

New Bahamas Government Faces Tests on Gambling and Debt to Former Member of Labor Party

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Special to The New York Times

NASSAU, Bahamas—The new Government of the Bahamas faces two difficult problems this week as it takes its one-vote majority into the opening sessions of the House of Assembly.

One of these arises from the political trading that brought in the single vote by which the Government was formed.

The other involves the methods by which considerable capital has been brought into one of the islands. And this leads into the reasons for heavy criticism in the American press of underworld involvement in licensed gambling in the Bahamas.

The all-Negro Government of the Progressive Liberals was able to take office because it won the support of the only Labor party candidate to be elected on Jan. 10, Roland Fawkes, the president of the Bahamas Federation of Labor.

Mr. Fawkes is now Minister of Labor. He had been a member in earlier days of the Progressive Liberal party, but had left. The white-oriented United Bahamian party could have continued in office had he joined it. Mr. Fawkes said the proposition was put this way by Sir Roland Symonette, parliamentary leader of the United Bahamian party.

"Come with us and help us form a Government. You name your terms and conditions and whatever they are, they will be met."

Mr. Fawkes denied that any deal had been made with the Progressive Liberals. But he also said that the new Premier, Lynden O. Pindling, has promised to support two measures he wants passed and Mr. Pindling has confirmed this.

One law he wants is the legalization of a dues check-off, in which employers collect union dues and pass them along to the union treasury, which is now forbidden by a law passed by the United Bahamian party when it was in control.

The other law Mr. Fawkes wants would allow the creation of a national union, which has been prevented by refusal of the Ministry of Labor to register a union for wide membership. The effect has been that the about 6,500 union members belong to about 20 small unions organized somewhat along craft lines.

Observers here consider that these changes will give Mr. Fawkes such a strong labor union system that he may become a rival political force to the Progressive Liberals. This year, his party put forward a small slate of candidates but only he was successful.

Nine years ago Mr. Fawkes and Mr. Pindling split over labor legislation. Now, they seem to be in agreement on domestic issues, although it is believed possible that Mr. Fawkes may some day urge that an income tax be imposed in the Bahamas—a move that Mr. Pindling has promised will not happen during the life of the Government he has just formed.

The two men have also disagreed on the question of independence. Before January, 1964, the Bahamas were a Crown Colony. But now they have a constitution giving a locally elected Government control except for defense, foreign affairs and internal security, which are provided by the British.

The problems for the new Government arising from gambling stem from the development of Grand Bahama Island 165 miles north of New Providence Island, on which Nassau is situated. Such places, away from Nassau, are called the Out Islands.

In 1955, the Crown representative — Acting Governor Anthony Geoffrey Hopwood Gardner-Brown — and the head of Grand Bahama Port Authority, Ltd. — Wallace Groves, signed an agreement called the Hawksbill Creek Act, which

gave the Groves company immense concessions.

The act was named for the Hawksbill Turtle, which had given its name to an inlet on the island. The turtle's shell is used in the making of jewelry.

Groves is a Virginian who served a prison term for postal fraud in the stock market a quarter century ago. He came to the Bahamas in the mid-nineteen-forties.

The Port Authority has almost complete sovereignty over 211 square miles of the island. Freedom from taxes is

guaranteed until 1980, from customs duties until 2054. Labor may be imported from anywhere.

The development lagged for several years. In 1960, there were 250 people living in what is now Freeport where there are about 9,000. The scrub timber was not seriously disturbed until about 1963, but since that time upward of \$200-million has been invested in a broad range of businesses—a cement plant, oil bunkering, hotels, restaurants, research plants, homes, apartments.

Gambling also arrived. This has been of relatively minor

importance in the over-all development scheme. Groves insisted, but it has been of major importance in the bad press the last Government received before it was voted out of office.

Gambling has existed for years in Nassau in a casino that operated with an "exemption" from the Criminal Code prohibition of gambling. In 1964, a new casino was opened in Freeport, with Groves controlling the place although his name was not on the license. His wife and his business associates are the named licensees. Earnings funnel into

other Groves' companies and into the Grand Bahama Port Authority, Ltd.

Another casino opened recently in Freeport, and the Groves organization has also bought control of the casino in Nassau.

Much of the criticism in the United States comes from the backgrounds of the people associated with the gambling.

Charges have been made that the casino operation was staffed by underworld figures from the United States, that such notorious figures as Meyer Lansky and Frank Costello received money from it, and that

it was really an outpost of the American criminal organization.

Robert M. Morgenthau, United States Attorney for the Southern District of New York, has devoted much time to investigating matters connected with the Grand Bahama Port Authority and the gambling conducted there.

While the gambling falls within the same sphere of control as the administration of the land and authority grant by the Hawksbill Creek Act, it is not a part of that act—which is important to the new Government.

During its successful election

campaign, Mr. Pindling's party made heavy use of the charges of underworld involvement at Grand Bahama. They also were

critical of the scope of authority and size of the land grant in the 1955 agreement.

The Government appears to be committed to seek changes in the Grand Bahama set up, but legal opinion here is that this will be difficult since the agreement was made with the Crown when the islands were a Crown Colony.

Even Mr. Pindling has recognized this possibility, al-

though his general comment on the matter now is that "this policy will be decided by Cabinet."

But whatever the Government's limitations may be on revision of the land grant and related development matters, it has complete authority in dealing with the gambling casino operations. It can cancel them, grant new ones to competition, or maintain the monopoly that is now in the hands of the Groves companies.

This may be the key to solving the Hawksbill Creek Act problems.