made to cut back on energy waste.

They are satisfied, from studies that I have seen, that if they borrow money to refit — as money is being made available by the Barbados Development Bank, particularly for the hotel sector to invest in refitting — that when money is being borrowed they have a pay back period of not more than 22 months or so. That tells you that there is significant scope for cutting back on the considerable waste that we have been experiencing in energy in Barbados, and not only in Barbados but in the developed countries.

Now many people may want to contribute the fact that we have been having a falling consumption to many

other things, such as a slow down in economic growth, which may be true; but I don't want to anticipate what the world outside may say — and when I say the world outside I mean outside of this Chamber — I do not want to anticipate what they may say about the reasons for what I consider a significant development in our consumption patterns. I just want to make the point that it augurs well for the future, and it augurs well for the future at a point in time when we have not yet even begun to get most of our policies and programmes into operation, a policy and a programme such as the World Bank Conservation Programme.

We have embarked also on a Technical Cooperation Agreement with the French Government under which we will be having a French solar energy expert in Barbados who has been doing work not only with the Government of Barbados but also for people who have self-help programmes.

I have just been looking at a solar water heating system which was designed, and which would cost considerably less than those currently on the market. These kinds of things are, to my mind, very, very good news for the people of this country, and I can tell you that I feel very proud to be associated with the effort not only of the Government in this regard, but the cooperation we have been getting from the public.

There is a lot more to be done, but I am sure that with this kind of result that we have been able to experience, indeed with the World Bank technical assistance on this matter and with the technical assistance from Petro-Canada, that we will be on the road to resolving the problems associated with the energy crisis.

I would just like to point out, for the benefit of honourable members, that we were expecting that this project would have gotten off the ground sometime ago, and, of course, I have made many statements to the public about dates of commencement.

I must say that in many cases I, myself, could not appreciate the bureaucratic detail that has to be dealt with in a project of this sort. Only recently, when we thought we had everything finalised to have the project commenced on December 1, we find now that, because of the shortlisting of consultants and details to be worked out with the consultants, we cannot see ourselves getting this project off the ground probably before the middle of January next year.

But I would say that we have not been sitting back and waiting for the World Bank. We have been taking our own steps, in association with organisations like the Barbados Manufacturers' Association and other groups, to try to get them to appreciate the importance of conservation; and I am particularly gratified that the Hotel Association has taken steps to set up their own

energy unit to solve the problems associated with high energy waste, I would want to say, in that sector.

But all in all, Sir, I would like to think that all of these efforts by the Government are beginning to bear fruit, and I am satisfied that if we continue on this road the people of Barbados will be able to solve their energy problems.

I beg to move that this Resolution be now concurred in.

Mr. PRESIDENT: It is proposed that the Senate concur in this Resolution. Senator Reece.

SENATOR A. P. L. REECE: Mr. President, I rise to support this Resolution and forthwith declare my interest as a member of the National Petroleum Corporation.

Indeed, the corporation is not directly involved in the matter of energy conservation, but there is a link, because we are indeed trying to improve our oil production and thereby make the average Barbadian appreciate the importance of not wasting that production once we have it.

I see that the Resolution makes provision for part of the funds to be used in agricultural diversification. I know it is quite well-known that the local farmers are very pleased with the efforts of the present Minister of Agriculture in his policies of diversification. It is just a matter of having all the farmers get together as a group, agree on the extent of diversification, and so achieve something that is for the common good of Barbadians and Barbados as a whole.

We note that the production at the Woodbourne fields, in the area of energy, that is, oil production, is increasing just about every month. Indeed, I think that at the moment Barbados is producing about 1 200 barrels a day. When we look at it on an overall basis, the true average is more in the region of about 1 000 barrels, but if we are striking an area of 1 200 barrels on occasion, it means therefore that we are not only on the increase, but we can look forward to even more productive days ahead for oil production in Barbados.

It seems to be the case that there is some great improvement in the method of producing the oil in Barbados already, and I know that Barbadians will come to appreciate that, with the local input and that of Petro-Canada International, we can only look forward to an even greater production than we are having at the moment.

I am certainly confident that we will be producing more oil, thereby reducing our oil import bill, and Barbadians will be able to look at their country as one

in which they can be proud because they are an oil-producing nation and less foreign exchange is being used to buy the oil we currently import.

In the area of energy conservation, Mr. President, I certainly am one for more public awareness of the need for conservation. There are programmes which I know are being planned, but I am anxious to see these programmes presented to the Barbadian public. I am anxious because I see areas where people can conserve energy — and they do not conserve energy.

A simple matter, for example, Mr. President, like car pooling for taking children to school is one area in which we can save energy. A car leaves the house with one child to take the child to school, after a parent has already gone off on his own or her own to town, and I see an area where parents can come together and save energy by reducing the overall oil import bill.

People need to be less selfish. They need to appreciate that by pooling their resources, they make an impression on the overall Barbadian situation, the overall import bill, if I am not over using that term, and thereby assist the country's conservation efforts.

I know, from a personal standpoint, that my wife brings down about four children in the morning from parents, all of whom have cars, and we made that arrangement as part of our plan for conservation.

Mr. President, I go further. I also look forward to the day when in our housing units in Barbados, we can see the erection of solar energy units for heating in those places. Those persons who live in Government units are entitled to that luxury. It means that instead of every individual going out and having to put up a gas geyser, we could construct the units in such a way that they incorporate the use of a solar water heating system and provide that luxury for unit occupants and unit tenants.

The hotel industry, I know, has been pulling its weight. Lots of the owners have been changing from the electrical heating to solar water heating, and this is indeed a very welcome and healthy move.

The Barbados Development Bank, I understand, has been assisting them in that area, and has been providing a facility whereby if they want to install a system they can now apply to the bank for an additional loan or a new loan to assist them in installing the system.

The other area in which the Hotel Association has been very helpful in its energy conservation is by installing coin operated units on their airconditioning units in each apartment. Too often, guests have been known to have their airconditioning units blowing and doors wide open and energy being wasted. It is therefore

a very useful addition, by way of conservation, to have these coin operated units installed in the apartments, so that the tourists would feel it if he uses it excessively because he or she, the tourist, will have to buy the coins to operate those airconditioning units.

I want to see us through our efforts, postpone the day when we will have to look at alternative uses of energy. The other uses which we will have to turn to when all is lost would be the use of nuclear power with the return to coal. I want to see us postpone that day in Barbados by trying to conserve our energy.

Mr. President, if we are to postpone that day, then we will need to encourage Barbadians along the way of conservation, and one means of encouragement for the average Barbadian would be tax incentives.

Barbadians are always saying that they feel that they are overtaxed. Perhaps, we can encourage them in the area of conservation, using the measure of conservation, to give them those kinds of incentives.

I know that in Canada, for example, if houses are designed in a particular kind of way to avoid the excessive use of energy for heating, there are certain tax benefits to be claimed by those persons, I am sure that there are areas in Barbados in which we can grant such incentives by way of tax deductions for persons who have shown in a practical way to be conserving the much needed energy, and thereby extending the use to which we can put that energy, and at the same time reducing our fuel bill.

Mr. President, on my final note, the International Bank for Reconstruction and Development is financing a loan of Bds. \$7.5 million. The International Bank must have been satisfied that Barbados is already pursuing a satisfactory approach to energy conservation and agricultural diversification. It therefore represents a vote of confidence in the Barbadian approach to management of its affairs.

I can see another assistance in the way the Petro-Canada International group and the Canadian Government have further endorsed that vote of confidence by putting up the Canadian \$4 million at the disposal of its managers and its subsidiary company to assist us not only in the improvement of our oil production but in our means of energy conservation.

Mr. President, those two votes of confidence say thousands of words for the management of the Barbadian economy, and I look forward to the use of this fund and to the improvement of our conservation and agricultural diversification in Barbados.

SENATOR J. C. W. WICKHAM: Mr. President, in his introduction to this Resolution, the mover referred

to bureaucratic detail. I should like to give him the opportunity to expand a little bit in his reply to my question, which is, how much restrictive condition is there in the implementation of technical assistance projects under these loans? I suspect — I may be wrong — that a lot of that bureaucratic detail — he mentioned the engagement of consultants — refers to some kind of restriction as to the procurement of equipment and even, perhaps, to the nationality of consultants.

I should like, if I may, to ask him to enlighten me on that question.

Thank you, Mr. President.

SENATOR W. W. HALL: Sir, we on this side see no difficulty with this Resolution. As a matter of fact, the Minister did quite well in presenting it, but as he was going on quite nicely, we did see one imperceptible change of gear in which he launched at the former Prime Minister of this country. He launched an attack that Senator Clarke, if she were here, would see the merits and demerits of launching wide and deep.

Sir, the Democratic Labour Party initiated agricultural diversification in Barbados, therefore we are very proud to see that the Government saw our efforts as being worthy of emulation.

We do not see there is any great measure of controversy. It is surprising that I had no desire to be long, but I said I thought the Minister did quite well and we have no desire to make an issue of this. I see no difficulty with this Resolution.

SENATOR A. W. A. McCLEAN: Mr. President, in the Addendum to this Resolution we see reference to the funds serving the purpose of assisting the Government to achieve its goals of agricultural diversification.

Senator Griffith, in his introduction, did itemise the things that will be done with the money in relation to agriculture, but I do not think he gave any clear statement as to Government's present goals in relation to agricultural diversification. I would like to suggest that he should, if possible, enlighten us on this matter a little bit, because it seems to me as though, as far as the Government's efforts at agriculture are concerned at the moment, there seems to be a greater thrust at bringing land under sugar rather than on diversification.

The listed activities that this fund is supposed to finance seem to be more aimed at facilitating existing levels of agricultural activity outside of sugar, rather than promoting greater diversification, so I would welcome some statement which would give us an up-to-date view as to Government's goals in relation to agricultural diversification.

In relation to the conservation of energy, I would like to take issue with an observation made by Senator Reece. He sees conservation as postponing the day when we need to look to atomic energy and so on. I would think that that could never be the point of conservation in Barbados, that could probably be so in Russian, United States of America and large economies of the world, but no amount of conservation in Barbados will postpone by five minutes that particular day when we have no more fossil fuel.

Conservation in Barbados must be seen more strictly from a narrow economic standpoint in terms of what is of benefit to Barbados. When you place it in the context of what is economically efficient or optimal, you have to put on the other side of it the benefits which one might forego, or the inconvenience which one would have to go to perhaps to save a unit of electricity every other day, and it may be in certain areas that it might not be worth it in terms of the effort. The effort involved might be rather more valuable to the people involved, but, by all means, we must exhort people not to be wasteful.

Conservation does not relate to using less electricity. At least it ought not to be so seen; it must be seen as not wasting it or using it unnecessarily, and that is why I do not think we should point to the fact that the importation of oil, as reduced by 200 000 barrels we were told in recent times, the last year or whatever, because almost certainly most of this would be for the reason other than conservation, or the improvement in our conservation efforts.

One of the single most important determinants of that would have been the recession in the economy. We are using less because we are producing less. There is a close correspondence between the use of energy and the production of goods and services, the level of economic activity, and in the context of declining economic activity there will be a decline in the demand for electricity.

Hotels that do not have any guests do not have to run air condition units in empty rooms and things like that, so in a sense, looking at that reduction, that might be more indicative of problems in the Barbadian economy than something to feel proud about from the point of view of conservation.

I say that to suggest that, in spite of our greatest conservation efforts, we should hope to be projecting in Barbados not a reduced usage of energy, of electricity, of oil, but of continuing increases.

We should be at the same time be making sure that we are using it more efficiently; but we should be using more, because if we do not, we most certainly will not be producing increases in a large amount of goods and services.

With that, I think the Resolution in itself is one that should find ready support and I, myself, do support it, but I am not too sure as to whether the real expenditure on agriculture is truly aimed at diversification or aimed at something slightly different.

I thank you, Mr. President.

SENATOR E. E. GREAVES: I just want to make a few observations on this particular matter before the Chamber at this point in time. Senator Hall has already indicated his support of our side for this particular Resolution, which has to do with money from the IDB for technical assistance in the area of agricultural diversification and in the area of energy.

Like Senator McClean, I was expecting the Minister to give some clear indication as to the kind of agricultural diversification project which the Government was embarking on. There is no doubt that at the present moment there is some degree of agricultural diversification in existence. One would have thought that the opportunity would have been taken, particularly now that we have succeeded in getting technical assistance, to treat us to a clear statement as to where the Agricultural Diversification Programme of the Government would be taking us.

I think that the point made by Senator McClean ought to be taken very seriously — that we have heard is nearly a recitation of what has already been in existence, and, indeed, the Government's programme does appear — and indeed I think it has been stated very clearly to get more land back into the production of sugar and to maintain what we already have in the other areas of agricultural diversification. I felt a little let down by the presentation which was made by the Minister who introduced this Resolution.

There are two speeches, one made by him and one made by Senator Reece, from the Government side, which were all self-congratulatory. I believe that there is a kind of false pride in the failures which we are having in this country, and the sooner we wake up to the reality of the situation, the better it will be for all of us. I believe that then we would be in a position to take proper corrective measures to deal with problems which are confronting us rather than just getting up and congratulating the Government on such a wonderful job.

For example, Senator Reece indicated that the fact that the IDB had made \$7.5 million available to us and the fact that the Government has just entered into an agreement with Petro-Canada for another set of million dollars, that those are clear votes of confidence in the management of the total economy.

I think that at this point in time that is completely unnecessary, because I think that everybody in Barbados knows completely different.

And because an international agency or another Government might enter into a technical agreement with a particular Government, that is no indication about the management of the economy. After all, we make contributions to these international agencies and therefore we are entitled to get money from them.

I believe that Haiti gets money from the IDB, too, and other countries in the world. Poland gets money from international agencies to which it contributes. But is this an indication that these countries are properly managed or well managed? I think we ought to look at these much more carefully and much more realistically.

From what Senator Griffith stated, there will be some concentration on the extension services in the area of agriculture. As you are aware, Mr. President, I, myself, and members of the Democratic Labour Party, have been hammering at this very important area which seems to have been neglected by the present Administration for a long time. Almost ever since they came into power one saw the depletion of the extension services in Barbados.

I believe that within recent months, or probably within the last year or so, there have been attempts to revive the extension services, but one ought not to have allowed that to fall into the kind of state that it fell into.

What that meant was that people who were interested in agriculture, and who relied on the advice and the expertise which one would normally get from people in the extension services was lacking in guidance, and therefore their whole thrust in agriculture and their confidence in that area were shaken.

Anything which can be done by the Government to restore that particular confidence would be welcome, and we are glad, Sir, that the extension services will be given some attention in this particular area. I suppose, therefore, that technical assistance will be forthcoming, and we will want to see this get into operation as quickly as possible.

The other area which Senator Griffith mentioned was in the area of water management services and alternative water use. I am assuming here, Sir, that he is referring — and I can only assume — probably to an extension of irrigation to agriculture, particularly to non-sugar agriculture.

Now I think that this, again, is an area which needs some very careful thought and attention, and one would hope that the Government would spare no effort in developing the irrigation services in this country.

There is one question which I would like to ask — and I am not too sure if this was brought up in the Lower House when a matter relating to agriculture which was discussed recently — but I seemed to have gotten the impression that at the present moment a lot of water which is used in non-sugar agriculture, that is in vegetable production, is water which comes from our water system, that is water which is pumped by the Water Authority.

I believe, Sir, that we ought to give some very careful thought to this, because what it would mean is that we would be providing yet another important subsidy, which would be provided for those people who are involved in the production of vegetables in this country. It is a cost which, probably, has not been taken into account.

What I am saying is that the use of water pumped by the Water Authority in this kind of agriculture would impose some additional financial burden and strain on the Water Authority.

I am wondering, Sir, if, from a point of view of policy, we could not, in the context of this technical assistance which we are getting, pay some very serious attention to the development of the use of water, from the digging of wells to provide water for this kind of service, outside of the system which we use at the present time for pumping water for over-all use. I would see this as a very important breakthrough in this particular area.

On the question of energy, Mr. President, I do not think anybody would disagree with the call for energy conservation and the proper and efficient use of energy in Barbados, so we are at one with the Government on this. But, Sir, as one looks around, one sees still a number of things going on which would lead one to question how serious are we about energy conservation.

I still see from time to time, and hear on the radio, announcements and advertisements about rallying and dirt track racing and car racing and this kind of thing. I know it is a pastime for a number of people, but I am wondering if we are serious about energy conservation if some kind of restriction could not be put on that kind of luxurious activity in a country which, to Senator Mr. Reece's belief, is not really an oil producing country.

By no stretch of the imagination could Barbados be called an oil producing country. We do produce some oil. We would probably at some point in time produce, according to Government, maybe about 20 per cent or 30 per cent of our local consumption, but I do not know how much further we are going to get beyond 200 000 or 260 000 barrels per annum.

The point is that in a country where we are looking at the conservation of energy, we ought to pay some attention to that particular area and certainly give some lead in that direction. You know that our present Minister of Energy drives a Mercedes, which consumes a lot of gasoline I believe, and maybe he should set an example by getting a smaller car like me.

Sir, the other point is that I was hoping that the Minister would have given some idea of the possibilities and what is happening in the offshore areas.

Now I remember some time ago, I believe it must have been either during the Estimates or soon after the Estimates, that there was a Bill brought down concerning offshore drilling, and at that time the Minister indicated that the Government was preparing a proposal to invite tenders from companies overseas to do some offshore drilling. At that time I questioned whether or not we were really in the kind of depth that would have made offshore drilling attractive.

I was wondering if the Minister could give any update on that particular area, because he did indicate that at that time we were talking in terms of, I think, 25 feet or 30 feet — I do not remember exactly and I am talking from memory now — but it was at a depth in any case at which drilling at that level had not really been developed.

I would want to know what progress there is in that, because if it is that deep and it is really not going to make sense to get into that kind of area, I really wonder why the Government would be wasting time in this particular area. I would just want to get some indication from the Minister as to what is happening in that particular area, because I notice, at least from what he has said, that this technical assistance will also be involved in looking at that.

I would also have expected that, since we are talking about energy development, we would have been treated to some update on the wind project and the wave project, even although those may be financed by another agreement, but at least if we are going to be talking about energy — and so much hullabaloo was made about the wind energy and wave energy project — I would have thought that the Government would have been today congratulating itself on having thought of such a new and different area of producing energy and that we would have been treated to some progress report in that area. I hope it is not too late for the Minister, who is the Minister responsible for energy development, to give us some indication on this.

I was also expecting, Sir, to hear something of our natural gas development, to find out how that is progressing and, indeed, what attempts are being made by the

Government to expand natural gas to as many areas as possible around the country.

These are the kinds of things which I am concerned about and I would hope, Sir, that the honourable Minister would be able to give us some answers to some of the questions which have been raised.

Thank you.

SENATOR C. A. GRIFFITH: Mr. President, I am very glad to see that there has been this kind of reaction and interest in this Resolution.

I would like to touch, very briefly, on some of the areas. I think I should deal with the last speaker first. As they say, the last shall be the first and the first shall be the last.

There were some points made by the senators of the Opposition. Apparently Senator Hall was not listening to what I said when I started talking about the statement made by the former Prime Minister of Barbados. I was referring to a statement which was on the front page of the Nation last Friday, when he said it was scandalous for Barbados to take over the oil fields. I do not know where in that he could find agricultural diversification.

On the point of the whole question of agricultural diversification and the observations made by Senator Greaves, I always heard that politicians say that people have short memories and so on, but I never believe that the politicians, themselves, would want to admit that they have short memories.

We remember an era in this country not so long ago when good agricultural land was taken up and given to friends of the Democratic Labour Party for investment and speculative deals. People got rich by taking agricultural land in this country, because they had connections, and turning them into housing developments. That is a fact of life, and it was the policy of this Government to stop that in 1976 when we came to power; so who is interested in agricultural diversification and development?

Sometimes I believe that people just come here to talk for the record, but do not come and talk and seem that you are so innocent, because we must not forget that only six years ago the Democratic Labour Party still held the reins of Government in this country.

Even though some of the people who may be speaking on their side would not have been involved with some of the decision making at that time, they still have to bear the yoke that is cast around the neck of the Democratic Labour Party Administration in all its failings. I believe they should go back and look at some of the sins of the DLP, especially in those years in which they

were very vulnerable, and for which the people threw them out in 1976.

I suspect that Senator Greaves is the Chief Opposition spokesman, and he talks about "self-congratulatory" and "false pride". I believe that some of the points made by Senator McClean should be taken in this context.

I made the point, when I was speaking about the reduction in energy consumption, that we cannot, at this point in time, attribute the reduction to any particular factor, particularly the reduction in the cost.

My point, and I still make it, is that the reduction in the volume of oil is indicative of something. I did not want to talk of the reduction in cost because you could make all kinds of arguments as to why the cost has reduced significantly. I am not going to venture to make any analysis as to why the volume has decreased to the point it has until the end of the year. That is the point I have been making.

We have not been congratulating ourselves. As a matter of fact, I have been congratulating Barbadians. I know for a fact, and I have made this point also, that the Barbadians have been sensitised with problems of energy inefficiency. There is no denying this. It has been on the front page of the paper for the last year and a half, the need to conserve music.

I have seen evidence of efforts made by companies in Barbados, who can, with pride, talk about the fact that they have achieved significant savings. I do not know if it would be appropriate for me to talk about some of the companies in here, but I have seen evidence that they have achieved thousands of dollars. Some companies have been so forward-looking as to appoint the Energy Managers, which I have been talking about for a long time. It is not a new concept to institute energy management, it is new to Barbados in a way; but companies that have instituted it in Barbados have been able to report significant savings, dollar savings, in the area which more than justifies the cost of having an Energy Manager.

So it is not a question of because the economy has slowed down and this is the direct reason for the reduction in consumption. There are several factors, and I would not deny that the slow down in the economy is a significant factor.

Of course, everybody should agree that the drop in tourist arrivals can be an attributable factor in the area of cutting back on hotel expenditure. But I have seen some projections from some hotels where the cost of energy will go up for them, even though they have been having low levels of occupancy.

I specifically omitted to mention anything about the Barbados Light and Power Company in my opening remarks because they have a rate hearing and the matter is *sub judice*, and it would not be appropriate for us to talk about it in here. That is why I have been very careful to side step the issue. But I think the time will come when we can all sit down and analyse why the savings are made.

My point is that no matter how the Opposition talks about self righteousness and so on, whenever you look at it, one of the answers that will come to the whole question of energy saving is that the Government has a policy and a programme which is working, something that we could never boast about prior to 1976, even though we had an oil crisis in 1973.

I mean, I would say this that the then Government did something in 1974, when they introduced fiscal incentives for people who were able to convert to solar water heating and give people \$1 000. That policy is still continuing. They must be congratulated on that. That is the only thing they can boast about.

It is not a question of somebody taking pats on their backs for something – I am very objective about the whole matter – but everybody in Barbados should feel very proud about the fact that after three and four years of having a spiralling oil import bill, to the point where it was almost 50 percent more in 1981 from 1980, we have a reduction in terms of dollar volume and in the import bill, particularly when our foreign earnings to pay for the same oil imports have fallen significantly. There is nothing wrong with people being proud about that.

I would agree with Senator McClean that we should not feel good about falling energy consumption, because implicit in that is a falling GDP, falling GNP, falling economic development – and we do not want that in the country.

We are not saying that people must not use energy. We cannot say that energy consumption must remain static, we expect that energy consumption will rise in the country, but the point is this: we are talking about eliminating waste, and energy conservation must be seen not as just interfering with people's standard of living – it must be seen as another source of energy, because in Barbados, we have been weaned on North American tastes with Barbadian resources, and wasting like the North Americans. They, themselves, have been brought to heel because of the increasing oil prices.

So we have been trying to bring Barbadians to realise that your standard of living will not be interfered with if you stop wasting in areas where you are wasting

and so on. So I can support the need to project continuing increases of energy.

As a matter of fact, in our development plan in the energy sector, we will be making projections on energy consumption in the five-year development plan, which will soon be introduced.

On the question of agricultural diversification, I did not say much about, purposely, because I feel that that has been given a lot of public play in the recent past, and I did not think that people would want to go over that issue. So I just did not mention that.

But nobody can fault the Government in its efforts to make attempts in this country to solve the whole question of the importing of agricultural crops in this country.

The Barbados Labour Party Government in 1960 introduced the Barbados Marketing Corporation for the specific purpose of trying to enhance agricultural development and marketing in this country, and the Democratic Labour Party took it and made it a political football, added a supermarket to it and all of that.

I have always maintained that an institution like the BMC should not be having a supermarket attached to it. I made that point within the Council of the Barbados Labour Party and outside, and I still feel that way — that it should be an institution for the control of importation in this country. I maintain that it should be a state trading corporation — and I stand on that.

But the Democratic Labour Party had it for fifteen years and turned it into a political football, where you went down there and you found carpenters working in the supermarket, because they were from St. Michael West. That is what you found. In a marketing corporation, which is supposed to be bringing produce to the country at a reasonably priced rate, you found that carpenters and masons were in the supermarket running it and so on.

(SENATOR E. E. GREAVES: Still so. It is still so.)

SENATOR C. A. GRIFFITH: We have had a case in this country where farmers went and dumped carrots in front of the corporation.

(SENATOR E. E. GREAVES: They dumped them in Broad Street in front of the Administration.)

SENATOR C. A. GRIFFITH: They have not put any since 1976.

Mr. PRESIDENT: Order, please.

SENATOR C. A. GRIFFITH: We have people who were representing agricultural parishes, rural parishes, who

sat down and let the then Government cut up land and sell it to people for speculative purposes. Of course, they have paid the penalty for that.

Senator Wickham raised a very interesting question, which I think has to be answered, this whole question of restrictive conditions in the implementation of projects.

I am not afraid to say that the World Bank, like other institutions, will always try to put some very strict terms on how you use their money or their assistance, and the smaller countries always have to be having a quarrel with the World Bank, because the World Bank is influenced by the big donor countries, the countries which control the World Bank's activities. There is no doubt about that, and, like most institutions, you find that their procurement conditions are one of the most imperialistic aspects of these international institutions we are dealing with.

In the Inter-American Development Bank the same thing happens. If you get assistance from the Inter-American Development Bank in the form of a loan or grant, it means that you have to buy equipment, services and what have you from a member country. I do not believe that there is much to quarrel about with that, especially when those member countries are providing the capital for the designated projects.

I was personally involved as head of the Barbadian delegation that negotiated this loan in Washington in January, and it was a very extensive debate and discussion on the terms and conditions They put certain conditions to us about staffing that we rejected, because we felt we had them in place, but if the World Bank is going to give technical assistance to a developing country, then the technical assistance must mean something.

My view, and the view of the Government, on this matter is that we are better placed, because it is our country, to determine how best we can deploy the assistance we are getting, and that is why I made the point to start and encourage ideas on energy conservation before we let the World Bank come in here and tell us what to do.

Even in the final analysis, when we thought the matter was finalised, the World Bank was still telling us that we should look at it in the form of a study. I said if they want to have another study they cannot have it in Barbados. I made that point, and that is why we are at the point we are now, almost ready to implement the programme. There was no need to have a study on a study, we were interested in action, and I told the Director of the World Bank who came down to Barbados, in no uncertain terms, that we did not want anybody to come in here and do any more studies on

Barbados; we wanted some action, otherwise they could take the loan and go back to where they wanted to go with it.

I appreciate the point that was made by Senator Wickham. There is the whole question of a pre-qualification process where consultants are concerned, and I am happy to note that in this regard the Government in question usually has the say in who should be on that short list of consultants.

We have gone through a painstaking process of interviewing people who have pre-qualified to short list them to the World Bank. What they can tell us is that they do not feel a group of consultants or a consultant has the qualifications or the expertise that is needed for the particular project, and that is where they keep a watching brief, but all the interviews on the consultants are done in Barbados and the panel that does the interviewing is selected by the Minister responsible for that particular area.

I will not allow any international institution to come in here and dictate to me how business is to be done in any area that I have responsibility for. They have their own conditions for operating and I am going to make sure that the interest of Barbadians is served first. I have always made that very clear, so I appreciate the point that has been made by the honourable senator.

Just one last word, Mr. President, on the whole question of alternative energy. I share the view of Senator McClean that we should not be thinking about some of the things that Senator Reece talked about nuclear energy. We are not of the view that we should be looking at the exhausting of conventional energy sources in Barbados even if we have them. What we are saying is that we must have certain alternative sources of energy which are applicable to Barbados, and we are prepared to exploit those surpluses, to the extent possible, that they can be of an economic advantage to the country.

For instance, we have talked a lot about wave energy, and I have had consultations with people who have been involved with the Wave Energy Project in Barbados and they do not feel it is something we can look at in the short term because of the capitalisation cost, the lack of information and so on. It is a long, long term thing. You cannot talk about introducing an alternative to fuel oil power if that alternative is going to cost three or four times more than the fuel oil power. That is the point about wave energy. It has still a long way to go because of the cost and because of the uncertainty of the research in wave energy.

Senator Greaves wants to know about wind energy. We are satisfied that we can go ahead with wind energy, and we are not doing it out of our own money either. We

have been given a grant by the Inter-American Development Bank to develop a wind energy programme in Barbados, and the reason for the delay is again because I said I did not want it the way they wanted it, even though it was their money.

The implications for the wider Caribbean area were that if we have a successful wind energy project in Barbados, that other Caribbean countries would benefit. Why should we ask the taxpayers of Barbados to finance a project which will be beneficial to other people, especially in these particular times?

So there have been delays in the Wind Energy Project by the Barbados Government in the person of the Junior Minister responsible for Energy, because we have been trying to make sure that the taxpayers are not saddled with any additional funding, and I am happy to know that whenever this project is finally off the ground that the taxpayers of Barbados will not be saddled with any additional cost emanating from the experimental phase of the project.

I can say that and feel justly proud of the fact we are going to have the Wind Energy Project and the people of Barbados are not going to have to suffer any financial discomfort because of the Wind Energy Project.

There are a lot of systems that we cannot think about in Barbados because of the size of the country, nuclear power and so on, but there must be continuing efforts at finding alternative systems to complement conventional sources so as not to find ourselves totally dependent either on the importation of foreign oil, because I do not know if we will reach the point where we will have an economy based on oil revenue.

It is a very dangerous thing, as we have seen with some of the countries in the Latin American area, but we must make sure that we have a programme which makes energy available to Barbados at a cost that Barbadians can afford, and where we will not become vulnerable to the kinds of things that happened in areas like the Middle East and elsewhere.

Mr. President, I beg to move that the Senate concur in this Resolution.

The question was put to the Senate and agreed to.

SUSPENSION OF SITTING

Mr. PRESIDENT: I think this is an appropriate time to suspend the sitting. The sitting will be suspended until 2.15 p.m.

On Resumption

Mr. PRESIDENT: This sitting is resumed.

RESOLUTION TO APPROVE THE GUARANTEE BY
GOVERNMENT OF THE REPAYMENT OF A SUM
NOT EXCEEDING US \$7 500 000

Order No.4 was called — To move the passing of the Resolution to approve the guarantee by Government of the repayment of a sum not exceeding the equivalent of US \$7,500,000 or Bds \$15,000,000 and the principal and interest thereon to be made by the Off-Shore Banking Unit of Barclays Bank International to Barbados Sugar Factories Limited.

SENATOR THE HON. O'B. TROTMAN: Mr. President, Sir, the Resolution as set out in the Addendum seeks to give parliamentary approval for a Government guarantee of a loan from the off-shore Unit of Barclays Bank of \$15,000,000 to the Barbados Sugar Factories Limited.

Barbados Sugar Factories Limited, has been in some financial difficulties because of cost overruns at the new factory at Portvale as well as certain work which was done at Andrews.

As I understand it, the problem arose because some of the \$20 million which the Sugar Factories Limited has as working capital was apparently used for capital investment in terms of Portvale and Andrews. It has therefore cause some stress and strain in the National Bank, and it is now necessary to have this situation sorted out by having the appropriate capitalisation loan raised in order to pay what is really capital investment debts out of this loan.

The interest rate will be at three quarters of 1 per cent more than the London InterBank's offered rate, which, I understand, is just under 10 per cent today, so that in fact, as we are going on, the cost of the loan seems to be getting cheaper because the bank rates in London seem to be falling rather rapidly.

The payment on the loan will not start until 1985, so that in fact the loan is a rather cheap loan, because by 1985, Sir, we expect to improve the production of sugar from the 88 000 tonnes which we made this year. We are hoping that by then not only would the level of production be nearing 150 000 tonnes of canes, but we also expect that by then the price of sugar on the international market will be somewhat higher than it is at present.

On that point, Sir, just let me say that although the world market price on sugar at present is probably about U.S 6 cents a pound, which is relatively cheap, it does not immediately affect us too adversely, because when we are only making 88 000 tonnes, as we did this year; or 96 000 or 95 000 as we did last year; it means that we

have little or no sugar to sell on the world market, and therefore that price does not really affect us as such.

At present, we sell about 90 000 tonnes of sugar on protective markets like the EEC, the U.S. markets at protected prices under the U.S. quota, in terms of fancy molasses and in terms of home consumption. So unless we make more than 90 000 tonnes, fluctuations in world market prices would not really adversely affect us immediately.

We always panic, Sir, about alternative sugar sources, in terms of beet sugar and fructose out of America, but, as I understand it, none of these immediately have any cause for alarm, because even though the Europeans are having good beet sugar crops, and even though there is some work being done on corn in America, the level of sugar production out of the corn industry is very, very low and, in fact, the use of that sugar is very restrictive — and it does not in the immediate future form any competition for cane sugar. So the cane sugar industry in Barbados for some time has no real fear in terms of alternative sugar sources.

The question is always being flagged as to whether or not Government is not itself financing plantation owners and sugar factory owners in this industry.

That is not so, because even though the Government is guaranteeing the loan in this Resolution, Government is doing so under certain conditions.

Government for example, has insisted that it is not satisfied with the efficiency of Sugar Factories Limited as an operating company, and one of the first conditions — which, I believe, has already been accepted by the company is that a qualified Financial Controller has to be appointed by the company, in order to ensure that the problems they have had in terms of their accounting will not come back to haunt them again.

The Resolution, Sir, is part of Government's continuing interest in the industry. Government, either last year or early this year, through this Senate reorganised the Levy system as a measurer of forward looking in the industry, and this evening, Sir, we are trying to raise money for the improvement and the mechanisation of the factories to ensure that a level of efficiency is available to the industry when better crops and better prices are available.

I beg to move, Sir, that the Senate do now concur in the Resolution.

SENATOR E. E. GREAVES: Mr. President, I do not think that I could let this Resolution pass without making some comments on it because I think that it is a very serious Resolution that we are being asked to consider. It is a Resolution which seeks the approval for a guarantee

by the Government of the repayment of a sum not exceeding Bds. \$15 million and interest thereon, and this money is to be applied towards the capital cost overruns of the construction of Portvale Factory, St. James, and the modernisation of Andrews Factory in St. Joseph.

Senator Trotman, I suppose in anticipating a criticism from this side that the Government would be, as it were, throwing money down the drain by this guarantee, indicated that this was not so.

He said that the Government was not satisfied with the operation of Sugar Factories Limited — after all, who is satisfied with the operation of Barbados Sugar Factories Limited, maybe other than the Directors of Barbados Sugar Factories Limited — and that the Barbados Sugar Factories Limited has agreed, as a condition for the guarantee, to the Government's request for a qualified Financial Controller.

Now, Sir, I think that we ought to look a little more closely at this whole question of the Portvale Factory and the construction of Portvale Factory. As I understand it, the construction of this new factory was part of the rationalisation programme embarked on by the Barbados Sugar Producers Federation where they reduced the number of countries that were operating in Barbados, extended the ones which they wanted to keep in operation, and constructed a new factory called Portvale Sugar Factory in the parish of St. James.

There are a number of questions which I would like to raise here this afternoon, particularly in view of the fact that the Senate is being called upon to guarantee a loan which would be applied towards the capital cost overruns of the construction of Portvale Sugar Factory.

Let us examine that. I believe that Senator Trotman should have treated the Senate with the respect of providing the reasons for these cost overruns rather than just trying to gloss over the very serious problems which exist surrounding the construction of Portvale Factory.

I think it is good that we have Senator Ward in here, and I look forward to some enlightenment on this problem from him. I hope that we will be able to get some indication from him.

But there are very serious problems surrounding the construction of Portvale Factory which ought to be looked at, and which the Government ought to pay some very important attention to, particularly at a time when it is evident that the Barbados Government has taken Sugar Factories Limited under its wing, and, generally speaking — and I do not think anybody could object to this — has taken the sugar industry, as it presently exists, under its wing. Government money is being spent and Government money is being put up, and the Government is being

asked to guarantee money for Barbados Sugar Factories Limited.

Now I am not so stupid as to misread the intention of this Resolution, which is a guarantee, but previous to this, Government has been involved in a more direct way, financially, with the sugar interests of this country. But a guarantee, Sir, is something much more than signing on a piece of paper, because if Barbados Sugar Factories Limited cannot meet the requirements of the loan which the Government is here seeking to guarantee, then the taxpayers of this country will be called upon to meet the repayments of this loan.

This is why I am saying that we ought to be concerned, and this is why I am concerned, and this is why today, Mr. President, I am going to raise a number of questions and I will repeat the call, which has been made by the Opposition spokesman for Finance in the Lower Chamber, for an enquiry into the construction of Portvale Sugar Factory and into the operations of Barbados Sugar Factories Limited. It is a very serious thing.

Why do I say this? We have a situation where, Mr. President, the original estimate, as I understand it, for the construction of Portvale Factory was somewhere in the region, I am going to be charitable, of \$20 million. It was actually \$18 million. Estimated by whom, I do not know, as I will point out later on to show you that we have people who are operating an industry, which is to all intents and purposes the life blood of this country, who adopt what can be called a cavalierish approach to decision-making. It cannot be called other than that. However, \$18 million was the original estimate. When the factory was completed the cost was somewhere in the region of \$33 million.

I am saying, Sir, that anybody who could sit or preside over this kind of wastage, or any group of people who can sit and preside over this kind of wastage, does not deserve a guarantee from the Government unless they are made to give some kind of account of their stewardship, and unless the Government is satisfied about the kind of direction which this kind of company will be taking in the future.

Sir, there are a number of other questions which I would like to raise. I am concerned, for example, about three companies which would have been involved in the construction of Portvale Factory, Sucron Services Limited is one, Heavy Contractors Limited is another and the third one is the Kingston Industrial Works, a Jamaican company.

I am concerned, because all is not well in the State of Denmark. All is not well in the factory at Portvale

and in the construction of that factory. I believe that a lot of the wastage has to do with inordinate payments and lack of proper planning, lack of proper cost analysis and the lack of getting the best prices for work which was done at the factory, for what reason I am not sure.

I believe that if you were to look at the decision makers in Barbados Sugar Factories Limited, the decision makers in Sucron Services Limited, the decision makers in Heavy Contractors Limited, you will find a very interesting correlation.

Why is it, Sir, that we have, for example, the Barbados Foundries and Central Foundries Limited here, which have been servicing the sugar factories for many years, but when the manufacture of vacuum pans and condensers was required, Kingston Industrial Works was brought in and, from my information, produced vacuum pans at a cost of somewhere in the region of \$30,000 more than what the Barbados Foundries would have been able to produce them at per pan.

These are matters which, I submit, have got to be enquired into, and we must be satisfied that the Government is doing the right thing, that Barbados Sugar Factories Limited is operating in a proper manner before Government can get as deeply committed as it is bent on doing. And, unfortunately, it seems already to have been committed — I think those decks ought to have been cleared first.

What all of this means, Sir, is that we have got a new sugar factory which will be a burden on people in the sugar industry, the sugar growers, and this includes the small sugar growers, and it will also be a burden on the sugar workers of Barbados.

In order to pay back this money, what this will possibly mean, Sir, is that the amount of money which will be offered for the price of canes will, I suspect, bear some relationship to the debt which Portvale Factory has accumulated in its construction.

And, furthermore — it is true that I was not here when the Sugar Bill was discussed — I seem to recall that a section of the Bill relative to the distribution of bonuses to workers in the industry has a formula which indicates that money for distribution as a bonus would be paid out after all of the various costs and depreciation allowances and a whole set of things connected with factory operation are taken into account, and then, when these things have been settled, if there is anything left back — and I believe that all of the configuration which would take place, very little, if any, would be left back — that would be divided among the workers as a bonus.

These are matters, I am submitting, Sir, which ought to be clarified.

It is clear that Barbados Sugar Factories Limited embarked on the construction of a new sugar factory without any proper study. I doubt very much that they had what could be considered a feasibility study. As a matter of fact, my information is that it is only when Sugar Factories Limited approached the Caribbean Development Bank for a \$3 million loan, and the Caribbean Development Bank insisted on having some kind of study, that, I think, a Mr. Laurie was appointed to that particular study.

How can we have an industry operating in this kind of way? Sir, I am concerned, and I believe that all Barbadians are concerned.

Sugar has played an important role in our social, economic and political life. I do not believe that any right thinking Barbadian would want to see sugar die. What we would want to see, certainly, is certain fundamental changes brought about in sugar, in the way in which it operates, in the way in which it is managed, in the way in which it plays a role both in the social development in this country and in the way generally in which it treats the workers employed in the industry. We want to see these changes brought about.

I believe that the time is now when the Government should insist that certain fundamental changes are brought about in the industry and in its operation. It is only when this is done, and when these matters are clarified, that public confidence in the sugar industry and its management will be restored.

Thank you.

Mr. PRESIDENT: Senator Ward.

SENATOR L. A. WARD: Mr. President, I must first declare an interest in this matter, Sir.

After listening to Senator Greaves, Sir, I would have to make some comment, Sir, on what Senator Greaves has said.

Now, Barbados Sugar Factories did do a feasibility study. It was not done by any employed expert, but it was done by the best that Barbados Sugar Factories had at that time.

Senator Greaves is quite correct, Sir, in stating that it was estimated that the factory would cost about \$20 million. But where Senator Greaves has gone wrong is in saying that the factory cost \$33 million. To the best of my knowledge, it is about \$27.5 million. We have used, in addition to that, some of the machinery

which we had already in both Porters and Vacluse and that has not been included in the \$27.5 million.

When we approached the Caribbean Development Bank for a loan of US\$3 million, the Caribbean Development Bank insisted that we would have to have civil engineers on this project. They also said that they would like to have some research done for themselves and not to accept our feasibility study without having done some work themselves.

As Senator Greaves said, Mr. Laurie was employed by the Caribbean Development Bank. He came up with an estimate of some \$15 million for us to have put Porters and Vacluse in any reasonable working condition. It was not in the best interest of all of us, because of the cost of keeping two factories going whereas to have one modern factory instead of two ancient, resurrected factories, we felt that we would cut our cost and, perhaps, increase our efficiency.

So, Sir, in the employment of civil engineers, which we had never done before in the industry in this island — we always did the construction with our mechanical engineers on their advice — civil engineers being professionals, they insisted upon very much heavier foundation work than what we were accustomed to.

The foundations, when they were searched at the factory, they were not satisfied that just to go to bed rock was enough. They searched the bed rock and found cavities of clay in the foundation work which they insisted would have to be dug out and reinforced concrete used to bring back up those holes to a level. This was one of the major increases in costs of the factory construction.

Further to this, Sir, the estimate was done in 1979, and everyone knows that, with inflation in the world as we go on we have got to pay for this inflation from year to year. So that was another added cost of things that we anticipated would have been lower, cost wise, than what they actually turned out to be.

But, in the main, the majority of the equipment that we would need from abroad had been tendered for, and we had prices on this equipment.

Senator Greaves also talked, Sir, about three companies. Sucron Services is a company that is operated by one of the engineers employed by Barbados Sugar Factories, and we were conscious of this when we tried to get this engineer to come with us in the first instance. He stipulated that he would have to operate his agencies that he had at the time in Jamaica, and we did not like this at first, and we said, "No".

He did not come with us, but then later on, when we were searching around, we felt it was essential that

we would have to have a qualified engineer, a sugar engineer that had considerable experience in the operation and erection of sugar machinery. He is not a youngster, he is a very mature man. When we approached him the second time we agreed to allow him to operate the agencies which he then had. When we employed him we knew that he had these agencies.

We have a Tenders Committee on which four of the Directors of the Board sit, two of whom are joint Managing Directors of the company, and we also have the head of our Engineering Division, who is not this gentleman at all, another fellow, and on that Tenders Committee also sit the Assistant to the joint Managing Directors and the Secretary of the company. They have the power to co-opt sugar technologists, if they are dealing with any equipment that the sugar technologists would be able to advise them on, or also to invite — if it is anything to do electrically — the Electrical Engineer to give any assistance he can in the awarding of tenders on any electrical equipment.

So it is not to say, Sir, that this company is supplying equipment to Barbados Sugar Factories without any competition, without any Tenders Committee, to go into the cost, delivery dates, the specifications and everything else. All this is dealt with by the Tenders Committee.

The Senator also spoke about Heavy Contractors. I do not know what connection there is that Heavy Contractors would have with the factory company. It is a company, I think, that is mainly owned by Nicholls and Edghill, if not entirely owned by Nicholls and Edghill, to the best of my knowledge. They are well known contractors about the island and I do not know what connection that could be with Barbados Sugar Factories.

On the question of the Kingston Industries supplying equipment to Barbados Sugar Factories that the Barbados Foundry or Central Foundry could have supplied, we approached the Foundries firstly on this equipment. It was more equipment than we needed in a limited time for both Andrews and Portvale than the Barbados Foundry could possibly have done with their limited resources in Barbados. So we had quotations from the Kingston Industrial Works, which were far below the quotations we had received from the Barbados Foundry, and the work was divided between the Barbados Foundry and Kingston Industrial Works.

The delivery dates from the Kingston Industrial Works were far better than the delivery dates from the Barbados Foundry. In fact, we had decided that the two pans that were being built by the Barbados Foundry, one of which they had very well on the way, would be used at Portvale and the two from the Kingston Industrial Works would be used at Andrews. But, Sir, the Kingston Industrial pans became available in Barbados to us earlier

than the Barbados Foundry pans, and we had to use one of the pans from Jamaica that was to go to Andrews at Portvale.

The other matter that I wanted to touch on is the cost of Portvale. Although there is a serious overrun of some \$7.5 million on Portvale, being one of the Directors of that company I feel that Barbados has had value for their money in Portvale, and if you were to take the cost of constructing a factory and the cost per tonne of sugar to construct a factory any part of the world it has been done within the last number of years, I would not even say at today's cost, you will find that Portvale has cost less than any that we in the sugar industry know of, and I am sure that although we have a cash flow problem in Barbados Sugar Factories at the moment, that history will prove that it was a wise move to build Portvale when they did.

The Government has, because of the support that the Government has promised the industry, and the assistance that they have given us, or is here today proposing to give us in raising this loan from Barclays Bank, they have insisted that they have two Directors now on the Board of Barbados Sugar Factories. They have told us that they expect us to have a qualified Financial Controller, and we have agreed to this, and actually we have advertisements out for such a person.

I do not know if there is anything that I have missed, Sir, but Barbados Sugar Factories and the sugar industry as such is not in any unique position, Mr. President. The cane sugar producing industries across the world are in financial difficulties. The world price of sugar, when you go below \$400 a tonne, is nowhere near the cost of producing it. In fact, you begin to wonder if it is anywhere near the cost of harvesting alone.

As the Minister said in introducing the Resolution, Sir, Barbados' sugar industry had very little sugar, which they would have to go on the world market with this year, that we did not have special arrangements for. We have 2,500 tons in the store, but we feel that with the world price where it is, it would not pay us to sell it at this point in time when we do not know the size of the crop next year.

If the developed nations of the world, where beet sugar is grown mainly, if there are so heavily subsidised that they can produce sugar and sell it on the world market, it would mean, Sir, that if the cane sugar in the least developed or developing countries get no support, those sugar industries will fold up. There is no doubt in any of our minds that they will fold up. They must have the support with sugar production.

There is an over production in the world — beet sugar has been doing extremely well, there have been

good crops — and therefore there is a depressed market for sugar. Even America has to take action to protect their cane sugar industry, and if, Sir, something is not done to assist the industry through this serious depression that is taking place world-wide, it is going to mean that the sugar industry will fold up.

Now if this happens, and beet end the biggest and most mechanised of the sugar industries, where they are supported, remain, it would mean that so much sugar is taken off the world market that perhaps the developed nations of the world could stop subsidising the beet sugar industries, because prices would rise to such an extent, those of us whose sugar industries were shut down — like there were shut down in the other West Indian islands years ago, and there are being restored now by the Caribbean Development Bank, they are trying to get them back, because they have now seen the mistake they have made in allowing their industry to go — I believe some of them must have cost nearly what Portvale has cost for putting up a bit of machinery, one of which came from Barbados — a small one was shut down — but if the cane sugar industries fold up — enough of them — the price of world sugar would go to such an extent that even the developed countries could stop the subsidies that they are now giving to their beet sugar industries, and that would be a sorry day, Sir, for the West Indies.

If Barbados has to do without its sugar industry, I believe, Sir, that all of us in this room would see a Barbados that we do not see today. It would be a pitiful condition for Barbados if this sugar industry were to go.

Thank you very much, Mr. President.

Mr. PRESIDENT: Senator Rouse.

SENATOR K. A. ROUSE: Mr. President, I rise to make a couple observations in this special agreement by the Government to assist the Sugar Factories Limited.

Sir, I am wondering if Sugar Factories Limited had made the decision in 1979/80 that they are making now, if hardship would have occurred as much then as it would now.

You see, Mr. President, the Sugar Factories Limited came to a very hasty conclusion in 1979/80 when they decided to close Lower Estate Factory. I am wondering if they had decided at that particular time to use monies that were available to modernise Lower Estate, as they are now trying to modernise Andrews, if in truth and in fact it would not have been better than building a new sugar factory in St. James.

You see, Sir, as all of us know, there is not one hotel in St. George, and yet Sugar Factories Limited could find it possible to move a sugar factory from St.

George and take one to St. James. In St. George, you find that it is the best sugar producing parish in this island, and in St. James there is scarcely any good producing land. Therefore, the closure of Lower Estate has caused tremendous hardship on the small farmers in St. George. It also served St. Michael, it served part of St. James, and it was a very central sugar factory for small farmers.

At the present moment, Mr. President, the small farmers in St. George have got to get their canes cut, and when the time comes these canes cannot be received at the other factories. When one takes a load of cane to Bulkeley, on his return the manager says that is his last load, which means that canes are cut for a period of time, left on the ground, and all the juice is dried out. Therefore, that small farmer would not have had the value for the canes that he now sends to the factory.

Mr. President, I believe that if things were taken into consideration and the small farmer was allowed to have his cane reaped and sent to the factories, and there were taken at the time that there were sent to the factory, he would not face the type of hardship which he now faces.

I believe that we have got to look at the small farmer. No one seems to think that he is suffering, but I know that he is suffering, because he cannot get the type of facilities and the type of support from the factory that he would like to get.

Thank you, Sir.

Mr. PRESIDENT: Senator Howell.

SENATOR St. C. HOWELL: Mr. President, rising in support of this Resolution, the construction of Portvale, Sir, is clearly, as Senator Greaves actually recognise, a move known in industry as rationalisation of industry. By that, what I understand, and I think what is normally meant by it, is that in that particular area of Barbados, because of the obsolescence of at least two sugar factories, the Directors of Barbados Sugar Factories Limited, in their wisdom, thought it better, rather than spending some \$15 million in trying to bring those two factories up to scratch, to go a little further and lay out about \$27 million and bring a new prototype factory into production for the northern part of Barbados. That is a wise decision with all the respect in the world, Mr. President.

The question, as I understand it, which arises out of Senator Greaves' criticism, and indeed the criticism from the other side even in the Other Place, is this business of cost overrun. Mr. President, a valid criticism, but not one

to make all this mileage out of, because today, whether it is Portvale, the sugar industry, the construction of the Post Office — and a lot was said in this place about that — or the building of an ordinary three bedroom wall house on 5 000 square feet of land, these days, there is always some cost overrun.

Mr. President, anyone in Barbados who has had the experience of just building alone — nothing to do with the mechanism or the finesse of expertise engineering as is required in this project — just ordinary building in Barbados — would know that the cost of artisans today is some \$20 a day more than it was only last year, and that is an inevitable cost overrun in Barbados without importing inflation into Barbados. So the criticism is not really fair.

Senator Greaves made the point that this present Administration has been taking Barbados Sugar Factories under its wing. Indeed, he went on to say, and again rightly so, that this Government was taking the sugar industry as a whole under its wing. To that, Sir, I will say rightly so.

This is because Government has realised that the sugar industry, when all the speeches have been stripped of their rhetoric, is nevertheless one of our largest foreign exchange earners, second only, perhaps, to the tourist industry. It is also a labour intensive industry, and we are in no position in Barbados to go for highly mechanised industry. Sugar is still today a very important industry in this country and this Government recognises this.

The fact is that on the other side, sugar, and indeed agriculture as a whole, has been ignored for 15 years, and every thing this Administration is doing to help agriculture as a whole, and sugar in particular, there is criticism on. This is to be expected, because one cannot really expect the other side to put the case for Government.

The guarantee, Mr. President, means, at least for the moment, and no one can see into the future, that this will not cost this Government a single cent. It is a guarantee, and nothing more.

The people who are managing Barbados Sugar Factories Limited have served this country well in the past, they have managed their affairs well in the past, they have come in for some criticism of late because of lack of showing their knowledge and certain managerial skills, but I am sure we are going to improve and that that industry is going to take this country through, and I fully endorse this guarantee by this Government.

I thank you.

SENATOR C. D. SEALE: Mr. President, I support this Resolution and I just want to say a few words. I wish to congratulate Senator Ward for his concise explanation of the reasons for the cost overruns.

Sir, I am particularly disappointed with Her Majesty's Loyal Opposition, both here in this Senate and in the Other Place. Perhaps to score cheap political points, they have attacked the integrity and honesty of the directorate of Barbados Sugar Factories Limited. To give the impression that the funds were creamed off or went in other directions and there was something wrong with the contracts is wicked and uncalled for.

Sir, I believe that the management of the sugar industry might be a little old-fashioned, maybe a little slow-moving, but they are men of integrity and honesty of which this country should be proud, and for anyone to make a statement like "All" is not well in the State of Denmark" is uncalled for, and I think it is disgraceful that Her Majesty's Loyal Opposition should have thought of bringing this into this high Chamber.

Sir, there is one other area which I might mention. I believe that the funds from this loan are going to be channeled straight into the Barbados National Bank because I believe that was the Bank that financed the cost overruns of Barbados Sugar Factories Limited. I think that the Bank will appreciate this, because I am certain that it will improve their liquidity.

I want to make a plea now to this bank, because in the last couple of weeks, maybe because of the reorganisation, maybe because of tightening up, they have been squeezing the small business people in this country to the bone. They have been returning their cheques left, right and centre, and I only hope that the managers down at the Barbados National Bank, instead of taking high-handed action, would get out of their air-conditioned offices and inspect these little people, Sir, go and have a look at their businesses and see that the reason for the little \$500 and \$1 000 rejection of cheques is stupid and uncalled for and I hope that this liquidity that is coming in will help them.

Sir, before closing, I have no real interest in Barbados Sugar Factories Limited in that my plantation is leased. I believe that somewhere along the line I will have to declare an interest. However, I do not deal with them and have never dealt with them.

Thank you, Sir,

Mr. PRESIDENT: Senator Clarke.

SENATOR Miss J. CLARKE: Mr. President, I would like to rise to support this Resolution, and in the process I would just like to make a very small contribution.

I think that the sugar industry is very critical to the economy of our country. I think, too, that for too long the industry has been the whipping-boy for a number of people. We all know that the sugar industry is subject to cyclical ups and downs, and I would like to suggest that it may be going through a very deep recession at the present time, but, inevitably, it will rise again.

As I see it, the industry, supported by the Government, is making a very serious attempt to rationalise and improve its operations. I think this is a very sensible approach and it is very necessary.

I support and endorse most of the contribution made by my good friend on my right, Senator Howell, and I, too, would like to make an observation with regard to the foreign exchange earnings derived from the sugar industry.

As I understand it, the sugar industry, like no other industry, brings in a greater share of the cake in the sense that the foreign exchange earnings on each dollar earned by the sugar industry carries a very much higher proportion than other industries since it is truly a local industry, and, but for the importation of machinery, there is really no significant loss. So this alone is of particular interest to us. There is also, of course, the fact that it is a generator of employment, and a very important contribution is made in this area.

I think, therefore, that we as citizens of this country must do our duty by this very vital sector of our economy, and I support, wholeheartedly, the effort which the Government is making to enhance the chances of success to the industry both now and in the future.

I think that the Government has a duty to this country and its people to ensure that this very vital sector is resuscitated with all speed.

I have no hesitation whatever in supporting this Resolution.

Mr. PRESIDENT: Senator Hall.

SENATOR W. W. HALL: Mr. President, I am aware that the eloquent and searching content of Senator Greaves', my colleague, contribution would have caused Senator Ward to walk a tight rope, but I must confess, as Senator Seale said, he did quite well.

Sir, I had no intention of entering the debate, but there have been some statements made which would cause me, Sir, to ask some questions, and I am quite sure that when the Minister replies he would be in a position to let all of us know what the real situation is.

Now, Senator Ward said that the foundation cost some extra money. But the question is, "Who selected

the site?" If proper surveys were done, and proper studies, they would have known the true position. That would not have been an after thought, Sir, people would have known what the situation was.

We have to find out a few things. I know that you lick the noise thing, it is now under control. What I would like to know is what did those silencers cost? Let us ask the Minister, Sir, to give us some information about that and I think we will be happy.

Sir, Senator Greaves said that the projection was \$18 million and it cost \$33 million. Senator Ward said, "No, he is wrong about that. The projection of \$20 million is right but \$33 million is wrong, it cost \$27 million."

But he did go on to say that equipment from Vaucluse and Porters was not included. So it seems to me, Sir, that Senator Greaves might well have been right with his \$33 million. He made the mark with his \$33 million, because Senator Ward did not say what the equipment cost.

I think Senator Rouse, alluded to the fact that Lower Estate is in St. George and he talked about small farmers. Very congratulatory. I give him bouquets for that. He seems to have forgotten that Bulkeley is in St. George and, what is more, I do not know if he is criticising his Government for closing down two factories in the north and building Portvale. If that is so, we can ask him to be a little bit more explanatory, but I do not see any big thing about Lower Estate — not if we have Bulkeley. But then we all have our contributions to make, and, perhaps, one should not be too critical even if what is said happens to be monumental nonsense.

Sir, this dust control. I would like to ask the Minister what measures the Government is taking, bearing in mind that in two weeks' time Barbados will be having a national Safety and Health Week. I would just like to know, Sir, what measures are being taken with dust control.

Sir, there is one other thing I would like to ask the Minister. I took a few notes here. He did say that by 1985 Government proposes to have something like 150 tonnes of cane.....

Mr. PRESIDENT: Thousand.

SENATOR W. W. HALL: Pardon, Sir.

Mr. PRESIDENT: Thousand.

SENATOR W. W. HALL: Thousand. I am so sorry, Sir, thanks for your correction. One hundred and fifty thousand tonnes, Sir.

Now, Sir, in light of the Government's diversification programme, I would like to know if he seriously means that in 1985 or even ever. I think that is something for us to think about.

Now, Senator Seale said that he was disappointed that Her Majesty the Queen's Loyal Opposition seems to have Well, I think he alluded to the fact that we seem to have.....

ASIDE.

SENATOR W. W. HALL: Yes. The management of the Sugar Factories, all honourable men, Sir, he seemed to be a little upset that the Opposition had criticised them. But, Sir, the honourable Minister today said that Government is not satisfied with Sugar Factories Limited. That is what the Minister said. The Opposition did not say that. Government is not satisfied and they would have to employ a certified Financial Controller, if the Government is really going to take any notice. They have to do that, Sir. The Government has said so.

The Opposition is here to oppose, and to do so effectively, I believe that we all have a contribution to make, and when we come in here, Sir, we realise that we are only two. Nineteen to two, Sir, is a hard thing, and I figure, Sir, that no one should really criticise the Opposition, Sir for making a valid contribution and criticising where it is due.

Senator Seale would know that he more than any one has told the management of the sugar industry that they are old-fashioned, nearly obsolete. He has done it, Sir, he has told them — I mean, with justification — and has proposed some sweeping changes, even, Sir, to the extent of air conditioning tractors. And, Sir, that is a revolutionary idea befitting a man of his age and ability in business, Sir. People would not like it. They never like the youngsters who get ahead.

So, Sir, it is rather strange to hear Senator Seale alluding to the fact that Senator Greaves said, "All is not well in the state of Denmark", as a sweeping criticism, because Senator Greaves had heard the honourable Minister, in his introductory remarks, say that Government is not satisfied with the Sugar Factories Limited. On that alone, one could say that all is not well in the state of Denmark.

ASIDE.

SENATOR W. W. HALL: Oh yes, I have already alluded to the fact that Senator Seale had dropped lashes in them earlier on, and we did not quarrel, we did not really say that he was wrong.

And so it is rather strange to hear Senator Seale say that he is disappointed in Her Majesty's Loyal Opposition.

ASIDE.

SENATOR W. W. HALL: No, I would not say that. What I would say is that the Opposition, as I have already said, is here to oppose and we feel that when we have to oppose, we will do so — and do so to the best of our ability.

So, Sir, even though I did not wish at this stage to enter the debate, I hope that the Minister, in replying, would be in a position to let us know exactly what the position is and, perhaps, allay the fears of many people in Barbados when thinking about the sugar industry, Sir.

Mr. PRESIDENT: Senator Jones.

SENATOR CANON I. McK. JONES: Well, Mr. President, I only have a very small contribution to make.

The first thing is that I heard my friend Senator Hall over there saying that the Opposition only has two members as against nineteen. I would like to remind him that they only have two members because their party wanted two members of the Opposition, but they were offered

(Laughter)

SENATOR CANON I. McK. JONES: they were offered, as far as I recollect, four members this time — and they refused. So I do not see that we should sympathise with them in relation to that.

To come to the question that we are discussing now, it would seem to me that whatever may be said about the Barbados Sugar Factories Limited, and the fact that it was alluded to that the Minister of State said that they were not satisfied with what they had done, the fact still remains that the people who comprise the directorship of the Barbados Sugar Factories Limited are people who have spent nearly all their lives in agriculture, they have an expertise that I do not think any one of us in here in this Honourable Chamber has, and it would seem to me that if after careful study they have come up with this idea that Portvale would be a much better bargain than to go ahead with Lower Estate, or Vacluse, or Porters, or whatever, that they must have come to that decision after very careful thought.

As Senator Ward pointed out, in these days of inflation and in this day of recession we must expect to have cost overruns, and this goes for anything that you are doing today.

I would like to feel that when we come in this Chamber and we are talking about sugar, we should realise that sugar is vital to our economy. We cannot do without it, not for the foreseeable future, and it seems to me that we should not be trying to make sugar a political football; we should be looking at it as something that is good for every citizen in this country.

It is my personal view that if sugar fails we will all fail with it, so I am very pleased to support this Resolution and I hope that we will all be able to see the wisdom of what we have done in the not too distant future.

Thank you, Mr. President.

SENATOR THE HON. O'B. TROTMAN: Mr. President, I just want to reply to one or two points raised by the other side.

Senator Hall sought to raise the question of noise control and smoke control at Portvale. As I understand it, Portvale has the noise levels down and the smoke control will be under operation by next crop, and there should not be any smoking out of residents in hotels in St. James during the next harvesting season. The machinery is being installed at this time and it should be quite ready by the next crop, so that should not be any problem for the people who have to live around Portvale.

Senator Greaves, notwithstanding my assurances, sought to give the impression that the taxpayers of Barbados will be asked to pay some bad debt. Let me reassure him, Sir, that, first of all, the Government agrees with him that the sugar industry is the lifeblood of Barbados and we have to do something about rescuing it. I hope he does not, on another occasion, forget that and seek to run down the industry.

The Government has given some thought to this matter and we are quite confident that the loan which we are seeking to guarantee is a proper investment. It will allow the sugar industry to get off the ground properly again, and we have absolutely no doubt as to whether or not there will be any problem. We do not believe there is going to be any problem, there is nothing to suggest that Barbados Sugar Factories Limited will be in any difficulty to repay the Bank.

The low crop during 1982 obviously related to the crop of last year, which only gave us just under 90,000 tonnes and with the early finish of this year's crop, and early preparation for next year, provided the crop starts early, that is, some time in January, there is no doubt that we can begin to build back up the high tonnage to which we were accustomed.

The question of 150,000 tonnes is not just imagination. Two years ago we were able to raise 135,000 tonnes

and we believe that with some effort for higher production, some effort to bring marginal lands into production, we can reach 150,000 tonnes in 1985. So it is not just a matter of moving from 88,000 tonnes to 150,000 tonnes, but in fact getting back from 135 000 tonnes, where we were two years ago, to 150,000 tonnes, and we believe that that will make quite a difference to the sugar industry in Barbados in terms of its capacity to earn foreign exchange.

The question that the Senate concur in this Resolution was put to the Senate and agreed to.

RESOLUTION TO APPROVE THE GUARANTEE BY
GOVERNMENT OF THE BORROWING OF
\$17 MILLION BY THE ISSUE OF SUGAR
INDUSTRY BONDS BY BARBADOS
SUGAR FACTORIES LIMITED

Order No. 5 was called — To move the passing of the Resolution to approve the guarantee by Government for the borrowing of \$17 000 000 by the issue of Sugar Industry Bonds by Barbados Sugar Factories Limited.

SENATOR THE HON. O'B. TROTMAN: A few weeks ago, Sir, the Senate passed a Bill to provide for the establishment of a fund to support the price of sugar and for related matters.

In section 5 of that Act, it is provided that the Minister may, with the approval of Parliament, guarantee in such manner and with such terms and conditions as the Minister thinks fit, the payment of the principal and of interest necessary for the redemption of any bonds issued under the Act.

The Resolution therefore seeks to enable that provision of the Act, which we passed a few weeks ago. In this case, the Sugar Factories Limited will be issuing bonds to the tune of \$17 million, and Parliament is being asked to guarantee the bonds.

To go back to the point of sugar again, Sir, I want to restate what is Government's firm conviction on the question of sugar, and even though the Sugar Factories Limited at present needs some refinancing to pay growers and keep themselves afloat, the Government is very convinced that with the increase in sugar, which comes traditionally in cycles every five or seven years, when there is a resurgence in the price of sugar, because of world market positions, Sugar Factories Limited will be in no danger in terms of their financial position.

The sugar industry in Barbados has had some setbacks, and it is necessary to protect it, because at present the sugar industry employs about 7 000 people directly, and if one considers the fact that there are so many spinoffs from the sugar factories and the sugar fields as well, one will see that unless Sugar Factories

Limited is properly financed, unless the sugar industry in Barbados is in a position to keep itself afloat, that a collapse of the sugar industry would cause irreparable harm to this country. There are businesses in Bridgetown which would just go under overnight if the sugar industry were seriously affected. Not only 7 000 people, Sir, but, otherwise several thousand people would be adversely affected.

The Government is at present giving some consideration to measures to encourage the reaping of canes green, because it is quite clear that the cane fires are the biggest nuisances as far as the sugar industry is concerned. Not only do they destroy the present crop, but it is quite clear that untold damage is done to the ratoons of the following years.

At present Government is having some consultation with the industry and I believe that the workers' organisations are involved in this matter as well. Should those consultations bear fruit, we would expect that in future years there will be fewer cane fires, the productivity of our sugar cane lands would be higher and the Sugar Factories Limited and the Sugar Producers Association would have no difficulty in meeting their commitments.

I beg to move that the Resolution do now pass.

Mr. PRESIDENT: Senator Greaves.

SENATOR E. E. GREAVES: Mr. President, this Resolution has to do with the issue of bonds for the purpose of financing the Sugar Support Price Fund which shall be used to finance its operations in the processing of sugar cane and to make loans to sugar cane growers.

Sir, I would like to address the Senate's attention to a matter which I did not want to raise under my previous contribution since that was to do directly with the construction of Portvale Factory. I want to address my remarks to the question of working conditions in the sugar industry both in the factory and in the field, and particularly, Sir, in light of the fact that the bonds which are being raised are to finance the operations in the processing of sugar canes, which are the factories, and to make loans to the sugar growers, which relates to those people who grow sugar canes. This is even more pointing since Senator Trotman in his introduction indicated that the industry employs over 7 000 people, a significant number of the labour force.

I am glad, Sir, as I said in my previous contribution, that Senator Ward is here, and I do not believe that the sugar industry could have chosen a better representative.

I have had the honour of sitting around the table with Senator Ward representing the Sugar Producers

Federation at one time. I believe it was 1968 or 1969 when we first met, when he was at that time, I believe, the President of the Sugar Producers Federation, leading the delegation, when the Sugar Producers made a proposal that we should burn canes in Barbados, and he has continued to be on delegations from time to time.

So I believe that he would be able to reflect the views which are expressed in here to his colleagues and certainly would be able to give us of his knowledge in this particular area.

I want to say, Sir, that working conditions in the sugar industry, despite the efforts of the Barbados Workers' Union and the fact that we have been constantly drawing attention to this, are still not up to standard, and I think that we have got to continue to keep these matters on the agenda for the Sugar Producers to recognise that we are serious about this.

It is no mean sport, Sir, sitting down to negotiate with the Sugar Producers, no mean sport at all. I certainly would not want to really say some of the things that I would like to say about some attitudes which are displayed by some people who are involved in the production of sugar at the plantation level and at the managerial level. I would like to think, Sir, that that kind of attitude has now outgrown the industry and that an enlightened management and new management concepts and techniques have taken over, and we would therefore see some new approach to this.

But the question, to be more direct, of working conditions in the sugar industry, is one which is of some concern to the organisation with which I work. We are concerned, for example, about the level of noise which exist in our sugar factories.

I am sure Mr. President, in your profession you will recognise this, and all of us would recognise the very serious effects which constant exposure to noise levels above a certain acceptable level can have on the ability of those persons who are exposed to be able to use that particular sense after a period of time.

I am saying, Sir, that the only problem, Sir, is

(Asides).

SENATOR E. E. GREAVES: You have not been exposed to it for a long enough period. Maybe if you get into one of my four hour speeches, then you might have a problem.

I am saying, Sir, if one were to carry out a survey amongst people who have been working in sugar factories constantly for a period of 10 or 15 years, I venture to

suggest that you will find that a lot of them will have defective ears. I venture to suggest that.

But you see, the problem that we have in Barbados is that people do not want to sit down and face up to problems as long, of course, as certain people are not affected. The time, however, is coming when these matters will have to be faced very squarely.

I would like to think, Mr. President, that some serious attention will be addressed to this particular problem of noise in our sugar factories.

The other factor which I would want to draw attention to is the question of dust and the problem of dust in the sugar factories themselves.

Senator Hall, I believe, raised the general question of the fall out of dust from Portvale Factory, but I would raise it now in connection with all of the factories in Barbados as they affect the environment and, also, as the fall out of dust affect those workers who are employed in our sugar factories.

I am saying that we ought to be paying, and certainly the sugar industry ought to be paying very close attention to this area.

I want to say that, certainly from the Barbados Workers' Union point of view, we are not sitting on our laurels. We are not sitting down and expecting miracles to happen.

We are involved in a programme which is designed to make workers and our delegates at sugar factories, in the fields and in every area of occupation in Barbados, acquainted with the hazards which are very evident in every area of occupation in Barbados. To this extent, we have been able to secure the services of an expert from the International Labour Organisation who is working on a two year project developing and sensitizing workers towards this particular issue.

I am aware, Sir, that the Government of Barbados, as Senator Trotman will probably indicate, has been able to get the International Labour Organisation to agree to a mission to Barbados to look at this whole area of occupational safety and health.

But we want to be able to go further than this — we want to reach the stage of implementation, and if we are going to be able to reach that particular stage, then I am saying that management in the sugar industry, since we are dealing with the sugar industry, ought to become conscious of the need in this particular area and to adopt an attitude different from the one which they have displayed in the past.

The third matter relating to this question of work that is relevant to people who are working in factories has to do with the facilities which exist at the sugar factories in Barbados — and these are minimal. In some factories, I daresay that they can be described as approaching the appalling.

Again, I would hope that Senator Ward, as a Director of Sugar Factories Limited, would be able to use his influence to encourage Sugar Factories Limited, and certainly since the Government now has directors on the Board of Directors that they would be able to accede to the presentations which have been made constantly by the Barbados Workers' Union to upgrade the facilities for the workers in these factories.

Moving on to the field operations, Sir, you would probably have heard me refer to this question of safety and health of workers in Barbados and, of course, in the sugar industry.

I understand, it is true I was not here, that some time recently there was the death of a tractor operator. I am not too sure if the chap was a sugar worker or not. I have not been able to get the information on that, but I think that it is time that some thought be given to the safety of those people who operate tractors. We have to sit down and pay some attention to that, get our minds together and see how we can make tractor operation safer in this country.

For the past ten years I believe, almost every year you have had at least one death of a tractor operator. I think this points to something and we have to be able to sit down and revise a strategy. Is it that the tractor is unsafe? Is it that they are called upon to pull too much weight? Is it that the persons who are put to drive tractors are not properly instructed in the use and the way to drive the tractor? Is it that the terrain is not suitable for tractor operations? All these are things which we ought to be looking at, and I am raising this question out of a genuine concern for the safety of those people in that area.

Added to this, Mr. President, is the question of the use of various sprays and the fact that people are often given sprays — I am constantly on this — to use which are injurious to their health and about which they, themselves, might not even be aware of the extent they are exposing themselves to danger. But they have to earn a bread and their attitude might very well be that this is the only way that they can get a break.

Again, Sir, I would think that with what we are doing you will see a new awareness on the part of workers in this particular area, and I am only issuing a warning to the management that they have got to get in tune

with the times, get in step and do not be left behind. I cannot be more charitable than that. After all, I am giving management an idea as to what will be happening. Get in line with what is happening and update your facilities, making better provision for workers.

One which has been of some bother to the Barbados Workers' Union, and which we have raised over and over again, is the question of facilities in the field operations. This is a glaring omission on the part of management, and in spite of the fact that we have raised this, and in spite of the fact that management has agreed in principle — not, of course, easily, it was by no means an easy thing — usually one would find that there is a grace period, but we think that management in the sugar industry is really dragging its feet on this vital issue of providing facilities, whether such facilities are movable toilets for workers in the field, or facilities for changing, for washing and having lunch at lunch time, or for shelter when the rain comes down. We believe that workers in the sugar industry deserve this kind of consideration.

If we are going to be talking, as Senator Trotman has said and as I have said, about sugar being the life blood of this economy and sugar being important, where the Government is guaranteeing so many millions of dollars for the sugar industry, are we therefore concerned about the workers in the industry?

Do we realise that without the workers there could be no sugar industry, because with all the talk of mechanisation, there can only be limited mechanisation in Barbados, so in the final analysis, it will still come back to the workers who are involved at the field level and at the factory level, and I am making an earnest plea for a change of heart and a change of attitude. Let us get a new approach, a 20th century approach towards working conditions in the sugar industry, and I would hope, Sir, that next year I would not have to be making such a passionate plea for those workers in the sugar industry.

I am doing it now, Sir, because I recognise that we have one of the leading lights in the sugar industry sitting right next to me and I am sure he will be able to take the message back and we will see a change. But it is a very serious problem and I would hope that my words will not fall on deaf ears.

Thank you.

Mr. PRESIDENT: Senator Simmons.

SENATOR D. A. C. SIMMONS: Mr. President, just a short contribution in reply to the last speaker. If I were a disc jockey, I would describe his contribution as "a revived 45". I have heard it several times already. Mr. President, though I do share some empathy with what

was said by Senator Greaves, not necessarily at the level and pitch of his voice, having regard to his comments on noise, I am a little bit concerned — and I am not really questioning it, the bona fides of Senator Greaves — but hearing the pleas that he was making, I am concerned as to the genuineness of not only what he has been saying, but what has been put out in the Press in the last few weeks.

As I understand it, Sir, the Minister responsible for Labour has recently made it public knowledge that there will be a new Factories Act on the Statute Books early in 1983, and that one of the reasons why the Factories Act has not yet been before these two Houses is that the Bill has been with the unions for a long time — awaiting the input of the unions.

(Senator E. E. GREAVES rose.)

SENATOR D. A. C. SIMMONS: The first thing is that it was laid yesterday.

SENATOR E. E. GREAVES: Mr.

Mr. PRESIDENT: We cannot have two Senators on their feet. Just a minute. Do not be in such a hurry. Are you giving way to him? Do you want a point of elucidation?

SENATOR E. E. GREAVES: Yes, Sir.

Mr. PRESIDENT: Do not make another Second Reading speech.

SENATOR E. E. GREAVES: I certainly would not. I just want to respond to the charge, which was made by Senator Simmons, about the Factories Bill being before the unions.

The Barbados Workers' Union responded to the first draft of the Factories Bill which was sent to it in 1980. This is a matter of record, and, as a matter of fact, a number of the proposals which were made by the Barbados Workers' Union were incorporated in the Bill which was debated in the Lower Chamber in about April or May, 1981.

The Barbados Workers' Union has not received any subsequent indication or copy of the new Bill. I understand that a new Bill has come out — it has not been sent to the Barbados Workers' Union, and which we do not know anything at all about.

So to say that it was before the unions — I mean I do not see, if you were to read the Bill, that it has nothing to do with the teachers unions or any of the other unions in Barbados — so to say that would be, in my view, misleading.

SENATOR D. A. C. SIMMONS: Mr. President, I am instructed by Mr. Clerk that the new Factories Act or Bill was laid yesterday in the Lower House.

The point I am making is that the contribution of Senator Greaves, at the level of an improvement in the conditions of sugar workers in the factories, that contribution, in my view, Sir, would have had ample scope for expression before a Factories Bill was ever laid in this House, if the process of consultation that we were told by the Minister had in fact been gone through. That is why I was careful to say that I am not going to question the genuineness of Senator Greaves.

But assuming that the union had been consulted, even as recently as 1980, none of the matters that Senator Greaves has mentioned noise and dust and so on — none of those matters is new phenomena. They would have been present in the minds of the union in 1980 and for many years.....

(SENATOR GREAVES: And before 1976.)

SENATOR D. A. C. SIMMONS:.... and I would have hoped — and before 1976 — that they would have made their input into the new Factories Bill, because I would hope that new factories legislation would take account of these matters, as I feel the legislation would do, when we do in fact see it.

So, to that extent, there is no necessity to hive off a sugar factory as different from any other factory, no real necessity, because all factories will be governed by a general set of rules. When we see the Factories Bill, Sir, perhaps, we would give that some more study, and if it is lacking in these areas, I am sure that Senator Greaves has it in his competence and within the province of the union to bring in some amendments about dust — Mr. Maurice King could draft them — and then he can play another 45, Sir.

As to the safety of tractor operators, Sir, I believe Senator Greaves may have been out of the island. There was recently a case of a tractor driver getting killed, and the same Minister of Labour made a public statement that he was very concerned at the level of deaths on tractors and was planning to do something positive about it. Whether it is covered in the Factories Bill or not, I cannot say.

But I do not know, as a lawyer, to what extent one can legislate for the operation of a tractor. It is very much like legislating for me driving my car, or for the operation of a motor car. You have general rules. Usually, there is some element of negligence on the part of the operator of the machine — I am not talking about in a factory — in respect of a motor car or tractors, that leads to disaster.

(ASIDE: Or fault of the machine.)

SENATOR D. A. C. SIMMONS: If the machinery is faulty, well, then the blame has to be apportioned at the point of ownership, and there is insurance to deal with that.

One will want, of course, to eliminate as far as possible mechanical failure and defects, but, apart from that, a lot of injury is caused by the management of the machinery by the persons who are in control of that machinery, Sir.

So I think, Sir, that although there is not one of us around this table who would wish to deny the sugar workers a better deal and improvement in their conditions — I believe that many of Senator Greaves' comments are well taken and accepted throughout the sugar industry by management of the sugar industry — they are known, Sir, and they will be dealt with, Sir — I do not believe, as Senator Greaves tried to allude, that in 1982 management in the sugar industry is inhumane or insensitive to human needs perhaps as management was in the 1920s and the 1930s. Certainly, not in 1982, Sir.

Perhaps the reason for this is in the organisation to which Senator Greaves belongs and is such a prominent figure, the effect of the Barbados Workers' Union, in particular, on the economic life and the industrial life of this country, and especially starting as it did with its major thrust in the sugar industry, has been responsible for a lot of changes in attitude.

But I would believe, Sir, that his concern about noise and dust and minimal facilities in factories, the three main things that he has been talking about, Sir, will be adequately dealt with in the Factories Act. If not, and I am disappointed, Sir, I will join hands and help them draft some amendments and move them in here myself.

I am obliged to Your Honour.

Mr. PRESIDENT: Senator Ward.

SENATOR L. A. WARD: Thank you, Mr. President. I just would like to make, Sir, some comments on what Senator Greaves said, Sir.

I did not hold the exalted post, Sir, of President of the Association or of the Sugar Producers' Federation. I was a member of the team which negotiated with the Barbados Workers' Union, represented by Senator Greaves.

But, Sir, on the question of cane fires and our request to allow us to do controlled burning in Barbados,

the reason why the sugar producers made this request was that at the time the island was faced with huge fires. Sometimes, practically an entire estate was burnt out at one time, and in our anxiety to be able to minimise the losses that we were having in the sugar industry — I know the estate for which I was responsible had a cane fire one Sunday and we lost 304 acres, which was practically the entire sugar crop in one fire; it started above our estate, Frere Pilgrim, and when it got to Staple Grove it took up practically the whole width of Staple Grove and we lost 304 acres of cane — in our anxiety to try and minimise the losses the island was having at that time, we thought we would request the Government to give us permission to control, burn areas of cane which could be reaped within a day or two, and so minimise the loss of having hundreds of acres burnt that we could not harvest successfully.

That was the reason why the request was made, and the request was granted, but after experience — we had no experience of controlled burning in Barbados — we found that the island's production was falling due to the loss of the cane trash, mulch that conserves the moisture, and the benefit that it would be as a fertiliser also to the plants.

It was decided under the Democratic Labour Party, which formed the Government at the time, and Mr. Morrison was the Minister of Agriculture at that point in time. I think the sugar industry in Barbados will be eternally grateful to Mr. Morrison for the effort that he made to get the people to go back to cutting green cane. It was unbelievable the response that the Minister got from labour. We had in the following year very much less fires than we had before we began controlled burning.

The other points raised by Senator Greaves, I will convey his concern and his advice to the Council of the Sugar Producers Association and the Federation. I am not now a member of either organisation, but I will see that his advice is conveyed to the two organisations.

As regards the Factories Act, I think that Senator Simmons has dealt with that effectively. I, myself must admit that I have an impairment in my hearing also, and I am a member of the sugar industry, so it may be due to that.

There is one other thing I would like to say, and that is on the question of the death of tractor drivers in this island. This is of great concern to us all. We have to send our tractors for inspection each year and I doubt that they are passed by the authorities when they are not in good working condition. They are given to the people.

Whether more can be done to safeguard the drivers of these machines, I do not know. They are talked to by management, but, human nature being what it is, often

some of these tractor drivers are youngsters and they have a tendency, I believe, maybe to show off, as all of us as youngsters may have had.

The tractor accident that has been referred to in this Honourable Chamber this afternoon took place at the estate for which I am responsible. The tractor driver was no boy, he was about 48 years old, quite a very experienced tractor driver and a very good tractor operator.

Certain remarks made by Senator L.A. WARD were ordered by Mr. PRESIDENT to be expunged from the record at this stage.

SENATOR THE HON. O'B. TROTMAN: Mr. President, I have to divide Senator Greaves into Senator Greaves of the Dems and Senator Greaves of the BWU for a little bit.

As far as the Union is concerned, Sir, Senator Simmons made a point that he is really pushing an open door as far as occupational safety is concerned, because the Ministry of Labour is as concerned about safety in the work place as the Barbados Workers' Union, so there is really no need at present for any shouting and screaming about safety in the work place.

I know that at present efforts are being made to introduce what they call "roll over bars" on tractors, and quite frankly, I do not know why it has taken so long to have that implemented, because when I used to be in the same business as Senator Greaves many years ago, I happened to know that it was compulsory in certain European countries for tractor operators to have roll over bars. It is against the law for an employer to have a tractor without a roll over bar, it is against the law for an operator to operate a tractor without a roll over bar, and we are taking too much time on these matters. We are as anxious to have this done as the union is.

There is obviously a need to educate workers in this country on occupational safety. I well remember that when I used to visit St. Andrew as a unionist, there used to be constant complaints about workers and management on the question of sprays. Senator Greaves mentioned sprays.

The management has as much possible trouble as you could imagine trying to get the people to use protective clothing, but I always believe that it had to do with the way the question of occupational safety was put over to them. I believe that workers objected not so much to the wearing of protective clothing, including masks and gloves, as against being told, "If you do not put on a mask, you cannot work."

I believe that if a more enlightened approach was taken at some of these places and workers were properly

educated as to why one must wear a mask, and why one must wear gloves when dealing with particular herbicides, I believe that the workers would co-operate more and pay more attention to occupational safety.

But if managers, with all of the best intentions, hope to force workers into safe work practices, and it is not seen in that way by the workers, the workers will resist; and then one would hear complaints that the workers do not make the best use of protective clothing by the employers.

We do not have any particular quarrel with the Barbados Workers' Union in terms of occupational safety.

Senator Greaves also spoke about the cane burning. When I first heard of controlled burning being introduced into Barbados and I raised my voice against it, the Government of the day had so confused everybody in the Ministry of Agriculture that an agronomist actually asked me where I learnt agriculture, because the burning of sugar cane fields cannot affect the following year's crop.

And without claiming to be an agricultural scientist, Sir, I can only say that, having been living most of my adult life in an agricultural area, even if I were blind in one eye and could not see out of the other one, I could not help noticing the fact that the ratoons from a burnt field of canes are not as good as the ratoons from a field of canes that were cut green — and one does not have to be any scientist to sort that out.

Sir, the whole idea of control burning, whoever thought about it, we have to condemn it, Sir, we have to condemn it an ill-conceived scheme by people who did not give any great thought to the problem and endorsed by a bad Government, which was taken care of eventually. A bad decision is a bad decision, whether it starts with the Sugar Producers or whether it is confirmed by the Democratic Labour Party. It was always stupid, and we are suffering as a result of their stupidity, Sir.

Mr. PRESIDENT: Just before I put the question I have, as a matter of caution, as I do not know if any legal proceedings are pending or if even a Coroner's Report is pending, I have instructed the Reporter to delete the references to the case, and I instruct the Press to do the same thing.

The question that the Senate concur in the Resolution was put and agreed to.

INCOME TAX (AMENDMENT) (NO. 2) ACT, 1982

Order No. 6 was called — To move the First Reading of a Bill to amend the Income Tax Act, Cap. 73.

SENATOR THE HON. O'BRIEN TROTMAN: Mr. President, Sir, when the Government agreed to support the issuing of bonds by Sugar Factories Limited, it was agreed then that the interest on the bonds should be free of Income Tax. However, there seem to be some doubt as to whether that point is clearly made in the law or not. It is therefore in the interest of clarity and interpretation that we seek to amend the Income Tax Act in this respect.

The Income Tax Act, in Section 9, makes provision for exemption from Income Tax, and the section which is being replaced, Section (j), has to do with bonds. What is being done, Sir, is that the present Section (j) is being deleted and a new Section (j) which makes it clear that Sugar Industry Bonds are included, is to replace the present Section (j).

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

The question was put to the Senate and agreed to.

Mr. PRESIDENT: As this Bill has been certified from the Other Place, by His Honour, the Speaker, as a Money Bill, the Minister wishes to invoke Standing Order 59 so that the Bill may not be committed.

SUSPENSION OF STANDING ORDERS

SENATOR THE HON. O'BRIEN TROTMAN: I beg to move that Standing Order 59 be suspended.

The question that the Bill be not committed was put to the Senate and agreed to.

On separate motions of Senator the Hon. O'BRIEN TROTMAN, the Bill was read a third time and passed.

ADJOURNMENT

SENATOR THE HON. O'BRIEN TROTMAN: Mr. President, I beg to move that the Senate do now adjourn until next Wednesday, November 10, at 11.00 a.m.

(Asides).

After consultation I wish to amend my motion for adjournment to be November 17, which would be two weeks tomorrow, instead of November, 10.

The question was put to the Senate and agreed to and Mr. PRESIDENT adjourned the Senate accordingly.
4.30 p.m.

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SPEAKERS IN THIS ISSUE

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CLARKE, Miss J.

GREAVES, E. E.

GRIFFITH, C. A.

HALL, W. W.

HOWELL, St.C. E.

JONES, Rev. Canon I. McK.

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