

THE SENATE DEBATES

(OFFICIAL REPORT)

FIRST SESSION 1981 – 86

THE SENATE

Wednesday, January 26, 1983

The Senate met in the Senate Chamber, Public Buildings on Wednesday, January 26, 1983, at 11.15 a.m.

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. N. A. Barrow, (Minister of Information and Culture) (Leader of the Senate)

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

Senator H. R. Linton

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

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

Senator J. E. D. Williams ✓

Senator D. A. C. Simmons ✓

Senator Miss J. Clarke ✓

Senator A. P. L. Reece

Senator St. C. E. Howell ✓

Senator Mrs. M. O. Reece ✓

Senator E. E. Greaves

Senator W. W. Hall

Senator A. W. A. McClean

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

Senator the Rev. Can.I. McK. Jones

Senator K. A. Rouse

Senator L. A. Ward.

Prayers were read by Dr. the Rev. Lionel Crawford.

ABSENT

Senator C. D. Seale.

PRESENTATION OF PAPERS

SENATOR THE HON. N. A. BARROW: Mr. President, I have the honour to present the following:

The Annual Report of the National Training Board for the year April, 1981 – March, 1982.

The Civil Establishment (General) (Amendment) Order, 1982.

The Barbados Citizenship (Amendment) (No. 2) Regulations, 1982.

The Immigration (Forms and Fees) (Amendment) (No. 2) Regulations, 1982.

The Passports and Travel Documents (Fees) (No. 2) Order, 1982.

The National Petroleum Corporation (Supply of Natural Gas) Regulations, 1982.

Statements showing sums advanced to the Postmaster General for the payment of Money Orders for the months of August, September and October, 1982.

The National Insurance and Social Security (Non-Contributory Old Age Pensions) (Amendment) Regulations, 1983.

The Road Traffic (Road Tax, Registration Fee and Permits) (Amendment) Order, 1983.

The Customs Tariff (Amendment) (No. 6) Order, 1982.

The Annual Reports of the Parks and Beaches Commission for the years 1978–79 and 1979–80.

The Annual Report of the Commissioner of Police for the year 1981.

INTRODUCTION OF BILLS

SENATOR THE HON. N. A. BARROW: Mr. President, we have a number of Items, from No. 5 to 12, for which notice was given by way of the Order Paper. But of these, Order No. 5, a Bill to provide for the imposition of a tax on the assets of a bank and for related matters; Order No. 8, a Bill to amend the Stamp Duty Act, Cap. 91; Order No. 9, a Bill to reform the law relating to Abortion are Bills which need to be read a first time, and I accordingly move, Sir, that these Bills be read a first time.

11.25 a.m.

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

MOTION RELATING TO BUSINESS OF SENATE

SENATOR THE HON. N. A. BARROW: Mr. President, in relation to the order of business for the day, we are still awaiting the resolution of certain amendments, before we deal with the Bill to revise and consolidate the law relating to Factories and I expect that probably in about two weeks' time we should be ready to proceed with that.

In relation to the other matters, a Bill to provide for the imposition of a tax on the assets of a bank and for related matters is a matter of the greatest urgency, and members have already been asked to agree to taking it through all its stages today, and I propose to deal with that as the first order of the day. The second order of the day appears as Order No. 2 on the Order Paper, a Bill to Amend the Marriage Act. I should wish to take care of those in that order and then Senator Griffith will deal with Orders Nos. 3 and 4. So Order No. 5 should be the first order of the day and then Orders 2, 3 and 4 in that order. We may be in a position to proceed with a number of the Resolution which have already been circulated if the necessary information gets here in time.

Sir, in order to facilitate dealing with Orders Nos. 2 and 5 in all their stages, I beg to move that Standing Order No. 45(2) be suspended for the day's sitting.

The question that Standing Order No. 45(2) be suspended for the remainder of the day's sitting, was put to the Senate and agreed to.

PUBLIC BUSINESS

THE BANKS (TAX ON ASSETS) ACT, 1983.

Order No. 5 was called. To move the Second Reading of a Bill to provide for the imposition of a tax on the assets of a bank and for related matters.

SENATOR THE HON. N. A. BARROW: Mr. President, this, and the other Bill, indeed, represents a budgetary matter relating to the 1982 Budgetary Proposals. The Minister of Finance and Planning indicated that he would impose a tax on the assets of all commercial banks at the rate of one-fifth of one percent. The tax is to be charged annually on the total assets of a particular bank in respect of the previous calendar year.

The Commissioner of Inland Revenue will administer this tax, which will be determined by the Central Bank in accordance with a particular formula. The formula is arrived at by taking the assets over the year at the end of each month and adding them up, subtracting the net foreign liabilities from the assets, and then dividing by twelve in order to come to the correct figure. The tax is then levied on that figure.

For the calendar year 1981, the tax is payable no later than 1st February, 1983, hence our need to deal with this matter today. In subsequent years, the tax will be payable on the 1st July following the calendar year.

The value of the tax as calculated is something of the order of \$1 865 000 for 1981, rising to \$2 057 000 for 1982. That, Sir, is the information which relates directly to this tax.

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

SENATOR A. W. A. McCLEAN: Mr. President, I rise to support this particular Bill, but I would like to direct attention to one or two areas which could possibly create certain possibilities for tax evasion, and that is the area of the determination of net foreign liabilities.

You know that some of the banks that we have here are branches of foreign institutions and they do have some flexibility in costing their inter-action with those institutions and so on, and it is not entirely impossible that such foreign banks can contrive by such arrangements to modify their balance sheet in such a way as to suggest that their foreign liabilities are higher than they would normally have represented them if such a tax did not exist.

I would expect that the Central Bank would be on the alert for any new practices which might develop in this regard, and take the necessary corrective action if it should prove to be a significant problem as far as evasion is concerned.

I think we should also note that this tax is going to create a situation in which the commercial banks are going to strive to increase the gap between the deposit and loan rates, because it is by virtue of the gap between

deposit and loan rates that they generate their profits, so to speak, or their income; and to the extent that they are going to have a substantial new tax, they are going to endeavour to increase and widen this margin.

At the moment the Central Bank is involved in regulating commercial bank interest rates, and one would therefore anticipate that the commercial banks would be seeking to exert pressure on the Central Bank to allow them wider margins between loan and deposit rates, and we hope that any unreasonable attempts or requests, or any requests at all, that are made in this area might be very carefully analysed as to the extent to which such changes would be desirable or not.

I think this Bill also, Mr. President, provides an occasion for looking at an arrangement which exists in the region mainly for settling inter-commercial bank indebtedness within the CARICOM region. I am referring here to the CARICOM Multi-lateral Clearing Facility. 11.35 a.m.

This, essentially, was established to facilitate intra-regional settlement for transactions involving trade, and other matters requiring payment within the region; and as such, any transaction involving commercial banks, issuing drafts or whatever on other commercial banks in the region, are eligible for settlement and would qualify for settlement if the two countries involved, or if two Central Banks in the countries involved, will so agree. In a sense, therefore, the whole business of net foreign liabilities and so on, this arrangement can influence the outstanding balances at any particular point in time because of the speed in which the settlement could take place as far as the commercial banks are concerned. So it is not an arrangement which is without significance for what is being proposed.

But what I want to draw attention to is but only tangentially related to this proposal. This proposal, I think, is a tax proposal, and was intended to help alleviate the perceived problem which Barbados has in relation to fiscal deficits. And the reason why the fiscal deficits have been perceived as a problem is because some people believe that it can create problems for balance of payments.

Again, the CARICOM Multilateral Clearing Facility is an important mechanism designed to alleviate balance of payments for regional countries. So, again, there is another point of contact between that institution and its workings and the substance and the intent of this Bill, and I would want, therefore, to direct attention to a few unfortunate aspects of that facility.

It is now a matter of history that during 1982, the workings of the CARICOM facility resulted in a situation in which the net foreign assets, or the foreign assets of the Central Bank of Barbados, whether you want to view

them in net terms or gross terms, although at a healthy level throughout the year became highly liquid around July – August – September. The reason why they became highly liquid is that about two-thirds or more of the foreign assets of the Central Bank of Barbados around about July, August, September, represented claims held against this facility, claims which we could not liquidate immediately to meet the demands of Barbadian people for foreign exchange.

And although it has not been said explicitly, there is a slight suggestion in the New Year Message of the Prime Minister that that might have been the critical reason why Barbados sought accommodation from the IMF, for which Cabinet gave the approval about June or July, 1982.

I said that there has been no explicit indication or acknowledgment of the Government that this is so. The reason why there can be no explicit acknowledgment that that is not a reasonable basis for going to the IMF; so Government cannot get up and say that is why they went to the IMF. The IMF is not there to solve liquidity problems; they are there to solve balance of payment problems, and your liquidity problem is a management problem which you should solve at that level.

But, really, if you look at the performance of our balance of payments throughout 1982, and if you look at the foreign assets of the Central Bank throughout 1982, there is no basis for going to the IMF although it was anticipated that the performance would have been different than what it was, and one can, in those circumstances, recognise that one would have put in train the necessary arrangements to be in a position to go to the IMF at a time when you need them on a balance of payments ground.

But that situation never materialized – and we still went, and I am submitting that we could have only have gone at a time when we did and construe our going as a reasonable course of action, if that action was related to the situation confronting the country as a result of the workings of the CARICOM Multilateral Clearing Facility.

Now we must ask ourselves, therefore, why it is that around August we had about \$80 million tied up with the CARICOM Clearing Facility, and towards the end of the year around \$100 million. Some people have expressed themselves on this view, and in particular we have had an interview with a Government official over VOB, and the suggestion being put out is that this is in the nature of open-book credit, it is to be desired and, what is more, it was anticipated.

I would like to suggest that that explanation is not at all satisfactory, because (1), it is not to be desired, (2), it ought to be anticipated, and (3), it is not occasioned by the fact that we are exporting more to

CARICOM countries than they are exporting to us. The available statistics, 1981, definitely indicate that we import rather more from CARICOM than we export, and it is the same for the first nine months of 1982.

But the problem is, as I indicated earlier that under the CARICOM facility the two countries involved, the two Central Banks involved, must agree as to what transactions will be eligible for settlement through the facility, and although all our significant exports in the region are paid through the facility, it is my understanding that at least one major import is not so clear, and that is oil imported from Trinidad and Tobago.

If all oil imported from Trinidad and Tobago was cleared through the facility, we would not have found ourselves in the position of being a substantial creditor participant in that facility. We may even have been a debtor participant over 1982. But if you were a creditor participant, it would have been to an attributable degree and would have not embarrassed our foreign position as far as the liquidity of it goes.

So, therefore, I think that we need to address ourselves to that particular problem if the situation is not to recur, or indeed continue, because it has not been solved as far as I am aware.

But whatever the reason for our payments to Trinidad for oil not being settled through the facility, it must be pointed out that they are not sufficient to have generated the situation which confronted us. They were necessary in the sense that if payment was settled through the facility for oil, the situation would have not confronted us, but payment through the facility for oil could be as it is, that is, that it does not exist, and still we need not have been in the position we are in.

There are other attendant factors which would have had to lead to that, and one of them relates to that aspect of the agreement where the limits which were initially placed on the amounts of credit, which each country stood ready to extend to the facility, were removed, and all they state now is the amount of credit which each country can receive from the facility. This, by interpretation means that there is an implicit ceiling to the credit that each country is willing to extend, and that will be equalled to the total credit that can be accommodated within the facility minus the amount that will be extended to that country.

What I am saying is that, under the present arrangements, the total agreed amount of credit is US \$100 million, that is Bds \$200 million, of which the limit for Barbados is US \$14 million or Bds \$28 million. So if we envisage a situation which should happen, that Barbados is the only creditor participant and all of the other countries at some point in time are making full use of

their line of credit within the facility, Barbados has agreed implicitly — if they do not understand it, if they do not recognise it — by the terms of the facility, to stand ready to extend an amount of \$172 million in credit to the facility. We have not reached that stage yet, we have reached about \$100 million, and this is still consistent with what the facility has agreed to, so to speak.

11.45 a.m.

That should never have been. Each country should have an upper limit which bears some relationship to its overall holdings in foreign exchange at any given period of time, and those limits can be revised from time to time to reflect the changing fortunes of the countries. The absence of such a limit made it possible for Barbados to build up these claims against the facility without any immediate expectation of settlement.

Here again, even that in itself was not enough, because what has happened is that the credit did not build up strictly in accordance with the provisions of the facility. It built up because, as we were told, there was non-settlement of outstanding balances in relation to the December 1981 situation and the June 1982 situation, that the creditor countries did not pay off their 50 per cent.

Reading between the lines, however.....

Mr. PRESIDENT: Just a minute, Senator McClean, you said at the beginning of your remarks in this context that you, yourself, felt it was a little tangential to the main issue which we are dealing with. It is very interesting, and I am sure it is enlightening; but I am not too sure if you are not going a bit further afield than the present Bill allows. However, I do not wish to stop your argument if you try and keep it a little bit more related.

SENATOR A. W. A. McCLEAN: Thank you, Mr. President. It is a tangent, but at the same time tangents are significant to the situation; it is not detached altogether.

But the point I am making here is that Barbados has been confronted with a situation of acute financial embarrassment in 1982 because of the operations of the CARICOM Multilateral Clearing Facility, and the contents of the Multilateral Clearing Facility, which gave rise to that situation, are matters which could have been anticipated. They are matters which represent the content of agreement between the various parties to the facility, and the extent of these agreements are such that if they persist, Barbados can expect to remain in a similar position during this year, and that position is untenable.

On that point, Mr. President, I would like to reiterate that, essentially, I support the objectives of this Bill.

I thank you.

SENATOR THE HON. N. A. BARROW: Mr. President, in relation to the first point raised by Senator McClean, though the point he made was noted, that one way in which the banks may seek to make good is by exploiting the gap between the advances in deposit rates, I think we should also pay attention to the fact that there is now a policy in place which seeks to have interest rates in this country reduced in keeping with their decline internationally.

I think Senator McClean firmly holds the view that interest rates in Barbados had got too high. He is not alone in that view, and therefore if we are keeping the pressure on interest rates — they have recently come down, they are due to come down again — to some extent it does reduce the area of trying to make good; since, in order to attract money, you must pay a certain minimum as a deposit rate anyhow. But the point is taken.

As to the Senator's more expansive comments on the CARICOM Multilateral Clearing Facility, I am not in a position to respond since I did not come so well prepared as to be able to deal with tangents that barely touch. I suppose the opportunity was taken to express a particular point of view, and so it is. Had we been speaking on anything other than the assets of the commercial banks, had we been speaking, for example, about the assets of the Central Bank, then I would feel constrained to respond to at least one aspect of the comments which Senator McClean made.

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

SENATOR THE HON. N. A. BARROW: Mr. President, in accordance with Standing Order 59, I move the Bill be not committed and that it be read a third time forthwith.

The question was put to the Senate and agreed to.

SENATOR THE HON. N. A. BARROW: I beg to move this Bill do now pass.

The question was put to the Senate and agreed to.

THE MARRIAGE (AMENDMENT) ACT, 1983

Order No. 2 was called — To move the First Reading of a Bill to amend the Marriage Act, Cap. 218A.

SENATOR THE HON. N. A. BARROW: Mr. President, the Marriage Act, Cap. 218A was amended in August 1982 by Act 1982-27 so as to implement one of the measures proposed by the Minister of Finance and Planning in his Budgetary Proposals for the year

1982-83. This amendment fixed a fee of \$25 to be paid by all marriage officers required to be registered with the Registration Office under the Marriage Act.

Heretofore no fee was payable by such officers with respect to registration. Since that time, representations have been made to Government along the lines that marriage, like baptism, is a sacrament of the Church, that it is a clearly religious act for which no income accrues to the Church, and therefore that the whole idea of a fee would be inappropriate.
11.55 a.m.

Government looked at the matter again, Sir, and while the intention of the fee, in the first place, was merely to help defray the cost of keeping the register, we felt that, in all conscience, the imposition of the fee should not have been made in the first place, once the matter had been seriously reconsidered, and this legislation seeks to repeal that imposition, which resulted, really, more from an oversight than anything else at the time when it was done.

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

SENATOR the Rev. CAN. I. McK. JONES: Well, Mr. President I do not think the Leader of the House was quite right in saying that no money accrues to the Church through weddings. Money does accrue to the Church through weddings, especially in these days.

I really am very pleased to note that the Government has reconsidered this and found that it is not right to be asking Ministers to pay a fee to marry people. I am very pleased that the point was made and that we can still consider marriage as a sacrament of the Church. I really do not see why clergymen, who are automatically marriage officers, should be asked to pay a licence fee to marry people. I mean, if you are going to do that, you could as well tell us to pay a licence fee to have Holy Communion as well; so I am very glad to note that the Government has reconsidered the position and now we are free of any such penalty.

Thank you.

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

On the motion of Senator the Hon. N. A. BARROW, the Senate resolved itself into Committee on the Bill and Mr. PRESIDENT left the Chair, Senator J. C. W. WICKHAM took the Chair.

Clauses 1 and 2 were called and passed.

On the motion of Senator the Hon. N. A. BARROW, the Bill was reported as having been passed without

amendment, and Mr. PRESIDENT resumed the Chair and reported accordingly.

On separate motions of Senator the Hon. N. A. BARROW, the Bill was read a third time and passed.

MOTION RELATING TO BUSINESS OF SENATE

SENATOR THE HON. N. A. BARROW: Mr. President, before we go to the next Order of the day, we are in a position, after Senator Griffith has dealt with his two items, for Senator Trotman to proceed with Orders, Nos. 6, 7, 10, 11 and 12, which are mainly land acquisition Resolutions. Appropriate notice has been given of those Resolutions, but we had not intimated that we would proceed with them. We are now in a position to do so, after Senator Griffith has dealt with the next two items.

Asides.

SENATOR THE HON. N. A. BARROW: Orders 6 and 7, only Resolutions, 10 and 12; maybe 11. I am not sure about 11. We will deal with that later.

I understand, Sir, there is another Resolution which passed the Other Place last night, of which notice should have been given here, so notice of that will have to be given.

Aside.

SENATOR THE HON. N. A. BARROW: Sorry, we by way of the..... do not have it here.

SENATOR E. E. GREAVES: Mr. President, could I just make an observation, Sir? I am not quarrelling, but I just want to draw to the attention of the Senate that we were circulated with an Order Paper — at least I was — which only contained four items. When I got here I found additional papers, which were another part of, presumably, the same Order Paper, containing items ranging from Item 5 to Item 12.

I do not have any particular problem in dealing with the items which have been indicated, but, to be frank with you, I really came here expecting today, of all days, that it would have finished early. But having now to deal with these items, it could very well be that we might not get out of in here until tonight.

What I would want to say is that the Government, Parliament, the Clerk, or whosoever is responsible, ought to be a little more careful in circulating papers with the proper and correct information.

Mr. PRESIDENT: Do you not think you could wait for an explanation before you..... I appreciate your point. I had the same problem myself, but if you had asked for an explanation.....

Asides.

SENATOR E. E. GREAVES: I would expect that persons would have given an explanation without our making.....

Mr. PRESIDENT: Remember you came in a little late. Senator Barrow.

SENATOR THE HON. N. A. BARROW: Mr. President, the point is that, among his papers, Senator Greaves does have the explanation. If you recall, there were one or two of us who asked about it and received the explanation, because the Clerk of Parliament sent a letter to Senators. It was received in my office stamped on January 24, which was Monday, so that it could have gone out on Friday or that very day, and Senators were in receipt of a communication from the Clerk with these items on it, and with the request for us to proceed with Item No. 5, which request was communicated to Senators by my Secretary previously anyway. So what has happened is that.....
12.05 p.m.

Mr. PRESIDENT: I hope that you got that, Senator Greaves?

SENATOR E. E. GREAVES: I am sorry.

Mr. PRESIDENT: Very well. Let the matter rest.

RESOLUTION TO ANNUL RESOLUTION No. 76/1982

Order No. 3 was called — To move the passing of a Resolution to annul Resolution No. 76/1982.

SENATOR C. A. GRIFFITH: Mr. President, this measure came before this Chamber late last year, and there are several reasons for the Resolution seeking annulment. I would like just to cite the reasons and go into a chronology of events which have caused us to ask for an annulment of this Resolution, because it has a relationship to the Resolution which follows.

As honourable Members may note, Resolution No. 76/1982 sought approval for the Government of Barbados to borrow US \$13 million from the Barbados National Bank and the Morgan Guaranty Trust, as the lead bank, which, in effect, was seeking a syndication to finance the purchase of assets of the Mobil Exploration Corporation and the common stock of Mobil Exploration Barbados limited.

There are several reasons why this Resolution has to be annulled, as I said before. In the first place, the Morgan Guaranty Trust Bank had signed an agreement with the Government of Barbados to put together this loan by a certain date, which was December 21. In the second place, the Government of Barbados had signed an agreement with Mobil Exploration to consummate this deal by a certain given time, and, in the third place, there was a co-operative agreement with Petro-Canada International which was predicated on the Government assuming full and complete control of the Woodbourne operation, which was at the time, since July 1, 1982, being managed by Mobil for the Government of Barbados, although we did not take over full control of the operation.

Now taking all this into consideration, Mr. President, the Government decided that it would be best, given the fact also that Parliament was soon to be going on Christmas recess and we were having this arrangement consummated in late December, to go to Parliament and get permission from Parliament to enter into the loan so that the matter could be dealt with. Subsequent to that, Morgan Guaranty indicated to us that they were having difficulty putting together this syndication. There were several reasons for this.

Let me back-track a bit. In July 1982, Morgan Guaranty first made an offer to Barbados to lend the country US \$10 million, indeed to the NPC, when we were first discussing the purchase of Mobil assets, and that US \$10 million is significant. What was happening at that time, Mr. President, is that Mobil of New York had come to Barbados with a package offering for sale the operation in Barbados and they had put their own financing arrangements predicated on the sale price of US \$15 million. That sale price called for the Government of Barbados through NPC to pay US \$5 million down and obtain a loan of US \$10 million to pay the rest, and like most big multi-national corporations where the banks and those big corporations are always operating — Morgan Guaranty got wind of this. In fact, you will find, Sir, that most of these corporations may have directors who serve on the boards of different companies, and who would always be privy to information affecting the operations of companies even though they may be in different spheres of activity.

At the time when Mobil made the proposal, the Government of Barbados appointed a negotiation team, which I had the honour to head, and we were able to bargain for a reduction in the price of the entire operation where we would be able to get at least the proven reserves for US \$6 a barrel. One of the points that caused Mobil to capitulate on the price is the fact that we were prepared to offer them a figure arrived at finally as a one-time payment.

So when Morgan Guaranty got wind of the fact that Mobil was coming to Barbados with this financing package, which called for US \$5 million payment by the Government and US \$10 million in a loan, they made an offer to the Government of Barbados. Since we were not prepared to accept the Mobil financing package, we did not accept the offer of Morgan Guaranty at the time, and we must look at events as they unfolded to appreciate the situation.

Shortly after this was rejected, some problems started to erupt in Latin America. There was the problem with the Mexican situation and then the world started to really appreciate the difficulties that developing countries were having with debt servicing, particularly the countries in Latin America — Brazil, Mexico, Argentina, Chile and so on — and many major North American banks, in fact most of the leading North American banks, were heavily committed in the Latin American region in syndications and so on, and Morgan Guaranty, as one of the top ten companies in the United States of America, was also involved heavily in the Latin American region.

The banks in North America apparently took the position that they were not going to get involved in sovereign loans, and, as a matter of fact, the communication that was sent to the Government of Barbados from Morgan Guaranty was that they were having difficulty raising the money, because the banks were not prepared to deal in sovereign loans south of Florida, which included Barbados. But Morgan Guaranty communicated with us and indicated to us that they had some promising leads on the syndication and, therefore, they were prepared to go ahead with it, but they wanted more time.

Now here you had a situation, Mr. President, where we had made a commitment to Mobil, we had signed an agreement with Petro-Canada, which was predicated on assuming full control of our operation and which had only a fifteen month life; so the decision fell to me to try to look at the situation and determine whether or not Barbados could effectively continue waiting on the banks in North America to make up their minds.

12.15 p.m.

During this period, I was working frantically to look at other sources. We had other offers, but there was a deadline, as I said before, and on Christmas Eve there was a firm offer from another bank, which has an operation in Barbados, but whose Latin American operations are conducted from Coral Gables, Florida. They contacted me and offered to finance the entire operation, and, within a matter of days, over the Christmas holidays, the deal was consummated; and that will be the effect of the Resolution following this one.

I have taken time out to go into that chronology of events because there seems to be some attempt to try to

paint the Government black simply because there was need to come to have a Resolution annulled. I have seen and heard attempts made in the Other Place to call the Prime Minister to account, to blame the Government for incompetence and so on. But if there is anybody in the Government who is prepared to take the blame, I believe that I will have to take the blame; and I do not call it incompetence simply because we were trying to be efficient to deal with the matter and we had agreements with a sovereign government to meet. But yet still the Prime Minister and Minister of Finance was taken to task for not knowing what he was doing and so on, but that is another matter.

What really should be pointed out here and now for all to understand is that Morgan Guaranty never reneged on any agreement with the Government of Barbados; they never did. What they were asking for was more time which we could not afford to give them. As a matter of fact, the Vice President of Morgan Guaranty, who met with the Executive Director and Chairman of the National Petroleum Corporation in New York sometime in September, issued a statement to the Press saying that it was the Government of Barbados which reneged on the deal, and I am sure the statement was carried in the international media, particularly in the financial Press in New York, and it was carried here by the *Sunday Sun*, which has a very wide readership in this country. But yet we hear that Morgan Guaranty reneged on the deal because of Barbados' problem with the I. M. F. and what have you, and because they do not have any credit worthiness.

And when it was pointed out to those people who say that we have no credit worthiness, when it is pointed out emphatically, that another bank came and offered a private loan of US \$13 million without benefit of syndication and that this is an indication of the confidence of the bank in Barbados, we then hear the other answer — that the banks have a lot of money to lend out. But the whole argument about Morgan Guaranty reneging on this deal was taken because those people who wanted to criticise the Government wanted to take comfort in that kind of argument, and that argument was used as the basis for drawing into disrepute the creditability and the credit worthiness of the Government of Barbados.

We have heard that Morgan did not know about Barbados' negotiations and dealings with the I. M. F. and that is why they pulled out at the last minute. Nothing of the sort. Anybody who knows about the I. M. F. and the World Bank operations will appreciate that at the world's biggest banking convention, which is held annually around September, either in Washington or some other member country, every major bank is represented. And a bank like Morgan Guaranty which has such significant operations throughout the world, and particularly throughout the developing countries in this region, would be keeping

close touch on what is happening in the region as far as these governments are concerned. In fact, these banks have departments which specialize in this type of work, to monitor the performances of countries with whom they deal.

It is no secret that Morgan Guaranty has been dealing with Barbados before. They were in a syndication loan with the Orion Bank. Morgan Guaranty is the corresponding bank to the Barbados National Bank. As a matter of fact, I think I can say this publicly, they have sent a delegation to Barbados since then — and the people are still in Barbados, as a matter of fact now — to clarify their position on the whole question, based on the accusations that they reneged on the agreement. They were very concerned that they were accused of reneging on the agreement, and they sent a delegation to see people in the Ministry of Finance to explain their position because they wanted to continue the good relationship with Barbados.

So I want to put this talk about the difficulty with Morgan Guaranty out of the public's mind once and for all. We need to know that it was a decision taken by the Government of Barbados to stop negotiating with Morgan and to look for other sources, and I have taken my time in explaining the reasons that caused the Government of Barbados to take the kind of steps that were taken.

But what it indicates, Mr. President, is that, again, when we suffer dislocation because of the problems such as I explained, where because of the difficulties of the developing countries we suffer these problems, what it must bring home very forcefully to us is that Barbados is part of the world community, and because it is a developing country, a very small country, that there are many actions, over which we have no control, which impact upon the citizens of Barbados. That is what it reinforces very clearly, and must be reinforced in the minds of every single one of us.

I will go into a few more instances just to point this out. Now take, for instance, the whole question of what is happening in the OPEC cartel. Most of our imports, the biggest portion of our imports of crude oil comes from an OPEC member country, and we are hearing that the OPEC cartel cannot agree on pricing and production quotas. There are all kinds of prognostications that there may be a sharp drop in oil prices and so on. That may have some benefits for Barbados in one way and it may affect us adversely in another way, because if the OPEC bench mark price falls from US \$32.10 a barrel that we pay for it from Venezuela, it means that the Barbadian public stands to benefit in a way, depending on by how much it falls. But it can have an adverse impact upon us also, because if it falls, and falls dramatically, what will happen is that it is going to substantially affect the revenue potential of the Barbados

National Oil Company, which revenue will be called upon to service the loan which we are about to have approved in this Chamber today. That is a decision that we cannot control. These decisions are taken in Vienna with OPEC member countries. We have no control at all.

12.25 p.m.

Another situation over which we have no control is the whole question of the importation of reformat from Trinidad. For the benefit of honourable members, the reformat is just an additive which is used to produce gasoline; it gives the gasoline the octane level. We have been buying our reformat from Trinidad. Last year Mobil Refinery imported 269 000 barrels at a cost of U.S. \$11 million, and I will deal with that aspect of it as far as the Multi-lateral Clearing Facility is concerned.

Only at the beginning of this year Mobil informed us that TRINTOC was insisting on a price increase for reformat. The price increase they are asking, some BDS. 12 cents a gallon, will add to our import bill by some million Barbados dollars a year. At present, the Mobil vessel in the harbour has just brought in a shipment of crude and reformat from Trinidad and from Venezuela, and this shipment of reformat from Trinidad is going to cost Mobil an additional Bds. \$250 000, and until the contract is negotiated, TRINTOC is insisting on a spot price. That means that a contract price may be higher or it may be lower.

That is a matter over which we have no control. What we can do is what we have done in the past, to go to other sources for reformat. While it may be useful to do that, we have to think in terms of the relationship with a CARICOM member country, even though we have suffered in this relationship, because I can count four different times in the last year and a half where, because of the problems in Trinidad with TRINTOC refinery Mobil was told they could not get a full shipment of reformat, or any at all. That is when the ship gets to Trinidad.

What it could mean, and what could have happened on those four occasions was that we could have had gasoline shortages in Barbados, but we were able through Mobil to obviate that kind of problem because of the extensive network of the Mobil international operations. On all of those occasions, Mobil, at substantial cost to its operations, had to go further afield to bring reformat to Barbados. In 1981 they had to go as far as Beaumont, Texas to get reformat to save the situation in Barbados when they were turned back in Trinidad at the last minute, and that contributed to their significant losses in 1981. That is one of the benefits of having a substantial operation run by a multi-national. That is the kind of situation with which we are dealing, Mr. President.

I would just like to put this idea to rest once and for all, that the Barbados Government, because of problems with its credit rating, and because of bad Government, as they say, caused Morgan Guaranty to withdraw from the loan arrangements. I just want to point out that the Government of Barbados took the necessary steps in its own interest to withdraw from the deal, and that is the substance of the Resolution.

Thank you.

SENATOR A. W. A. McCLEAN: Mr. President, without getting involved in the question of who is to blame and who is not to blame for the fact that we are asked now to take the action before us in relation to this Resolution, I would like to point out that it is highly important that we truly understand the nature of what occurred in relation to our attempts to get a loan from Morgan Guaranty Trust to finance the takeover of the Mobil drilling operations.

We have just heard that Morgan Guaranty Trust did not renege; that it was the Barbados Government which withdrew from the loan because of other considerations. I would like to point out that Morgan Guaranty Trust would have been fully aware of the deadline against which the Government of Barbados was working, and therefore if they had in their deliberate judgment decided that they were not going to proceed with the loan, they would be totally naive to come and tell the Barbados Government that they were reneging on the loan. All they had to do was to say they needed more time, and they would know that Barbados would have to take the necessary action to borrow the money from elsewhere. Therefore, we cannot point to that as evidence to indicate that Morgan Guaranty Trust did not make a deliberate decision that they did not want to be involved in that loan any more. I am not concluding that they did make that decision, but it is still a possibility; it is not ruled out by the evidence.

Going beyond that, we must look at the total circumstances to see whether it is not the most reasonable or the most likely of all the possibilities. We are told that in July Morgan Guaranty Trust approached the Barbados Government with an offer of a loan of \$10 million. It is instructive that in the said month of July, that was the month in which Cabinet made a decision to approach the IMF for a stand-by arrangement. I do not know how good Morgan Guaranty Trust sources are, I do not know if they would have had prior knowledge that some time in July, maybe even subsequent to or around the same time that they made the offer, that Cabinet was going to so decide, but what I do know is, unless they had such inside information, there is no way in the world that a researcher in Washington, or even in Barbados, looking at the historical and financial

information on the Barbadian economy, looking at the performance of the Barbadian economy in previous years and right up to the end of June, 1982, could have concluded on that basis that Barbados would have had need of a stand-by arrangement with the IMF. No way could they conclude that an aspect of that agreement is a prediction of a \$65 million decline in the foreign assets of the Central Bank over the year 1982, and so that would have struck them like a thunderbolt unless they had inside information.

I am saying that by July, however, Morgan Guaranty Trust would have been in a position to be aware of what was going to happen, and what was happening to Mexico. They would have known about the developments before it broke in the news, because they would have been monitoring the situation; they would have been involved in knowing whether or not they were about to default in payments to them, and things of that order, and so too for all the other banks. So the initial offer around about July would have been informed by the general situation in Latin America, and it seems as though the agreement was subsequent to that July date, which quite definitely, might have been in full knowledge of what had broken in the news – but still, in that context, there was this undertaking by Morgan Guaranty Trust.

We were not given the date on which that agreement was signed. I would not be surprised if it was prior. I will ask for information regarding that date and its relationship to the date on which we entered into the stand-by arrangement with the International Monetary Fund. But I am saying that on the basis of our entering into that stand-by arrangement, and on the basis of the projections on which that arrangement was predicted, no bank would be inclined to want to lend to Barbados if that information is going to be correct.
12.35 p.m.

It has been said that subsequent to that, late in December, around December 23, we got an offer from the Royal Bank of Canada. By that date, the Ministry of Finance would have been in a position to tell the Royal Bank of Canada what the position of the Central Bank was some time in December. I do not know if they did or not. Even if they did not do it, the Royal Bank could have their sources of information; they should. At least they would have had the latest position of the Central Bank round about October or November, the published position, and it would have been evident to anyone that the projections, on which our approach to the IMF was made, were totally false.

You are projecting a decline in the net foreign assets of the Central Bank of \$65 million, and those increased – they did not decline at all – and this informa-

tion would have been available to the Royal Bank of Canada, or it could have been available to them, especially if the Government wanted to borrow money from them around December 23. Therefore, the circumstances in which they agreed would not necessarily be the same ones which would have inclined the Morgan Guaranty Trust to withdraw or to drag their feet.

Asides.

SENATOR A. W. A. McCLEAN: It is the same thing; because if someone drags his feet in the context where you need the money the money now, you have to go and get it from somewhere else.

So it is highly important for our benefit – not in terms of apportioning blame or seeking to avoid blame – to understand what really happened there, and I, for one, am not persuaded that our entering into the stand-by arrangement with the IMF is not, in large measure, responsible for that particular outcome.

Of course, if we believe that we enhance our international credit rating by entering the IMF – this is something which has been said publicly by a high public official – if we believe that, we cannot believe the others; we cannot believe that that, in turn, caused Morgan to withdraw. But again, it escapes me how anyone could advance that type of argument.

Here you have Barbados going right through to June, July, even 1982, and all that historical information which analysts use to determine the credit-worthiness of a country is favourable, and would indicate that Barbados economy is essentially soundly afloat, then to be told, "Oh, Barbados has entered into an arrangement with the IMF, which projects that, by the middle of 1984, the net foreign assets will be virtually wiped out and there is no indication what is going to happen after 1984; and what is more, by 1983 it would have declined from about \$89 million to some \$20-odd million, or \$94 million to some \$20-odd million." That is information which was presented to the world as representative of the Barbadian situation, and if you can say in the face of that, that has enhanced our credit-worthiness, well I do not understand the term "credit-worthiness" then.

Again, it was mentioned that by going we adopted new strategies to deal with the problem, and therefore that was the element which could have contributed to enhancing our credit-worthiness, but on the other side we were told that we did not change our policies. The IMF did not ask us to change our policies, so how then can you make the argument that, by virtue of going and changing our policies, we are doing something, people recognise we are grappling with our problems and therefore they will think better of us.

To begin with, initially they did not recognise we were having any problem, and we tell them we have a problem and we did not change any policies, so how in that context can you expect reasonable people to think better of you, to think that you are more credit-worthy. I am saying, that, really, people who make this kind of statement are only trying to fool themselves and the public, but I do not think they can fool the public. Sometimes when we fool ourselves we feel we fool others, because we are satisfied with our own explanation, but that is not always the case.

I am seriously suggesting that Government take a long and hard look at the whole business of that standby arrangement, what led up to it, what has happened to this country as a consequence of it, and what can still happen to the country as a consequence of it, and do that in a dispassionate and honest way, seeking external opinion on it rather than the opinion of those people who put them in that situation, because it is not always easy to be objective in the context of your own error.

I thank you, Mr. President.

SENATOR E. E. GREAVES: Mr. President, I just have a few comments to make on this Resolution here today. I recognise the embarrassment in which the Government has found itself, having to come back here with this Resolution to annul the previous Resolution which was passed, and at the same time coming with another Resolution for money to deal with the problem that we are now discussing.

I am satisfied that, as a result of what was happening in the Barbados economy as published, the Morgan Guaranty Trust Company and the other banks, which Morgan Guaranty was supposed to have got together in a syndicate to raise money on behalf of this loan to the Barbados Government for the purchase of Mobil assets, had second thoughts after Barbados became involved with the IMF. And no amount of whitewashing by Senator Griffith, or any person on the part of the Government, can convince me, or can convince any reasonable person, to the contrary.

Senator Griffith has indicated that he was involved in this deal from the outset, and therefore if any blame has to be apportioned, well then it would have to go to him. There is no doubt, in my mind, Mr. President, that there is blame to be apportioned because of the fall-through of this particular arrangement.

Senator Griffith indicated that the Barbados National Bank was the bank in Barbados involved in seeking to raise the money for this purchase and that the Morgan Guaranty Trust Company in New York is the corresponding bank for the Barbados National Bank. So what I am gathering from that is that, in the context of the Ministry of Finance, the

department, or bank, or agency which falls under the aegis of the Ministry of Finance, there were some very serious errors of decision which were made.

If one, for example, were to even examine the contribution which was made by the Deputy Prime Minister in the Lower House on this matter, one would see that the Government itself, or certainly he, recognised that a particular error was made in terms of the approach to raise this particular money. That is the second point.

I want to quote, Sir, from the *Official Gazette* of Tuesday, January 11, 1983, at page 2545, where Mr. St. John was taking the Barbados National Bank to task. Among the criticisms which he made of that institution, he said the following:

"If they were following the situation abroad, they would have known that the President of the United States of America, within the last two months, has changed course dramatically in relation to multilateral lending institutions. If their Research Department was reading newspapers, they would have discovered that the first fifty banks in the United States of America are so committed to Latin America, Brazil, Chile, Mexico, the Argentine, that President Reagan now has changed his tune and has said, 'You must give the multilateral institutions more money.'"

12.45 p.m.

He went on and on and on. Then, in the penultimate paragraph, he said:

"I will tell the honourable Member something. There was another syndicate that was out there too, ready to operate, but we gave the National Bank opportunity".

He said it was time that they grow up and what not; and he concluded by saying:

"I am disappointed in the fact that, up to this day, the Barbados National Bank has not circularised fellow banks in Barbados and asked them to participate. That is foolishness."

Now it is very clear to me that there are two factors involved here. One which is clearly to do with our standing in the international finance community, where, as Senator McClean has pointed out, when we approached the IMF, whether this was based on good information or bad information, that damaged our credit worthiness and our whole ability to raise finances at the international level. It is for this reason that I am submitting, at least this would have to be one of the reasons, that when the Morgan Guaranty was supposed to have concluded the agreement and provided money by a particular date, it

had to come to get in touch with the Barbados Government to tell them it was experiencing difficulty in getting other banks to provide the money.

I believe that by that time the other banks, which were keeping a very close watch on the situation relative to developing countries, and presumably they would have had information on Barbados, decided that they were not going to get involved with Barbados, and that was why Morgan Guaranty Trust Company could not have put together the syndicate as arranged, and could not have come up with the money as arranged.

I would go further to say that if you take a bank like Morgan Guaranty, which I assume is a big financial institution, if they had the kind of confidence in the finances of the Government at the time that we are talking about, as we were led to believe, I believe they could have come up with the money, because, after all, what is US\$13 million to a bank like Morgan Guaranty Trust Company — if it had the kind of confidence in the economy of Barbados as we are led to believe that it had at that point in time. After all, it is involved in the lending of billions of dollars to other countries in the world, and in Latin America.

So it is because Morgan Guaranty was burnt and because the other financial institutions, which apparently had agreed to become involved, were burnt, that they, in my view, decided that they were not going to become involved with a country like Barbados, which had gone to the IMF, with the possibilities of the implications which were involved in countries which are dealing with that particular institution.

We cannot really accept the white-washing which the Parliamentary Secretary in the Ministry of Finance has been trying with here this morning. I recognise how embarrassing it is. After all, it is not an easy thing, but we however must understand very clearly, or at least the Government must understand very clearly, that there are people who understand the implications of international financing and they are not the only people in whom that particular wisdom or understanding rests.

Of course, I think that it is clear that, and this is the second point I want to elaborate on, the National Bank, which was involved in assisting in raising this particular money, had not done the kind of homework which it should or could have done, and therefore contributed to placing the Government in this particular embarrassing situation.

One would hope that our lessons have been learnt, and that we would not have to find ourselves in this position in the future, because I listened very carefully to Senator Griffith where he attempted to gloss over

the particular problem — and this seems to be a habit of the Government. Because here it is that in December we discussed a Resolution, and, if my memory serves me correctly, we were given the impression that everything was in order; it was just a matter of the Resolution being passed and then everything would be all right. But the Government obviously had not clearly got all of the matters in place and had not clearly tied off the arrangements, with the result that we have this particular situation now.

I would hope, Mr. President, that in the future the Government would be more careful in the handling of its financial affairs and in making decisions relating to these kinds of agreements. We have discussed at length the pros and cons of the purchase of the assets of Mobil and I do not think it would serve any particularly useful purpose to continue with that debate at this point in time. I would however hope that we can now have the matter finalised and that the National Petroleum Corporation would be able to function effectively.

Thank you.

SENATOR W. W. HALL: Mr. President, I rise just to make a few observations and to state that my colleague has clearly pointed out the situation on this side. I cannot help but remember when on the question of Mobil some time last year I merely got up in this Chamber to ask a few questions, because I felt there was a need for the Government to give some explanation — it was rather innocently done — but on that day in question, the Minister was at his eloquent best. He carried on and on. Today it is much the opposite. He has been saying that if there is anybody to blame, you should blame him. It is because the questions I posed were brushed aside disdainfully that I would have to make a few points today.

12.55 p.m.

I know what is going to happen. I know that they are not going to reply to Senator McClean at all. They never do. So I am not going to let them reply to me today. I am living to see the day in this Chamber, Sir, when, in an economic argument, someone from over that side will get up and answer Senator McClean. Maybe he is a genius, Sir, which might well be so, but even geniuses can be answered and nobody ever tries to answer him.

Because on December 8, 1982, he said that when countries seek accommodations from the International Monetary Fund, it is proposed to suggest that you are in fairly severe financial circumstances. He further pointed out, Sir, that you are telling the world that your financial situation is precarious. If that is true, Sir, it is quite obvious that the average citizen of this country could well feel that if we are in a precarious situation, and we are borrowing \$13 million dollars, which seems to be settled, it could well be that Morgan Trust feels that they do not

need us anymore simply because of our precarious situation.

I wonder if you are talking about Pierrepoint Morgan. Is that who you are talking about? Because, Sir, \$13 million would be peanuts to them, and if there is one thing you can say about Barbados, it is that successive Governments have been able, for many years, to borrow money north and south of the border.

I hear all this talk about they are not lending anybody South of Florida. Well, I know Barbados is about 13.4 degrees north of the equator. I wonder if Trinidad, which is south-west of us, I wonder if, suddenly, they are going North of Florida. I want to find out that, Sir. But as I said I shall sit down and listen to the reply to Senator McClean.

The able Senator has said that some people are painting the Government black, or trying to. But why say "trying to paint the Government black?" Black is beautiful, if he did not know. Nobody is painting the Government black. If I had to paint you, I would paint you honorary white. That is what I would do.

(Laughter)

SENATOR W. W. HALL: Sir, I am not getting involved in any semantics today. I am not getting involved with the credit worthiness of Barbados or anything like that. I just feel, Sir, that it might well be embarrassing at this point in time to the Government. However, when my colleague intimated that it might be embarrassing, and he understood quite well why it should be embarrassing, I noticed that the Minister said, "Oh, no, the Government is not embarrassed". He is not embarrassed, but at the same time I think, Sir, he fully understands the situation, and he may well understand that the less enlightened might be somewhat embarrassed, because as I said before, Sir, our credit worthiness, in former times, under successive Governments, has been very good. I think that can be stated as true.

I feel that the Minister, when he replies, could let us know whether or not this situation of being in a precarious situation means anything to these institutions who lend money, because as I have said, what Senator McClean said is that going to the I.M.F. gives the impression that we are badly off, we are in a precarious situation. And I am only saying, Sir, that if that is true, then the average man on the street — now the Minister does not like me to talk about the average man in the street — but, Sir, there are more of them than types like him — and I am asking if the average man in the street can expect that because of our economic situation, these loans, such as this \$13 million dollars, Sir, can be granted.

I do not really want to go any further on this, Sir, because the questions that I asked last time are still there, and I know the Minister, as I alluded before, just brushed them aside. I have not got any information subsequent to that; all I am interested in now is the fact that we have got this money.

In passing, Sir, I think it does say something for the Minister. I mean, we cannot come in here and criticize him and say that the people do not want to lend us the money and we cannot get it from somewhere else. If there is one thing we can say about him, it is that he has, I suppose, by some..... I think we can say that he has some measure.... I am trying to choose my words carefully so that he does not say that I am unfair to him.

Asides

SENATOR W. W. HALL: That is true. What I am saying, Sir, is that we cannot claim that the Minister, having been saddened by the fact that all of his hard work seemed to have gone down the drain, was not able to recuperate and hence bring this Resolution to Parliament again. I must congratulate him for that.

But, Sir, I want him to understand that in politics — and since he is going to be a Minister soon — that he has to come in here and take his bouquets when they are due, and he must understand that he must also take his licks when they are in order. And it is not enough to come in here and say, "If there is any blame, put it on me," as if he feels, Sir, that blame cannot be put on him. Put it on you, so by putting it on you there is no situation.

Sir, we have been very lenient on the Minister today — not the Minister; you are not a Minister yet. We are only saying that we understand the situation. We say that it is embarrassing. We tell you that it is embarrassing and you say, "No". If you say that it is not embarrassing then, you should know, you should get up and reply to us.

I did say, Sir, that I am not going to say too much because I am looking forward to him replying to Senator McClean on things like the I.M.F. and all of those high sounding terms, Sir. And since they never reply to him, Sir, perhaps today is the day. Today could be the Ides of March, today could be the day of reckoning, and, Sir, I shall rock back in my chair and listen to the Minister reply to the learned economist, Senator McClean.
1.05 p.m.

SENATOR C. A. GRIFFITH: Mr. President, I was worried when I saw Senator Hall get up to speak that I was going to get some fire, but it was only a puff of smoke.

I was very solemn today in this matter because I know the Government has been fiercely attacked on this whole thing, and I have said before that since I spear-headed all the activity as far as this matter is concerned, that if there is any blame to be apportioned to the Government, let it fall on me. I am not afraid to say that. It is time that public officials be very forthcoming about whatever befalls them, whether it be good or ill. I am not afraid to say let the blame fall on me. If I am spearheading the Government's work on this matter and people feel that something has gone wrong, then who should take the blame but me? Perhaps it might not be politically astute to say that, but I say it.

I want to make the point also that I do not see all this talk about embarrassment to the Government. I went through a whole chronology of events and explained the situation so that this Honourable House, and the public, hopefully, would get to appreciate what went on in the whole exercise. Yet we hear, for instance, Senator McClean trying to find some justification that Morgan Guaranty reneged. I am appalled to hear Senator McClean talking about Morgan Guaranty might have been fully aware of a Cabinet decision taken in July. I do not know that Morgan Guaranty sits in the Cabinet. I made the point that the only reason.....

SENATOR A. W. A. McCLEAN: Mr. President, on a point of explanation. I do not think I said that Morgan Guaranty was fully aware of the Cabinet decision taken in July. There was a public statement on the matter that everybody was aware of; it was in the Press, so I think he is misconstruing what I said here.

SENATOR C. A. GRIFFITH: If I misconstrue it, I believe you said that Morgan Guaranty made the offer in July and the Cabinet decision was taken in July, and I drew the conclusion that you were saying that both events might have had some significance in relation to each other. But be that as it may, that is an effort to try to impress upon the minds of people that Morgan Guaranty withdrew from the loan. I particularly pointed out that there was no way they wanted to withdraw from the loan. I made the point several times, and I explained why.

Why is it that people want to look behind to see that the Government of Barbados had credit problems? That is the source of the problem. Everybody wants to look behind what has happened to see if they can pin some lack of credit worthiness on the Government. That is where most of the time and energy have been spent.

There was also some reference made by Senator McClean that they should have known by the date, December 23, that the credit position had improved in Barbados. I hope I am quoting him correctly. He said

that when Royal Bank made the offer to the Government they might have known. I want to quote him correctly.

Mr. PRESIDENT: Did you wish to explain something again? Unless Senator McClean gets up, it is my impression that what you are saying now is what he said.

SENATOR A. W. A. McCLEAN: Nothing except, Mr. President, that it might have improved — that it did not deteriorate at all. The situation was different from what was predicted. It is not a question of improving.

Mr. PRESIDENT: Okay, let us not split hairs on that.

SENATOR C. A. GRIFFITH: Okay, I grant it that you said that Royal Bank would have known that the situation did not deteriorate. Okay, if you said that, but again what you are trying to say is that the only reason Royal Bank came to us with the money is that they had information that nobody else had. I am going to read that into it, and that is not true. I am saying that on December 24 at 12 o'clock I received two calls. There is nobody in the Royal Bank organisation who could have known what was happening within the Government at the time. I received two calls, one after the other, from Coral Gables, Florida, making a concrete offer for this. It had nothing to do with whether the IMF was involved or anything like that.

Let me say something now. The whole matter of the IMF was raised in the Press almost every day around Christmas time, and I received a call at 12 o'clock making a firm offer and a telex on Saturday, December 25 concretising the offer.

(Aside: A Christmas present).

SENATOR C. A. GRIFFITH: A Christmas present, if you want to call it that.

So this effort to try to look for a reason, that because Government was in trouble that is why Morgan Guaranty reneged, that is nonsense. I am saying here and now it is arrant nonsense.

Let us deal with that here and now — the whole question of the matter with the IMF and how it has affected Barbados. You know, Mr. President, we have heard how our creditworthiness has been badly impaired in the eyes of the people in the world, and so on, because of this, and I believe personally that the Government should take some lashes for its public relations in this regard. That is my own belief, and I have said so publicly more than once.

We have heard from the learned economists in this country — there have been differing views — Senator McClean, who is a senior lecturer at Cave Hill,

Dr. Blackman who is supposed to be an economist, Owen Arthur, who is supposed to be an economist, and who has been a senior economist in the Jamaican Government for some nine years or so; all of these people have had their views; and on the whole question of how the IMF situation had affected Barbados, everyone has come up with a different approach, a different analysis. What it has proven beyond a doubt again, something that people always say, which I know for a fact, is that there is no exactitude when you are dealing with economic matters; none whatever. All that happens is that if you can use the convincing argument, you might win the argument.

I happen to know that Senator McClean, Dr. Haynes and all of them are on the wrong track in this matter. The Cabinet took a decision in July to go to the IMF for a standby arrangement and a compensatory financial facility, and we hear that this was the worst thing that could happen to this country. Predictions were made within the Ministry of Finance and the Central Bank that we would have had a foreign reserve problem by the end of the year. These are six months projections. I want to ask this question. What is wrong with the Government taking a corrective approach if they anticipate that by December 1982 they would not have any foreign reserves to pay for imports? What is wrong with that? I cannot find out what is wrong with it.

There are peaks and valleys in the Government's revenue; everybody knows that. We predicted, whether the predictions were based on bad analyses or whatever the economists want to call it; the point is that there was a prediction that we would have had problems by the end of the year, and I believe it was wiser for the Government to take those corrective measures and let the chips fall where they may, than to find themselves not being able to pay for the importation of goods into this country. Because if we look at the experience of Jamaica, we will find that they have not recovered from that kind of situation up to this very day. They waited too late. We anticipated a fall off in foreign reserves and we went to the IMF.

This talk about the IMF, let us deal with it a little bit. Barbados joined the IMF in 1971, and the Barbados Labour Party was not in power in 1971, but we hear the spokesmen for the Opposition say that the IMF is a wicked place. This country joined the IMF in 1971, and since then, this country has put in some 25 million SDR's in quota payments, either in cash or promissory notes, about Bds. \$50 million, since 1971, and we hear it is a terrible place.

I wonder how many Barbadians know that the IMF has an institute in Washington where several Barbadians in this country have been trained. People

at the Central Bank and the Ministry of Finance have gone to the IMF institute for training. I wonder how many people in this country know that. But they say that it is a very wicked place. Now, why is it a wicked place? They say it is a wicked place because of the harsh medicine that it has to impose when countries, particularly developing countries, come to it for credit.

1.15 p.m.

Let us look at it. It is analogous to a situation in which I had some experience, and many of us may have had a similar experience. I worked in a hospital in the United States of America where there was a very high mortality rate, one of the best hospitals in New York State; one of the best, yet still it had a very high mortality rate. Why was that? Because in the catchment area you were dealing with people who were at the lowest round of the socio-economic ladder, and people who, when they were sick, always tried home-made medicines to the point where they found they could not recover, and then they went to the hospital expecting to be saved — too late.

The same thing has happened to a lot of developing countries in relation to the IMF. They try all kinds of remedies, inconsequential remedies, remedies that do not work. They try them all the time and when they find — Jamaica did the same thing, and Guyana — that they do not work, then they run to the IMF and say, "Save me, but do not make it too uncomfortable."

But look what we have done in this country? In 1981 the Prime Minister decided that he was going to take corrective measures because we were having problems in the economy. He has not been given any credit for it. We hear that it was IMF-inspired.

In 1976, before the elections in 1976, when the then Minister of Finance delivered his Budget speech, he said, and he knew what he was talking about because he was the Minister of Finance, that things are bad and you have to tighten your belts. He did not have the moral courage to impose belt-tightening measures.

In 1977, this Government and the Minister of Finance said we have to tighten our belts and I am going to impose belt-tightening measures and the country benefitted. In 1981, he recognized the situation as similar to 1977 and he said, "Look, we have to take steps," and those same steps were taken, and we were commended by the IMF for taking those steps. Yet, still we hear that we were IMF-inspired; the IMF said we must take those steps.

Those steps were taken in 1981. We went to the IMF in 1982, after July 1982, yet still we hear they were IMF inspired. Nobody wants to give the Minister

of Finance credit for the courage to take unpopular measures in this country when the situation demands it. That is what he is capable of doing and that is not what you can say for other people who have had to handle the Ministry of Finance in difficult times. As a matter of fact, when the difficult times came, other people got up and ran away.

The difficult time started coming in 1973, and people got up and ran away. They could not manage in a crisis so they got up and ran away. But we have shown that we are prepared to manage in a crisis and prepare this country for a time when things get good internationally so that we are ready for take-off.

We did it in 1977 and Barbados had some good years after that. Nobody can deny that. Civil servants got 38 percent increases and what have you, and some 30 000 people were taken off the tax roll. All of these things resulted from taking corrective measures when there were needed to be taken, yet, still we hear all kinds of attacks on the Government.

There is only one point, Mr. President, that I would like to touch on. When I hear the leading spokesman for the Opposition talking, I mean, sometimes I do not know how to deal with it; whoever is over there is the leading spokesman for the Opposition. I just want to touch on a point made by Senator McClean which I think merits some attention, and this is the whole question of Caricom Multilateral Clearing Facility as it relates to oil purchases.

Now, it is true that we have not enjoyed the best kind of co-operation from the Trinidad and Tobago Government on the whole question of the oil facility. Let us face it. They promised us in the oil facility that reformat would be considered as a finished product, because under their facility, unlike the Mexico/Venezuela Facility, finished products are considered for credit, and they promised us that they would consider reformat as a finished product. They have never done so. Since 1981, I have been going to Trinidad and trying to negotiate with the Trinidad Government on this matter, and they keep promising that they are going to deal with it and they have never done so.

But on the whole question of the Caricom Multilateral Clearing Facility and the purchase of reformat, the difficulty comes because we have a three party arrangement. Mobil Sales and Service Corporation in New York is the contracting agency with Trintoc in Trinidad, and what happens is that these contracts are written in terms of U.S. dollars. The other end of it is that Mobil Sales and Service in New York sends invoices to Mobil Barbados, the Mobil Refinery, and from there you then get Mobil Refinery in Barbados paying for the shipments to Mobil Sales and Service in New York.

So the problem we are getting in the Multilateral Clearing Facility is the need to get out of this contractual situation where Mobil in New York and Trintoc have been writing contracts in U.S. dollar terms for so many years. What we are doing now to arrest this problem is to ask the Central Bank — and I have seen correspondence from the Central Bank of Barbados to the Central Bank of Trinidad and Tobago, to this effect — to consider that this matter should be dealt with in Trinidad and Tobago dollars. That is in the process now, and, as a matter of fact, I believe what is holding up the current contract between Mobil Sales and Service in New York and the people in Trinidad and Tobago at Trintoc.

I think that I should explain that for the benefit for all concerned, because I agree with Senator McClean that the purchases of Trinidad are substantial and should go through the Multilateral Clearing Facility, and we are not taking steps, as I have said, to effectuate this.

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

Mr. PRESIDENT: Before we suspend the sitting, I wonder if the Senate would be agreeable to dealing with the related Resolution, because we have already accepted the principle of borrowing the money. No?

Well, I will suspend, but I want to make it clear before hand that when it comes to the principle of accepting the loan, the Senate has already agreed on that in a recent debate. Anyway, I will wait and see what develops.

SUSPENSION OF SITTING

Mr. PRESIDENT: This sitting will be suspended until 2.15 p.m. today.
1.25 p.m.

On Resumption:

Mr. PRESIDENT: This sitting is resumed.

RESOLUTION TO BORROW U.S. \$13 MILLION (BDS.
\$26 MILLION) FROM THE ROYAL BANK OF
CANADA (BARBADOS) LTD.

Order No. 4 was called — To move the passing of a Resolution to approve the borrowing of the sum of US. \$13 Million (BDS. \$26 Million) from the Royal Bank of Canada (Barbados) Ltd. for on-lending to the National Petroleum Corporation to purchase the assets of Mobil Exploration Barbados Inc. and the common stock of Mobil Exploration Barbados Ltd.

SENATOR C. A. GRIFFITH: Mr. President, much has been said about the Resolution which preceded this one, and I should just like to point out that there are some basic differences in the terms as they apply to the other Resolution which dealt with this matter, principally that the rate of interest on this loan is one per cent over LIBOR. The Government is satisfied that, in addition to what transpired before, this arrangement is much better than the prior one.

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

SENATOR A. W. A. McCLEAN: Mr. President, I do not want to return to anything related to the specific merits of this Resolution, but since we considered a related Resolution in December, certain events have come to pass, at least have become public knowledge, which I think affected the viability of the operation which we are seeking to finance by this Resolution, and to which I believe I ought to draw attention.

I am speaking here of one of the conditionalities in the standby arrangement with the International Monetary Fund, where Government and Government-owned corporations other than the financial corporations such as the BNB and the Development Bank, have to restrict their net credit from the commercial banks in Barbados to \$180 million, which I think is not significantly different from what it would have been at the time we entered into the agreement. We are told that last year the net position was \$159 million and that limit, I think, is probably projected to persist right on down to 1984.

This does not leave a lot of leeway for the Central Bank, itself, to engage in what I consider appropriate financing of Government deficits, and it could prove quite impossible for some of the Government corporations. Remember that these corporations include places like the Transport Board, CBC, BMC, the Port Authority, the same National Petroleum Corporation, ADC, and you could go on, and the ones which I have mentioned are straightforward commercial enterprises for the most part. The BMC and the ADC have a slightly different aspect to them, but there is no particular reason for lumping them along with the Central Bank and putting limitations on the amount that they can borrow from commercial banks.

These types of conditionalities, which are imposed by the IMF, are conditionalities which are formulated for general applicability against a background, perhaps, of a situation where the Government is not supposed to own such enterprises. That is probably the kind of philosophy which informs the IMF's behaviour on these things, and they see the credit going to Government as credit essentially for non-commercial reasons.

But that is not the case with the National Petroleum Corporation, and one would hope that we would not hear it said that it was not anticipated that some day you would get a call from all the managers of all the corporations in Barbados saying that they cannot get any further credit from the commercial banks because the Central Bank has told the commercial banks that they cannot lend them any more money, because they have exceeded the IMF guidelines and we do not want to breach that — that is a distinct possibility — and we are told we agreed to this but we never expected it would develop in that way. I am saying it will develop in that way if things go as they ought to, and this is one other reason why Government must move with expedition to correct some of the infelicities which have arisen out of the standby arrangement with the IMF.

There is one other matter related to the question of financing, which has been aired already in this Chamber and elsewhere, where it has been suggested that the BNB is in some sense culpable for missing a golden opportunity to be involved in the venture of financing this project, and the Research Department of the BNB has been castigated in the Other Place on the presumption that they would have been involved in this thing.

I would just like to suggest that I am not so sure if the line of argument against the BNB is particularly valid, but if it is valid, it could hardly be valid at the level of the culpability of the Research Department, because when you get into these figures it is only the Board of the BNB, with the assistance of the Managing Director, who would be directly involved in this type of decision. And if there is any fault it would have to be at the highest level; and if there is incapacity at the highest level, it would have to be Government's fault, because Government is responsible for placing people in those positions.

So Government must be very careful how they criticise the BNB when they are criticising at that level, and if they really believe that the criticism is well founded, it should be directed inwards in terms of self-examination and they should ask themselves what have they been doing to the BNB. I believe that the answers might be instructive.

The last point, Mr. President, relates to the question of the purchase of reformat from Trinidad, which must in some sense be associated with the production of crude through our National Petroleum Corporation, what is a proper mix that must be produced from all of the inputs available to the refinery, and what this implies in terms of the amount of reformat which we need to import from month to month from Trinidad.

A figure has been mentioned of \$11 million for last year, and that figure of \$11 million closely approximates

the first drawing that we would have been permitted to draw last year under the standby arrangement, and if we had access to that \$11 million, if we did not have to just pay it out in actual dollars, this would entirely have offset the amount which we went and got from the IMF.

The significance of it is as large as that, but I think the problem of getting these transactions into the facility does not relate to what is primarily the final product, because the terms of the facility do not make this distinction. This would have to be a private agreement between the parties to the transaction, and what has been perhaps explained here by Senator Griffith, what has been wrong in this relationship, is that the money actually passed from Barbados to Miami or somewhere in America and this money went from Miami down to Trinidad.

But basically, the facility is engaged in intra-regional transactions involving settlement between commercial banks in the region, say, a commercial bank in Barbados and commercial bank in Trinidad, or Government to Government transactions, or transactions involving regional institutions.

So that transaction would not qualify under any of these headings, and we in Barbados would have to be responsible for allowing that pattern of payment to persist, and it has nothing to do with the accounting arrangement that Mobil maintains. All that is required is that the cheque must pass from Barbados to Trinidad, not from Barbados to Miami, and they can keep the accounts in exactly the same form notifying the several sections appropriately.

With this, I think that the alternative arrangements which have been made for financing this project seems to be quite satisfactory, and I would lend my support to this Resolution.

Thank you, Mr. President.

SENATOR C. A. GRIFFITH: I take the point made by Senator McClean on the whole question of the transaction, and I merely want to point out that since it was a three party situation, the three parties are involved in trying to resolve the matter. The parties, in fact, are the Government of Barbados, the Government of Trinidad and Mobil. Enough has been said about the history of Mobil's existence in Barbados to appreciate that there was a certain difficulty associated with how they handle their transactions and it is something that we are now addressing our minds to, though rather belatedly.

The question that the Resolution be concurred in was put to the Senate and agreed to.
2.30 p.m.

THE CIVIL ESTABLISHMENT GENERAL (AMENDMENT) ORDER, 1982

Order No. 6 was called – To move the passing of the Resolution to approve the Civil Establishment General (Amendment) Order, 1982.

Mr. PRESIDENT: Senator Trotman.

SENATOR THE HON. O'B. TROTMAN: Mr. President, Sir, the Order to which the Resolution seeks to give approval, provides for amendments in the staff structure of the Labour Department in an effort to strengthen that department, especially in view of the new Factories Bill, which is still on the Order Paper of this Chamber.

In the case of the Civil Aviation and Tourism, Sir, ten new posts of Air Traffic Control Supervisor were created and, therefore, the numbers in the lower ranks should have been adjusted to reflect the upgradings of ten supervisors, and that is being done at this time as well.

In the case of the airport again, there is the question of Technical Officer. At present there are two Technical Officers at the airport and a third post is being created especially to deal with air worthiness and licensing. For some time, an officer has been carrying out these duties on a temporary basis, and it is now considered that that function should be carried out on a permanent basis, and so the Resolution seeks to establish that.

The Prisons Department has a change from typist to clerk-typist to make it easier to recruit a person who can type. They only need one officer, and at present, with a typist, then there is some labour argument as to whether one can make a typist do clerical work and make clerks do stenographic work. But the clerk-typist will be able to do both without getting into any confusion with their representatives.

It is not a matter of being lower paid. It is a matter of saving on staff. If there is only enough work for one girl to do, there is hardly any point in using two people when the other officer could be employed in another department and be useful.

In the case of the Ministry of Education Headquarters, it is really a correction being done, and in the case of Samuel Jackman Prescod Polytechnic, they are taking over the duties which used to be carried out by the Housecraft Centre, and therefore there is a reduction at the Housecraft Centre and some additions being made at the Polytechnic.

I beg to move that the Resolution do now pass.

Mr. PRESIDENT: It is proposed that the Senate approve of this Resolution. Senator Greaves.

SENATOR E. E. GREAVES: Mr. President, I do not think I can allow this Resolution to pass without making some comments.

I want to direct my remarks particularly to the Labour Department. I have said it over and over again, and at the risk of being accused of playing an old record, I will repeat — the Labour Department is one of the most important departments in the public service; however, it is not treated, or indeed regarded, as such by the Government.

A very interesting example or comparison can be made between the provisions which are made in this particular Resolution for the Labour Department and the Civil Aviation and Tourism Section of the related Ministry. We find that the Government has found it possible to create, or to establish for that matter, ten posts in the area of Air Traffic Control in that area while relinquishing five posts, presumably meaning that there is an increase in the establishment of about five. The point is that there is a substantial increase in the establishment at that particular area.

I am not at all critical about that because Civil Aviation Department is a crucial department in terms of our general and economic well-being. So that.....

SENATOR THE HON. O'B. TROTMAN: I think you got it slightly wrong with the arithmetic. What happened was that they had fifty-seven posts of Air Traffic Controller, and when the ten posts were created, somehow the Establishment Order only reflected a reduction of five. This would now make it 47. So it is really not an increase, just a shift.

SENATOR E. E. GREAVES: That department is well provided with personnel to deal with the particular problems which will arise there and, generally speaking, to service that department.

I am saying that even with the increase here, it is not a substantial increase. I would suggest that it is an insignificant increase in the Department of Labour, because if you were to look at the total position of Labour Officers and take it into consideration that the four Factory Inspectors, which you are creating, are on the same level as the Labour Officers, or in that grade, you can see that you are not really making any significant improvement in the numbers of people who service that department. I say that the Labour Department is a significant and an important department in this country because that has a very important role to play, (a) in our industrial relation situation, and which

I will get back to right now, and (b), in servicing the many bits of labour legislation which we have in Barbados.

Senator Trotman referred to the impending passage of the Factories Act which will impose more work on the Department of Labour. (I am not going to get into that now, because we will have an opportunity to look at that in detail presumably at a subsequent meeting). But quite apart from the Factories Act, there are other bits of legislation, like the shops legislation, the legislation relating to holidays with pay and a whole range of legislation, which has to be serviced by that department. And I am saying that the Department of Labour, even with this provision, is inadequately provided with staff.

The second point I would like to make, Sir, relates to the quality of staff which is recruited in the Department of Labour. Oh yes, the quality of staff! It is very poor, and I think that the Government ought to get very serious about this department.

I have suggested previously that what we ought to be doing with the Department of Labour is that we be trying to develop it as a career department, where there is a very clearly structured career ladder, where people can enter into that department knowing that they have a career ahead of them and, therefore, can prepare themselves to be able to function within that department without having to bother overly about being transferred to another department.

For example, people in the Income Tax Department, when they get into the professional or semi-professional grades, do not have to bother too much, unless, of course, they do something which would reflect on their integrity.....infelicitities. The point is that when once you get into that department, people can feel fairly sure that they can prepare themselves to function in that department and not have to bother about being transferred overnight. Or maybe in the Customs. Again, generally speaking, when people get into that particular area, unless some little thing happens, they can be fairly sure that they will remain in that department and could therefore prepare themselves for that.

2.40 p.m.

But we have a situation where, still, the Department of Labour does not carry that kind of attraction and does not provide that kind of opportunity for people who are working there. It is still, unfortunately, regarded as a dumping ground — and I say that without any fear of contradiction — in the Civil Service, so that the quality of the person who has to occupy positions in that department is very important.

Take, for example, Sir, if you are in a situation where you have to go to the Department of Labour with a matter in industrial relations, and you have two sides bringing their strong delegations, people who can argue all sorts of points. I would want to say that the field of industrial relations these days is a very complicated field. No longer is it a situation where, necessarily, might is right. The employers make their presentations very forcibly, unions therefore have to be able to meet these arguments and must be able to prepare their cases when they go to the Department of Labour. Very often you find the situation where the person who is sitting chairing that meeting, conciliating at that meeting, does not really match up to the quality of the persons on the other side, with the result that no side has any respect for the person who is sitting in the chair.

Now, Sir, you occupy the position of a chair in here, and if any of the honourable Senators disrespect you or all of the other Senators, because of your inability to really chair a meeting, you can imagine what would happen. It is true that we get off the rails at times and I think you duly put us back on in a very calm manner, and even although sometimes we might appear not to be particularly happy with that particular thing, I think, generally speaking, we accept what you say, because there is respect for you and for your rulings. But when you have a person occupying a position of presiding over a meeting and neither side respects that person, because the person does not display the kind of intelligence or general understanding of a situation, then we are into a very bad way.

What I am saying, Sir, is that we have to watch that department very, very carefully. I am saying that enough recognition has not been given to the department, and I am further suggesting that the Government should really look at the suggestion — do not mind it is coming from me — about establishing a department which is a career department, rather than just having a general department where you are transferring people left, right and centre.

I really do not want to wax as warm as I could wax on this particular occasion, because I recognise that there are some people who are sensitive and who will immediately begin to think you are criticising them and do not want them to get a job, and that kind of nonsense, but I think that we have to move beyond personal feelings when we come to situations where the particular role which the department has to play in the national scheme of things is concerned, and we should try to get the best that we can out of that situation.

I am aware that at the present moment there are interviews being conducted, or interviews have recently been conducted, for filling some senior posts in that department, and I only hope that very serious thought is given to appointments and to who really are the people

who are brought into that department. I would like to say that I am glad to see that some move is being made to improve the factory inspectorate at the Department of Labour. As I said, when one looks at the work which is going to be involved in the factory inspectorate, this creation of the posts of Senior Factory Inspector and four Factory Inspectors is merely scratching the surface. It is totally inadequate for the needs of that department.

I would have thought that now that we had an opportunity to re-organise, that, in view of the many criticisms and strictures which have been levelled at the Department of Labour, the Government would have taken the opportunity to really go much further in correcting the ills which exist at present in that department. If you were to look at the Act governing the Department of Labour, you will see that in that Act there are a number of functions which are set out there, and even although the Department of Labour was set up somewhere in 1942-43, there are some of these functions which, up to now, they have not been able to carry out. I am trying to see if I can get a copy of the legislation to read to you what the Act mandates the Department to do.

For example, the question of the provision of labour statistics. The Department of Labour does not even begin to answer that particular problem. It does not have the capability; it never had the capability to do it. I am saying these things because it is a situation that I am close to and live with almost every day. You get complaints from the unions, you get complaints from the employers, you get complaints from the department itself, and I am just making an appeal in the interest of this country, in the interest of ensuring that our industrial relations situation is properly managed. I hope, Sir, that my appeal will not be falling on deaf ears.

2.50 p.m.

Chapter 23 of the Laws of Barbados relating to the Department of Labour says:

"It shall be the duty of the Chief Labour Officer" — these are general duties —

- (a) To receive and investigate all representations, whether of employers or of employees, made to him concerning any business, trade, occupation and employment with a view to a settlement of disputes and grievances and to conciliation especially regarding hours and conditions of work and regulation of wages and to report thereon to the Minister,
- (b) To advise the Government with regard to the effect of industrial relations and generally on all labour matters;

- (c) To ensure the due enforcement of the Acts specified in the Schedule and any other Acts which he may from time to time be required to enforce,
- (d) To prepare cost of living indices and statistics of earnings and conditions of employment;
- (e) To perform such further and other duties as may from time to time be required of him by an Act or by the Minister."

Now, if you were to look at the duty under (c), "to ensure the due enforcement of the Acts specified in the schedule and of any other Acts which he may from time to time be required to enforce," I have indicated that there are a number of Acts which the Department of Labour has to look after, and this Schedule is not even complete. It has the Supervision of Sugar Canes Act, The Employment of Women, Young Persons and Children's Act, The Recruiting of Workers at Work, The Shops (Closing) Act; but it does not even have the Shops Act, The Factories Act, The Quarries Act, The Radiation Act; I mean, a range of Acts which the Chief Labour Officer has to monitor, and these cannot be monitored with the staff which they have and they are not monitored.

There are a number of factories, for example, in this country which have not been visited by a Factory Inspector for probably five years. Would you believe that, Sir? There are boilers and other equipment in factories which, even under the existing legislation, should be examined and passed as having been examined every 12 months, and which have not been examined for three and four years.

This is the kind of situation that we are talking about, and I can recite examples of default on the part of the Department of Labour as far as carrying out their duties are concerned. It is not because they would not want to do it, but because they do not have the manpower to do it; and whereas I recognise that this is a move in the direction to provide the manpower, I am saying that this is totally inadequate.

If you look, Sir, at the other duty which is placed on the Chief Labour Officer, "to prepare cost of living indices and statistics of earnings and conditions of employment", I mean, they do not even get near to that.

We have indicated for some time that we need a proper survey of our manpower in this country, and we have heard many promises made; promises made for years now about commitments which would be made to have a proper manpower survey done. But all we are getting, Sir, are words and words, but no action.

I am submitting, Sir, that if we are going to be able to plan our economic development in terms of manpower requirements, if we are going to be able to plan the development of this country, then we must know and have some fair idea as to the manpower requirements ahead of time. They might not be as accurate as one would like, but there must be some degree of forecasting. This is not being done on any scientific basis, and I am saying, Sir, that this can hold back any particular development plan or development strategies which the Government would have.

I am further submitting that it is the function and role of the Department of Labour to be involved and to be providing the lead in this particular direction. But how can they do this when they are starved, as they are, of manpower, and of the quality manpower, which would enable them to carry out effectively the functions which they have to perform?

The Note to this section says that "the reorganization and regrading of posts in this department are to improve its capability and efficiency and to meet increased needs in the industrial relations field." I agree that we have to improve the capability of the Department of Labour. I talked about that when I referred to the need for quality personnel. On the question of meeting the increased needs, this is reflected in my call for an even greater increase in the number of personnel and, at the same time, in creating a career structure in the department. On the question of the industrial relations field, I have pointed out the deficiency of the department in that particular area.

I would hope, Sir, that in the future we can see some turnaround in that department. I would, however, want to say that there are some capable people in there, but you need to pay a little more attention, devote a little more serious attention, to that department. As I said, I am not trying to be contentious on this matter. It is a bit of advice from, I would suggest, a person who is in the know, and I hope that the advice would be taken, because it is a crucial department and I do not think we should be playing around with it in the way that we have been playing around with it in the past. I hope, Sir, that the Government would look at the entire department again and really try to provide the kinds of things which I have been indicating.

As I have been pointing out, when we come to the Factories Act, I will have some more specific recommendations to make as far as the operation of that Act and the role of the Department of Labour are concerned.

Thank you.

3.00 p.m.

SENATOR J. E. D. WILLIAMS: Mr. President, I think it would be generally agreed that Senator Greaves

does not have to labour the point that, like many other departments in Government, you need to increase the number of personnel. I suppose in the Labour Department the same thing can be said. The same thing is indeed true. But what I was particularly saddened about was to hear Senator Greaves get up and try to denigrate the efforts of the people who work in that department. He even referred to them as "individuals who do not display any kind of intelligence." I am hoping that I have quoted him correctly.

Mr. President, I have had the good honour of leading a delegation, along with a representative of the union, to that same Labour Department to negotiate on behalf of workers. I can say, without fear of contradiction from the other side, that both sides were indeed satisfied with the individual who sat in the chair at that time, no less a person than the Acting Chief Labour Officer who still works with that department, Mr. President. He, indeed, did an excellent job, has been doing one, and we were satisfied that he dealt with all matters on these occasions in a fair, just and efficient way. For Senator Greaves to suggest that these individuals are incapable of doing their work is, indeed, a gross insult to the people in the Labour Department, and I think Senator Greaves very well knows it. I could not really sit down and allow Senator Greaves to get away with that one.

We all know that the department needs sharpening and upgrading from time to time, but efforts have been made. Senator Greaves spoke about a manpower survey. Someone at the level of a graduate is now responsible and is indeed looking at the whole question of manpower. I think if Senator Greaves would check, he would find out that is indeed the case, but he comes in here and says no efforts are being made in the area of coming up with any manpower survey programme and planning and this kind of thing, and it is indeed not true. Even graduates, Mr. President, are encouraged to come into that department, and I agree with him that efforts should be made to allow individuals to become career people.

On the whole question of the kinds of people we have there, those are the same people who came up and assisted us in arriving at the same factories legislation that he spoke about. They made their input, and we all can see their input from the quality of the document, but yet he will have us believe that we have all nitwits working at the Labour Department. He, of course, can hold that view, but I do not share it at all, and I feel very strongly about it, Mr. President.

The question of industrial relations is something that any Government has to look at closely, scrutinise and be very concerned about, and I am satisfied in my own mind that we are looking at the question of the

Labour Department, the role of the Chief Labour Officer, the whole question of industrial relations, and therefore I really honestly cannot agree with Senator Greaves that nothing is being done with a view to improve the Labour Department.

Mr. President, I suppose the honourable member on the other side has a particular axe to grind, but I do not think he should take it out on the people who work in the Labour Department.

I thank you.

SENATOR A. W. A. McCLEAN: Mr. President, it seems as though since Senator Hall urged the Government benches to attack me, they even attack me when I am not speaking. Without trying to get into any exchange about the quality of staff in the Labour Department and so on. I would like to indicate that I rather suspect that there might be considerable merit in the intent behind Senator Greaves' submission, without getting involved at the level of personalities as to who is competent and who is incompetent.

I believe we will all agree there is considerable scope for increased professionalism in all areas of Government, but I would like to disagree with Senator Greaves when he indicated that the Labour Department is the single most important department for attention in this regard. I think the Ministry of Finance and Planning is also in need of some beefing up.

And the problem is not only one of having each department organised along narrow lines that you go into the department and stay there; it is a more general problem which must be solved in the context of movement across departments and ministries, and I think part of the problem is that in Barbados we have the view that you are promoted on the basis of length of service rather than on the basis of ability, which is an entirely debilitating type of view to have, and until we can get beyond that to recognise that age and length of service must be secondary to ability to cope, you will always find that our departments will not function at maximum capacity.

Any time you have the wrong head, the body must suffer; even though you might have brilliant people down the line, they will not be permitted to organise their work in such a way that they can be of great benefit to the organisation for two types of reasons: one is that the leadership would not be sufficiently enlightened to give them guidance, and secondly, some incompetent leaders will have a vested interest in ensuring that they do not function well and show them up to be incompetent. So you have to be very careful about these things.

On the question of manpower, planning and so on, I recognise that the Ministry of Labour must have a strategic role to play in this, but I think that that should be seen, ultimately, as one of the central planning functions. We should have a planning unit which is concerned with planning rather than the day to day matter of administration. I think that what we have as a planning unit right now is a misnomer; we have a day to day administrative unit with very few people or anybody at all devoted to full time research and planning activity, and that is what you really need, and that is at the back of some of the mistakes that we might make from time to time, because we only make the mistake on the close-up view of the immediate outcome of what is happening. There is no one there sitting back, reflecting, anticipating and predicting to the extent that high public officials can say no one can predict, only the Almighty can predict. I am saying that we have to get beyond that stage and take ourselves seriously, and develop not only the Labour Department, but all areas, and recognise that research and development activity is strategic to progress in this community.

Also, in the area of job descriptions and appointments, I notice here that there is a reference to redesignating a post from geologist to petroleum officer. This is the Ministry of Finance and Planning. That seems to be a very big step in terms of using the term "redesignation". It seems to be more like the abolition of the post of geologist and the creation of the post of petroleum officer. Redesignation usually means that the two terms are much the same and the job description would be much of the same, but I presume that you plan to change the job description, at least if not the job description, the requirements for the post, otherwise there would be no significant advantage.

Now on the whole business of recruitment, promotion and so on, it amazes me that for all my years working at the university, I have never yet been called upon by the Establishments Division, or whoever is responsible for appointments, to write a reference on anybody who passes through Cave Hill doing Economics, and they are appointed to all sorts of positions. Other agencies all over the world always refer back to people who taught these people and say "well, we know they have this paper, but both of them have the same papers, tell us about them beyond the paper." That never happens in Government and it ought to happen, otherwise you will always find yourself appointing people on criteria other than their actual capacity.

I thank you, Mr. President.

3.10 p.m.

SENATOR THE HON. O'B. TROTMAN: There is only one small point I want to take up Mr. President, the

question of statistics. The Government is, in fact, very conscious of the fall down of the Ministry of Labour and the Labour Department in the area of manpower information. At present, a small unit being established and a lot of work is being put in, and we hope that, in the not too distant future, we should have a proper functioning and efficient manpower unit.

Of course, Senator Greaves was slightly unfair on the question of cost of living indices, because he knows quite well, like the rest of us, that function has long been taken over by a new department and the Chief Labour Officer no longer provides us with the cost of living indices.

Asides.

SENATOR THE HON. O'B. TROTMAN: He does not know that yet? I thought that he knew that; I mean he is a big trade unionist.

But the Statistical Department does do this work for us, and does it quite efficiently, I think, and it might be slightly unfair to say that the Department of Labour is falling down in not doing it.

The question that the Senate approve of this Resolution was put and agreed to.

RESOLUTION TO INCREASE ANNUAL SALARY OF GOVERNOR-GENERAL

Order No. 7 was called – To move the passing of the Resolution to increase the annual salary payable to the Governor-General with effect from 1st April, 1982.

Mr. PRESIDENT: Senator Trotman.

SENATOR THE HON. O'B. TROTMAN: Mr. President, Sir, the Governor-General (Conditions of Service) Act, Cap. 6 and the amendments, 1979/43, provide in Section 3(3) that the salaries payable to the Governor-General shall be those reflected in the Schedule of the Act, and in keeping of our stated policy of increasing the salary of everyone in the Public Service by \$108 per month from the first of April of last year, it is considered that it should be consistent and that the Governor-General should be paid \$108 along with the rest of us. We have had long hours of debate on the question as to whether or not \$108 is enough for the principle of negotiations and I do not think that we need to go back to them again.

I beg that this Resolution do now pass.

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

**RESOLUTION TO APPROVE THE COMPULSORY
ACQUISITION OF LAND AT WELCHMAN
HALL, ST. THOMAS**

Order No. 10 was called — To move the passing of the Resolution to approve the compulsory acquisition of land at Welchman Hall, St. Thomas for the purpose of constructing a Police Station and Magistrate's Court.

Mr. PRESIDENT: Senator Trotman.

SENATOR THE HON. O'B. TROTMAN: Thank you, Mr. President.

The Government, Sir, has been carrying on a programme of upgrading police facilities and Magistrates' Courts in this country. We have completed the one at Oistins — the court is in operation; the Police Station is ready to be occupied, as I understand it. This is one more Magistrate's Court and Police Station which we are about to build in order to make the policemen more comfortable so that they can do their work, which is of a quite high standard, Sir. It is also considered that the lawyers and the other people who have to work in the Magistrates' Courts should have proper facilities, and the Government has been carrying on the programme of improving the physical accommodations in these two departments. I believe, Sir, that there will be new facilities in Speightstown sometime in the near future as well.

There is no particular dispute as far as the acquisition of the land is concerned. They had talks with the owners of the land and there were other arrangements to be made, but now we decided to acquire the land compulsorily and there is no dispute as far as I understand.

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

Mr. PRESIDENT: Senator Howell.

SENATOR St. C. E. HOWELL: Thank you Mr. President.

Mr. President the acquisition of this piece of land for the construction of the new station and court is welcome by those of us in the legal profession. Sir, not only because of the conditions we have to work in, but the people who are summoned to go to the courts at times, in the vast majority of cases, do have to put up with the conditions that are really not suitable. They are usually appalled when they go to the courts.

In introducing the Bill, Sir, Senator Trotman did make mention of the new court at Oistins, and that court really does the whole profession, the whole busi-

ness of administering justice, proud, and I can only say that in acquiring this land, if they can come any where close to what has been achieved at Oistins, it can only continue to improve not only the physical facilities and the environment for those people who have to attend court and who have to work there, but I am firmly convinced that the administration of justice will be improved as well, Sir.

Sir, I am concerned here that in acquiring land and constructing these new modern buildings, those in authority would really see fit that the time has come for a new start in looking after the liberty of subjects in the court. I think, Sir, the time has come, for example, in the Magistrate's Court, because this acquisition of land for the construction of the Police Station and court is a Magistrate's Court, I would have thought.
3.20 p.m.

I think the time has come, particularly in the lower court, in the Magistrates Court, for there to be an enactment of the Bail Act in this country. I think the time has come now that we, as an independent country, have not at times fully realised the liberty of the subject in the administration of justice. We, those of us who practise in the courts, know bail is a right, and that our Constitution provides in Section 18 that when a person is charged, he is presumed to be innocent until he is proven guilty. But experience clearly has shown in this country that there is a certain attitude whereby, perhaps sub-consciously, this does not appear to be the case, because as soon as a person goes in the dock, defence counsel will say that it would appear that he is placed in the position where he must prove he is innocent even before the matter is tried.

Aside.

SENATOR St. C. E. HOWELL: This is not to criticise any individual Magistrate, or the Bench as a whole. I am just saying, Sir, here it is we have a written Constitution, we outline in certain areas the liberties of the subject, and yet a person can go into the Magistrate's Court and the question as to whether or not he is granted bail would vary, and it does vary from one tribunal to another. I think the time has come that the administration of these new courts....

Aside.

SENATOR St. C. E. HOWELL: Senator Greaves is not really bothering me, but I think it is very unfair; it is rude to say the least. I feel strongly about this. I think the liberty of the subject in Barbados is a serious thing. When Senator Greaves is speaking about workers I do not interfere, and I am more worker than he. I think it is very rude.

Cheers.

Mr. PRESIDENT: Order, order! Just a minute. I have had occasion to draw to the attention of members before that the Standing Orders do not allow members to interrupt others when they are speaking, and I wish members would pay more attention to that Standing Order.

Senator Howell, I am not too clear as to the bearing your last set of remarks have on the Resolution for the acquisition of land.

SENATOR St.C. HOWELL: Sir, I think it is an acquisition of land for the construction of a police station and a court, and I would have thought that would have given some latitude.....

Mr. PRESIDENT: To speak about justice and bail and so on?

SENATOR St.C. HOWELL: Not justice and bail, I think bail is very important in the Magistrates' Courts, and this is a Magistrate's Court for which land is being acquired.

Mr. PRESIDENT: Yes. I was wondering whether you were saying the improvement of the amenities would have improved the administration of justice. In that general sense perhaps you can.....

SENATOR St.C. HOWELL: No. I was thinking particularly in connection with bail; not that he will get any better justice. I do not think anyone has any complaint about that in Barbados, and I am sorry to have given that impression.

Mr. PRESIDENT: Try and keep a little more closely to the Resolution.

SENATOR St.C. HOWELL: Yes, Sir. Thank you, Mr. President. If I may be permitted to stress the point on bail in the Magistrates' Courts, I think the time has come when there should be some sort of scale or schedule of offences in matters in the Magistrates' Courts, and I am saying now that we are building these new courts that there should be a new approach so that when you go in you can know that there are certain offences whereby there should be bail granted rather than to go in and it is varying from one tribunal to the other.

After all, this is to deal with the liberty of the subject. You go to the court, you are put in pleasant surroundings, you are given a fair trial. No one is disputing that in this country, no one is disputing that you are getting a speedy trial and in a reasonable time. I am saying now we are spending all of this money that, together with the physical surroundings, we should also look at the liberty of the subject and we should move

ahead with the time. I think the only way you can do this is by means of a Bail Act, Sir.

I thank you, Mr. President.

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

RESOLUTION TO APPROVE THE COMPULSORY ACQUISITION OF LAND AT BAYWOODS, ST. JAMES

SENATOR THE HON. O'B. TROTMAN: Mr. President, exactly one year ago, short by seven days, we agreed in this Chamber to acquire a parcel of land at a property known as Buccaneer at Orange Hill, St. James to provide a community centre. At that time Senator Hall spoke at length on the matter, and what we are doing is acquiring a bit of land to provide hard courts next to the community centre. That is the purpose of the Resolution.

I beg to move that the Resolution do now pass.

SENATOR E. E. GREAVES: Sir, speaking on this Resolution to approve land acquisition at Baywoods for the provision of recreational facilities, and hearing Senator Trotman indicate that the Government proposes to establish hard courts on the land to be acquired, I would like to say that this certainly is a step in the right direction in terms of bringing improved recreational facilities and additional recreational facilities to people, particularly those in the rural areas.

I am wondering, while we are at it, since there is in existence in St. Lucy a playing field at Rockfield, whether the Government would give favourable consideration to, acquiring an area of land to the western part of that playing field for the purpose of establishing hard courts in that area, and at the same time, since St. Lucy is such a big parish, and since communication between districts is not the easiest of things, whether the Government, in its wisdom, would give very serious consideration to the acquisition of land or the provision of facilities on lands it has already acquired in the Checker Hall area for the provision of recreational facilities of course including a pavilion and playing field.
3.30 p.m.

Under the Democratic Labour Party regime we straightened out the playing field at Half Moon Fort, but I think Checker Hall is a big catchment area, as I have already indicated, and I would have thought, hearing what Senator Trotman had to say well over a year ago, that by now the Government would have been moving in the direction of providing facilities in the Checker Hall

area. But I have not had an indication from Senator Trotman since then about my pleas, and I really hope, Sir, that my pleas do not fall on deaf ears.

I will continue to urge the Government to make the necessary provisions to cater to the youth of the parish of St. Lucy and particularly to provide facilities in the strategic areas, the large catchment areas in the Checker Hall area and the Crab Hill area, and, of course, to add to the existing facilities by the provision of hard courts.

Thank you, Mr. President.

SENATOR A. W. A. McCLEAN: Mr. President, sometime in the past I had indicated that, in making decisions such as this, acquiring land to build playing facilities and so on, Government must have an eye to priorities, and at one stage I probably mentioned chairs in school. Today I am going to mention hard courts in schools.

There are some schools in Barbados with hard courts and some without — and this is perhaps a blatant act of discrimination, if you want to put it in those terms — and one of the schools without a hard court is Combermere. This is a school which is very dear to my heart for various reasons, and I think that is a school which renders considerable service to this community — the hall up there is used every day, every night and so on.

I think that, basically, at the moment you find that the PTA is struggling to try to raise some money to provide Combermere with a hard court — but it is a case of climbing the hill and slipping still. You are only getting the incremental cost. In other words, the amount of money that we make in one year, the cost of the hard court goes up by that amount or more, in terms of inflation, and I think that really Government should take it as their responsibility to, if not finance the entire project, finance a considerable amount of it.

I am sure that a hard court at a school with large numbers, say Combermere School, will be rather more heavily utilised than some of the hard courts in very small districts and so on, and indeed a lot of the people in those districts may probably even attend the school. And if the politicians are interested in their mileage, they will just simply have to note that the students from Combermere come from all over the island and they can check them out and tell them how they can be instrumental in getting a hard court for them.

I thank you, Mr. President.

SENATOR D. A. C. SIMMONS: Mr. President, Sir, to answer the last speaker first. The National Sports Council was asked to prepare a Development Plan for sports for the period 1983–1988. That Plan has been

prepared and submitted to the Ministry of Labour and Sport.

It was written in November, 1982, and I wish to tell Senator McClean that one of the recommendations of the Plan is as follows —

“All secondary schools should, during the Plan period be provided with multipurpose hard courts for the playing of basketball, volley ball, netball and tennis and the necessary equipment should be made available to these schools.”

So his pleas in here and elsewhere, Sir, have not fallen on death ears.

I have every reason to believe that this Development Plan has been substantially accepted by the Ministry for inclusion in the Government's National Development Plan.

Asides.

SENATOR D. A. C. SIMMONS: We are coming to St. Lucy, Sir, but that is far in the north. We will reach there in good time.

Laughter.

SENATOR D. A. C. SIMMONS: In respect of the particular subject matter of this Resolution, Sir, there is already a playing field at Orange Hill which Senator Hall and myself, among other members of the Sports Council, visited in August last year. It is substantially level. It is rather rocky, unfortunately, and I have mentioned to the representative of that area, Mr. L. B. Brathwaite, and to Mr. George Payne, who is connected with the group in the area, that perhaps it would be a suitable project for co-operation between the youth group in the area and the National Sports Council, and it would be a worthwhile gesture on the part of the youth group if they would attack that playing area for a number of weekends and clear the little rocks that are on the ground.

But I can go beyond that, Sir, and say that, in the Capital Estimates for 1983/84, the Sports Council has earmarked the levelling and grassing of that field at Orange Hill, which is near to this place that we are dealing here with. We also have to sink a well and that will be done. The estimated cost is \$18 000 in the fiscal year 1983/84.

The area is without hard courts, Sir. I welcome the fact that this Resolution has as its ultimate objection the establishment of hard courts in the area, but I do not think that the people from the Orange Hill/Baywoods area should be deluded into anticipating the establishment of hard courts in fiscal 1983/84 — probably 1984 — 1985, after the acquisition and so on. But Govern-

ment, I think has moved timely to acquire the land in good time so that it can have, Sir, what I call a land bank available for the establishment of recreational facilities. It will be added to the 14 bits of land that Government has already acquired all over the country, excluding St. Lucy, for recreational development.

But, St. Lucy, Sir, notwithstanding the pleas of Senator Greaves, is not too badly off. St. Philip, in which I used to have some direct interest, Sir, only has one playing field that is nationally provided for by the Government, and that is at Chappel. It used to be represented by the Democratic Labour Party people for anything like 25 years, Sir, and they never were able to move their Government, which was in power for 15 years, to give even St. Philip North or South even one playing field. Happily, the Barbados Labour Party was a bit more responsive to the needs of the people of St. Philip North, and during my tenure in the Lower House, we had the one and only field established at Chappel.

St. Lucy has a playing field at Rockfield, one at Clinketts, one at Half Moon Fort.

Asides.

SENATOR D. A. C. SIMMONS: That is one and the same?

(Mr. E. E. GREAVES: That is one and the same).

SENATOR D. A. C. SIMMONS: He says that is one and the same, Sir.
3.40 p.m.

Well it is shown on the Sports Council's appendix as No. 3. If it is one and the same. I accept that from Senator Greaves, the erstwhile representative. I think there is also a hard court facility at St. Lucy's Secondary School and at Lammings in St. Joseph. It is proposed also, Sir, in the year 1983/84 as a result of the persistent pleas of Mr. Roy Brathwaite, M.P., to level and grass at a cost of \$20 000 a playing field at Archers Bay in St. Lucy, and I make that announcement today.

I am obliged to Your Honour.

SENATOR W. W. HALL: Sir, I should have spoken immediately after Senator McClean, especially when he asked for a little assistance from the Government with the proposed multi-purpose courts at Combermere. I however refrained from doing so because I felt it would only be prudent that the Chairman of the National Sports Council should enlighten Senator McClean on the proposed plans for the period between 1983 and 1988.

I think that Senator Simmons would not want to blow his own trumpet, but I think it is true to say that, almost single-handedly, he wrote that plan, and if I may say so, it is well written. It just needed a few drives backward of point from me, and hence it is now a complete document.

It is conspicuous that Senator Greaves should mention the various areas of St. Lucy, and I think it is true to say that it would be equally conspicuous for Senator Trotman to mention St. Peter, but I want him to know, Sir, that Mrs. Leacock has asked me to say in here today not to forget Boscobelle, because it seems to the people down there that the Government tricked them last time when they put the equipment down there before the election and then moved it out after the election. I am only saying that she asked me to say do not forget Boscobelle. Perhaps Senator Trotman would like to reply to that.

Asides.

SENATOR W. W. HALL: You have the answer, I have no doubt.

Sir, I would like to say that in these very Estimates that Senator Simmons is trying to tell me about, you will find that although we might buy this piece of land, nowhere in the Estimates for 1983-84 you will find money provided for these facilities, so I dare say that these facilities will still have to wait for 1984-85. You see, Senator Trotman said I spoke at length last time. One thing I know is that I will be consistent. There will be no inconsistency from me, and I am not going to be lured into the merits or demerits of this situation. Recreational facilities fair enough, but I am saying that I see them nowhere in the Estimates for 1982-83 and I wonder, since Senator Simmons did not speak about them, whether Senator Trotman in his reply will be able to tell us what we are going to do between now and 1984-85.

SENATOR THE HON. O'B. TROTMAN: Mr. President, I do not want to make this sound like some parish by parish grabbing of facilities, but everybody is having a little say about their area. To answer Senator Hall quite straight, Sir, if the people of St. Peter want to know what is happening at Boscobelle, I can tell them.

(SENATOR W. W. HALL: They do not want to hear from you.)

SENATOR THE HON. O'B. TROTMAN: Time will tell.

It is proposed to spend \$33 000 at Boscobelle this year in levelling and grassing Boscobelle, so Senator Hall can be assured that before he gets back his message to Boscobelle, the people down there will know what is happening at Boscobelle in terms of the playing field.

Other things included for this year are the levelling and grassing of Belfield. The present Minister of Sports, Mr. Vic Johnson in the Other Place, is going to spend \$60 000 in Belfield, and there is also going to be work done at Grazettes, to the tune of \$20 000. I think those were the questions generally asked on the other side.

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

RESOLUTION TO AMEND THE RESOLUTION
NO. 31/1979

Order No. 11 was called – To move the passing of a Resolution to amend Resolution No. 31/1979.

SENATOR THE HON. O'B. TROTMAN: Mr. President, this Resolution is to correct the Fourteenth Schedule to a Resolution which was passed in 1979. It has been discovered that there was an error in the description of the land. There is no other error. It is only a descriptive error in the Schedule on the Resolution and the Order Paper seeks to describe the land accurately. The land is in the new housing area in Bonnetts, Brittons Hill.

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

SENATOR E. E. GREAVES: Mr. President, I do not want to delay the proceedings, but I just want to record a comment in that it shows how careful we have to be when we are acquiring property.
3.50 p.m.

Senator Trotman said, and I have not seen the plans for this, that there was an error made in the description of the property. Am I correct – the description?

Now I must confess, I do not see that as a small matter, because if there is an error made in the description of the property, it meant that we have acquired the wrong property, or that we acquired property which did not exist. So I do not want Senator Trotman to get away with passing it off as just an error in the description of the property. I think it is a serious error on the part of the Government to have acquired property and described it incorrectly.

Mr. PRESIDENT: Senator McClean.

SENATOR A. W. A. McCLEAN: Mr. President, I think this is an appropriate occasion again to ask whether or not the Act under which land is compulsory acquired is being properly used or being abused.

It is quite evident that it is being used as a convenience rather than a necessity. I say this because it is

evident that a lot of the land involved is land where there is no disagreement between the Government and the parties who want to sell Government the land.

In such circumstances, I believe that Government should have recourse to the normal channels of acquisition and purchase and transfer of land, rather than using the Act under which they can acquire the land compulsorily because it seems to be a short cut method. If there is any problem in relation to the transfer of land, this is a general problem which the community faces and Government should address it at that level. I believe they have probably been addressing it at that level.

I think the other methods would perhaps reduce the chance of error, because the parties involved in finalising that transaction would be rather more closely involved and would be aware of the land in a way Senators, or Members of the Other Place, would not be.

Quite evidently, under this procedure the land is sometimes acquired and the person from whom you are acquiring land would not be aware of the specific details of the Resolution coming before this Chamber. So they would not be in the position to say – “No, no; my land does not abut and bound John Browne’s land. It abuts and bound somebody else’s land.” So I think we should look again and see whether or not we are overusing this piece of legislation.

I thank you.

Mr. PRESIDENT: Senator Barrow.

SENATOR THE HON. N. A. BARROW: I think we have to understand what the mechanism really is. When Government is acquiring lands, there are problems relating to title, and this, to some extent, is not untrue of persons doing private transactions and buying land on the open market. In the same way that a number of persons go through fictitious foreclosure suits to pass the land through the court to get a good title, another way of getting an indefeasible title is to use the Land Acquisition Act. That is one of the aspects of the matter.

There is another aspect, and it is this. While you are negotiating for the purchase of land, you may decide that you are going to buy the land and what the law requires is that there be fair compensation. The Constitution requires it, and Chapter 228 sets out the terms under which people should be compensated and all the rest of it. You have to go through certain steps if you are going to compulsorily acquire land. So there is really no chance for the person from whom you are acquiring the land not to know that his land is being acquired.

The problem which is involved is that sometimes land is described to you quite incorrectly and it is only after the surveyors have had an opportunity to work on the problem that they come up with more precise information — at that point. It seldom happens mark you, because I do not know how many of us in here has seen a Resolution of this sort. On the odd occasion you may get a misdescription resulting from that kind of circumstance. I do not believe that in the time that I have been in the Senate I have seen a half dozen misdescriptions, and I am referring to a period of about 12 years or something like that. So we are making a mountain out of a molehill, if we address ourselves to this Resolution in the terms that Senator Greaves and Senator McClean seem to wish on this occasion.

If Senator McClean means to suggest that if you can negotiate the purchase of land then you should not have compulsory acquisition — sometimes in order to speed up the process you have a compulsory acquisition, even though it is an easy matter to settle the price of land. I believe that if you know something of how long simple conveyancing often takes, whether through pressure of work or whatever the reason in the legal profession, I think you will understand why it is that quite often, even though the matter can be settled by negotiations and is settled by negotiations, the procedure of compulsory acquisition is used.

I want to stress that when you compulsorily acquire, it does not stop the two parties from negotiating a price. So if that is what Senator McClean was adverting to; perhaps, well he needs to be told that. If he was not adverting to that, I do not really know what the problem is; because one of the important advantages of using the device of compulsory acquisition is that it gets you away from a number of problems relating to title.

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

ADJOURNMENT

SENATOR THE HON. N. A. BARROW: Mr. President, when I had spoken earlier, I had hoped that we would be back next week and that we would have the new Bill on the Factories Act with us at that meeting. As I see it, the earliest that we would have the Factories Act will be in two weeks. And even then I am hoping, because a number of amendments seem to have come in which the Ministry is going to have to study before it comes back to us. I hope that we get that in two weeks.

I am also aware of commitments which some members have next week, and also Sir, we would like a full Senate to turn out, and to turn out by quorum time, for the next meeting, when the Bill to reform the law relating to abortion would be discussed.

Mr. PRESIDENT: Determination of Pregnancy Act.

SENATOR THE HON. N. A. BARROW: Let me see, Sir, because I just want to make sure, Sir, that I am talking about the right thing. Sir, it is a Bill to reform the law relating to abortion.
4.00 p.m.

Since we would wish to have a full House then, Sir, I now propose to move the adjournment of the Senate to Wednesday, February 9, — this is two weeks from today — at 11.00 a.m.

Accordingly, Sir, I move the adjournment of the Senate until Wednesday, February 9, at 11.00 in the morning.

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

CONTENTS

PRESENTATION OF PAPERS

SENATOR THE HON. N. A. BARROW 863

The Annual Report of the National Training Board for the year April, 1981 – March, 1982.

The Civil Establishment (General) (Amendment) Order, 1982.

The Barbados Citizenship (Amendment) (No. 2) Regulations, 1982.

The Immigration (Forms and Fees) (Amendment) (No. 2) Regulations, 1982.

The Passports and Travel Documents (Fees) (No. 2) Order, 1982.

The National Petroleum Corporation (Supply of Natural Gas) Regulations, 1982.

Statements showing sums advanced to the Postmaster General for the payment of Money Orders for the months of August, September and October, 1982.

The National Insurance and Social Security (Non-Contributory Old Age Pensions) (Amendment) Regulations, 1983.

The Road Traffic (Road Tax, Registration Fee and Permits) (Amendment) Order, 1983.

The Customs Tariff (Amendment) (No. 6) Order, 1982.

The Annual Reports of the Parks and Beaches Commission for the years 1978–79 and 1979–80.

The Annual Report of the Commissioner of Police for the year 1981.

INTRODUCTION OF BILLS

SENATOR THE HON. N. A. BARROW 864

A Bill to provide for the imposition of a tax on the assets of a bank and for related matters.

A Bill to amend the Stamp Duty Act, Cap. 91.

A Bill to reform the law relating to abortion.

MOTION RELATING TO BUSINESS OF THE SENATE 864, 868

Senator Barrow, 864, 868; Senator Greaves, 868.

PUBLIC BUSINESS

THE BANKS (TAX ON ASSETS) ACT, 1983 864

Senator Barrow, 864, 867; Senator McClean, 864.

THE MARRIAGE (AMENDMENT) ACT, 1983 867

Senator Barrow, 867; Senator Rev. Jones, 867.

RESOLUTION TO ANNUL RESOLUTION

NO. 76/1982 868

Senator Griffith, 868, 875, 876; Senator McClean, 871, 876; Senator Greaves, 873; Senator Hall, 874.

RESOLUTION TO BORROW US\$13 MILLION (BDS.\$26 MILLION) FROM ROYAL BANK OF CANADA (BARBADOS) LTD 878

Senator Griffith, 879, 880; Senator McClean, 879.

THE CIVIL ESTABLISHMENT GENERAL (AMENDMENT) ORDER, 1982 880

Senator Trotman, 880, 881, 885; Senator Greaves, 881; Senator Williams, 883; Senator McClean, 884.

RESOLUTION TO INCREASE ANNUAL SALARY OF GOVERNOR-GENERAL 885

Senator Trotman, 885.

COMPULSORY ACQUISITION OF LAND AT WELCHMAN HALL, ST. THOMAS 886

Senator Trotman, 886; Senator Howell, 886.

COMPULSORY ACQUISITION OF LAND AT BAYWOODS, ST. JAMES 887

Senator Trotman, 887, 889; Senator Greaves, 887; Senator McClean, 888; Senator Simmons, 888; Senator Hall, 889.

RESOLUTION TO AMEND THE RESOLUTION NO. 31/1979 890

Senator Trotman, 890; Senator Greaves, 890; Senator McClean, 890; Senator Barrow, 890.

SUSPENSION 878

ADJOURNMENT 891

Senator Barrow, 891

SPEAKERS IN THIS ISSUE

BARROW, Hon. N. A.
GREAVES, E. E.
GRIFFITH, C. A.
HALL, W. W.
HOWELL, St.C. E.
JONES, Rev. Can. I. McK.
MCCLEAN, A. W. A.
SIMMONS, D. A. C.
TROTMAN, Hon. O'B.
WILLIAMS, J. E. D.