

THE

House of Assembly Debates

(OFFICIAL REPORT)

SESSION 1958

HOUSE OF ASSEMBLY

Tuesday 1st July, 1958.

Pursuant to the adjournment the House of Assembly met at 3 o'clock p.m. today.

PRESENT

His Honour Mr. K. N. R. HUSBANDS (*Speaker*); Hon Dr. H. G. H. CUMMINS, C.B.E., M.D., C.M., (*Premier*); His Honour Mr. L. E. SMITH, J.P.; (*Deputy Speaker*); Hon. R. G. MAPP, (*Minister of Communications, Works and Housing*); Hon. F. E. MILLER, (*Minister of Social Services*); Mr. E. St.A. HOLDER; Mrs. E. E. BOURNE; Hon. D. D. GARNER, (*Minister of Agriculture, Lands and Fisheries*); Mr. H. A. DOWDING, M.B.E.; Mr. C. B. SEARLES; Mr. L. St.A. THORNE; Mr. T. W. MILLER; and Mr. G. E. S. STRAUGHN.

Prayers were read.

MINUTES

Mr. SPEAKER: I have the honour to inform the House that the Minutes of the last meeting are not yet ready for circulation.

I have the honour to inform the House that I have received a Financial Report from the Accountant General of Barbados for the month ended 31st March, 1958.

PAPERS LAID

Hon. Dr. H. G. H. CUMMINS: Mr. Speaker, I am commanded to lay the following:-

Barbados Statistical Service - Selected Monthly Indicators - May, 1958.

GOVERNMENT NOTICES

Hon. Dr. H. G. H. CUMMINS: Mr. Speaker, I beg to give notice of the following:-

Resolution to place the sum of \$14,905 at the disposal of the Governor-in-Executive Committee to supplement the Estimates 1958-59, Part I - Current, as shown in the Supplementary Estimates 1958-59, No.5 which form the Schedule to the Resolution.

Hon. R. G. MAPP: Mr. Speaker, I beg to give notice of the following:

Resolution to place the sum of \$2,960 at the disposal of the Governor-in-Executive Committee to Supplement the Estimates 1958-59, Part II-Capital, as shown in the Supplementary Estimates 1958-59, No.6 which form the Schedule to the Resolution.

On behalf of the Minister of Trade, Industry and Labour, I beg to give notice of the following:-

Bill to amend the Customs Tariff Act, 1921.

Mr. Speaker I beg to give notice of my intention to move the House into Committee of Supply at its next meeting to consider the Money Resolutions of which notice has just been given.

QUESTIONS

T. W. MILLER:-

To enquire of the appropriate Minister:-

1. Is Government aware that the pastime of game-cock fighting is becoming increasingly popular among all sections of the community in this Island?

2. Will Government take steps so to amend the Act of 1891 so as to render this pastime lawful?

BILLS READ A FIRST TIME

Hon. R. G. MAPP: Mr. Speaker, I beg to move that the Bill to amend the Customs Tariff Act, 1921, be now read a first time.

Hon. D. D. GARNER: I beg to second that.

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

Mr. SPEAKER: The first Order of the day stands in the name of the Hon. Minister of Agriculture to move the House into Committee on the Bill to amend the Beach Protection Act, 1890.
3.25 p.m.

Clause 1 was called and passed.

Hon. D. D. GARNER: Mr. Chairman, in Clause 2 I am asking leave;

(1) to delete the marginal notes "1890-7 amended" and "section 2 of 1890-7 amended" and to substitute the marginal note - "section 2 of Act 1890-7 amended."

(ii) to delete subsections (3) and (4) substituted for the present subsection (3) of the present section two, appearing in subsection (3) of clause 2 of the Bill and to insert in their place the following subsections (3) and (4):

(3) It shall be lawful for any person to dig, take and carry away any sand, stones shingle or gravel from any part of the foreshore aforesaid for domestic purposes provided that no vehicle or boat is used in or for the removal of any such sand, stones, shingle or gravel.

(4) In the last preceding subsection and subsection (3) of section 2A of this Act the expression "vehicle" shall not include a bicycle."

(iii) to delete subsection (3) of section 2A appearing in subsection (4) of clause 2 of the Bill and to substitute therefor the following subsection (3) -

(3) It shall be lawful for any person to dig, take and carry away any sand, stones, shingle or gravel from any prohibited area for domestic purposes, provided that no vehicle or boat is used in or for the removal of any such sand, stones, shingle or gravel.

(iv) To delete the full-stops between the figure "2" and the letters "B" and "C" in the new sections 2B and 2C.

There being no objection, leave was granted the hon. member.

Hon. D. D. GARNER: Mr. Chairman, I beg to move that Clause 2 as amended do now pass.

Hon. R. G. MAPP: I beg to second that.

Mr. DOWDING: Mr. Chairman, I must point out that these amendments to the Beach Protection Act have now been put in front of me. If, Sir, we can give any consideration to this matter, I will be extremely surprised. Even in the Federal Assembly courtesy is granted for the Opposition to be notified and even approached on what the Government is about to do.

Mr. BRANCKER: I will appeal to the Hon. Minister to allow progress to be reported in this matter even if we resume consideration of it later today. We have not had the opportunity of looking at these amendments and, in fact, my copy of them has been handed to me only a minute ago. Unless the Hon. Minister is unusually unreasonable, I do not see any reason why he would not agree to having this Bill postponed until later today, unless he is all set to rush through these amendments now.

Hon. D. D. GARNER: The hon. junior member for St. Lucy has been a member of this House for a very long time. He understands what amendments are. This Bill has been before the House sometime before, and I think he understands what it is all about. If I should remind him, the burden of the argument when this matter was dealt with on the last occasion was on the hardship it might cause to people in the St. Michael area - those people who may want a bucket of sand and would not be allowed to remove it for domestic purposes. The hon. senior member for the City wanted a certain amendment and he and I had a long discussion on it and I take it that he has agreed to what we have brought down.

These amendments would not work any hardship on anybody. In fact, it is now a wider Bill than heretofore. Whereas, before we had these amendments certain areas were prohibited, these amendments freeze the entire island, and the only exception that would come is when an order is made by the Governor-in-Executive Committee to close a particular area.

I will appeal to hon. members that there is nothing dangerous about these amendments. They do not work any hardship on anybody and I am sure, if hon. members see the state and condition of the beaches, they will agree with me that something like this should be done.

Mr. BRANCKER: Mr. Chairman, I am afraid that the Hon. Minister has not appreciated my point. I am not saying that these amendments are bad; I am saying that we have not been given reasonable time to consider them. However early we consider them today, they still have to be dealt with by the Other Place and to go through the normal channels before the Bill becomes law; therefore, if we deal with them later today, this Bill cannot be dealt with any sooner than it could be dealt with other-

wise. I said that we have not had the opportunity to consider these amendments, nor are all hon. members able to come here at 3.15 o'clock sharp. It is true that every hon. member should be in his place at 3 o'clock sharp, but that is not always possible. We have not had the opportunity of digesting these amendments and, as a matter of fact, they should be circulated beforehand. None of them has been sent to us on this side until we came into this Committee.

I submit that it is not reasonable to expect us to deal with them now. Of course, if the Hon. Minister wants to use his numbers he can use them and get through this Bill before the other hon. members who are interested in this matter come in. This is perpetuating a bad precedent. I am not saying whether the amendments are good or bad, because I have not had the opportunity of reading them and comparing them with the original Bill; for that reason I think it is only proper that I move that this Committee do now report progress and ask for leave to sit again.

3.35 p.m.

Mr. TUDOR: Mr. Chairman, I rise to second the motion which has just been made by my colleague and I do it with a very clear conscience. We are not now quarrelling with the Minister about the substance of the amendments; I have no reason to believe that he has not made some attempt to meet the criticisms which we made of the Bill three or four weeks ago, but I understand that these amendments were circulated only within the last ten minutes. They were laid today and circulated, and they were given to hon. members of this House straight from the Ministry. If that is so, - and I have no reason to doubt it, Mr. Chairman - there is no member of this House apart from the Minister who has seen these amendments before now. It is only fair and courteous that hon. members should have some chance to read these amendments and study their contents before debate is offered to them. There are some of us in this House, particularly those on this side of the House, who have no opportunity on Monday nights to see what is coming up on Tuesday, which the Ministers are prepared to bring in without previous circulation.

Hon. D. D. GARNER: On a point of order. The first time any member of this Party has seen these amendments was when I brought them in today.

Mr. TUDOR: If that is true, then my arguments are even stronger. It is inconceivable to me, however much the members on that side want to support the Government, that they would want to vote on matters which they have not seen for themselves. I am grateful to the Hon. Minister, because he reinforces my point that some grace should be given to hon. members to read through these amendments, at least twice, before debate is offered on them. If the Hon. Minister cannot see that this is a reasonable request, obviously we must divide the Committee and take the consequences.

The question that the Chairman do now report progress and ask for leave for the Committee to sit again, was put and resolved in the negative, the House dividing as follows:-

AYES: Messrs. BRANCKER, TUDOR, F. G. SMITH and DOWDING - 4.

NOES: Hon. Dr. H. G. H. CUMMINS, Hon. D. D. GARNER, Hon. R. G. MAPP, Hon. F. E. MILLER, Mrs. BOURNE, Messrs. HOLDER, THORNE, SEARLES, T. W. MILLER, STRAUGHN and L. E. SMITH - 10.

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

On the motion of Hon. D. D. GARNER seconded by Hon. R. G. MAPP, the CHAIRMAN reported the passing of the Bill in Committee.

Mr. SPEAKER resumed the Chair and reported accordingly

On motions of Hon. D. D. GARNER seconded by Hon. R. G. MAPP in each case, the Bill was read a third time and passed.

CUSTOMS TARIFF (AMENDMENT) (No. 3) BILL

Mr. SPEAKER: The next Order of the Day stands in the name of the Hon. Minister of Trade, Industry and Labour:- To move the second reading of a Bill to amend the Customs Tariff Act, 1921.

Hon. R. G. MAPP: Mr. Speaker, I am asking leave to take charge of this Order.

There being no objection, leave was granted the Hon. Minister.

Hon. R. G. MAPP: Mr. Speaker, as set out in the Objects and Reasons, the object of this Bill is to encourage industrial enterprise in the manufacture of Macaroni, Spaghetti and similar alimentary pastes. The object of this Bill is to amend the Second Schedule of the Customs Tariff Act, 1921, so as to allow for the duty-free importation of machinery and apparatus for the manufacture of the articles I have mentioned. I think the House will agree that we should encourage such enterprises in order to foster industrial development and also to provide further employment.

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

Hon. D. D. GARNER: I beg to second that.

Mr. TUDOR: Mr. Speaker, let me say at the outset that we are not going to oppose this Bill. There are certain things which need to be said in matters of this kind and I propose to say them. Every time the Government comes to this House asking us to agree to amend the Customs Tariff Act, it always pleases the Hon. Minister of Trade, or whoever is deputising for him, to say that the particular Bill is a necessary Bill, it will help to foster the industrial development of the Island and it is quite a genuine thing. Almost in every case, the particular amendment gives power to some firm or some individual to bring machinery into the Island free of customs duty for the particular industry which it is proposed to establish or to expand.
3.45 p.m.

Now we of the Opposition do not object in principle to industries being helped; as a matter of fact, we would like to see more of them being helped. We would like to see a greater expansion of what we now have, and we feel that legislative sanction ought to be given to such requests, provided they are genuine and good. But this is what puzzles us. We have noticed, Mr. Speaker, that whenever we make these concessions to the business interests, and whenever the Customs Tariff Act is amended in this direction, these concessions are always given without positive guarantees coming from the other side that whatever they are producing is going to be cheaper for us, or that more and more people are going to be employed.

Your Honour will forgive me for mentioning something which took place in this House, I think a couple of years ago, when Your Honour was still in the Chair. Attention was drawn to Government that the Roberts Manufacturing Company was at that time importing into the island a new soap plant capable of producing several thousand tons of household soap per month, which in effect would cause the production of soap to be less costly, and which was a good thing generally for the industry; but it was also pointed out at the same time that nothing had been done, and no guarantee given, that soap as a result of this expansion in the industry would have become cheaper to the consumer. As a matter of fact, Mr. Speaker, nobody took any interest in that point of view; and secondly when it was pointed out in that instance that as a consequence of the importation of that

new plant a lot of people were going to lose their jobs, Government laughed it off, did not take it seriously, and their members rejected an Address which sought to give some redress to those who were going to be put out of work. That is one instance that springs to the mind immediately which seems to show some reflection of Government's open-handed policy of giving these concessions to these big business people. Here now this afternoon we are doing the same sort of thing, and we have heard from the Minister nothing of the number of persons that are likely to be employed when this new plant is set up, and still less whether the product it is going to make will be cheaper because it is being made locally than if it were imported from overseas.

Now it so happens that the whole purpose of this Bill is to please the Emptages. They, I understand, are setting up a macaroni plant to make macaroni, spaghetti, vermicelli, and all those cognate products, and they feel that the benefits which they are going to confer on the island by bringing in this plant warrant some concession being made to them in this amendment to the Customs Tariff Act. Now only the Government, generally speaking, is in a position to find out from Messrs. General Traders all the information about what they propose to do, and it would therefore be pertinent for Government to discover the quantity of these products which is going to be produced, to find out also whether the local macaroni and spaghetti will be much cheaper than the foreign ones, and above all, Mr. Speaker - this is most important - to get an undertaking from these people that no monopoly is contemplated, and that consequently the consumers of these products will not be held up to ransom sooner or later because the local macaroni may be given some priority and some privilege over the foreign one if it happens that the foreign one is cheaper.

The people of this island, Mr. Speaker, have paid very dearly in terms of experience for having the Roberts Manufacturing Company running and operating as it is. Everybody knows that there are firms in England producing household soap, which even in these days, if you could get it in Barbados, would be cheaper to the consumer than the product which is made here; but because of certain concessions and certain privileges which have been granted to Mr. K.R. Hunte, a great friend of the members opposite, or at any rate, a great friend of their ex-Leader, housewives in Barbados have got to pay more for the soap that is produced here than if they had bought soap imported from the old established firms which used to supply this island before. That is the meaning of monopoly. Attention has been drawn to this problem time and again, and Government either will not or cannot do anything about it. It would be a sad day for this island if concessions are made to these people to produce things which are normally imported from overseas, but if also in the granting of these concessions, the cost of living were to increase. It is a good thing that we should be able in this island to produce our own macaroni and spaghetti, for in recent years the consumption of these items has risen, and thousands of people who years ago regarded these foods as being fancy or outside of their taste and pocket, now eat them more daily more often as a substitute for rice; so the market exists for macaroni. Government is quite right, I think, in granting the concession, but there is no reason why in granting the concession, an understanding ought not to be extracted from the people that the macaroni is not going to cost any more now that it is being made here than it would cost now that it is imported. There should be a firm understanding on that point and a firm directive given to this particular firm that while Government wishes to encourage the industry, it does not wish to encourage it at the expense of the consumer. It was Mr. Hunte with the soap, now it is Mr. Emtage with the macaroni; next time it will be somebody else with other products, and it will go on like that; thus we will find ourselves having amended the Customs Tariff Act to allow these people to bring in machinery free of customs duty for a specific purpose, and at the same time the taxpayers will be losing revenue because of the remission of duty, and losing also because of the increase in prices in the commodities.
3.55 p.m.

I wish to make it clear that my Party is not opposed to the principle of these concessions being granted. We feel people ought to be encouraged to develop local industries—of whatever nature they are—that reasonable concessions ought to be given them in each instance, and that no hardship ought to be put in their way whatsoever; but we do insist that if concessions are going to be given and if the taxpayers are going to be asked to forego part of the revenue which normally should be coming to the island, two conditions should be made: (1) that the product must not sell over the shop counters at a price higher than it could be bought when you had to import it; and (2) that the standard and the quality of the product must be the same, equally as good, as the imported product. That is to be so because it is the only way that the local firm can offer fair competition to the other side. If these two conditions are made, then every encouragement should and ought to be given to these enterprising businessmen. We have nothing against Mr. Emtage or Mr. Hunte as such if their businesses are going to bring employment to people and, better still, bring down the cost of living because of the cheapness of their products. They ought to be encouraged and every concession ought to be given them; but I want to emphasize that the Government takes these matters too mildly and never gives any indication to this House or to the public that they are watching the other side of the picture.

Hon. R. G. MAPP: Mr. Speaker, the hon. member said that he is not opposed to the principle of the Bill but has made other criticisms. It seems to me as if he is either blowing hot and cold at the same time or that he is being a bit malicious in the remarks which he has made of private businessmen.

Mr. TUDOR: I did not hear the Hon. Minister too clearly but it seems to me that he did say something about malicious. If he did say so, I object to those remarks.

Hon. R. G. MAPP: I said he is either blowing hot and cold at the same time or he is being a bit malicious in the remarks he is making of private businessmen. I leave the alternative to him.

Mr. TUDOR: In that case, I object to those remarks because they are offensive and I ask that they be withdrawn.

Mr. SPEAKER: The alternative does exist.

Hon. R. G. MAPP: I said "or".

Mr. SPEAKER: I am saying that the alternative does exist and the hon. member is asking that those words be withdrawn.

Hon. R. G. MAPP: Do you mean to say that it is unparliamentary?

Mr. SPEAKER: Yes.

Hon. R. G. MAPP: Well, I withdraw them. Sir, you cannot blow hot and cold at the same time. Very often, hon. members on the opposite side point us to Trinidad and say: "look and see how things are going forward in that colony." They point us to an island where things industrial have started to come in under a system of Government which far from being comparable to ours in political philosophy is opposite. They say: "look at Trinidad and Jamaica, and see what they are doing." Sir, Jamaica has adopted the principle of encouraging industrialisation and because of that principle, because Jamaica is in favour of that principle, Jamaica is doing the same thing which the hon. member is saying we should not do; that is, to encourage industries either by protective measures or by measures such as I have introduced today.

Mr. TUDOR: Mr. Speaker, I rise on a point of personal explanation.

Mr. SPEAKER: Do you mean on a question of a sort of misinterpretation by the Hon. Minister?

Mr. TUDOR: Yes, Sir, the Hon. Minister has implied that I am against concessions being granted to these people. That is not so.

Hon. R. G. MAPP: I do not think the hon. member can hear too well. All I am saying is that if you are in favour of the principle of protecting industries, there are two ways of doing it. Jamaica has adopted both measures. Jamaica is protecting her own interest with high tariffs and imposing high duties on competitors from outside and at the same time she is giving them incentives. I was saying that you cannot blow hot and cold about industrialisation. You cannot say on the one hand that you are in favour of industrialisation and, on the other hand, you should not protect an industry and should not do this or that. That is what the hon. member is saying. He referred to the soap industry in this island. He introduced a personal note when he talked about friends on this side and all of that. Mr. Speaker, all the islands are governed by the Oils and Fats Agreement which operates throughout the area; and if there is any protection given to any industry in Barbados, it is not confined to that particular industry in Barbados alone. There is protection given to similar industries in Trinidad, British Guiana, St. Lucia, and so on because of that agreement. The Oils and Fats Agreement is an agreement arranged, drawn up and agreed to by all the contributing islands in the Caribbean that are signatories to it. Do not let the hon. member point his finger over here and say that we are giving any special dispensations to any one person because of friendship. Of course, he cannot help that.

For years, Mr. Speaker, we in Barbados have argued at every Oils and Fats Conference that there should be as much free trade as possible. We have not hidden our policy under the door or under the bed; we have said it openly that we are in favour of free trade in the area; but why should Barbados lift its barriers and other colonies do not?
4.05 p.m.

Do not let us say competitive goods can come in here, but we find that our products are going into Trinidad on a very competitive basis. We operate under an Agreement. When I was in the Ministry of Trade it would be thrown at me that we put up restrictions in respect of imports; it would be said that all we did was to put up restrictions in the form of duties, because we could not jump the duties to put up competition that was so heavy. We told Trinidad to lower their duties to what our duties are, and we would be in favour of free trade. It is not, therefore, a matter of protecting a man or a person, because he is a friend; all the manufacturers, growers and everybody else operate under the Oils and Fats Agreement and, Mr. Speaker, under that Agreement, a manufacturer can only make so much and so much profit. If he makes a profit above a certain amount, it does not go in his pocket; it goes into the hands of the Government. It is not to the advantage of any manufacturer to make a profit over and above a certain level.

If the hon. member wants the facts, he can have them, but do not let him make allegations on wrong facts. If you compare the prices of these products with those of other Islands, you will see that we are on competitive prices. It is not true that we are allowing prices to jump up in Barbados, more so than in other places; under the Agreement, that cannot be done. The same protection which is afforded the industry in Barbados is afforded somewhere else.

We are in favour of Customs Union and free trade, but do not let us start in Barbados when our brothers in Trinidad are competing with us and we cannot go into Trinidad and compete with them. This is what will affect the industry and put hundreds of people out of employment. You cannot blow hot and cold with industrialists. You must offer every protection; otherwise, you will not have industrialists. In Jamaica, things are being changed and industries are going on by leaps and bounds. I hope I have said enough on this matter; this is the Macaroni industry, not Copra. For a long time, these allegations have been

made, that we are protecting people because of some friendship, and we are doing that for some personal dispensation. That is not true.

I repeat, that we are operating in the area under the Oils and Fats Agreement, and there are safeguards under that Agreement. It is true that we would like to see certain things. We would like to see what the Jamaica Government has set up, that is a Bureau of Standards which is a very costly thing. I think that Jamaica have got down experts from England to assist them in this matter, but it is very costly. I believe that the Federal Government has taken up the matter and we can have it on a Federal basis. It is beyond our capacity to set up a Bureau of Standards, but then the Oils and Fats agreement guarantee standards to a certain degree. A manufacturer cannot put up whatever he likes and sell it as margarine or soap; he has to keep to certain standards. I do not expect that this will be the last that we will hear of these allegations, but I would like to shed a little light on the whole position and give a few facts of which hon. members were not aware when they listened to members of the Opposition.

I am sorry that I cannot give some information for which the hon. member has asked. I do not know how many persons this industry will employ. I have asked for these facts, and they may be given a little later on, and I will be only too glad to supply them to the hon. member.

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

On the motion of Hon. R. G. MAPP seconded by Hon. D. D. GARNER, Mr. SPEAKER left the Chair and the House went into Committee on the Bill, Mr. BRYAN being in the Chair.

Mr. BARROW came into the Committee and took his seat.

Clause 1 - was called and passed

Clause 2 - was called.

Hon. R. G. MAPP: I beg to move that Clause 2 stand part of the Bill.

Hon. D. D. GARNER: I beg to second that.

Mr. TUDOR: Mr. Chairman, I should just like to take this opportunity of replying to one or two points which have been raised by the Minister a few minutes ago.

Hon. R. G. MAPP: On a point of order. Can the hon. member in effect, carry on what is a second reading debate by replying to me? How long will this last? He will be carrying on a second reading debate in Committee, if he is allowed to do that.

Mr. TUDOR: As I was saying, Mr. Chairman, dealing with this Section, I want to take the opportunity to reply to one or two points which have been raised by the hon. member who has just sat down. The subject-matter of this Section is that the Second Schedule of the Act is hereby amended by inserting therein immediately after the paragraph beginning with the words "Machinery, apparatus tools and equipment imported by any person holding a licence or lease under the Petroleum Act, 1950", the following new paragraph:-

"Machinery and apparatus imported for the purpose of manufacturing macaroni, spaghetti and similar alimentary pastes."

My point is that just as it is with soap and cooking fats and oil, so it is with macaroni. If the Government wishes to make these concessions at all times, and in

all cases, they should extract certain guarantees from these people.
4.15 p.m.

The whole purpose of allowing them this freedom not to pay customs duty is, among other things, because the thing they are going to produce will be available at a reasonable price to the people who have to buy it.

Well, Mr. Chairman, it is a fact that the people in British Guiana can buy their cooking oil much cheaper than people in Barbados although it is produced here. What we want to safeguard is that if you allow the Em-tages or anybody for that matter to produce macaroni locally, not only must the Barbadian housewife be able to buy it as cheaply and at as reasonable a price as possible, but we do not want to hear that, when they send it to St. Vincent or British Guiana or wherever they send it, the people in those places are going to buy it more cheaply than we have to buy it here. That is the reason why I particularly asked the Minister to supply us with the information which he says he has not got and which he hopes to have a little later tonight. It is not true to say, as he said, that we on this side are opposed to industrialisation, or if we are not opposed to it, we blow hot and cold. Our attitude is different from theirs. They have only now become aware of the fact....

Mr. CHAIRMAN: You have already made the point about industrialisation in the second reading speech, and I am asking you to stick to the Clause and deal with the machinery, apparatus and other equipment which are to be imported for the purpose of manufacturing macaroni.

Mr. TUDOR: You know, it is strange, Mr. Chairman, but I am to tell you that you really cannot industrialise without machinery. I do not know why it is so, but it happens to be so. As I was saying, we do not want to hear that, when the taxpayers of this island who themselves are going to be the purchasers of this macaroni have to buy it, they are paying more for it than they are paying now for the imported stuff. We certainly do not want to hear when it goes to British Guiana - because presumably if the industry expands, a lot of it is going to be exported to the other islands - that the people abroad are going to buy it more cheaply. Those are two points which I want to make.

Members on the opposite side always get nervous and angry when you accuse them of close relationship or close influence with the Hon. Mr. Hunte of the Other Place.

Mr. CHAIRMAN: You are straying from the Clause to the relationship of members to people in the Other Place. That point has already been brought out in the second reading speech and has nothing to do with this Clause.

Mr. TUDOR: Mr. Chairman, I think somehow that if you could just hear the end of a sentence, you would be better able to judge its efficacy than if you stop me on the second or third word. I was saying, Sir, that they always get angry when they make concessions similar to this one because they feel they come under the influence of certain people; but facts, Mr. Chairman, are stubborn things. We are bound to point out the dangers in that kind of legislation, though we may not be opposed in principle, merely because we have had bitter experience in this island of seeing concessions made in the name of industrialisation ostensibly for the purposes of creating industries in this island which in effect..

Mr. CHAIRMAN: Please allow me to read this:

"When the Speaker has left the Chair, the Mace is removed from the table, the Chairman takes his seat at the table and the Clerk, having read the short title, the Committee begin the consideration of the Bill. As its principle has been affirmed at the second reading, the details of the Bill are examined in Committee, Clause

by clause, and line by line. The greater latitude afforded in Committee by which a Member may speak more than once to the same question, offers great facilities for this purpose."

That is what I am asking you to do.

Mr. TUDOR: I thank Your Honour. You will notice that this is a Bill of three clauses of which the second clause is in effect the whole Bill, because Clause 1 sets out how the Act may be cited, Clause 3 says when it is to come into operation, and it is Clause 2 which deals with the whole subject matter of the amendment under discussion; therefore if I am, as you put it, to deal with it in detail, I can only speak on Clause 2. I do not know if Your Honour wishes to interrupt me again.

As I was saying, they have now quite certainly got hold of the magic word "industrialisation" which they ignored all these years, and the extent of their understanding of it is always to come and tell the Committee that they are amending the Bill so as to allow the importation free of duty of this and that thing, as now happens to be the case with machinery and apparatus imported for the purpose of manufacturing macaroni.

Now macaroni is a staple diet of the people of Barbados, and it should be for the people's representatives in this Committee to ask for assurances that the people are not going to pay more for it. You cannot accuse us of not wanting the industry to come in when we tell you that we want it, and we want to see the product manufactured; but we want to see it manufactured in such a way that it is going to be sold as cheaply as possible. We do not want to hear of any monopolistic practice being encouraged in the manufacture and distribution of it, so that the people in such a case would themselves become double losers, because the whole point, Mr. Chairman, is that this Clause serves notice to the people of this island that they will not be collecting customs duty on this particular type of machinery because it is going to make macaroni which they will buy. If they have to forego the revenue and at the same time pay more - if that be the case, they are losing twice, because they are losing revenue and paying more in terms of higher prices. I therefore wanted the Minister to give the assurance to the Committee that Government's policy is such that, as it continues to give these concessions, it will also extract from the concessionaires guarantees that the products will not be sold to the consumer at a higher price. That is as much as Government can say, and a person who asks for that guarantee is not opposed to industrialisation and is certainly not opposed to the importation free of customs duty of machinery for the making of macaroni.

4.25 p.m.

It does not apply. Of course, I know that it is not the portfolio of the Hon. Minister and they always occasionally have the opportunity of hiding behind the excuse when one Minister is away and the other is introducing a Bill under that Minister's portfolio by saying that they are not familiar with that aspect of it. I am saying that it should not be beyond the competence of the Hon. Minister to have got the information beforehand and to be in a position to say that these guarantees have been asked for and have been given.

We on this side of the House are in favour of locally produced macaroni as much as anybody, but are not agreeing that because you want to see an industry established, you want to see the industry established at any price. That is the bone of contention between us; therefore, I emphatically deny that our Party blows hot and cold on the question of industrialisation and I emphatically deny that we are opposed to industrialisation.

Mr. CHAIRMAN: That is outside of Clause 2 of this Bill.

Mr. TUDOR: I am saying, Mr. Chairman, that I emphatically deny that we are opposed to the granting of this concession, but I do assert that unless this concession and others which may follow are accompanied by precisely the two guarantees which I say the Hon.

Minister should seek, the people of this island would be robbed on both sides; they would be robbed because they have to forego the revenue and, secondly, because there is no guarantee that they will not have to pay more for the article produced locally. Mr. Chairman, it is all right talking of making a second reading point in Committee. I have more respect for all these parliamentary niceties than probably any other hon. members of this House; but there are times when matters under discussion, go far beyond parliamentary niceties. We have to see about the welfare of the people; and unless these things are said and unless these pitfalls are carefully avoided, in three or four months' time the Ministers will be coming back to the House telling us that terrible mistakes are made. I sympathise with Your Honour that you have to take care of the landmarks and keep the rules of this House; but there are times when matters under discussion are so important that one has to discuss them at great length. I say that not in any way feeling that I have trespassed outside of the Rules but I say that because I know Your Honour is very well concerned about that matter.

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

Clause 3 was called and passed.

On motion of Hon. R. G. MAPP, seconded by Hon. D. D. GARNER, Mr. CHAIRMAN reported the passing of the Bill in Committee.

Mr. SPEAKER resumed the Chair and reported accordingly.

On separate motions of Hon. R. G. MAPP seconded by Hon. D. D. GARNER in each case, the Bill was read a third time and passed.

THE RATE OF INTEREST BILL, 1958

Mr. SPEAKER: The next Order of the Day stands in the name of the Hon. Premier: Second reading of a Bill to amend the Rate of Interest Act, 1754.

Hon. Dr. H. G. H. CUMMINS: This Bill seeks to amend the Rate of Interest Act, 1754. I think hon. members are well aware of the history of this Act. It has to do with the borrowing of money and this Government wants to be quite careful to see that it does nothing to upset the Barbados Rate of Interest Act which has been on the Statute Book for many years and which has served this island very well. However, as a result of the increased bank rate in England which was announced some months ago, it is true to say that for development purposes not only in Barbados but in other parts of the world, big Commonwealth countries have had to pay a higher rate of interest.

It has been brought to the notice of the Barbados Government that if we are to talk of development as we really want to see development go forward, we must increase the rate of interest. I say again that the Government is quite careful to see that this does not apply to loans made in Barbados. Within recent weeks, the bank rate has been decreased. As hon. members know it went up to as high as 7%, then it came down to 6% and I think it is now down to 5 1/2%. That has been brought to the notice of the Government, but that does not make the borrowing of money any easier. Money is still dear. Even since the Bank of England rate has been decreased - it has gone down to 5% I am told - there has been some difficulty not only in Barbados but in other parts of the world in borrowing money.

4.35 p.m.

I notice only last week or the week before, I think it was, that in Australia a £25 million loan was raised at 6% and at a discount of, I think, 2% or 2 1/2%; and in other big countries that has been the case. To come nearer home, only last Thursday, a big company in England the associated Biscuit Firms, Peak Frean and Company, on a £2 million loan, had to discount 2% or 2 1/2% in order to raise the loan at 6%; and only in this morning's paper I saw that Jamaica has gone to the London Market for over £4 million at a discount of 3 1/2%. I noticed in

the Advocate of last Saturday morning, that St. Kitts was borrowing £2 million, I think, at 8% on a discount of 2%. I have mentioned these instances, so that this House can very well understand that the borrowing of money, even although the bank rate has gone down to 5%, is still a difficult matter. This Bill has for its object to amend the Rate of Interest Act, 1754 with certain conditions. This amendment will limit the interest chargeable on contracts for loans to 6%, and it will not apply to contracts for loans of money by individuals resident or domiciled outside the Island or by firms or bodies corporate registered outside the Island to persons within the Island.

That is to say, if you are borrowing money in this Island, for the people who are willing to lend it and who are resident in this Island, the rate of interest is still 6%; but if you have to borrow money outside the Island, then the rate may be increased. I repeat, that that is purely to facilitate industrialisation and development and with regard to money borrowed from outside of this Island. I do not think that there is anything further which I can add, except to repeat - and I want to emphasise it - that for people resident in this Island, borrowing from people in this Island, the rate is still 6%. All sorts of hypothetical cases have been advanced as to the safeguarding of people in Barbados who may have money to lend and who will try to circumvent the Act by sending that money to people outside for them to lend it to some person who is resident in the island.

That is something which we cannot control; as a matter of fact, that is going on now, and there is no safeguard by which you can guarantee that that does not happen. I was informed only this morning that since the rate of interest outside this Island has been increased, there has been no big movement of money outside the Island. Where people have money in this Island and want to send it abroad on a loan, there has been no big movement in that direction. There is always the normal course of things of that nature, where people have money and want to invest it in Canada, Australia and other places; but the point I am making is that since it is possible to lend money with greater interest outside, there has not been any increase in that direction. My last assurance is that this Government, even when this Bill is passed, will watch the situation most carefully to see that, if and when conditions warrant it, we will return to the present state of law. With those few remarks, I beg to move that this Bill be now read a second time.

Hon. D. D. GARNER: I beg to second that.

Mr. BARROW: Mr. Speaker, I never thought that I would live to see the day when that pathetic performance of the hon. member would be put on the floor of this House, which we have now witnessed. It is clear from the pronouncement made by the Premier that whoever is advising him understands only a little more about the implications of this amending Bill to the Rate of Interest Act, 1754, than he does. Hon. members on this side have been accused, in the course of the debates, of making personal references to members on the other side; I want to make it perfectly and absolutely clear that I have no intention, in the course of my remarks on the floor of the House this afternoon, to be impersonal or impartial or anything other than being personal and partial in this matter which affects the economy of the whole of this island and of the people who happen to live in it.

In the first place, the Rate of Interest Act was passed in 1754. As I have said, there is nothing particularly sacred about the antiquity of legislation, but the very fact that a Bill has been on the Statute Book of this island for 204 years must sound some kind of warning to those who would trifle and interfere with matters which they do not comprehend, that legislation of this nature such as the Rate of Interest Act needs a more careful analysis and inspection than they are prepared to give it. I want to make that absolutely clear. In 1754, the Rate of Interest Act recited that no person or persons whatsoever from the passing of this Act shall charge a rate

of interest higher than 6%.
4.45 p.m.

What the Hon. Premier does not seem to be aware of is that the term which is used by members of the populace and the business community and members of the legal profession when referring to this Act is the Usury Act; and if he understands that, he will understand the strictures which I have to make this afternoon. He will realise that I am being impersonal to be personal, because anyone who interferes with the Rate of Interest Act, in my humble opinion, so as to make it possible for anyone who has money to lend out to charge a higher rate of interest than the one we have been accustomed to, and which we regard as our upper limit and ceiling for the past two hundred years, is encouraging usury and corruption. I want to be personal when I say that. If the hon. member is not conscious

Mr. SPEAKER: Does the hon. member want to be personal to any member of the House in that respect?

Mr. BARROW: As far as human beings are concerned. This Act, to cut a long story short, is the Usury Act. If you amend the Usury Act, you should amend it to make it more difficult for usury to be practised inside Barbados, and you can only do that, Mr. Speaker, by lowering the rate of interest rather than increasing the rate of interest which can be charged under the provisions of the Rate of Interest Act. That is my first major premise. The second major premise is this; that the hon. member for St. Thomas, the Premier, does not understand that there is not existing - and I apologise for putting it in a negative way - at any moment of the financial history of this island or of any other place with which we may have to deal in the course of commerce, a thing called the Rate of Interest. There are several rates of interest, and I want the hon. member to digest that. I will further respectfully suggest that the fluctuations in the rate of interest which he referred to in a very loose manner in the course of his introduction has nothing to do with the Usury Act in Barbados, because the purpose of the Bank Rate and the purpose of increasing or decreasing the Bank Rate from time to time is entirely different from the purposes set out in the Rate of Interest Act of 1754; and the effects of the fluctuation in the Bank Rate which is engineered by the Chancellor of the Exchequer for the time being in the United Kingdom is entirely different from the repercussions which the increase in the rate of interest under the Usury Act would have on the economy of the island.

I must apologise, Mr. Speaker, if I appear at any time to be deductory, and I must also apologise if I have to use terms and words which are incomprehensible to the hon. member who has just sat down; but at the same time there is so much that the hon. member is not conscious of, that I would not be doing justice to the citizens of this country if I did not set out clearly for the purpose of the record, my objections to the measure which is now being introduced. Before I go any further, I want to make it absolutely clear that there is nothing that anyone on that side of the House or on this side for that matter can say which would induce me to support this iniquitous bit of legislation which has been brought down by the Hon. Premier.

Now the hon. member in his introduction used these words, and I recorded such parts of his speech verbatim which were coherent and intelligible to those of us on this side of the House; I think I got nearly everything he had to say and he had to say very little indeed. He said that "as a result of the increase in the United Kingdom, we have had to pay higher rate of interest and if we are to talk about development we are well advised to increase the rate of interest." The hon. member talks as if this is the first time in the history of the British Commonwealth of Nations that the Bank Rate of the United Kingdom has undergone any modification, increase, decrease or fluctuation of any kind. This is the first thing, because from 1754 it is not until the Year of Grace, 1958, that we find that any House of Assembly in Barbados has seen fit to introduce a measure of this kind. Despite the fact that we have suffered the vagaries of financial dis-

aster and prosperity, despite the fact that we have gone through two major World Wars, despite the fact that in 1929 in four weeks alone over 5,000 bankers went on permanent holiday in the United States, and we in Barbados were suffering from the ill effects of increased unemployment as a result of world-wide depression, despite the fact that in the United Kingdom there were ten million people unemployed, despite the fact that in France there were fifteen million people unemployed, and in the United States twenty-five million people were unemployed, no one thought fit then to do anything about the rate of interest. Now at the end of the first World War, Mr. Speaker, the German mark was worth practically nothing in terms of real money, and in terms of goods and services which the mark could purchase. Soon after that, about three or four years later, Great Britain went off the gold standard. Mr. Winston Churchill then in his wisdom or folly decided to go back on the gold standard shortly after, all of these having repercussions not only internally on the economy of Great Britain and Germany, but spreading its financial ramifications throughout the length and breadth of the known world, including Barbados and the rest of the West Indies. No House of Assembly in Barbados had been alarmed and decided that since Britain went off the gold standard in the first instance and came back on in the second instance there should be any interference with the Usury Act of 1754. These are historical matters which I feel necessary, for the purpose of developing my argument, to bring to the attention of hon. members. I am merely trying to illustrate the magnitude of the financial fluctuations which has taken place not only in the economy of Great Britain, but the financial ramifications which spread throughout the length and breadth of the world having direct effect on the economy of Barbados without any interference one way or another by Government on private investment.

As a matter of fact, Mr. Speaker, there were matters over which we can very well see that we had absolutely no control. I dare to say that even if in Barbados in 1925 or 1929 we had had a Government in this country dedicated to the principle of socialist planning of the economy, despite the financial implications of the gold standard, as Professor Keynes put it, the economic consequences of Mr. Winston Churchill were such that they would not have been able to make any impression at all on our employment problem. In Barbados we were entirely at the mercies of the slings and arrows of our greatest financial fortunes and fluctuations, and despite that we have managed to keep our heads above water.

4.55 p.m.

I want you to get that absolutely clear. Despite all that we managed to keep our heads up.

When the second World War came off, the unemployment in Barbados fell to its lowest level, due substantially to the migration of workers to Bermuda and neighbouring West Indian colonies, to Dutch Guiana and the U.S.A. It was a period of higher prices and a period of scarcity of labour. The Government of Barbados did not think it wise then to interfere with the rate of interest: and after the War, in 1945, when the Labour Government of England came into power, Dr. Dalton became the Chancellor of the Exchequer. It was the policy of the Labour Government in England to put as much purchasing power in the masses of the people as it could, and Dr. Dalton instituted his cheap money policy in order to induce industrialists to put up and to stock up excess amounts to labour coming forth from the demobilisation of the forces and seeking employment in industry. Dr. Dalton instituted his cheap money policy in order to put Great Britain back on its feet; therefore he lowered the rate of interest to 2 1/2%.

This was the time when the Government of Barbados was beginning to change over from the old set up, what they called changing over to the new dispensation. This was the time when the Barbados Legislature through its elected representatives really began to have some say in the financial affairs of the colony. The Government, which is the same Government from 1946 onwards, is the same Government which constituted the Executive Committee of the new dispensation. Now, that Gov-

ernment did not elect to further Dr. Dalton's method and suppress the rate of interest from 6% to 3%. That is significant. The Chancellor of the Exchequer lowered the rate of interest at that time to 2 1/2%, and it was a time when any colonial Government which understood what it was doing would have been able to raise considerable amounts of money for development. There had been no one here making any representation to lower the rate of interest from 6% to 3% and I say 3% advisably because, Your Honour is well aware, that the general rate of interest in the outside market, as a general rule, is half percent greater than the rate of interest in England. The rate of interest in 1947 was 3% and at that time the recommendation for the construction of the Deep Water Harbour was in the hands of the Executive Committee of this island; yet the Government of Barbados did not borrow any money then. They did not borrow one cent. In 1948, if the hon. senior member for St. Thomas would go and read the report of Mr. Ritchie, he will see that that Report was submitted in 1948; yet that Hon. Minister or his colleagues did not seek to raise one penny for the Deep Water Harbour or any capital project in this island. They waited until the Conservatives came into power in England and then began to talk of development. Of course, they take their policy from the conservative elements. They had a sympathetic Secretary of State for the Colonies at the time when Dr. Dalton was in power. The late Premier often boasted of his close connections with the Secretary of State and how he had the confidence of him. As a matter of fact, it is the same Secretary of State who was invited to the opening of the Federal Legislature, as a token of the part which he had played in bringing colonial territories from the background. Soon after that time, the Conservative Government came into power in England and since any Conservative Government is primarily concerned with rates and profits and interest, after all, it is only requisite that you will have to pay more. The rate of interest started to rise until this Year of Grace, 1958.

I am merely illustrating that if the Hon. Premier is suggesting as he has actually said, that the reason for increasing the rate of interest under the Usury Act is the result of the increase in the United Kingdom of the bank rate, which is a different thing altogether, that they are not being consistent, because when the bank rate goes down, they should also decrease the rate of interest in the Usury Act. That is what I am trying to illustrate; I am not saying that I accept that as logical. That is his system. If you are going to tie the Usury Act to the bank rate, it would stand that when there is a fluctuation in the bank rate, they should have the equivalent adjustment made in the provisions of the Usury Act of Barbados.

Sir, this is something which every member of the community should get personal about because it is going to affect each and every one of us. It is the thin edge of the wedge. I used to refer to the financial policy of the present Government of this country as a sort of creeping capitalism: but from last Tuesday when they introduced another measure in this House - I do not want to reflect on any vote of the House; I am only reminding Your Honour of what I referred to last Tuesday - that even in their moments of utmost folly they would not have the gall or even the temerity to bring before the people of this island that measure. I am sure there are many conservatives of this island who have the interest of Barbados at heart, and though politically conservative, yet they have a stronger instinct which seem to override and suppress all their other desired instincts - and that is the love of the island of Barbados. I am sure that the lot of them - I am not sure whether there are any in this House, but there are a lot of them who would be as exuberant in their opposition to this measure as any socialist inside or outside of Barbados.

5.05 p.m.

Commonsense will tell you that it is wrong.

Mr. Speaker, I was referring to the fact that the Hon. Premier thought fit to justify this new imposition on the people of Barbados on the ground of the increase of the bank rate in England, and perhaps, it will not be

entirely out of place if I were to give a true assessment of what I consider that the function and the manipulations of the Bank rate in England happen to be. In a country, where you have full employment, and full employment means- accepting now the definition that 97% of the people of working age (people between, let us say, the ages of 15 and 64) who want jobs, have jobs, and those who are capable of working are working; the halt, the lame and the blind and the indifferent would have to be included in that - by full employment we mean that every man, woman and child, between the ages of 15 and 64 who are of pensionable age has a job. The time comes in the economy of a well-managed country - and it can come by accident or through the fluctuations of the trade cycle- I do not want to go into any explanation - Your Honour will understand what I mean even if those hon. members on the other side do not; but the time will come when, because of full employment, there is a lot of purchasing power in the pockets of the masses of the people in a country, and there will be an excess of demand for goods and services over the supply for those goods and services. In order to cope with this demand for good services, prices will continue to rise in order to discourage the spending, wages will lag behind prices and that will have an 'impact' effect; and the long-term effect is that industrialists and entrepreneurs or whatever you choose to call them, people who have money at their disposal and have the know-how of industrial management and the process of manufacturing, will start putting up factories where goods and services are supplied, goods and services which are in demand from time to time.

I have already apologised for any impression which I might give of being pontifical, but that is my language; and if hon. members do not understand it, they can go outside and sleep and come back in. I want to get on the record. I have drawn to your attention a very famous passage in Juvenal where it was said of Cicero that he made all his speeches too late; he made them after his head had been chopped off by Mark Anthony. You will remember the passage where Cicero would have been able to defy all the swords of Mark Anthony if he had said all the things at the time when he should have said them, *ei sic omnia dixisset*. I am glad to see the newly-appointed junior member for St. Joseph -----

Mr. STRAUGHN: On a point of order. I happen to have been elected, not appointed.

Mr. BARROW: If he were appointed, he certainly was not anointed. (*Laughter*). I am glad to see that when we made these references which we feel only Your Honour will enjoy, there are other hon. members who have the facilities and the good grace to enjoy them. I want to say this: I am going on record as saying now that I will give my reasons, even if I have to make a few historical excursions, in order to make my meaning clear.

Mr. Speaker, when a country is enjoying full employment, the economy of that country is potentially in a dangerous condition, unless the boom, as it were, is controlled; because if in the interim period, prices rise above wages and in that intermediate period manufacturers begin putting up factories, there will come a stage in the country's development where you have the average trade cycle between seven and eight years from slump to slump, from boom to boom, from the top of the wave to the top of the next wave or from the bottom of the slump to the bottom of the next slump. That is the normal trade cycle. In the normal period of time, the Chancellor of the Exchequer or anyone who is in charge of the finances of the country has got to keep a careful eye on this inflation tendency. You have full employment; manufacturers have been coming in and putting up factories. After that, what is the natural result? All of them are carried in this upsurge of optimism. The trade cycle is not a vacillation from Almighty God; it is intended purely to my mind on the corresponding correlated optimism of business men, depending upon at what particular phase of the trade cycle they happen to take an interest in what is going on. When you get to this intermediate phase, more factories are being built

with what? With money which is raised on the money market in London, because with the present rate of interest and excess profits tax in the United Kingdom - I will say that there are two economies, because we are isolated whether we like it or not.
5.15 p.m.

You will find, Mr. Speaker, that no matter how well a business concern is doing, when it comes to capitalising or expanding the business, the businessman has to go to the money market.

The device which the Chancellor of the Exchequer employs to discourage expansion at the top of the trade cycle is the Bank Rate; that is the device which is used for a particular purpose to discourage investment in new enterprises which will only create a surplus of goods on the market and so cause prices to come sky-rocketing down with a fall in the level of employment. That is where the personal and the human problem comes in, because any Government which wants to survive, although it may be prepared like the present Government of Barbados to give capitalisation its head and let it ride unbridled any Government which has an eye to the future must realise the cost of human suffering, despair and want that unemployment causes. When you get an over-supply of goods on the market, you get people laid off from factories, as started to happen earlier this year, and it has a snow-ball effect on the rest of the economy so that more and more workers become laid off. The warehouses are full of goods: so you can lay off people in the first instance; a benevolent employer will lay them off for a few weeks or months, but having laid off a few people, let us say, in the motor industry for three months, the purchasing power of these people is cut down. Often under the welfare state they only get a subsistence allowance to keep them alive; they have no extra money in their pockets to buy the very goods piled up in the ware-houses. If the purchasing power of these workers is decreased, the difficulty is that they cannot buy the goods which the other workers are producing. That is the purpose of the manipulations made by the Chancellor of the Exchequer on the Bank Rate in England.

The Premier of Barbados says we are going to increase the rate of interest because the Bank Rate has gone up. It has gone up in England over the past three years, and I warned them sitting on that side of the House to watch for it, and not one of them can tell me they knew about it, because if they knew, it would be a breach of the Official Secrets Act. Chancellors of the Exchequer have lost their portfolios because members of the public knew a minute before it was going to go up. I propounded four weeks before it went up that it was going to go up and I said after that that it would go up further. I was sitting in the Chair next to the one occupied by the Minister of Communications and Works. Since then the Conservative Government in England has pushed up the Bank Rate higher and higher, because of the inflationary situation which exists in the United Kingdom.

There is also some talk about the balance-of-payment problem, but we need not go into at this stage. It does affect the decision of the Chancellor of the Exchequer to some degree, but as far as the Conservatives are concerned, their idea is that the workers are getting too much money and they have caused them to. The same thing would obtain here, *mutatis mutandis*. They say: You are getting too much money and we cannot compete with the prices abroad; there has been a falling off in the demand for our export goods in the hard currency areas;" so their solution is to have wages frozen at a certain level and discourage money-spending on luxury goods for workers; things like radios, televisions, electric irons and washing machines, which they regard as unnecessary. The Chancellor of the Exchequer got on the floor of the House of Commons and imposed prohibitive taxes in order that the workers might not spend up their money on that kind of thing, and to divert, as they would put it, the factors of production from this industry into the export industries.

Now, Mr. Speaker, have we ever had full employment in Barbados? Have we got a State Bank in Barbados?

These are rhetorical questions, as you will appreciate. We have neither. We do not have a State Bank, and never in living memory have we had the full employment in the true sense of the term in this country, except for a temporary period of economic activity which unfortunately correspond in point of time with two World Wars; so the rationale for the increase in England could by no stretch of the imagination apply or in any way influence anyone who has to dictate or control financial policy in Barbados. I have already spoken on the floor of this House on this particular aspect of increasing the Bank Rate, because it is very unfortunate that a condition may exist in the United Kingdom of full employment and the Bank Rate is increased to discourage investment in the United Kingdom, and at the same time it would have the effect of discouraging investment in Barbados. It stands to reason that if the Bank Rate goes up and a Colonial Governor goes to the United Kingdom for money, the money does not come from the British Treasury; it is only guaranteed by the British Treasury. They have to advertise, but the Premier does not seem to understand that. I should not in a responsible Chamber like this go into matters of this kind and it is pathetic.

What I am saying, Mr. Speaker, is that this is not the first time that I have criticised the policy of the Conservative Government in England in so far as it affects colonial investment. When the Bank Rate goes up in England, they do that to discourage investment, and there is nothing in this world which you can do about this in Barbados. The Bank Rate is increased to discipline the financiers and the people who have money to lend on the money market; the underwriters, the stock exchange and stock brokers become disciplined to the Bank Rate and would not pick up money and lend out. That is the time they do not invest because that rate tells them not to invest. When the green light is flashed, then the Bank Rate is lowered. To change the Usury Act in Barbados is going to enure only to the inhabitants of this island; it is not going to have the slightest influence on investors in England.

I am only a quarter of the way through the remarks which I have to make, but if the Premier is going to give me the assurance that next week he is going to get money for the Deep Water Harbour because of this Bill, I will sit down and stop speaking. They have not told the public that not one cent has been raised in England for the Deep Water Harbour. In 1956 they took the Officer administering the Government to England and made a circuitous detour through the United States and Canada to get money for this colony, but not one cent of that money has been raised because people have no confidence in their financial policy and their management of the economy of this island, and because unfortunately they made the decision which they could have made a long time ago when the cheap money policy was in vogue to implement the Deep Water Harbour proposals at a time when the Bank Rate was raised. They really do not understand up to now that the reason why they have not got the money is not because of the Usury Act in Barbados, because as from last week there is nothing to prevent them from getting the money at 6%. Money is being raised in London at 6%.

5.25 p.m.
Money is being raised all over London at 6%. Why raise the bank rate of Barbados? As a matter of fact, the Hon. Premier himself from the notes which were obviously prepared for him said that one colonial Government and even Peak Frean Biscuit Company raised money at 6%. If Peak Frean raised it at 6%, a colony could have raised the bank rate? What biscuits can do, Government can do better. Sir, it was only with a great deal of forbearance that I did not say that what biscuits can do, nuts can do better!

Mr. Speaker, this thing is quite a farce. How it looks to me is this way. Anytime somebody who has an industrial axe to grind should whisper anything in their ear, they are sort of overwhelmed by the knowledge and wisdom of that individual and they run down to the House of Assembly with something.

Anyhow, let us return to the situation which we now

have in the United Kingdom. I do not want to repeat myself but I am illustrating a little more fully a point which I made earlier. When the Chancellor of the Exchequer wants to discourage people from borrowing money he raises the bank rate and because of that, people put more money in the banks. I should say that the banks lend to the discount houses and the discount houses lend to the people on the money market. There are five banks in England which I know of but I think there are six. There are: the National Bank of England, the Westminster, Lloyd's, Midland and another one. Then there are the clearing houses and then you have the two departments of the Bank of England - the issuing department and the currency department.

If you want to discourage inflation, the Chancellor of the Exchequer has another device against it. He can advise the Governors of the Bank of England to increase the notes issue. The fiduciary issue which now stands in the vicinity of \$1,500,000 is not backed by gold at all. As you know, Sir, we are on a gold exchange but you cannot walk into a bank and demand 35 U.S. dollars because that gold is taken and buried. We are in the gold exchange but the gold does not leave the Bank of England to go to the U.S.A. It is used for exchange purposes. As I was saying, the Chancellor of the Exchequer has the device for increasing the notes issue or the fiduciary issue has stood at £1,500,000. This is the issue of bank notes under circulation. However, we do not have to concern ourselves with that blade of the financial scissors which the Chancellor of the Exchequer uses to trim the economy of the country; we are only concerned with the double-edged blade of the scissors which is now foisted on the people of Barbados.

I want to make it absolutely clear. The fact that the bank rate has increased is no justification for increasing the local rate of interest because if Barbados wants to borrow money, they have a clear indication, as much as if it were a memorandum or instruction given from the Secretary of State, that 'this is not the time for you to come to borrow money because we are telling people not to lend money.' That is the shorthand. It is telling not only the industrial investors and not only the people who have excess savings which they want to invest in private enterprise, but warning them that this is not the time to come for money at all. It is warning them to sit down and wait, and it is telling the investors, the money market, and all concerned in the financial world not to lend any money. Therefore, I wonder who it is that induced this Government to come and change up this Usury Act which in my humble opinion is a salvation to a lot of shopkeepers, middlemen and people who have to take out mortgages in this island. To make it worse, to add insult to injury, the Hon. Premier tells us that nobody in Barbados is going to benefit from this. Who is to benefit but the people of Barbados? He tells us that nobody in Barbados is going to benefit and then you tell us that we must not get personal. What kind of nonsense is this? We are paring our economy so that somebody outside of Barbados must benefit.

Mr. Speaker, exactly the same thing was done last week. You allow somebody outside of Barbados, to bring money in and invest it but instead of the money which you could get from income tax which goes into the Treasury you say: "Oh no, we do not wish that. If you come from outside of Barbados, you keep it." Nobody in Barbados is to benefit from this; only people from outside! All I want you to know is that the Hon. Premier can get his votes outside of Barbados. Let him leave St. Thomas and go outside and canvass. If he is more concerned with the people outside, he should find his own level and go along with them. That is why I say that he has not studied the implications of this Bill at all.

He says that you are borrowing from residents the rate is still 6% but the rate will increase if you are borrowing from outside. He goes on to say that it will facilitate industrialisation and development. I am going to take him up on that.

5.35 p.m.

He added that people who are resident and who are bor-

rowing from other people in this island will not be affected by it. He went on to say that all sorts of hypothetical cases have been advanced as to the safeguarding of people in Barbados who may have money to lend; and in case that any hon. member did not understand what the Premier was saying, he said that all sorts of hypothetical cases, and that is the only objection he could think of and tell enlightened people in Barbados that people from inside will send their money outside. If that was all that would happen, then I would not have any fear about this Bill at all. I am not objecting to that at all; if people within the island are not to benefit from legislation, how can people from outside the island, people who have not contributed one thing to the building up of the economy of the island, come in now at this stage of our advancement and get all the benefits to the detriment of our local people? It would have been better for them to call in the \$133 1/2 million of Barbados money which is invested outside; it would have been better to call in that money from places which need less than we need and invest that money here. (ASIDES). In 1952 the amount was \$81 million and I say that it is now \$133 1/2 million. There has been a steady flight of capital from this island; the Government only accounts for something like \$19 million today, but there is a fantastic amount of money invested in countries which are highly industrialised and which need money less than we need it. However, the Premier has the effrontery to tell us that nobody in this island will benefit from this legislation and referred to hypothetical cases of people resident in the island sending money outside and the people from outside sending it back again so as to get the increased value of the money. Mr. Speaker, I do not sit up at 3 o'clock in the morning for nothing.

At this stage, Mr. SPEAKER left the Chair and

Mr. DEPUTY SPEAKER took the Chair.

Mr. BARROW: Mr. Deputy Speaker, the Hon. Premier in introducing this Bill to increase the rate of interest in certain circumstances and to amend the Usury Act of 1754, is doing a great injustice to the people of this Island. He has made it abundantly clear that the only potential beneficiary of this amending Bill will be the Government of Barbados; but he has not got a single guarantee that after this Bill has been amended, the Government of Barbados will be able to raise the money which they want to raise. Since this Bill has been on the Order Paper of this House, the very foundation has been removed from under his argument in support of the Measure, and it is that the rate of interest in England has gone down below the 6% level. (Mr. STRAUGHN: You did not remember that for the last half hour.) Therefore, this Bill should be removed from the Order Paper; and it is likely that the rate of interest in England will go down even further, because the economic conditions which prompted the Chancellor of the Exchequer to raise the bank rate to a figure which it had not attained for the last 37 years no longer exist in the United Kingdom, and therefore, they are feeling a certain amount of ease from the Treasury which they were not undergoing before. However the bank rate in England is nothing sacred like the Usury Act in Barbados. The Usury Act is not an instrument of the financial policy of the Government of Barbados; it never has been a financial instrument in the hands of the Government.

It has been put there to prevent the imposition of unnecessary burdens on the poor people of this Island and the middle-classes as well when they find themselves in a condition of dire necessity; it is there so that the Pawnbroker or Banker or Industrialist or Merchant could, by no device whatever, charge a higher rate of interest than 6% over any period of time. He cannot get around the Usury Act; it is the shortest Act, and it is one of the best guarded Acts on the Statute Book of this Island. None of these persons is in a position under the existing Act to charge a higher rate of interest than 6%. The Barbados Government is now in a special position, because 18 months ago, they tried to raise money at the wrong time and did not get it, although the financial climate had been altered considerably, so much so that the rate of interest has come down some 2% within the same period of time. They are now using reasons of 18 months ago for the introduction of a Measure at this period of our history, reasons for which the

amendment has no relevance, as far as the economic situation in this Island is concerned.

I said in passing that I deplore the state of affairs - and I would like to go on record clearly as making this assertion - that one of the evils of colonialism is that the Chancellor of Exchequer might impose conditions on the financial market in England in order to counteract the tendency existing in England at a particular time, which is inimical to the best interests of underdeveloped areas in which a diametrically opposite set of factors may be in operation.
5.45 p.m.

Let me illustrate what I mean. I made reference, Mr. Deputy Speaker, that an inflammatory condition was caused in the United Kingdom in which there was full employment and an excess of demand over supply of goods and services. At the same time throughout the length and breadth of the Colonial Empire, with the possible exception of places like Ghana which is living in a state of relative prosperity when compared to the smaller possessions in the Colonial Empire frequently referred to in euphemistic title of underdeveloped areas you would have a situation in which there were masses of unemployed people, a lot of want, starvation, privation and insufficiency of demand and insufficiency of purchasing power in order to give the people the things they want, and therefore the high level of unemployment or low level of employment. So every time the Chancellor of the Exchequer interferes with the Bank Rate, he is completely unconcerned about the conditions which may be obtaining in the rest of the Commonwealth of Nations. He is not concerned about our problem here; he is concerned about the United Kingdom balance of payments; he is concerned about the trade cycle, with the minimum impact effects, the increase or decrease in the Bank Rate on the economy, and on what Mr. John Maynard Keynes called "the propensity to save and the propensity to consume," which he has reduced to a mathematical equation. They do not do things in a haphazard way like the Government of this island.

In this crisis of our economy the Premier of Barbados is reading "The Bajan;" he might as well be reading comic sheets from the Sunday Guardian, and for all I know, he may have Buffalo Bill concealed in the covers of the Journals he is reading now; but we are not now living in the age of Buffalo Bill. We do not have any frontiers to expand; we have reached the limit of our geographical expansion, and at the same time, it would appear, the limits of our intensive frontiers. We have intensified the agriculture of this island to a point beyond which it does not seem possible, subject to any contribution made by soil conservation, to go; that is the position in which we are in Barbados. In addition to that, Mr. Deputy Speaker, we have over 26,000 people unemployed in this island. I would like to know on whose advice Government decided to bring a measure of this kind before hon. members of this House. On whose promptings were they induced to commit a folly of this kind? After the pressure eases in the economy of the United Kingdom - and we are part of the sterling area for certain purposes; it is an observation of which I have on frequent occasions had to remind hon. members on the other side - and when the Chancellor of the Exchequer is concerned about the balance of payments in England and decides to put up the Bank Rate to discourage luxury spending and investment in consumer goods and the increases of export goods into hard currency areas, he is not concerned about Barbados.

I remember, Mr. Deputy Speaker, that in the Other Place - speaking under correction, I believe you were present - one Sunday morning we met a team of industrialists from the United Kingdom who came here with their minds made up as to what they were going to report, and when along with some hon. members we suggested that development should take place in Barbados and the West Indies along the lines of the wonderful Puerto Rican experiment, they told us that we should remember that Puerto Rico was part of the American economy and it was a special case. I do not know if you

will remember my reply to that; I asked if Puerto Rico is part of the American economy, part of whose economy are we here in the West Indies? We must be part of the British economy; we are tied to the pound sterling; we are chained to it, not even tied. We have no control over our hard currency. The British Treasury states how much of the money we spend in dollars we can spend on the people of Barbados, and the Government of Barbados never once since it has been in office for the past ten years disclosed to the people of Barbados how much money the British Treasury is taking away from Barbados in the shape of our hard currency earnings. That is only to illustrate that we are part and parcel of the British economy, and that we have no say sometimes in how the money we earn is spent. If Puerto Rico, which is a Commonwealth, is part and parcel of the American economy, and the American Federal Government can return to Puerto Rico a large proportion, if not the entire proceeds from the duties on rum, what is there to prevent the British Government from doing the same thing in relation to places like Barbados? We do not need measures of this kind in order to get money to develop the island; we need a boldness of understanding on the part of our politicians, on the part of our Cabinet members, and on the part of the people who have the running of the finances of this colony under their control. All of this business about changing the rate of interest is like a monkey handling a musket; fooling about and triggering off a chain reaction which you will not be able to control, but one which will radiate and have disastrous effects on the people of this island and enure to the benefit of the people outside of Barbados. Is that the kind of financial policy which a Socialist Government should pursue?

Mr. Deputy Speaker, I am sure of what your answer to that would be if you were participating more actively in this discussion; by that I mean if the duties of your office did not restrain you from expressing your opinion on matters of this kind for the time being, because I know, Mr. Deputy Speaker, that you do possess a certain amount of business acumen, and those people who live entirely out of the Public Treasury would not be able to understand the financial headaches as someone who has to use his own intelligence to make a living would appreciate.

5.55 p.m.

Mr. Deputy Speaker, to return to my main observation, it would appear to me, as I said in my opening remarks, that the Hon. Premier did not seem to understand that there were several rates of interest. There is the bank rate, and the rate which is charged by the discount houses. There is the rate of gilt-edged securities and there is the rate which is charged for treasury deposit receipts. There is also the rate which is charged by the Banks to business houses in the course of day to day dealings. There are several rates of interest but the only rate of interest which the Hon. Premier is trying to relate or in any way tie in to this amendment to the Usury Act is the bank rate which has in my submission absolutely nothing to do with it.

Now I was interested to note the speech of the Hon. Premier and, Mr. Deputy Speaker, I would like to make it clear that I have never written down a speech in my life. What I hold in my hand now is the speech by the Hon. Premier. He said that this Government wants to be careful to see that it does nothing to upset the Barbados Rate of Interest Act which has been on the Statute Book many years and which has served this island very well. Those were his opening remarks. Why change it then? Is it that he wants to put money in the pockets of people outside of this island who have no responsibility to the people of Barbados and who would not be contributing one penny to the oldest legislation which we have in this island, including this one to the economy of Barbados, except by way of loans?

The Hon. Premier said that he expects to get money from the increase in the rate of interest. I challenge the Hon. Premier to find one economist worth his salt inside or outside of this Assembly who would be able to swear that this amendment to change it to whatever rate of interest you have, would have the effect of raising any more money for the Government of this Island. As I have said before, if that were the justification, the justification has now been re-

moved; it is liquidated and no longer existent because the rate of interest in England last week was lowered to 5 1/2% and has gone down more since; therefore the rate at which money can be borrowed on the Money Market, at which any Government or industrialist raising money in England would have to pay for loans could not possibly be more than one half percent over the bank rate, because the bank rate has to work through the money market and the discount houses and through the brokers and, therefore, they always have the charge of one half percent more because the Bank of England is known as the lender in the last resort. Sir, everything stems from the bank rate.

The Hon. Premier went on to say that it is as a result of the higher rate of interest. That could not be a true statement of fact and I take him up on that. He may have meant to say that we have to pay a higher rate of interest. The Government of Barbados has money on which they are now paying interest. I want to disabuse hon. members' minds of what he said because although the bank rate has gone up 5%, 6% or 7%, yet they are borrowing money at 3% or 4 1/2%. Mr. Deputy Speaker, you know very well, and every person who takes an interest in what goes on around them knows, that it does not mean that immediately as they consent to a higher bank rate, they start to collect a higher rate of interest from Barbados. We did not have to pay a higher rate of interest because the bank rate has gone up. If the interest rate goes up, it is harder to borrow money and if you foolhardily go to borrow money at that time, as long as there is in existence that new rate, you will have to pay the rate demanded at that point of time. In so far as Government investments, Government loans, and Government interest payments are concerned, we do not have to pay a penny more. The Chancellor of the Exchequer can change the bank rate five times before evening, but it does not affect the interest payments which the Government of Barbados would have to pay to its debenture holders. Therefore, how can we take the statement made by the Hon. Premier when he says that we have had to pay a higher rate of interest? How can he say that with all due honesty? Is it what he has been told by the people of Barbados?

Sir, I would go back to Dr. Dalton when the Labour Government of England had its cheap money policy. The Government of Barbados had a lot of loans which they had raised at 3 1/2%, 3 1/4% and even 3% and they had some as high as 4%. I have here a list of inscribed stock and it would be available to you. They had the opportunity to float a conversion loan; that is, you pay off your debenture holders. Let us look at that list of inscribed stock and pick out one at random. I see here the Waterworks Loan Act of 1935, \$746,000; and they were paying 4 1/2% then. I do not want to go in for any nice mathematical calculations.

6.05 p.m.

Let us say that it was 4 1/2% under the Loan Act of 1935; when 1945 came, we had a Sinking Fund of \$638,000 for this \$746,000 loan which we raised in 1935. Apart from the fact that we had a Sinking Fund at all, it was a waste of good money gathering moss. If the time had not expired for the debentures to be redeemed, all the Government had to do was to float a new conversion loan at 3% and thereby save the taxpayers of this Island 50% of the interest payable on a loan of that kind. I want to make it clear that I do not have the rate of percentage charged to the Waterworks loan of 1935. I have the amount of the loan and the Sinking Fund; therefore, my figure of 4 1/2% is used for the sake of argument. The Government had the opportunity of floating conversion loans and so save the taxpayers of this Island that colossal amount of money which we are expending from year to year by way of interest payments. In other words, we would have paid 50% less on the same loans, because we would have floated a 20-year loan in 1946 expiring in 1966 or a 30-year loan expiring in 1976; and we would be in duty bound to pay only 3% to the debenture holders of the conversion loan. I want to make that clear. What the hon. member did not tell members of the public is the effect, looking at the other side of the picture, of the funds which they have sent out of the colony - the Labour Welfare Fund, for which they are getting 2 1/2% and for others they get 1 3/4% and 2%. Therefore, you call in the money lent to Northern Rhodesia in the same way, let us say, that a

creditable Life Assurance Company can call in the payment before the time has legally expired - the payment of money loaned to the Government of Barbados.

When the Conservative Government in England pushes up the rate of interest - it is a very simple calculation that you have to make. If you lend Northern Rhodesia money at 3%, when the rate of interest goes up to 6% - they do not tell the people this, they hide it in a financial State ment. Automatically, if you had \$100,000 in Rhodesia, this is an almost mathematical equation as against a geometrical equation, the value of the money which you lent to Rhodesia is cut in half to \$50,000. Have you tried to sell your Northern Rhodesia securities on the money market or to transfer them to anybody without consideration of the value? No man who has money to invest, when he can get 6% on it, will spend \$100,000 in order to get 3% securities. They are only going to pay \$50,000 for \$100,000 worth of securities, which has happened in Barbados. I warned the Barbados Government as far back as 1951 when I told them to call in their money. When Professor Beasley and everybody who had a smattering of knowledge of this matter warned them to call in their securities while the rate of interest approximated a stage where they would get better securities, they did nothing until all the money which went out to different parts of the world is only worth between 3% and 5% of what it was loaned out at. In other words, they have lost for every million dollars which they lent out nearly \$400,000 on the redeemable value of these securities. That is the bunch of financial nitwits whom we have presiding over the economy of this island. They think that government is patronage, giving a friend a job or getting somebody out of a job or driving about with the travelling allowance which they are getting and abusing people. They do not realise that in the fulsomeness of their silence in allowing a measure like this to pass through the Legislature, this is something which is acting against the interest of the Island. They think that, because they were voted into office, God has endowed them with natural wisdom and perspicacity and they have nothing to learn from anybody. Although they take trips abroad, they do not avail themselves of the information which is available to them in the Carnegie Library. It is as bad as that.

The former hon. junior member for St. John, if he has ever made one good speech on the floor of this House, it was that speech in the course of which he said that the members of the Government and the Minister of Finance in particular was abysmally ignorant of financial matters. The speech is here before me; it is still fresh in the memory of most of the members on the other side. The then hon. junior member for St. John is now a member of their Party, and he has been able to stifle his conscience in order to get on the other side. That is a matter for him, but there is one member for St. John, who will never fall into the error of his ways, and that member is the one who is now addressing the Chair.

Mr. Deputy Speaker, I think I have said enough at this time to convince even those who do not want to be convinced that the introduction of this amendment to the Usury Act is one of the most ill-advised pieces of legislation which has been conceived in the brain of man or in the brain of animal for that matter. If I go on to say anything more, it is not with any desire to tire Your Honour or to overburden the already over-burdened minds of hon. members with indigestible statistics on this very serious matter or to overstate my case; but merely to ensure that nothing will remain unsaid, that no suggestion which I may have to make will remain in the air, if it is in my power to make it, and to tender that advice and suggestion.

6.15 p.m.

Now the Hon. Premier went on to say in his introductory remarks that the Bank Rate has been reduced from 7% to 6% and now to 5%, and it has not made borrowing money any easier. He said that ever since the Bank of England Rate was reduced and he now understands that it has gone to 5%, but there has been difficulty in borrowing money. Now if you peruse the records of this House you will find that the Premier said that. He said 'ever since it has been reduced'; he did not say 'ever since it has been increased' that there has been difficulty in borrowing

money. How then can the same hon. member almost in the same breath say that the rationale of this Bill is that the increase in the Bank Rate has made it difficult to borrow money and then go on to say it is true that it has been reduced, but 'ever since it has been reduced' it has made it difficult to borrow money? Why interfere with the Usury Act in Barbados at all?

I do not think I have to go on to say anything more to overburden you with anything more of that statement; I will dismiss it for what it is worth. He went on to say that only last week £25 million was raised at 6% but at a discount. I am not here to teach the Minister of Finance financial matters, but the hon. member tried to make it appear that although the money was raised at 6% which would be within the Usury Act - he did not say by whom to the best of my recollection, and from what I have recorded here - and I was trying to report him verbatim - it would have to be made at a discount. That is a regrettable feature. The Barbados Government has never yet gone on the money market in London and raised money which was not raised at a discount, if he understands what a discount means. Let me put it this way. You have two kinds of discount to take into consideration; you can float a loan at par; if you want to raise \$1 million, you can make them pay \$1 million for \$1 million and tell them that you are going to pay 5% or 6% on debentures which they have subscribed; but the underwriters still have to get their discount. It is very unusual, especially where interest rates are high and the situation is also in a state of flux and when they do not know whether there is going to be a further increase or decrease in the Bank Rate, for anyone to go on the money market in London and raise \$10 million at par; you have to offer a further inducement in the way of a discount so that you may be paying them 7 1/2 dollars for a hundred dollar security because that would be the condition. So when the hon. member says that somebody raised £25 million which is \$120 million, but that they had to raise it at a discount, it does not mean that the Government has to pay an additional 2 1/2% interest per annum on the 6%; it means it is a 6% loan, and it is a better device to use the machinery of a discount to induce people to lend you money than to interfere with the Usury Act and tell them they could charge whatever rate of interest they like, and that all you have to do is to go to the Executive Committee. As a matter of fact, Mr. Deputy Speaker, there is not even that safe-guard. What I am saying is that there is no limit which I can see in the rate of interest which they can give to anybody outside of Barbados or which anybody outside of Barbados may charge.

Mr. DEPUTY SPEAKER left the Chair and Mr. Speaker resumed the Chair.

I was saying, Mr. Speaker, that it is far better to use the device of a discount, in other words, in offering your securities at a lower rate for a lower capital contribution on the money market as an inducement to investors to subscribe and to take up the loan than it is to interfere with the Rate of Interest Act or the Usury Act, which the Hon. Premier himself had the decency to admit has been for many years serving this island very well. I will vote for an amendment to the Usury Act when the Hon. Premier is able to convince me that it is not serving the island well, and is prepared to go even further and convince me and other people who have the well being of the inhabitants of this island at heart that it is serving the island badly. I was only trying to clear up the statement made by the Hon. Premier, which you would describe as a sort of crabbing reservation.

It is true that somebody else got £25 million last week and had to raise it at a discount. I want the Minister who is Minister of Finance or any of his understudies to tell the members of this House that in such and such a year the Government of Barbados raised a loan on the money market in England and did not have to raise it at a discount, did not have to pay the underwriters, did not have to pay commission to the Crown Agents for the Colonies, and did not have to issue the loan on the condition that the person subscribing to the loan would not have to pay 100% of the loan so issued on par. Those are exceptional conditions which would have to be operating if any Colonial Governor had to go and get a loan. The Premier does not understand the meaning of the term "discount". If Australia got £25 million at 6%, what is to prevent the Barbados Government, since we were promised so long ago, and according to the

late member for St. Joseph, we were at the head of the list and were offered first preference, from getting theirs? Dr. Williams could not get any, Mr. Manley could not get any, but Australia which was down to the bottom of the list got their loan. To me he is like Abou Ben Adhem; his name leads all the rest. Why is it that we at the head of the financial pole cannot get a loan, when Australia who is at the bottom can get a loan of £25 million? All we have to do is to go and say: "We had your word before Australia," and ask whether they are forgetting that we were there long before Jamaica. You should tell them that you do not want to interfere with the Usury Act which has been the salvation of the smaller businessmen, shopkeepers and agricultural workers who have been supporting this Government all these years. I am surprised that Jamaica is there ahead of us, because we had a pronouncement made on the floor of this House that the Colonial Office turned back Dr. Williams and Mr. Manley and that we were in the picture from the beginning. The others could not make first base, but we were hitting home runs all the time, if I may use certain similes which might be appropriate in the financial world. They are making sport of this; we are being told that Jamaica is ahead and Australia is already there, but the Minister of Finance says that we should not pay any attention to them because they have to discount their loan which is supposed to be something bad and something which the Government of Barbados has been doing for the last, I hesitate to say how many years, but certainly post hominum memoriam. I heard yesterday, says the hon. member for St. Thomas, that St. Kitts has gone up for £3 million; but they have not altered legislation to do that and they will not pay more than 6%.

6.25 p.m.

Do you mean to say that every time the rate of interest alters that you will have to alter the Rate of Interest Act? In the Law Courts of England, I think it is Lord Eldon, who said that the rate of interest changed with the length of the Chancellor's foot. He meant to say that it was fluid like some people's votes. The bank rate is fluid and it seems to change with certain predilections of certain Chancellors; yet we are interfering with time-honoured legislation, such as the Usury Act of 1754 because of a raise in the bank rate. The fact that that Act is 1754 is an accomplishment in itself. You will not be surprised to know, Mr. Speaker, because you know already, that it is the fourth oldest Act on the Statute Book of Barbados. Why don't they go and repeal the Three House Spring Act, the Titles (Quieting) Act, and the Forcible and Clandestine Entries Act? The Titles (Quieting) Act was brought about at a time when they were afraid of people being dispossessed of their estates. They do not repeal any of those Acts but they go and interfere with an Act which vitally affects the economy of Barbados. It is the one Act which has been a salvation to the small businessman or the small householder or middle-class householder, or the person who runs out of money at Christmas time and wants an overdraft from a bank. The Usury Act is the anchor to which the economy of this Island has been firmly attached to prevent it from drifting on to the rocks, and it is the one Act on the Statute Book that I cannot see any immediate justification for amending or altering. It is the one bit of legislation that I cannot in the foreseeable future see any justification for interfering with it.

The Hon. Premier went on to say that St. Kitts only yesterday had gone to three million pounds but he did not say that St. Kitts had to pay more than six percent. After reciting that, he went on to say that within the past three days, no less than three countries of the British Commonwealth had gone to the money market in order to raise loans at a rate of interest greater than six percent.

The Hon. Premier went on to say that the House will well understand that borrowing is still difficult. He must have prepared that speech or someone had it prepared for him two or three years ago and then filled it up with some other kind of insertion to bring the bank rate up to date and to fill it up with the corresponding emanations of folly which he afforded this House today about St. Kitts

and Australia.

The Hon. Premier went on to say that the Bill has its object the amendment of the Rate of Interest Act of 1754 and he then read the amendments.

I have dealt, I think, almost exhaustively with the next statement which the Hon. Premier made, and it was to the effect that it would not inure to the benefit of anybody in Barbados but to the benefits of residents outside of the island and people from other countries who feel disposed to lend the Government of Barbados money. It is significant that at no stage, either he or his Government thinks that this Bill would enable them to secure investments even before the next General Elections so as to give the people the impression that they are carrying out their promises to them, and that this Bill is not restricted to Government loans, but would have far-reaching effects throughout the length and breadth of the economy of Barbados. There is nothing to say that the Government of Barbados is excluded from the rate of interest, but they say that the people from outside of Barbados may lend at rates greater than six percent. That is the implication of this Bill.

Now, this is what I want to take the Hon. Premier up on. It is the loose statement that it will facilitate industrialisation and development. I have only one word to ask the Hon. Premier. How? If it were not a second reading speech and it was a speech in Committee, I would have just got up and said: "How?" and sit down and let the hon. senior member for St. Thomas answer the question. How can you facilitate industrialisation and development in Barbados when you are choking off the incentive to invest at the fountain head? Let me illustrate what I mean. Nobody in Barbados is able to benefit from this new dispensation from the Rate of Interest Act. It is only somebody from outside. You want now to facilitate industrialisation and development and the Government has no industrial programme. The programme must come from private enterprise sources. It is true the Government has a Development Board, but they are not industrialising the island. They are not industrialising the island; the capital must come from private sources. A man comes into the island and says he is going to industrialise the island. Of course, that is if Mr. Emtage has not got in before him. He says that he is going to set up a Macaroni Factory and the new Rate of Interest Act allows him to borrow money at a higher rate of interest than 6%. Is that a facility you are offering anybody, namely that he can pay more than 6% for the money he wants to borrow provided he borrows it from outside? Is it any incentive for the Barbados saver? As you know, Sir, an investor is not necessarily a saver. The man who is more miserly is the man who has the larger bank balance.

6.35 p.m.

I want hon. members to study this matter carefully. Is that a facility which you are affording anybody who wants to set up an industry in this Island, to pay more than 6% for the money which he wants to borrow, provided that he borrows it from outside? Is there any incentive for the investor and saver in Barbados? And may I say that an investor and a saver are not the same thing. The risk is not even taken by insurance companies on people who are themselves already up to their ears in debt and who have to try and take greater risks in order to get out of it. The Premier is facilitating the industrialist, the entrepreneur, and the manufacturer, who comes in and sets about exploring the avenues of capital formation. He comes to Barbados as a man who has money to invest; if he has not got the initiative to set up his own industry like Mr. Emtage, the chances are that he cannot save money to invest it in Barbados at all, but he will put it in a better or more established place. He is watching the *Daily Telegraph*, the *London Times* and he is watching his securities in investments in America. This foreigner comes from outside and sets up an industry; but when a Barbadian decides to set up an industry, you tell him: "We are giving you the incentive to go outside and get your money, but you have to pay more than 6% interest." Is that an incentive? Or is a low interest rate not a better incentive than the alteration to the Usury Act? Let us take a man who is bringing something into Barbados. What is his position; if they are able to work that out, when he has established his industry in Barbados? He is a foreigner coming in with

ideas and having to raise money from outside. The Barbadians do not like people arriving here without money and they will not trust him. If people want to invest their money - since the Government is saying that money is better invested outside than in Barbados - what about money coming in from outside? What is the position of a foreigner in this new wonderful economy which the hon. junior member for St. Thomas is going to inaugurate with the amendment to the Usury Act of 1754? The fellow coming in with money is in this awful position; he is placing his money in a new venture; after he has enjoyed his tax-free holiday, he decides that he has a certain amount of reserve which he would like to invest in further expansion in Barbados, but not necessarily under his own jurisdiction and control.

Another fellow industrialist who has capital says: "My firm has been making a certain amount of money and we will buy some of your debentures;" he is encouraged to the extent that he cannot get more than 6% as he is going to lend money to a fellow industrialist in Barbados. He would not do that, not even if it were his twin brother. If this matter had anything to do with finance - and I will say it only has something to do with foolishness. (Laughter) - it is the bottom of economic ignorance; that is all it could be. I hate to be personal, but one has to be personal, and I use the word in a restricted sense. After all, we are dealing with the personal relationship of people and the revenue relationship to them, what Professor John Maynard Keynes calls our propensities to save or our propensities to conserve. You do not press a button and get back money; if you go wrong, you have condemned the economy of Barbados to a worse state of stagnation than that from which it is now suffering. That is the observation I want to make; if you are making the wrong step, you cannot get back your money. I challenge and defy hon. members on the other side to guarantee that the effect of this amendment to the Usury Act will assist them in raising any money anywhere in the world. Did not St. Kitts do it yesterday? St. Kitts is getting money and Jamaica did it a few days ago. They cannot quote one case in the history of mankind for this unprecedented act of ignorance which they are perpetrating on the unwitting public here tonight. I will make a sweeping statement now; they are original only in their folly. This is the first time in the history of mankind that any Government in the world has amended the Usury Act under conditions such as operate in the financial world today. You cannot realise how grave and serious a matter this is, to the interest and the well-being of every single citizen of this Island of Barbados.

How, then, Mr. Speaker, does it so infringe on the day to day existence of the humble members of this community? The Premier made the reference that he could do absolutely nothing to stop the flight of capital from Barbados once this Measure was introduced; that in itself is a sufficient condemnation for him to have the decency to withdraw this Measure once he uttered those words.
6.45 p m.

He said that there have been all sorts of hypothetical cases advanced and that people who have money are sending it outside; but these are the vital words used by the hon. member for St. Thomas; "these are things which we cannot control." In other words, this is the fatalistic approach of Government; human affairs are governed not by divine wisdom or anything like that, but by some unfavourable element or deity over which the Government has no control. "We, the Government, have no control at all over people picking up money from inside Barbados and sending it outside so that they too can reap the benefits!"

Now, Mr. Speaker, this is what I want to say now; it is an admission of defeat, it is an admission of ignorance and it is a confession of guilt. In this year of grace, if a Government pretending to be a Socialist Government can get up and inform the world at large that it cannot stop the flight of capital outside of Barbados, induced directly by a measure which they are putting on the Statute Book of this island, they are saying that they have taken a plunge into the unknown. Mr. Speaker, I think you will appreciate what I am saying; I am dealing purely with the arguments advanced by the Minister

of Finance. It is an admission of ignorance and a confession of guilt, and they are taking a plunge into the unknown because they say that they cannot control the export of flight of capital out of Barbados, when once this measure goes on the Statute Book. Is that the reason, we would have to ask ourselves, that the Bill granting Mr. Emtage the importation of his machinery into this island free of duty was taken on the Order Paper higher than the present Bill? Is it that if this Bill had been introduced and had passed this Hon. House before the other Bill, Mr. Emtage's money would have gone like the rest of his money down to New Zealand? All the money made out of the people of Barbados is exported out of this island. If he wanted to do something to assist colonial developments, he would go to the Colonial Office and ask them to use their good offices in order to restrict and curtail the activities of the Capital Issues Committee.

I do not know whether the provisions are still in existence, but up to a few years ago you could not take more than £50 out of England. Here in Barbados if you want to take money to America, you have to get permission from the Currency Control; if you want to take money to Canada, you are restricted in the amount of money which you can take at any one given time. If you want money in Barbados to educate your children at a University in Canada or America, you have to get permission, but the Minister of Finance has the temerity to tell us that he cannot control the flight of capital out of Barbados, when if any of our progeny were fortunate enough to qualify to go and study at a University in North America we would have to make obeisance to a retired Civil Servant and beg him to allow us to send so much money to contribute to that Child's education and support. I should like to know from hon. members on the other side when they leave the House of Assembly: Do they know what is going on in the outside world? These are questions which may seem frivolous on the floor of this House, but they are questions which we are often in the position of having to ask ourselves on this side of the table. Or are they Rip Van Winkles? They cannot control money going out of the island because the Government of Barbados is the biggest offender in that respect. I like to be fair; some of the money they have invested outside of this island was invested under the authority of certain Acts such as the Education Loan Act, Waterworks Act and so on. I am not saying that the location of the investment was any fault of theirs, but I criticise them for having an opportunity in a Socialist Government and with a lower rate of interest prevailing for Government securities on the money market in England, and not availing themselves of this opportunity. I do not want anyone to attribute to them that the Barbados Government sent money to North Rhodesia; they have done that with other money more recently, but I do not think they are even conscious or have even tried to dictate where monies raised from the poor suffering taxpayers of Barbados should be invested, or at whose disposal that money should be placed to develop countries which need development more than we. That is a sin of omission on their part, but I am not criticising them for the 1935 Loan Act because it was no fault of theirs. The time has come however to set your house in order; as a matter of fact, the time has passed not only come.

Mr. Speaker, this is a very sorry state of affairs. Other members get up and fulminate about matters which I do not consider of great pith and moment to the economy of this island, but any time they attempt to massacre the finances of the island and to cripple and inhibit their freedom of expansion, my voice would be heard loud and long. The regrettable feature about it is that legislation today is often clouded up in such obscure language that if it is published in the popular press of this island without fuller and adequate explanation of its implications, members of the public tend to pass it over as something of no importance, and when the economic blight begins to afflict them, they begin to wonder what has happened. The time to warn against these things is before they are actually done and not after the imposition has been placed upon the shoulders of the taxpayers of the island.

If the hon. member is now saying that he cannot control the flight of capital outside this island, it stands to reason that a lot of middleclass people are going to feel the pinch before April next year, for this reason; the average member of this community is not in the top income bracket; there are people like ourselves, the twenty-four members with one or two notable exceptions sitting around the horseshoe table. If the hon. member is not going to control the flight of capital, a lot of us have defeasances of five years on mortgages on houses which we have been trying to put over the heads of our children, and that is something common to nearly every Civil Servant or middle-class person in this community. I understand they are going to increase the rate for cantoniers and people like that. They have interest madness now; that is the latest kind of affliction.

6.55 p.m.

Take the small man. The Hon. Premier has admitted that he can. I do not know whether he will. He is not going to control the flight of capital out of this island. He says that he is conscious that these are hypothetical cases which have been advanced, but he says that it goes beyond the bounds. He admits that it goes beyond the bounds of speculation and that it is something which will happen. Even he can say that it will happen. It means this. Six years ago, you could get a mortgage at three or four percent. You could have got a mortgage at that rate in 1951 or around there. In 1953 or 1954 the interest rate went up to six percent. The normal freezing of a mortgage is five years. It means that legally a mortgagee lending out money can call for the capital sum at the end of five years. What has happened in Barbados? The worst that happened in Barbados is that some of us effected mortgages for ten or fifteen years and if the Rate of interest went up from 3%, that did not mean that the rate of your interest on that mortgage went up accordingly. As a matter of fact, some mortgagees do not bother you especially if you were paying up your premiums properly, either quarterly, half-yearly or yearly.

Mr. Speaker, I am not talking academically now. The rate of interest went to 7% and not one investor raised a murmur nor went to consult with his solicitors saying: "See if you can get back my money from so and so." The Hon. Premier said that if you send money outside Barbados, we the Government cannot control it. He went on to say that money can come from outside of Barbados and he knows no legal way of stopping you from calling in your mortgages from small people and sending it out of Barbados. You see, Mr. Speaker, I am building up my case on what the Hon. Premier said. What folly! I am at a complete loss for words. Mr. Speaker, the more I think of this thing, the more appalled I get at the ignorance of hon. members on that side who sit down muttering like the tower Babel in unknown tongues and who are sleeping or taking no interest at all in what is going on in this island. Who would not raise their hands in horror when the Hon. Premier said that we cannot control the flight of capital out of the island? They can take money out of Barbados and re-invest it in Barbados at a higher rate of interest and then we cannot even collect any income tax on the interest of that money.

I am saying that this will affect small mortgagers inasmuch as the Hon. Premier has said that there is nothing to stop people taking up money and sending it out of Barbados. The people of this Government are the least qualified to have money placed at their disposal in the history of the island and at such high rate of interest. Are the members of the Government saying that this is not to accommodate the Government loans? The Bill is to accommodate certain mortgages. If they have persons approaching them and issuing insidious propaganda and making them bring down amendments such as these amendments to the Usury Act and inducing them to bring down legislation to this House such as this, I must get personal about it.

I will ask one more question. Which of the members of the Government over there thought of this? Let them come out in the open. If they say that some rich person inside or outside of Barbados has some axe to grind, I

will hear them. I have seen books on economics from Mr. Henry George's book: "From Progress to Poverty" or from "Poverty to Progress" and never have I seen in any book, right down the line to that by Professor Arthur Lewis who has written the latest thing on the Theory of Economic Thinking," sometime in 1957, or even in the Manifesto of the Barbados Labour Party which was written by a few Socialist in the Party at that time, anything advanced as a principle of economic organisation that a Socialist Government should increase the rate of interest as a method of making provision for industrialisation and development of a country. Mr. Manley has not done it in Jamaica. He has got people to come down to Jamaica and exploit the Bauxite resources without doing this. Who knows what kind of wealth we have here in this island waiting to be exploited? Their loans are not worked along these channels at all. If the hon. members over on that side are laughing at what I say, I want any financial genius from over there to get up and say that this is a means of opening up industrialisation and development. Do not wait to abuse members of this side in the Press next Saturday. Do not shelter under that at all. Get up and say "I am the genius and this Bill will do this and that." The inspiration has got to come from some members of the Party over there. Let them get up and give credit where credit is due. If it is the hon. junior member for St. James, let him wear the laurel wreath for them. If they challenge what I say that the germ of this idea was not planted insidiously in the minds of the Government by somebody outside of the Barbados Labour Party who has an axe to grind, let them get up and call me a liar. That is the invitation which I issue to anyone of them over there and I know very well that it will not be taken up but that some red herring would be thrown across the trail.

7.05 p.m.

It is very simple; then you will know how Barbados is governed. If they do not get up in fairness to members of the public and say that the idea started at such and such a conference as a matter of policy, and was readily accepted and adopted by the other members of the Party - let the Minister of Agriculture or the Minister of Trade or the Minister of Social Services or the Premier himself - let them get the credit, the praise or the condemnation as the case may be, for the full facts as to why this insidious Measure has been foisted upon the economy of this Island. If they think that it is so praiseworthy a Measure, let them claim the praise for it. That is the challenge which I wish to throw out to them. The Premier has said that the flight of capital is something which they cannot control, although they control the amount of money which people spend on their children studying in the North American continent - why did they not send out somebody on a course instead of the stupid conferences to which they are sending their henchmen? I have been saying for years that there is one thing wrong with Barbados, and it is that we allow our capital to be exported and our best brains and ability along with the capital. We should put a damper on the movements of large amounts of capital outward from this Island. We should be allocating that money to opening the floodgates so that the investors will come into Barbados. The Premier in his speech concluded by saying that only this morning he understood that there had been no big movement of money outside of this Island. If he understands that, I would like him to give to the members of this House the source of this information and the figures; I would like him to give the figures for the last two years of capital going outside of this Island. I do not accept any statement made by him like that, because I have been taking an interest in what has been going on - a different kind of interest from that which so preoccupies his mind at the present moment. If he understands that there is no big movement of money outside of this Island, what is the basis of his appreciation of these facts? I would like him to answer that question and at the same time to give the figures for the last two years. I would also like to ask: what is the amount of money invested in New Zealand out of the profits made last year alone? That will make it a little easier for him and he will appreciate what I am doing. As far as the assurance with which the Premier concluded is concerned - that is, that the Government, even when this Bill has been

passed, will watch the situation very carefully - I cannot place any great reliance upon that assurance at all. If they understand fully what they are committing tonight, I do not see how we can entrust to them the very onerous duty of keeping a watch upon financial movements and the various repercussions of this Measure in the future. As far as his assurance is concerned, I would like to tell the Premier that I, along with other hon. members, can place no reliance on that whatsoever. The only kind of assurance which I will accept from him is that he will never handle a musket again when he does not understand the mechanism of a musket, and that they will not introduce on the floor of this House measures on which he has not been properly advised, which he has not properly considered and matters of policy which are not considered to be in the best interest of the people of Barbados at large.

Mr. T. W. MILLER: Mr. Speaker, the hon. junior member for St. John is truly a man to his word. He told me this morning that he would speak for two hours on this Bill; he has spoken on it for two hours and thirty-five minutes. (Laughter).

Mr. SPEAKER: I should like to warn hon. members that as soon as I rise to my feet, there will be no interruption. If hon. members hesitate, looking at one another, I will not be interrupted when I rise to my feet.

Mr. TUDOR: Mr. Speaker, it might be thought at first that after the very exhaustive speech which we have heard from the hon. junior member for St. John, there could be little added to it. That, of course, is not true, because although the hon. member spoke at great length, and spoke very well - always supposing that there will be some hon. members who will not understand him - while he dealt with one or two aspects of the matter very fully, at the same time there was a part of the question which he did not touch. In the course of his remarks he said that he did not know whether the action of the Government in bringing down this particular Measure was attributable to folly or to guilt.

7.15 p.m.

I must say that in marshalling his arguments against the Premier and against the matter, he was very restrained. He surprised me and I cannot guarantee, Mr. Speaker, that I shall be as restrained as he was, because although I shall choose my language very, very carefully, before I am finished I am bound to say things which will get under the skins of the hon. members opposite, because I know something about the background of this measure which I do not think was known to the hon. member when he was speaking, or else he showed commendable restraint in not saying all that he knew.

This is a measure, Mr. Speaker, first of all which announced itself in the Speech from the Throne which we had in January when His Excellency the Governor said that in the course of the present Session legislation would be introduced into this House to amend the rate of interest. Well, we looked forward to it in January; it did not come in February, March nor April. During that period when the big Mc.Guffie was spending his last few months with us, we never saw this particular amendment introduced. How strange it is that with a controversial measure of this nature - perhaps the most important Bill which has been before this Legislature in the last six or seven Sessions - he has got to leave the scene first to his successor, who might not even have been familiar with the background of it, to come into Parliament with it and get slaughtered on it, because that is what he has done to the Hon. Premier. I must say that I disagree to a certain extent with my colleague who spoke with the strictures he put on the Premier, because I am convinced that the now Premier of Barbados does not really know how this Bill came to be introduced in this House. When I say he does not know that, I mean he knows of the Executive Committee's decision and all that, but he does not know the lobbying and the backscratching that went on.

These are the facts: before this Bill was introduced or before the Speech on the Throne was given at the re-

opening of the Legislature there were two members of the Legislature, not in this House but in the Other Place who happened to be very intimately connected with a certain big company in this island. One of those members of the Other Place happened at that time to the President of the Other Place and the other one was just an ordinary member of that Chamber. Now of these two members, Mr. Speaker, who as I said were connected with this big company, one was a member of the Executive Committee of this island and therefore a member of the Government, and that person was in a position to sit down in Executive Committee with the elected Ministers of Government who are also members of the Executive Committee and decide on this measure. I want to put it to the Premier. Would he be willing to deny that it is a fact that the outgoing Premier gave an undertaking in writing to this particular company that this Bill would be introduced? Is it a fact that two persons connected with this Government were also members of the Other House of the Legislature, and that of these two persons one of them was a member of the Executive Committee.

They are very fond of saying, Mr. Speaker, that I like to get up and slander them, but I notice that they never take the trouble on the floor of the House to deny any charges I make against them. This is a case in which I would like to be proved wrong, because while I do not propose to call names at this stage, if I am challenged I certainly will produce the evidence for the allegations which I made; and I want to emphasize what I am saying.

Mr. Speaker, this amendment to the rate of interest comes to this House through them, but not on their initiation and not because they wish it, but because the former Premier of Barbados has given an undertaking in writing to persons connected with an important local company to bring it; and if a denial is ever made of that, the persons to whom the undertaking was given by Sir Grantley Adams when he was then Premier of Barbados are prepared to publish the undertaking which he gave that he would bring the legislation.

Now you see we are not now discussing this on its merits because it has none. What is before us is a measure which did not originate with them as part of their policy and which did not arise out of their ideas about what should be done for Barbados, but which came straight from somebody else and which at the same time, Mr. Speaker, is a very eloquent commentary on the realities of the constitutional set up in this eloquent that a member of the Executive Committee, himself connected with a business firm, could influence the elected members of the Executive Committee to bring down legislation requested by a firm with which he is connected, and that the Premier of Barbados could be pushed into a position where he could be brow-beaten or blackmailed into giving an undertaking in writing to representatives of that firm that he would bring in legislation. This is one instance where I would gladly like to be proved wrong because you would see what kind of Government we have in Barbados, and why in a matter like this affecting the economy and future prosperity of Barbadians one and all, two people can get together with five or six more elected to their position and bring about changes which affect the whole island, its present and its future.

I know of course that the Conservatives are going to vote for this; I expect them to, but their reasons for voting will be just this: they know the facts and they know what undertakings have been given to introduce this legislation. You could hardly expect them to vote against something which they were instrumental in pushing through this House by the elected Minister; but we have to oppose it on two grounds. We are opposed to any increase whatever in the rate of interest in any case, no matter what the arguments for it are; but we are certainly opposed to any kind of legislation not through the desires even of the majority Party and the backbenchers to put it at that, but because one or two influential persons can sit in the seats of Government, can represent big vested interests, and prevail upon Ministers who call themselves Labour Ministers to bring in legislation like

this.

I challenge them to deny it because it will be the best thing for this island if the facts were known. I will tell you this further, Mr. Speaker, that this amendment, if public opinion were thoroughly canvassed on it, would meet with the disfavour of a large section even of the ordinary business interests. I must not be understood to mean the business community as a whole are in favour of this because they more than anyone else see the dangers of it; but there is a minority of business men in this island connected with a particular company who want to pursue a certain course of action, and the only way that company can pursue that particular course of action is to get the whole Laws of Barbados changed.

7.25 p.m.

What is the general feeling in this Island that prompts this change? Why do you have to amend the Rate of Interest Act? It can scarcely be because you want to borrow money. It has been pointed out that you had opportunities to borrow money and you did not. The Hon. Premier said that it was difficult to get it then. Now that the bank rate has come down, the Hon. Premier says that it is still difficult; therefore, it has nothing to do with our rate of interest. Exclusive to that consideration, what large body of public opinion in this island has requested that the rate of interest should be raised? Have the shop-keepers asked for it? Have all the thousands of people who negotiate loans through solicitors asked for it? Have the hundreds of people who give their money to solicitors to invest for them asked for it? Have the banks asked for it? Have the bank depositors asked for it? If that were the case, Government would have overwhelming evidence to present to the people of the island. What has caused you to change so easily? That is the one argument which could have justified it, but none of that is forthcoming. That is the one argument which has not been used. The argument about the country's Development Plan and about industrialisation has been thoroughly dealt with by the hon. junior member for St. John. I am most concerned at the trend of events in this island to think that persons can influence this Government to bring in legislation which even when passed can only benefit a very few people and that this Government has not got the courage to withstand that kind of legislation.

Mr. Speaker, I was waiting quite calmly until when Sir Grantley Adams brought this matter on the floor of the House. Of course, Your Honour would not have been in the Chair and Your Honour would not have been called upon. I was prepared to expose once and for all the nastiness which I know was going on, but I spare the Hon. Premier this particular ordeal. God knows, I know, he does not know how this thing started. He has seen Executive Committee decisions and he is carrying out the decisions of the Executive Committee but the whole background of this matter was going on since October last. The Hon. Premier is not aware of any of the correspondence which was passed between Sir Grantley Adams and these people. If Sir Grantley or either of his friends is foolish to challenge this statement of mine, then the whole fat will be in the fire. That is why I take exception to this Bill. It is because big vested interest has no right being in the position to influence Government, not even a Government of their own persuasion, let alone another Government which calls itself a Socialist Government. They have no right to be in that position to advise Government and to persuade and to suborn Government into bringing in legislation which only benefits a few people. This is the kind of issue which the people of this island must take very largely to heart because it would show them once and for all how very thin are the belts of their very much boasted Labour Government. That is the good which they would do for the people.

Mr. Speaker, just think of the idea that the whole economy of this island should be upset and with consequences which you cannot even calculate at this moment merely because two or three people in a particular company says that this must be so and they have the influence to hold up the whole Executive Committee to ransom to bring in what they want. Sir Grantley Adams was

wise enough to leave it alone because he knew he was dealing with political dynamite. I counsel this Government that they ought to be the best judges of what they should do. They have the necessary numbers and they can make whatever laws they like. Sir, if we are returned, I should see to it that this bit of legislation would most certainly be repealed and we would repeal it because we know that it was put on the Statute Book by coercion and not by discussion and conviction. However, until that time comes, hardships will still be worked on the people of this Island and the Government will carry the heavy responsibility for it. It is all right for two or three directors of a particular company to pursue their own interests and to look after the profitability of that company's enterprises and to get people to think as they do and at the same time neglect the interests of the vast masses.

When in 1754 this particular Act was passed, the economy of this island was in the grip of the money-lenders and although the debates to this matter I have not seen - the reports could not come down to us - I am certain that those who were responsible for introducing that measure and putting the rate of interest at 6% got it on the Statute Book in the teeth of the bitterest opposition, because the same people who wanted the rate of interest taken up are the economic descendants and financial descendants of the people who 200 years ago voted against the ceiling being up and we have the same sort of mentality and outlook in every generation. After all, two hundred years is not a long time; and so the battle which was fought then and fought successfully because the majority of Members in this House in 1754 thought that the interest of Barbados was well served by a reasonable low rate of interest, is now to be fought in the reverse through the action of persons on that side of the House who are among the large numbers of people to have benefited from the wisdom of our predecessors in 1754.

What do you imagine to be the consequences of the 1754 Act? The fact is that larger and larger numbers of Barbadians for the last 50 years or so have become the property owners. Now I am not pretending that when the merchants and planters of 1754 thought of putting this Act on the Statute Book that they had in mind the slaves or the future descendants of slaves and that they would confer benefits on them. They knew that they were faced by immediate financial problems which could only be solved by the imposition of a six percent rate of interest as the ceiling. That was their argument and they satisfied it.

7.35 p.m.

That was their narrow ambition, and they satisfied it; but it has to be a very ill wind that blows nobody any good at all. In the two centuries which have passed, what was put on the Statute Book as a very laudable mechanism to guarantee properties in the possession of a few people, has turned out to be the safeguard of many more people. All the people who have owned small businesses, small homes and little bits of land are the people who benefited from that Act, because they could always get a little money at a reasonable rate of interest. I cannot accept everybody's concept of socialism, and it is of no use calling yourself a Socialist if you do not follow the principles of Socialism. The ideal should be that a man or woman should be able to rest under his or her own vine and fig tree, just as you guarantee the political principle of making it possible for everybody to vote so that the people's interests should be regarded. It is not that you want everybody to own a plantation or to be the biggest kind of merchant or manufacturer, but you want to guarantee that if a man wants to own a property, he should be able to own it on the easiest possible terms and at a reasonable rate of interest. All the small people in this Island who can boast of being able to have something are the people who have sheltered under this particular Act, getting money at reasonable rates. All these safeguards are being cast away.

Hon. R. G. MAPP: On a point of order. Will the hon. member repeat what he has said? After mentioning

about people getting money at reasonable rates, he added that all these people are -

Mr. TUDOR: All of these safeguards are being swept away now. Of course, in the speech to which we have listened from the Premier, he was very careful to point out that the internal borrowing and lending of money is not affected; it is only the outside borrowing and lending which are affected. We understand that he said that. Little does the Premier know that you cannot always control these things. You can argue as much as you like that your desire for lending and borrowing inside the Island cannot be affected, but what if a situation develops like this, that as a consequence of this amendment, all the people who will get their money outside will send it back to lend the people in the Island? The Premier himself has said that there is no control over these things, and there will be some dodges. If that happens, and money becomes correspondingly scarce, people will meet their Solicitors, not necessarily surreptitiously, and they will say to them: "Look, I know what the Government says; I cannot wait until next year to get this money at six per cent. If you can get it anywhere else at 6%, 6 1/2% or even 7%, I will take it, because I want the money now." That would be a personal transaction which a Solicitor could pursue on behalf of his client; but it will spread sooner or later, and the very thing which you are hoping to avoid will be the very thing which will happen. If people want money badly, you cannot devise laws good enough to stop them from getting it. The guarantee of internal borrowing and lending does not weigh very heavily when you consider what can happen in point of practice. It would be an intrusion on the affairs of Solicitors and their clients or moneylenders and the people themselves, if the Government had to put a policeman or detective to snoop behind people to find out details of every transaction. If a man is borrowing money at 6% or 7%, and anybody is willing to lend him that money, he will get it. As soon as that process starts, you will have people entering into competition with each other. It is not always that because a person wants to borrow money he will, in all cases, wait until he can get it; at sometimes the pressure becomes so great that he is as anxious to borrow as somebody is anxious to lend under favourable terms, and you will get a situation where borrowers will compete with each other because the money will be in short supply. They will borrow at 6%, 6 1/2% or 7% or even 8%.

The Premier has said that that cannot be controlled. That is why we said that the shelter which the Rate of Interest Act, 1754, afforded is now being swept away. You do not have to go very far in this matter to see the wrongness of it. This Bill which has been brought in, has been brought in through pressure, the rich people have got hold of Sir Grantley Adams and made him do what they wanted him to do and he has left the matter severely alone to be handled by them for them to get all the worry, and then he will say: "That was not what I had in mind when I gave notice of that Bill; it is my successor who has made a mess of it." I counsel the Premier, if he knows well for himself, to let this Bill remain just where it is. If he insists on pushing it through the House, then let him be prepared to take the consequences because in time it will become the most unpopular Measure which this House has ever passed. It may well be a campaign issue in 1961, if we do not go to the country before then, because the hardships on the people will be evident. If it becomes an issue, the Democratic Labour Party will be glad to meet it and be able to prove to the Government that it is not only wrong in its psychology but in its arithmetic. At least the people of Barbados will have had the opportunity of seeing that they are not masters in their own houses, but that the Government could be persuaded to bring in legislation to suit one or two people who have axes of their own to grind and who can influence the Government against the interests of the people to serve big and particular interests.

Before I sit, Mr. Speaker, I would like the Premier to prove me to be wrong. I want to know whether two members of the Other Place are not responsible for suggesting

this to the Government. I want to know whether both of those two members are not connected with a certain firm which is interested in this particular matter; and I further want to know whether one of these two is not or was at the time on the Executive Committee of this House and therefore influenced Government policy in that direction, and whether Sir Grantley Adams did not give an undertaking in writing to that particular firm that he would introduce legislation into this House.

SUSPENSION OF SITTING

Hon. R. G. MAPP: Mr. Speaker, I should like at this stage to move the Suspension of the Sitting.

I beg to move that this Sitting be now suspended for three-quarters of an hour.

Mr. HOLDER: I beg to second that.

The question was put and resolved in the affirmative without division, and Mr. SPEAKER suspended the Sitting accordingly.

7.45 p.m.

On resumption.

Mr. GODDARD: Mr. Speaker, this Bill is so controversial with such a large section of the public, and division is so great between businessmen both big and small, that it is a big step we are taking today to amend this Act which has been on the Statute Book for over two hundred years. From time immemorial I have heard it said that it is a very good reason indeed that this Statute known as the Usury Act has put Barbados in good stead. It has brought stability to this island when all the other islands around the Caribbean were being fleeced mostly by absentee proprietors. It is this Act that is considered to be responsible for Barbados being owned by Barbadians. The other islands never had this; we were singled out two hundred years ago at a time when the interest rates were so exorbitant by money lenders that it was thought wise then - and I am told that the Church was very instrumental in bringing this about.

To get back to the purpose of the good uses of this Act for Barbados; it has saved us so often from ourselves and certainly from the money lenders who would extort from anyone as high an interest as possible. When after the depression in 1900 the sugar went so low and the absentee proprietors could not get any funds out or charge any higher rate of interest than 6%, they decided to sell out, and that is when the native Barbadian, the man who is prepared to stay behind, bought out, and Barbados is as I said owned almost 100% by Barbadians. Do you know what that means to our economy? I heard Dr. Williams say at the Crane Hotel one night that this is one of the complaints about the economy of Trinidad. \$30 million go out of Trinidad every year in interest rates to absentee proprietors. This has meant stability in Barbados at which the outside world wonders.

Not so long ago a group of agriculturalists came from Jamaica to Barbados. Do you know what they came to investigate? They wanted to find out how it was that this small island on a one crop economy could exist with such a large population. We had something to teach them, and I am sure that this Act has stood us in good stead. I regret to say today that because of other factors, one of which may be a lack of faith in Barbados by investors, and when I say that I say that I do not mean local investors, more capital is needed than ever to develop this island. It is no use for us to preach one side of the platforms that we wish to see economic development take place, that we wish to see industries set up, public utilities expand where everyone may have light, telephone water and transport services, if we do not make available to these public utilities the tools to get on with the job. 8.55 p.m.

What are the tools? The tools are capital. Today the Barbados Light and Power Company is at the cross roads.

They have began to expand their power units or their generating power but they do not have the funds to expand the mains. They realise that there is still a great potentiality for electricity in Barbados. There is growing need throughout the parishes for the extension of the electric power services. We all know that as representatives because we often have to go and try and find out from them what are their immediate programmes for expansion. I am always up there. I have to try to find out because I am pressed very hard by my parishioners. They come to me and ask me when and how soon can they expect these services. The Barbados Light and Power Company has borrowed money but that amount has run out and they wish a large sum now, something in the vicinity of \$2 million, and the only source from which they can get that money and which is available to them is from C.D.C. but at a higher interest rate. You are not going to get any private investment in any public utility and there is sound reason for that. Private investment does not like to put money in anything that savours of nationalisation. Any public utility that has been threatened by nationalisation may as well say goodbye to the source of private capital and for very good reasons indeed. Capital can take flight at the very minutest sign of a hazard or threat. It is so easy to invest your money in any part of the world and investors are always looking out not only to spread their risks because they do not like putting all in one basket and, as you know, big money that is invested is not invested by a private individual. They take it to a financial corporation and that corporation does the investment for them and for that reason they have to pay attention to all of these factors of which I have talked. They are not going to invest money at great risks unless they have a high rate of interest.

Sir, we have seen a loan just raised in New Zealand at 6%. I believe it carries a discount of 31/2% by which I mean that for every hundred pounds that is issued, you only pay £96. 10s. but the person get a bond for £100. That is a form of capital at the same time. Money is being raised today throughout the world at high rates of interest and we all know that.

I was looking at the public debt of Barbados. Our public debt at the end of December, 1957, stands at \$9,655,728 and we have a Sinking Fund of \$2,250,335.72 but this is the interesting part of this matter. If you turn to page 172, you will find that the Public Loan Act of which part is still unpaid and which was raised in 1914 during the first World War was raised at 41/2%. The next one which was raised in 1932 was raised at 31/2% followed by the Waterworks Loan Act at 3%. We have another loan raised in that same year, 1935, at 3% and what do you find? In 1942 you have a Public Loan raised at 31/2% and in 1953 another Public Loan jumps to 41/2% and the last loan which was raised in 1955 was raised at 51/2%. So you can see the interest has gone back up. You can therefore see that money has certain trends at certain times. It is like any other commodity. When it is plentiful and its demand is slow, interest rates go down but when it is in the reverse, that is to say, money is short and the borrowing public is great, the interest rates will rise. That is one factor.

What the hon. junior member for St. John said about Government's policy also influencing the bank rate and their local borrowing rate is perfectly true. What did the British Government find last year? They found out that nobody had any confidence in the pound sterling; and in relation to Canadian and American currency it was extremely high: so it went up to 81.82% and as a result one who had to meet a bill would realise what even 1% increase means on a bill. When he said that we have no concern with the pound sterling, well I think he made a grave error and probably did not realise what he was saying. It is our interest to strengthen sterling as much as possible because if you can assist in strengthening sterling and we get the pounds at a reasonable value, our bills from Canada would come down. We are the buyers. I am sure he did not realise what he was saying. It is the duty of everybody in the sterling area to do whatever they can to strengthen sterling because it puts the money which you and I have at a higher premium. These are all the factors which bear on this matter.

Mr. Speaker, I regret that today we are faced with this problem. To find money for development, those who want to have it, would have to pay higher rates than six percent. I do hope that with the reduction of the bank rate to 5% - and I am hoping it would go lower than that down to even 4% - that we would be able to stabilise it.

Sir, we would have to vote for this Bill. I am voting for it and voting for it purely because I cannot get on a platform and say we wish economic development and expansion when I know we do not have money available in Barbados. I know that we do not have the money available here at these existing rates; therefore, we have to face every factor. If our public utilities have to borrow at greater interest rates than 6% - and I hope it would not be very much more than that - it becomes a charge on the public utility and it would have a bearing on the rates and the price which they charge their consumers. Let us go into this matter with our eyes wide open. I have questioned that company about it. I have asked them, if they have to borrow money at a higher rate, whether they can give me any assurance that the rates which they are today would be maintained. They could not give me that guarantee.

9.05 p.m.

They can look into the future like anyone else. There are other factors as well. If they do not get this money, their output is limited, and there is no likelihood of the rates going down. If they get the capital and have expansion and have a much greater output, then there is a likelihood, even with a slight increase in the interest rate, of the rates going down to the public. That is an economic fact. When you increase your production, there is a point when it turns the other side, and you can reduce your rates. I do hope that that will be the effect in this case.

The Government has gone a little further and by this Bill, they have widened the scope to include anybody. Anyone who wishes to come in and develop, or any local person who wishes to set up an organisation as a firm individual, if he wants to put up a factory and the money is not available in Barbados, he will be permitted to borrow it from outside. I say that even existing businesses which have not got any money on the Banks or cannot get it from any local borrower at 6%, should be able to seek it at a higher rate. I am glad that the Premier has said that no local lender will be permitted to charge more than 6% interest on his money. Some hon. members say that although this Act will be on the Statute Book, there are means of getting around it, but we can leave it there, because people will hesitate to do anything to infringe this Act, because the penalties are severe.

Those are the reasons which we are offering for supporting this amendment; but again, I would like to say that we regret that because either of lack of confidence in Barbadians today, or that money from overseas is not available at 6% to the West Indies - and we will be included - we will have to resort to these Acts. If any increase in the rate of interest is inevitable, that will be charged on the borrower and it must be passed on to others. However, our insistence on development is so great that we do not merely pay lip-service to it; we cannot do it in that way. If this Bill is a means of putting the tools in the hands of people who can do something with them, I am suggesting to the Government that since they have opened the door to the foreign investor, there are other amendments to be done.

There is the Pioneer Industries Act, and let them get ahead with amendments to this Act, and they will not be blamed any longer that they put further restrictions in the way of investors and those who want to do business here.

Mr. MOTTLEY: Mr. Speaker, I should like to add my quota to this debate. First of all, I would like to say that, although it was somewhat tiresome, those of us who are not prejudiced will admit that at least we have learnt a lot from the very able speech which was delivered by the hon. junior member for St. John. It shows us that he is well acquainted with the principles of economics. I consider that he made a very able speech. Be that as it may, I am

afraid that I cannot vote with him; I will vote for the passing of the amendment to this Act. I am not voting with the Government, but according to the dictates of my conscience. Although we have been awaiting this matter long before the Bill came before this House, we heard via the grape vine that they were amending this Bill which is the third oldest Statute in this Island, a Statute the amendment to which, if you discussed it outside, you would find that there is such a great division of opinion that it would be difficult for people to make up their minds in one way or the other. As the last speaker said, we, the members of this Party, have discussed this matter and I will say that we argued fifteen months ago that it should be amended; you can also argue against yourself that it should not be amended. There are arguments on either side.

I would just like to make this first comment. In a matter of this great magnitude I have a criticism for the Government and rather than complimenting the hon. junior member for St. John, I would say that if the Government had adopted a different attitude, which I am now going to suggest, I might have been a very severe critic of the hon. junior member for St. John. The hon. member is most knowledgeable of economics. I am wondering for what reason the Premier failed to put the true state of affairs before this House. I am wondering whether the hon. junior member for St. John would have made that speech which, as the official time-keeper of the House, my colleague, the hon. junior member for the City, has said lasted for two hours and 35 minutes. I wonder if the hon. member would have made that speech if the Premier had taken this side of the House into the confidence of the Government, after they had made their decision to amend this Act. I doubt whether in that case, the hon. member would have made that two hour speech.

The hon. junior member for Christ Church, the hon. Leader of my Party, made our position quite clear. The Government is amending this Act, because there is the desire for development in Barbados.

9.15 p.m.

I am going to be very critical of Government in a few moments. The difficulty has been that this Government seems afraid, but I do not know of what. As the hon. member for Christ Church has said, behind this amendment is the fact that the Barbados Light and Power Company - and there is nothing wrong in saying it - has got to develop. They cannot get the money from any private source at all. The member for Christ Church told you that it is in the vicinity of £400,000. There is no point in hiding it. No private investor or no Barbados Government can lend them that money. Let us face facts. Electricity today is either a necessity or it is not, and any time there is a commodity which can prolong human life or aid human suffering, it is a necessity; therefore it is essential that the Electric Company in this country should be improved and expanded for the benefit of all concerned.

Of course, to digress a bit, I am always mindful of the fact that the ex-Premier promised everybody in this country if they got into power that within six months Government would nationalise the Electric Company. He promised people electricity in all parts of their houses, but by now the people must be aware of these false promises. Why go around the bush by amending the Usury Act? I am voting for this because I consider it essential. They must have this money, but I am voting with the knowledge that I do not want this Government or the British Government to think that I am voting for this as a fool. The member rightly said that no money can be borrowed in any country where there is always the threat of nationalisation; private investors will always run off. The Socialist gentleman of the House might not agree with me, but it is so all over the world. Nobody who has £100 to invest and fear that after investing it would be taken away is going to invest that way.

The Electric Company is an English Company operating here in Barbados. We need electricity, as well as all the things which electricity can provide for us; therefore it has to be extended. What are the facts? You cannot borrow money on the London Market, therefore the next thing is Colonial Development Corporation. I want

to say and I want it recorded, because when you say these things people seem to think you do not understand or that you have malice. By whom is Colonial Development Corporation controlled? Whose money is it using? Whose money is lent to the Barbados Electric Company? I want Government to see that I am not the fool they think I am. This is a company formed in England; call it any fancy name you like, but it has the backing of the British Government. Let the Government deny that.

Funnily enough, I heard the ex-Premier say that there was \$60 million for the asking from the British taxpayers. If you want money you must borrow it through Colonial Development Corporation, and you must pay them interest; they are not going to lend you at 6%, because just before the Bank Rate went down you would have had to borrow it at 6%. In other words, it is not now like parent and child; "you want political freedom and other freedom, so therefore we must do business together." I feel that Government could have taken a Committee of the House into its confidence and told them. You should tell them that promises were made to the Electric Company which you cannot now fulfil; so the next best thing to do is to give them some tools, and you can only give them those tools by amending the Act. (Mr. CRAWFORD: That is sheer nonsense.) That is a matter for you; you say what you have to say when you get up.

I want to let it be known, Mr. Speaker, that I am fully conscious that you are borrowing the money through Colonial Development Corporation. It will be the money from the British Government; that is where the money will come from and you have to pay interest. There is nothing wrong with that. Two weeks ago when we were amending another Statute, the Premier said to me that I did not understand the point he was making, or he did not understand the point I was making. You are today amending the laws of this country to let a foreign company or people outside of Barbados invest money in Barbados and get interest at whatever reasonable rates the people who want to borrow for the purpose of development consider right. Recently you amended your Laws to say that such people drawing monies out of here will have to pay no income tax on it. You have got to watch it very carefully.

The hon. member for St. John asked a very pertinent question. Let the person in the Government in whose brain this was formed take the credit for it. I do not expect anybody to answer. What does the Bill say: "Any individual resident or domiciled elsewhere than within this Island; or any firm or body corporate registered elsewhere than within this Island, of any moneys to any person within this Island at a rate of interest in excess of six per centum per annum." The Bill says that you cannot borrow in excess, and this is amended to say that you can borrow in excess.

I heard it argued here tonight that Barbados was the only place that had this Usury Act. Indirectly that is so, but it is also true to say that while there is not a Usury Act in England, I think the hon. junior member for St. John will agree with me that you can borrow at any rate, but if you had to borrow £1,000 and somebody squeezed you, you could go to Court and if you thought it was unjust you could put up that and get it set aside.

9.25 p.m.

I also know that in the U.S.A. where there is no agreement, the rate must not exceed 6%. Then there is an Act which says that the rate should not exceed 10%; so in truth and in fact there is a Usury Act in that country both directly and indirectly.

As far as I am concerned, as regards the amendment to this Bill which states that for the purpose of borrowing money from persons outside of this Island you can pay more than 6%, I want this question answered by the Hon. Premier. Even now, Sir, I am wondering whether for the purpose of borrowing money outside of the island there should not still be a limit. There is that possibility, as the hon. junior member for St. John said, of people forming corporate bodies, or even individuals alone, taking money outside, whether directly or indirectly, and

getting it back in here. As a matter of fact, Sir, the reason why I said that the Government should have taken up this matter with members of the Opposition - because this was an occasion to use the ability of the hon. junior member for St. John and the hon. Leader of my Party. In a Committee they would have been able to discuss this matter. It might not have interfered with Government's policy but it certainly would have avoided much of the debate today because one of these hon. members with his experience and the other with his great amount of theoretical knowledge would have been able to help you put up something much better than this.

Mr. Speaker, I shall vote for this Bill because I feel and I know, although the Hon. Premier has not said it, that this Bill has been brought about not to assist any new industries coming in but principally to allow the Barbados Light and Power Company to obtain money which it could not obtain otherwise and there is nothing to be ashamed about this. We must face facts. We cannot get the money here. I say again that the Hon. Premier should have taken members of the Opposition in his confidence. I understand that there is \$20 million which is usually kept in deposits in the commercial banks. What do you find? As soon as the bank rate of England went up the interest rates of depositors went down and that is fairly obvious because the commercial banks could not give money from England for people to carry overdrafts. They could not pay 7% or even 6% and lend it to people at 6%; so the only thing for them to do was to use the \$20 million which they had from the sundry depositors and to reduce the rate of interest to them and then lend portion of that money outside so as to be able to carry on. How else could they carry on in Barbados.

What is worrying me in this entire matter is this fact and I am wondering if the Government has thought of it. It is the fact that in the Government's Savings Bank there are persons in Barbados who can deposit a sum over \$10,000 and they are only getting 3% interest from the Government. Where you have a company which has a monopoly, I am wondering whether people like those would consider it safe to invest their money in it. If you have depositors in your own Government Savings Bank with that kind of money, there is that possibility of those people withdrawing their money from you and getting it outside of the country and then bringing it back in or lending it to some person or company in Barbados at 8%. I know the Hon. Premier in his speech did say that there are all of these possibilities and they saw no means of getting over them. There is always the opportunity for people to take money out of Barbados but within the region. They can take their money from here to Trinidad, Jamaica or any other islands and then re-invest it in Barbados at 8%.

The Government seems to think that, although they have amended this Act, it is not going to interfere with small mortgagees and people who would loan or borrow money for the purpose of building and repairing houses; but in my own experience I am afraid that it is bound to interfere with these small people. It is bound to do so because if people find out that they can only get 6% on their money in Barbados and on top of that they have to pay income tax on that money in Barbados as against their having to pay no income tax if that money is sent outside, then there is going to be that incentive to send their money out, and as you know, investors prefer to invest their money wherever is the opportunity of making greatest profit.

I feel that under the circumstances I should vote for this amendment but I am wondering whether it would not have been in the best interest of all concerned for the Hon. Premier to have to come to the House and instead of saying that they are amending the Usury Act, to have said that they are passing special legislation to allow a company having a monopoly, that is to say, the Barbados Light and Power Company, to borrow money at 8% or 7 1/2%. I do not like the idea of leaving this open. The hon. junior member for Christ Church said that to a question put to that Company he was told that they could give not guarantee if they had to borrow money at that high rate of interest that the price of electricity would remain the same. I do not see how he could expect to get that guarantee. If they

are paying 4 1/2% now and they will have to pay 8%, it is obvious that the price of electricity must go up.

Sir, I say again that this is for the specific object of allowing that company to borrow money at a higher rate of interest; therefore, I am wondering whether it would not have been better for the Government to bring down a special bill to allow this company the opportunity of doing so. I think it would be better because the public Utility Board would have to concern itself with the matter and they would know that in this company borrowing so many thousand pounds they would have to work it out so as to spread it over so many years so as to see that the price of electricity would be kept within the range of the people of this island. I feel that it would have been better for the Hon. Premier to have come to us and put his cards on the table. Instead of that, he comes and says, according to the Object and Reasons:-

"This Bill seeks to amend the Rate of Interest Act, 1754, by providing that the provisions of section 2 of the Act, which limit the interest chargeable on contracts for loans to six per centum, shall not apply to contracts for loans of money by individuals resident or domiciled outside the island or by firms or bodies corporate registered outside the Island to persons within the Island."

"The amendment is made in view of the difficulty now being experienced of obtaining money from outside the at the rate of six per centum, a difficulty which is having the effect of hindering development in the Island."

9.35 p.m.

That in itself, really does not protect anybody who is building a house or anything like that, because I can lend money outside of this Island and bring it back in and lend it to any Civil Servant at 15% for the purpose of building a house. Any body corporate can send money to Tobago or anywhere else and bring it back in at 15% in order to build a house. This Bill is for the purpose of fostering development and it is to prevent local people from lending money for the purpose of doing what? Is it to prevent local people from getting more than 6% on loans to people for building houses. Business people are business people. If you had a Trust Company in Barbados for anybody who is made a Trustee of a company to invest money, it is his duty to try and get the best investments. I will show you how you are hindering things. If you had money in Trust, would you continue to lend out that money at 6% when you could go to St. Lucia and get more? Two people can form themselves into a company outside Barbados and get 10% interest on their money. I am afraid that the Government has not done the correct thing in this matter; the correct thing for them to have done was to come here directly and say: "It has been represented to us that it is impossible for the Barbados Light and Power Company to get money" I hear somebody say that that is nonsense and that it is not true; but I really do not think he means that.

The Hon. Leader of my Party and I were at pains to discuss this matter from every possible angle with the Barbados Light and Power Company to find out what is really the truth and they have represented to us that it is utterly impossible to raise money on the London Money Market today; the only people who will lend this money is the Colonial Development Corporation. I think that we are all agreed that it is absolutely necessary to extend this Company. Therefore, let us amend this Act so that you can borrow money to develop this Company, your Gas Company or your hotels. In passing, I think I should say that there is grave dissatisfaction in this country in respect of the Gas Company. Rumour is a lying jade. Let the Government please note what I am saying and answer it in this House. It has been rumoured that the Gas Company or the Natural Gas Corporation has given out a contract in the vicinity of \$40,000 without advertising it and they have brought in Trinidadians to do this work when people here in this Island could have done it. Some people have been brought in here from Trinidad and given a big \$40,000 contract without our knowing anything about it. I think we should allow the Hon. Minister to know that. Please do not make on the floor of this House any statement which cannot be debated. I know my way about, and I am asking the Minister please to answer this question next week.

The Legal Adviser to the Government feels that this

is the best way of dealing with this matter. I feel absolutely sure that if the Government had come down here with a Bill directly in respect of the Barbados Light and Power Company being enabled to borrow money, the hon. junior member for St. John would not have adopted the attitude which he has adopted. The hon. member has shown his idea of people making money and borrowing from outside. You cannot prevent money from going out, because you will also prevent money from coming in (Mr. GODDARD: Which is a more dangerous thing.) The hon. junior member for Christ Church has said *so to voce* that that is a more dangerous thing. If I lived in Honolulu and I heard that Barbados was preventing money from going out, what would I come here for? I see the difficulty in the Government trying to stop money from going out.

I do not think that I can add much more to this debate. I feel that this matter is an urgent one, but at this late stage, I feel that this matter is an important one and when you are amending a Statute of this age, there is nothing better which you can do than take your opponents into your confidence. If you had taken knowledgeable people from the Opposition and put the facts before them, I think you would have done a better job. Do we want to have electricity in people's houses down in St. Andrew? Let us face realities; do not let us make mere foolish promises on platforms. This Bill has to be amended; expansion has to be done by getting money. The Barbados Light and Power Company have said that they can only get money from one source, that is the Colonial Development Corporation. An hon. member has mentioned the Capital Issues Committee, but he thinks that that is a means of having a colony marking time rather than letting it be developed. We are at a loss to understand that we can see in the Press only today, that Jamaica must raise £4 million on the London Market. If you said that there is a monopoly in Barbados, peculiar to the Barbados Government - you cannot get this money, but you see that Jamaica is raising £4 million then you must begin to feel that somebody is putting something on somebody else. How is Jamaica getting this money? Is their credit better than ours? I do not think so.

9.45 p.m.

I for one would never have made up my mind to vote for this. I have been told, Sir, that a little before this War at a Barclays Bank Dinner in England, the Managing Director said he wanted to introduce to representatives there from all over the world a Barbadian who was sitting there, and he wanted to let them know that this man represented a country whose credits stood second only to Finland in integrity and honesty, because we had this Usury Act here. No Bank could step up rates as it liked. Barbados had a reputation. It is true that it has not been amended to allow commercial banks to charge more interest. I wonder who advised you on this amendment as it is.

I should like, Mr. Speaker, as I sit down and wait, to hear the Premier say that what we said is not true, and why they cannot come with a Bill for the Electric Company, because no other useful purpose can be served from this. I shall wait for a further explanation. If it means development and expansion of the Electric Corporation which means that the population of Barbados will benefit by it as a necessity, I shall vote for the amendment, but I condemn Government for bringing the wrong type of amendment.

Mr. CRAWFORD: Mr. Speaker, it has taken four hours of debate to lift the lid of the ulterior motive behind this Bill. If what the last two hon. members have said is true, then we had better call the Bill the Barbados Light and Power Development Bill. It seems to me that we cannot hold the entire community up to ransom in the matter of interest rates merely because a single company, even although it may be a utility Company, wants to raise money for development.

Now, I want to begin by saying, Mr. Speaker, that both the hon. senior member for the City and the hon. junior member for Christ Church are fully aware of the fact that money appears to be short for loans in Barbados today, because there has been a tremendous export of

capital going on for some time. Merchants, professional men and engineering firms are all sending their surplus profits out of the island for investment especially in Trinidad and British Guiana where the rates of interest are higher, and it seems to me at the outset, Sir, that the Government should realise it. Although it is human nature for every investor to want to get the most he can on his investment - you would, Mr. Speaker and so would I - yet still people who make money in this community are under some moral obligation to it. The merchants in Broad Street, the engineering firms, or the professional man who is making money, more than he needs for his daily existence, out of the people of this country should not be permitted indiscriminately to take up this capital and send it outside for investment purposes, leaving capital very hard to get in the colony itself. In other words, Mr. Speaker, there should be restrictions against the export of capital under certain circumstances.

It is of course, as you know, Mr. Speaker, very easy to export sterling. You need no permission from the Currency Control authorities, and there is no reason why Mr. X or Mr. Y with £10,000 to invest should not take it to Trinidad where he can get 10%; but he made the money here, and as has been pointed out by hon. members here this afternoon, people who want money to buy property and development business - and in some cases people want to borrow money to educate their children - are finding it almost impossible to raise the money in the island. Let us get this clear. At the moment there is no restriction on the flow of sterling; so the moment you amend this Act, every single Barbadian with money to invest is going to send it abroad and have it invested from outside. It can be easily done. Most of the Insurance Companies operating here are registered outside; so it is the easiest thing for them to transfer funds and reinvest monies made in Barbados at a new interest rate. It will mean, Mr. Speaker, that very few middle-class people in Barbados in the near future will be able to raise a loan to buy a house in which to live or for any reasonable purpose, unless they intend to pay a fairly high rate of interest. All the surplus capital of the island for investment will be invested from outside at the new interest rate.

Now it may be true that the agricultural workers can borrow some money to build themselves houses from Labour Welfare, and where Civil Servants are concerned we hope that in the not distant future some more capital will be available to them for housing; but how are the people outside of these two categories of employment to get a house? If, Mr. Speaker, you calculate interest at the rate of 8% or 10% on a sizable loan, plus taxes and what not, the charges on the loan are going to be so high that the average man will never be able to repay the capital and that is why it has been pointed out that the fixed rate of 6% has been so advantageous and of so much assistance to the average middle-class person in Barbados.

I said earlier, Sir, that the hon. senior member for the City took the lid off the debate. He claimed that the reason for this Bill is the fact that the Barbados Light and Power Company needs \$2 million for the development and cannot raise the money at 6%.

9.55 p.m.

The hon. junior member for Christ Church or the hon. senior member for the City - one of the two of them - said that the Colonial Development Corporation was willing to lend money but not at six percent. I find that more than passing strange. The C.D.C. is financed by the British Government. There is not one single colonial country which by the middle of June this year had been able to borrow a single cent on loan from Great Britain for about a year. The number of loans issued to the colonies in 1956 was very small and in 1957 it was a little more; but from June 1957 to June 1958 not one single colony was able to borrow a penny from the British Government. Yet the Colonial Development Corporation is willing to lend \$2 million of the British taxpayers money to a local company, provided it can get more than six percent.

What does it mean? In simple words it means that the British Government is tightening up on the flow of

money to the Colonies at normal interest rates but is willing to finance the Colonies through C.D.C. at exorbitant profits. In Trinidad where C.D.C. has considerable investments in the Cement Company there, they have been declaring very handsome profits for the last few years. Now, Sir, they are willing to lend a local company \$2 million, but the local Government itself was trying to raise money in Great Britain last year but unsuccessfully. This British-financed corporation can find money to lend a local utility company provided the rate of interest they are going to pay would approximate the dividends which they earn from very successful companies because, as you know, a lot of companies operate but do not declare a 6% dividend. If the Colonial Development Corporation can only hand out a loan and they can make an interest of 8%, that is very good business. There are corporations in the West Indies which cannot declare more than 6% any year and they have all the risks attendant upon the operation of a commercial enterprise. Here you have the C.D.C. sitting down like some Shylock doing nothing at all than merely handing out this \$2 million and at the end of the year receiving a fat dividend in the form of 8% or 10% interest. It is an immoral thing. It would be alright if C.D.C. were a private company, but when the capital comes from the British Treasury it means that the British Treasury is playing tricks with colonial territories. We should not encourage them in it or we should not be victims of that pernicious policy. If it can be substantiated that this Bill is to facilitate the Barbados Light and Power Company to raise this loan, then although I disagree fundamentally with all the submissions made by the hon. senior member for the City, I agree with him completely that some other method, some other mode of operation should be discovered for making this capital available to this company.

It seems to me that the time has come for the Barbados Government to discharge the obligation which it owes to the public of Barbados even partially to nationalise the Barbados Light and Power Company and it is not beyond the power of the Barbados Government to find \$2 million which the Electric Company needs. Let the Government \$2 million in stock in the company, and in one act partially nationalise it and finance the company with the capital it wants.

Mr. Speaker, I make the suggestion for what it is worth. As you are aware, we now have not less than \$11 million of sugar funds lying in the City Banks. I doubt very much whether the rate of interest which we get on them is more than 1 1/2 percent. It is hardly more than that. We must have had \$3 1/2 million of Labour Welfare Funds lying idly in Barclays Bank and the Sugar Price Stabilization Fund is something like over \$8 million now and we know specifically for what these funds were established. I want, Mr. Speaker, most respectfully to submit that the matter of spreading electricity throughout the length and breadth of Barbados is of secondary importance to almost nothing else which we need in Barbados at the time, and I believe there is no section of the community which would oppose the transfer of \$2 million from the Sugar Price Stabilization Fund to the capital of the Barbados Light and Power Company under the subscription I have already outlined, that is to say, to purchase stock for the Government in this utility company. Granted, Sir, that the loan may have to be for a period of 20 years, the difference in rate of interest which would accrue to it would equate the capital. The interest which we are now getting is 1 1/2% and I am sure that when the Barbados Light and Power Company obtains all the capital it wants - and it will have to get it if it wants to expand - it would declare annually a dividend of not less than 8%; so that the \$2 million transferred from the Sugar Price Stabilisation Fund would be put in the Public Utility corporation at the rate of 8% or 10% or so and at that rate it will be just for 12 years before we get back the original amount invested. I feel, Sir, it is far better for the community as a whole to be deprived of \$2 million from this Fund or even from any other sugar Fund and to have it invested in a corporation like the Barbados Light and Power Company than to amend the Rate of Interest Act which is fraught with so many serious consequences to the average inhabitants of the country. If for all these years we have been able to keep the ship of state on an even keel and more than that, we have been

able to keep the people out of the hands of exorbitant money lenders either internally or externally, it seems, Sir, that now is not the time to tinker with this piece of legislation.
10.05 p.m.

They should do anything rather than amend our Rate of Interest Act. Those of us who know Trinidad and especially British Guiana where there is no fixed Usury rate at all, know that the average person in British Guiana, or most of the people there spend almost their entire lives in the hands of money sharks and money lenders. A rate of 25% interest paid in British Guiana on loans is common; it is openly charged. I have seen estates of deceased people in British Guiana in respect of which private bidders have been willing to buy out the debts at 20% and 25%. We have therefore to be very grateful that that sort of thing has been spared us in this colony throughout our existence. All that this Bill will do is to make it even harder for people to get local money to borrow. There is hardly one Solicitor in Bridgetown who will find \$5 of local capital to lend out at 6% when we pass this Bill - not one.

As a matter of fact, even now you cannot get money to borrow easily when the rate of interest is 6%. If you amend this Act, then God help the people of this country. You are either saying that the Government is going to have an inexhaustible chest to lend every Tom, Dick and Harry who wants to borrow money, or that those who are not fortunate enough to be born inheriting wealth will forever remain poor; they will never be able to own their own homes. The fact that so many people in this country are owners of homes in comparison with other Islands in the West Indies is due to the fact that we have always had a comparatively low interest rate. You are putting a complete end to all of that now, and you are assisting every single dollar to leave the Island and come back in at an exorbitant rate. If these hon. members claim that they are agreeing to this Bill in order to assist one company to get capital, I have not heard anything so nonsensical in all my life. It is absolutely inconceivable to me that hon. members on the other side of this House could be so dumb as to penalise this country in the matter of raising capital for housing, education for anything at all merely for one company to get capital. There is not one of us who does not know what it is to borrow money for medical expenses, if you have to send out people for reasons of health. You cannot get money from the Bank easily; you cannot get it from a Solicitor; and, least of all, from any Insurance Company. With the exception of the Barbados Mutual Life Assurance Society the offices are of foreign registry and this Bill will facilitate them. The money that is paid out annually in this country by hard-working people in premiums on policies will be sent out and come back here by way of investment. If they pass this Bill, I sincerely hope that everybody who wants to borrow money and cannot get it, will go to one of the Ministers and ask for a loan. I am not creating any horror pictures in the minds of hon. members; I am telling them what I know from my own, hard, personal experience. It seems to me that this Government does not know what it is doing. When you hear them talking about borrowing money for development, you would think that it is for development, but it is not for development; we have not heard any categorical statement that the allegations made by the hon. junior member for Christ Church or the hon. senior member for the City are incorrect.

Recently, we have had another Five Year Plan in which it was proposed to spend \$50 million in the course of five years. If you study exactly what passes through the mind of the Government you could come to no other conclusion than that the people who comprise the Government of this colony are themselves in some way or other bound up with foreign interests, because everything is being done to facilitate foreign investment at the expense of the people in this colony.

The Bill which we passed last week is a case in point. We had under the first Five Year Plan a series of Bills passed, which sought to provide additional funds for the Treasury by every available means of increased taxation. That Five Year Plan was notorious for the manner in which

it squeezed taxation out of the people of this Island. To quote one single instance of the effect of the Five Year Plan in the matter of increased taxation, it costs us as much to post a letter from St. Michael to St. George as it does to send an air letter form from here to Trinidad; it costs the same four cents to post a letter locally as to post an air letter to Trinidad when, previously, the cost of local postage was one penny. I have only mentioned that as one instance of increased taxation.

10.15 p.m.

We squeezed all the taxation we could and scraped every penny we could to finance the Five Year Plan. It is not a Development Plan in the sense of the word. All it is is an enlarged public works programme. Barbados is the only country in the world that would accumulate \$50 million to spend purely on an internal development programme of public works without first having started some sort of industrial development, for the simple reason that the \$50 million will be expended in two ways, one in wages and the other in the purchase of materials. If you spend \$20 million in wages, it seems you are putting an additional \$20 million in circulation. The \$30 million for materials you are sending outside anyhow, and since there is no industrial development of any sort, it means that \$20 million of wages will also find itself outside the island to provide food and clothes which the people who earn them will require.

In all other countries the policy has been to start industrial development first, at least to make some clothes, provide more food-stuffs, and manufacture shoes and building materials in the country itself, so when you put additional money in circulation some remains in the island. In Barbados every cent is going outside and then we are turning around and in addition to that telling foreign investors that they can invest money here and pay no income tax on it. That is what we did last week, and now today not only will they pay no income tax, but they are entitled to a higher rate of interest than local investors are entitled. As I said earlier, Mr. Speaker, all we are doing is running the country for the benefit of foreign investors. You and I are working to pay taxes and the entire population has to pay taxes, and all we can do with the money we earn is to allow foreign investors to reap all the profits to be made.

It is an established fact that of all the stock that the Savings Bank has earned, \$12 million are invested in deferred stock. Some of course will not be redeemable for another ten, fifteen or twenty years, but some are redeemable in the near future, 1958, 1959 or 1960, as the case may be; but I have, Sir, a list of that stock report of \$12 million in stock and I am sure, Sir, that you would not be amazed if I refreshed your memory with the fact that on a fair proportion of this investment we are only getting 2 1/2% or 3% interest. We have, for instance, Sir, over \$1/2 million in British Guiana at rates of interest ranging between 2 1/2% and 3%, and in England, Australia, East Africa and elsewhere there are also sizeable investments at lower interest rates some of which are redeemable in the near future. It seems to me that the policy of the Government should be to take up this stock, when due, for local investment purposes, because it is hardly good sense to pay more than 8% on money for development in the island when we have already taken our money and sent it outside at 2 1/2% and 3%. If the market is changing so considerably in respect of our being able to obtain money for what they call development and for what I call a public works programme, we had better invest our money locally rather than use anybody else's.

I am sure, Sir, that the entire House will wait to hear from some Government's spokesman whether this Bill is, as I earlier characterised, the Barbados Light and Power Development Bill. We, of the Opposition, are not going to support it; and furthermore, Sir, the Government tonight will have the opportunity to explain in more detail the reasons behind it. We are going to vote against the second reading. The most we are prepared to do is to send it to Select Committee for the matter to be gone into more thoroughly, and I go further and warn them that

they are going to have a lot of explaining to do up and down this country on this Bill if they cannot furnish more justification for it than has been furnished so far in the course of the debate. They themselves have vouchsafed us very little; all we have heard is some imaginary talk about development; they do not know what development means, and apart from the fact that they feel that every time they bring a piece of legislation down here it is a question of Government prestige whether or not it passes, I want to suggest to them that they should forget this tonight.

This Bill will mean too much to us as Barbadians. There is no Barbadian man, woman or child who has not got a vested interest in this Bill, and its implications are so far-reaching and it would have such a tremendous consequence on the manner in which the average Barbadian lives and exists, that it is a matter on which we should proceed very cautiously and very slowly. It is not merely a question of political prestige and scoring a victory by force of numbers; it is a question, even if for the first time, of considering the ultimate consequence to the country and considering what it will mean to all of us if instead of taking more steps to protect the people of this island, we are opening the flood gates for further exploitation and for making existence harder. This, I submit, is not what is expected from them, and I go further and say that no Conservative Government would dare in 1958 to attempt to do what they propose tonight to inflict upon this community.

10.25 p.m.

Hon. R. G. MAPP: I think it was the hon. senior member for St. Lucy who stated that this Bill was the result of the policy of this Government which was announced by His Excellency the Governor in his speech from the Throne at the opening of this Session; so that hon. members can see that this policy has been decided upon for some time now. As an hon. member has hinted, it is so important a measure - the particular Act dating from 1754 - and one which has stood us so well in certain respects in Barbados that it was not lightly thought to be tampered with and it is therefore only today that we find this Bill coming before this House.

I have heard some arguments from the Opposition and especially a very lengthy discourse by the hon. junior member for St. John; but his discourse is one which might well have suited a lecture hall and it was much unsuited to this Chamber.

As I was saying, an hon. member said: "Here it is, we are tampering with an Act dating back from 1754; here it is, this Act has been on the Statute Book from 1754 and now you are tampering with it". Apparently this Act might be sacrosanct and is unlike other Acts such as the Petty Trespass Act which was passed under a Conservative Government and because of that they feel that this Act should perpetually remain on the Statute Book. I am going to show personally that some of the Acts indulged in by some of the hon. members opposite are simply theories and they are not comparing the situation then with the situation as it applies to this island today. What is the economic position facing the island for sometime now? The whole emphasis from English Legislation which was passed in the 18th century in this island as in all other colonies has been to encourage the production of raw materials from these islands to be sent to England in exchange for manufactured goods. It led to a lot of poverty and to a great deal of underdevelopment. Maybe, at the time this Act was passed the landlords in this island found it necessary to have such an Act on the Statute Book - and the hon. junior member for Christ Church hinted at that - to protect themselves from absentee proprietors and people who would have bought the land at the time. As you know, outside interest charged high interest rates: hence this Usury Act. The hon. junior member for St. John in criticising this Government said at the time that Dr. Dalton came into power in Great Britain, lowered the interest rate and this Government did nothing at all. What are the actual facts? This 6% interest did not determine the rate of interest in this island at the time when this Act was put on the Statute Book.

Mr. BARROW: Mr. Speaker, I rise on a point of

personal explanation. If the Hon. Minister understood what I said, he would understand that I made reference in my opening remarks to the speech of the Hon Premier when he said that the reason for the increase in the rate of interest was because of the increase in the bank rate. Then I said that if that was the reason, then when the bank rate came down, the rate of interest should also come down but, apparently, the Hon. Minister was not listening.

Hon. R. G. MAPP: My whole point is this. There was absolutely no necessity for it. I believe most people who listened to the hon. member heard him say that four or five years ago we could have borrowed money in this island at 3% and 4% (A VOICE: Up to five years ago? No that is not true.) Yes up to five years ago; at least up to the time the hon. member referred to when Dr. Dalton came into power. Let me say that a mortgage is never determined by the Usury Act or by this Act. The rates of borrowing are determined according to the money market and have nothing at all to do with the 6% ceiling of the interest rate. In fact, as the hon. junior member for Christ Church pointed out, at one stage it went to 2 1/2% and at another time it was raised to 4 1/2% and then it went down again. The hon. junior member for St. John said that the people were fleeced when the rates were lowered. And that when they were lowering the bank rate, we were doing nothing at all about it. That is what anybody who was listening to the hon. member would think was happening. Let me say again that the bank rate never yet determined the actual rate of interest in this island. It is true that it is fixed at a certain maximum at some time in 1754 in the 18th century - probably in the early 19th century - and it may have been necessary to do so; but so far as I remember in my lifetime, it has never determined the prevailing interest rate.

A VOICE: Do you mean this Usury Act?

Hon. R. G. MAPP: Yes; this Usury Act.

A VOICE: What are you saying? You are making fun.

Hon. R. G. MAPP: If it did, do not tell me that people would not charge the maximum. What private money-lender would not charge six percent?

Mr. CRAWFORD: Mr. Speaker, I rise on a point of order. The hon. member must not say what he is saying that the Act never determined the rate of interest merely because he says that if it did, you would have to borrow at six percent. It depends on the size of the loan.

Mr. SPEAKER: I am afraid that that is not a point of order.

Hon. R. G. MAPP: It is exactly because of the point made by the hon. junior member for St. John that I started out by drawing attention to the economic situation. We have, Sir, in this Island a population growth of about 4,000 annually. Our population is increasing at the rate of 2% every year.
10.35 p.m.

In the next ten years, this Government will have to find jobs for 40,000 more people. (Mr. CRAWFORD: Which Government?) This Government, and we have to ensure that capital invested in this Island accelerates at the same pace. If the capital invested and the national income does not expand at the same rate as the natural increase of population, the unemployment situation facing us will be far worse than it is today.

Therefore, Mr. Speaker, we are looking at this matter in a big way; we are not looking at it in any small way. In this Bill we are protecting those people who borrow money. The hon. senior member for St. Philip has made the statement that people cannot get loans locally and he has asked: what is the use of the present Bill? From whom are people borrowing? When you get such nonsense from people who do not know about what they are talking

Mr. CRAWFORD: I object to that statement in the strongest terms

Mr. SPEAKER: The hon. member is using that as a rhetorical fact and I do not think that anybody should be worried about it.

Mr. CRAWFORD: Even then he must not make such statements.

Hon. R. G. MAPP: The hon. member indulges in all these heresies and plays right into the hands of members on this side of the House by saying that today we cannot get any loans. He also says that we are affecting the safety in of people in this island by bringing down this Bill. The hon. member stressed that you can go to every solicitor and you cannot get any loan today. I want to know how does that fit in with the argument that we must not touch this Act because people cannot get any loans. The hon. member repeated that any money which is available.....

Mr. CRAWFORD: On a point of order. The hon. member must be able to give the context in which I said that. I said that there is a tremendous export of capital now and what the Government should be doing is restricting the export of capital even to the sterling areas. In order to send money outside the sterling areas, you have to go to the authorities.

Mr. SPEAKER: The hon. member will have the opportunity of making that point in Committee.

Mr. CRAWFORD: I was saying that Commercial and business people are sending money in the sterling areas where it can go freely and it is just coming back here; that is what I said.

Mr. SPEAKER: I think the Hon. Minister now understands what the hon. member has said.

Hon. R. G. MAPP: The hon. junior member for Christ Church had one good answer to that talk about keeping up the value of sterling. We are in the sterling area and if sterling were depreciated to one-third of what it is now, our capital assets would not be worth anything. Let the hon. member dispute that. The members on that side of the House have set up themselves as economic authorities; I have discussed this matter with people of more repute than the hon. members over there. (ASIDES)

Mr. SPEAKER: If the hon. member is making a speech to the House at least, he should be heard. Any member must be heard when he gets up to speak.

Hon. R. G. MAPP: Mr. Speaker, it will take a lot more than their howls to drown this speech. The hon. senior member for St. Philip indulged in many heresies tonight. As I was saying, I have discussed the effects of this Measure with Socialist economists of more repute than the hon. junior member for St. John. The hon. member took two hours and thirty-five minutes in propounding heresies, but they have absolutely no bearing on the local situation. I think it is true that we are unique in this area in having an Act of this sort on the Statute Book. I heard an hon. member say that the Chief Minister of Jamaica did not adopt this method to remedy the economic situation in that Island; neither Jamaica nor Ghana did it. Jamaica has no Act like ours and Ghana has none of this; yet the hon. member quoted the Government of Jamaica or of Ghana as if they had an Act like ours on their Statute Book.

I repeat, we are unique in this area. Jamaica has a population which is greater than ours but our national income has expanded about 300% in the last three years, because capital from abroad was not restricted by anything we had on the Statute Book.
10.45 p.m.

The other night the hon. junior member for St. John in some other debate asked why we do not do like Trinidad, and that if you go to Trinidad, you will see how the economic pump is being primed.

Mr. SPEAKER: I must warn the Minister not to make reference to a debate of this Session.

Mr. BARROW: Mr. Speaker, I must correct the hon.

member because I have never said that Trinidad's economic activity is due to the lack of an Act of this kind. Let him make it clear that that is his own mistake and deduction.

Hon. R. G. MAPP: He may not have used the particular phrase but he did state how Trinidad was doing. It is true that I would hesitate if any Government with which I was associated did what Trinidad has done. They have gone to the other extreme. Take housing for instance; it is very expensive, but development capital is going into the island because it is unhampered by anything like the Usury Act. Let hon. members deny that. The same thing applies to Jamaica, and we are told that because the Act was passed in 1754 it is sacrosanct. We were told that we would lose the election by this Act. I challenge them three years from now to come back and tell us so, and we will show the people in this island that it was they who would be holding up development in this country. We are encouraging process by this Act, and the examples to which the hon. junior member for St. John drew attention are examples why we should amend this Act when he talked about Ghana, Jamaica and Trinidad. Do not let us go on with this nonsense about socialism; that is economic heresy. We have never had in our manifesto that we were going to hold on to 6%; so do not let the hon. senior member for the City hurl that at us.

Mr. MOTTLEY: What did I hurl at you?

Mr. SPEAKER: The hon. member cannot ask questions.

Mr. MOTTLEY: I never hurled anything at him.

Hon. R. G. MAPP: Mr. Speaker, these are stark economic realities facing this Government with the tremendous population increase and the necessity to induce capital into this island which hon. members on the other side are saying is now going abroad. A lot of money is put up in Trust Funds here and not invested. If we can induce the capitalists to leave their money in the island for development purposes, what is wrong with that? (A VOICE: Repeal the Act.) The hon. member said: "repeal the Act", but it is because of what we fear and the effect on the people who already have loans at 3%, 4% and 6% that we have not repealed it, because if you allow the rate to go up, automatically the person paying 5% would have to pay 8%.

Mr. SPEAKER: I am going to appeal for the last time to hon. members to control their asides. The Hon Minister is entitled to be heard just as any other hon. member has been heard. I have been able to hear quite distinctly members on that side of the table, and I must be allowed to hear the hon. member on this side of the table; otherwise I cannot control order in the House. Hon. members in the Opposition might be able to hear but they do not want me to hear; that is my insistence and not my plea.

Hon. R. G. MAPP: Sometimes to hear the hon. junior member for St. John reel off these things, Mr. Speaker, people might believe that he has these things at his fingertips.

Mr. BARROW: Mr. Speaker, since the hon. member makes reference to my reeling off things, at least I would point out to Your Honour that he is reading his speech, and it happens to be the same terminology which I heard in a speech made at a Chamber of Commerce meeting not so long ago by a member of the commercial community. I hope it is a document of the House; otherwise I will ask him to make it a document of the House.

Hon. R. G. MAPP: It is already a document of the House. The hon. member referring to Government investment abroad said that people do not realise that we have lost \$400,000 in redeemable value on every \$1 million. If people hear him say that it is lost, they may believe that it is actually lost. Money values rise and fall on markets all over the world; today they are up and tomorrow they are down and vice versa. When these become redeemable, we may gain rather than lose. What Government in the world does not take these risks?

We have started a policy, Mr. Speaker, in recent

years by which much more money is being invested locally in productive schemes from Government sources than have been done five or ten years ago, and the hon. member knows that; but to listen to him you would believe that all this money going abroad is being lost at the rate of \$1/2 million as if we had already redeem them, and at the time we redeemed them the market value had completely gone. Nothing could be further from the truth.

Mr. BARROW: Is the hon. member saying that it is a misstatement of fact when I say that Government shares are worth between 60% and 64% of the value they were invested at, or is he saying that it happens in the best regulated Governments? I should like him to make it clear if he is challenging me on that - that if he could redeem his securities now he would get 100% on what they were originally invested at. I should like him to make that abundantly clear.

Hon. R. G. MAPP: The hon. member used the words "we have lost". We have not lost because we have not redeemed them. Because the market values are down does not mean that we have lost. Tomorrow they may be up but the shares are still there.

Mr. BARROW: Mr. Speaker, if the hon. member wants to know if he has lost them, let him go and cash them in.

Mr. SPEAKER: The hon. member can only speak if he is speaking on a point of order.
10.55 p.m.

Hon. R. G. MAPP: Mr. Speaker, apparently, some hon. members find their words unriddled by my speech. I would just like to say that a very great West Indian economist, Professor Arthur Lewis, estimated around 1951 that some £131 million in capital would be needed for the West Indies if we are to provide jobs and employment for the population in the next decade. That means, so far as Barbados is concerned, at our rate of population growth we would need during the same time £8 1/2 million. For the increase in capital value since then it would probably be £10 million needed to provide for our natural increase of population from 1951 to 1961. I say, Sir, that it is absolutely necessary to remove out of the way such restrictions on the flow of capital as this Act purports to do. Let us remove them out of the way in order to attract more capital into the island to provide jobs for this increased number of people. This Government is a responsible Government; we are not the Opposition. The Opposition can play here and indulge in economic theories or whatever it likes. It can indulge in heresies, stupidities and what not. We cannot afford to do that; we are faced with the realities of the situation. We are faced with a restrictive Act such as this and there is no doubt about it. From examples which were brought to our face and from a number of people who came to us telling us that we should change this Act, we are convinced that we should do it. We know at least that it does not hinder capital from coming in from outside if this restriction is removed. It is bound to rebound to the credit of this Island. If we did not do anything of this sort and we did not put anything at all on the Statute Book, hon. members would be able to say that this Government has not done anything for you. Now that we have come down with a Bill to change the Usury Act, they say that we are not socialists. We have to adopt not a negative attitude, but a positive attitude. I believe, when this Act was passed, the Government then was not positive. Private enterprise used to prime the pump but it has changed now. We ourselves have to be in the forefront and we ourselves have to aid in priming the economic pump and that is what we are doing by amending the Act tonight. I feel sure that the people of this Island, as well as the hon. members around this table, would find that by removing this old sacrosanct restriction from the Act by the passing of this Bill that it will bring blessings to the community.

Hon. Dr. H. G. H. CUMMINS: Sir, my colleague has so effectively answered all the arguments by the Opposition that there are two questions only which I want to answer. The first is this: It has been said by more than one speaker

that the former Premier said from this floor that he was sure, or words to that effect, of obtaining a loan for the Deep Water Harbour and that that loan was, so to speak, in the bag, but they have not seen it yet. I am in a position to say that that promise still holds good. The loan is still forthcoming and it will be introduced here as and when representatives of this Government go to England later this year. I therefore want to erase any feeling that we were misled by the former Premier or that he had made a false statement or a statement which has not turned out to be a fact.

The other argument which I want to answer is that which has been introduced by the hon. junior member for Christ Church as well as the hon. senior member for the City to the effect that this amendment is for the benefit of raising a loan for the Barbados Light and Power Company. Now, I have seen the Barbados Light and Power Company mentioned but I want to say this; it has been ever since July last year when this matter was under consideration: so you can see that it was not heartily done. The Government got information from all possible sources, and one of the sources was from the managers of the local banks and they were unanimous in advising the Government that they could not hope to get capital for development purposes as long as the rate of interest remains at 6%. Therefore, it is not true to say that this Bill was done for the benefit of the Barbados Light and Power Company only.

Mr. MOTTLEY: Mr. Speaker, I must rise on a point of explanation. I said that it was done primarily for the benefit of the Barbados Light and Power Company. That company pointed out that it could not raise the money locally. I also said that you should tell the House that.

Hon. Dr. H. G. H. CUMMINS: This is for the benefit of any company which wants to come here to develop the island with the approval of the Government and it is not as has been said by the other side. The hon. senior member for the City said that it was primarily for the benefit of the Barbados Light and Power Company on his point of explanation, but I thought I heard him say only for the benefit of that company in his speech so much that some other speaker did say that it should be called the Barbados Light and Power Company Amendment Bill.

I repeat, first of all, the statement made by the former Premier that the loan from England is available still holds good when we go for it. We have to get a loan for the new Hospital as well as for the Deep Water Harbour and this will be proceeded with shortly.

The question that the Bill be now read a second time was put and resolved in the affirmative, the House dividing as follows:-

Ayes: Mr. BRYAN, Hon. Dr. H. G. H. CUMMINS, Hon. D. D. GARNER, Hon. F. E. MILLER, Hon. R. G. MAPP, Mr. HOLDER, Mr. THORNE, Mr. SEARLES, Mr. STRAUGHN, Mr. GODDARD and Mr. MOTTLEY - 11

Noes: Mr. TUDOR, Mr. TALMA, Mr. CRAWFORD, Mr. BARROW and Mr. BRANCKER - 5.
11.05 p.m.

Hon. Dr. H. G. H. CUMMINS: I beg to move that Your Honour do now leave the Chair and the House go into Committee on this Bill.

Hon. D. D. GARNER: I beg to second that.

The question was put and agreed to.

Mr. SPEAKER left the Chair and the House went into Committee on the Bill. MR. BRYAN being in the Chair.

Clause 1 - was called and passed.

Clause 2 - was called.

Hon. Dr. H. G. H. CUMMINS: I beg to move that Clause 2 stand part of the Bill.

Hon. D. D. GARNER: I beg to second that.

Mr. TUDOR: We had all hoped, Mr. Chairman, that we would have been favoured with some fuller explanation from the Ministerial bench on the debate which has just passed, but we were not so favoured and it was left to the Minister of Communications to discuss the details of the Bill by making the very second reading speech which he should have been making in Committee. Consequently, if falls to us to answer him in some detail. Some weeks ago there was a course.....

Hon. R. G. MAPP: On a point of order. I made a speech on the principle of the Bill and not on any details which may occur in any Clause. I referred to no Clause whatsoever.

Mr. TUDOR: I have not doubt that he thinks he made a speech on the principle of the Bill; if he thinks so, let him enjoy his mistake. As I was saying, Sir, some weeks ago, there was a course held at the Y.M.P.C. for business enthusiasts.

Mr. CHAIRMAN: We are now dealing with Section 2 of the Bill. I have interrupted the hon. member very early, because I am not prepared to allow any second reading speeches. The principle of the Bill has been fully debated and accepted and we are now dealing with the various Clauses in Committee. I ask the hon. member very early to stick to Clause 2 of this Bill and not make any second reading speech.

Mr. TUDOR: Mr. Chairman, I am very glad that you have drawn to my attention that we are discussing Clause 2 of the Bill. We did not know that unless you had said so. This Bill has two Clauses. The first Clause says this: "This Act may be cited as the Rate of Interest (Amendment) Act, 1958", and that has been passed. Section 2 says this: "Section two of the Rate of Interest Act, 1754, is hereby amended as follows" and it goes on to point out the manner in which the amendment is done. The Hon. Minister made a very interesting speech dealing with the principle of the Bill, but he did not succeed in doing that. It was a speech similar in phraseology and in tone to the one which was delivered by Mr. Kenneth Russell Hunte of "Russell House".

Mr. CHAIRMAN: Has that any bearing on this Clause?

Mr. TUDOR: Mr. Hunte is a member of the Chamber of Commerce and a member of the Other Place. While the Hon. Mr. Hunte was delivering that speech, he had with him on that occasion a little blue satchel, which is very similar to the one the hon. member now has in front of him, containing three books.

Mr. CHAIRMAN: I again interrupt the hon. senior member for St. Lucy. The speech made by Hon. Mr. Hunte and his satchel has nothing to do with this Clause. Again, I ask the hon. member to stick to the Clause.

Mr. TUDOR: It would have helped the hon. member's peace of mind if he were courteous enough to open the satchel which he now has and let the Committee see if it has not got the same books in it. More than that, the exact phrasing which was used by the Hon. Mr. Hunte.....

Mr. CHAIRMAN: In my opinion, it is a total disregard of the Chair, when I have already drawn to the hon. member's attention the fact that the speech delivered by the Hon. Mr. Hunte at the Y.M.P.C. has nothing to do with this Bill. For the last time, I am appealing to the hon. member to deal with Clause 2 of this Bill. Up to now, the hon. member has said nothing about Clause 2.

Mr. TUDOR: Mr. Chairman, while I admit that it would be very difficult for me to say anything on Clause 2, it is due to the interruption which Your Honour has made from time to time. The same illustrations, the same nonsensical, ignorant illustrations, nonsensical in the sense that they were used out of place and out of context, were used by the hon. member.
11.15 p.m.

We therefore have the justification for Clause 2 not

lying in the merits of the amendment itself, but in a rehearsed speech made by the Minister who did not introduce the Bill, but the supporting cast as they say in theatres, rehearsing what had been said months before with the same illustrations and the same arguments.

Well now, Mr. Chairman, I cannot take notice of every aside even when I hear them. The hon. member refers to me as ignorant and nasty in an aside, but had he been on his feet when he said it, I would have had exactly the answer for him; but there are some people especially over there who always approach the question of politics with an open mouth, and they cannot devise any means of stopping me from making the speech I make, provided my language is parliamentary and I know it will be. Why doesn't he produce the bag with the arguments? He knows he cannot deny he is using Hunte's arguments to justify an unjustifiable Bill; and he calls himself a Minister! What pride has he got in himself or the Government of which he is a member to bring into this Committee arguments to justify a Bill which are not his own, and which were supplied by him in whose interest they are supporting the Bill. This Clause is here at the instigation of the Director of the Light and Power Company, and Mr. Kenneth Hunte who is the representative in this instance is so intent on having his point of view heard, that not only does he push the Bill right on this Committee, but also furnishes the Minister with the arguments.

Now we have heard from him that because the population is increasing the rate of interest must increase also to keep pace with the rate of population. The new Mappian theory, as my colleague reminds me. It is very difficult, Mr. Chairman, to comment on it, because one has never heard it before. The idea that they have been in Government for ten years and it has only now occurred to them that the population is increasing! He has just discovered that we must now change the rate of interest. Then secondly he tells us

Hon. R. G. MAPP: Mr. Chairman, I do not know if the hon. member appreciates such economic arguments, but nobody said that the rate of interest must keep pace with the population. I said the gross national product.

Mr. TUDOR: What are they doing about that? Why does he use these terms which make sense only when used by people who put him up to use them, but make no sense at all in his mouth when he comes here with this colossal ignorance. As I said, Mr. Chairman, no person who knows the facts will quarrel very much with the Premier. The speeches made by the two Conservative members on this side were speeches of detail too, not even speeches of principle, and they actually put the House into Committee before it was ready because they said specifically that the Barbados Light and Power Company had urged this legislation. I went during the course of that hon. member's speech to search

You are right, Mr. Chairman; do not let them bribe you into positions from which you cannot easily withdraw.

Mr. CHAIRMAN: The hon. member may proceed.

Mr. TUDOR: I was so struck with the wealth of detail which came into the speeches of the two hon. Conservative members as if the House were already in Committee, that I went out of the Chamber to get hold of the latest Report of the Colonial Development Corporation in which it is mentioned how much money that Corporation has lent to the Barbados Light and Power Company. I believe it is £1/2 million which they have already borrowed from Colonial Development Corporation, but I cannot find the document.

Mr. CHAIRMAN: I have spoken on several occasions to the hon. senior member for St. Lucy. We are now dealing with Clause 2 of this Bill; the principle of the Bill has already been debated in the House, and this is the last time I would ask you to desist from making a second reading speech.

Mr. TUDOR: I wonder, Mr. Chairman, if we could read Clause 2 together, shall we? It does not start with

"the boy stood on the burning deck, his feet were full of blisters."

Hon. R. G. MAPP: That is rudeness.

Hon. D. D. GARNER: You should know better since you are from Oxford.

Mr. CHAIRMAN: Allow me to quote this to the hon. member:

"Order is maintained in the House by Mr. Speaker and in a Committee of the whole House by the Chairman of such Committee; but disorder in a Committee can only be censured by the House on receiving a report."

I have spoken to you on several occasions; what you have said is rudeness and a total disregard to the Chair. If you continue I will have to report to the House.

Mr. BARROW: Mr. Chairman, on a point of order, I want to get this straight; I think what hon. members on this side of the House resent more than anything - I say this for your benefit because we have a great deal of respect for you - are rulings coming from that side of the House.

Mr. CHAIRMAN: I am speaking to the hon. member....

Mr. BARROW: On a point of privilege, there is no rule about rudeness or anything like that; there is a rule about disorder. The kind of sarcastic remarks that come from that side constitute disorder. The hon. member would say that it is unnecessary and ask to go on with what you are saying, but if you want to maintain respect, you must try to control members on that side.

Mr. CHAIRMAN: I have read the Rule. Let me hear the hon. member.
11.25 p.m.

Mr. BARROW: Mr. Chairman, the hon. senior member for St. Thomas challenged the hon. senior member for St. Lucy to fight just now. If you want to preserve order you have to curb that extreme behaviour.

Hon. R. G. MAPP: I object strenuously to that remark. I have never challenged the hon. senior member for St. Lucy to any fight. The hon. member knows I would not do that. He knows that that is a deliberate untruth.

Mr. BARROW: Mr. Chairman, am I to understand that I told a deliberate untruth? All of us over here heard what he said and how he said it. I would let the matter drop if the Hon. Minister behaves himself. We expect better behaviour from any member of this House although we do not look for it from that side of the House.

Mr. MOTTLEY: Mr. Chairman, let me see if I can get into this debate. I am not dealing with what the other hon. members were speaking about; I am dealing with Section 2. Section 2 contains the following proviso:-

"Provided that nothing contained in this Section shall apply to any contract which shall be made from and after the commencement of the Rate of Interest (Amendment) Act, 1958 for the loan whether directly or indirectly by -

(i) any individual resident or domiciled elsewhere than within this island; or

(ii) any firm or body corporate registered elsewhere than within this island."

I am calling attention to the words "any individual, resident or domiciled elsewhere than within this island." Sometimes when I come in here and presume to criticise the draughtsmanship of the legal luminaries it is presumed that I take too much on myself. I want to ask the Hon. Premier this. I take it that he has discussed this amendment with the legal draughtsman. I can understand what you mean by domiciled but not by resident. I can go to St. Lucia as a resident. I can go there and send back money here. If it means what it means as written down then I would say, tear up the Bill, because it means that every Barbadian can

invest. If those words have the same meaning then it is not necessary to use both words. I am going to leave the balance of this argument to the lawyers and I hope in the meantime the Hon. Premier will take up the matter with the Clerk of the House. I will read it again: "any individual, resident or domiciled elsewhere than within this island." What you want to say is that anybody living outside of Barbados can lend money to this Government at more than 6%, but what you have said is that any individual, resident or domiciled elsewhere than within this island. That is superfluous and if it means what it says, then the Bill is all nonsense. I hope the Hon. Premier would be able to explain it to me or the Clerk of the House will advise him on it. You know there is the feeling that so long as it comes from the Attorney General that whatever is there must be there.

Then the clause goes on to say:-

"(2) any firm or body corporate registered elsewhere than within this island, of any monies to any person within this island at a rate of interest in excess of 6 per centum per annum."

You say any individual, resident or domiciled. That means two separate and distinct things. I can go down to St. Lucia next week when I know that the Barbados Light and Power Company wants some money at 10% or a representative of the Lynch Trust Company, or any representative of a Trust Company can do that because this Section goes on to say that "any firm or body corporate registered elsewhere than within this island". It goes further and say in the definition that "firm" means an unincorporate body of two or more individuals, or one or more individuals and one of more corporations, or two or more corporations, who have entered into partnership with one another with a view to carrying on business for profit."

According to that, one such person can go down to St. Lucia and be resident there or domiciled. Which do you mean? I do not know which of them you can take out.

Mr. BARROW: Mr. Chairman, I rise on a point of order. I understand that the Clerk of this House is a servant of this House and his main job is to advise the Chair but not to advise the Government because the members of the Government have a highly paid staff. I will not let the office of the Clerk to be used in that direction. I would be glad if Your Honour would speak to the Clerk ex-cathedra, not necessarily in this Chamber.

Mr. MOTTLEY: Mr. Chairman, I quite agree with the Clerk giving advice to the Ministers. A member of the Government is still a member of the House; therefore when either of them calls on the Clerk, he must go to him. I repeat what I said. When I presume to criticise the draughtsmanship of legal luminaries when I criticise what I see in this Bill, it is suggested that I take too much on myself. I know what I am saying is right. This is designed to fool people and if the Government had read it, they did not understand it.
11.35 p.m.

What can you mean by saying "any individual resident or domiciled elsewhere within this island?" If you had merely said "domiciled elsewhere," but you have also said "resident". Have you not got to show that it means permanently resident? What are you doing? This is nonsense and it is either designed wickedly or crookedly; you can get down in St. Lucia and lend money and you can come back in Barbados and carry on, because you were resident in St. Lucia when you loaned the money. Let the Premier reply to that point otherwise this Clause will have to be postponed. (ASIDES) Hon. members do not seem to know that if you want a Bill drafted it is the duty of the Clerk to draft it. (A MEMBER: But you have to pay him for drafting it.) If it is a private Bill for myself, not a Bill which is amending any Statute; that is why I will always argue that the Clerk should get "plenty money". (Laughter). Unless the word "resident" in this Clause is otherwise explained to me, I will move the deletion of it. What are you really amending? When I listened to the Hon. Minister of Communications - well, from his speech he seemed to think that the entire Act should be repealed, and if this

word is left in, it is really repealed.

The hon. member has used arguments about not allowing persons to lend money to local people at a rate of interest greater than 6%, and the reasons he gave for not repealing the Act is that, as regards people who have loans here, those loans would go up. He caught himself quickly. As soon as the time is up, you can take money out of one pocket get a guarantee and then take it out of the other pocket and say: "I cannot lend you any more". The Hon. Minister of Communications said that they would not repeal this Act, because people who are borrowing money locally could borrow it at a rate not exceeding 6%. Now he says that this is for resident people only. We are therefore advising you that all you have to do is to foreclose; you foreclose, say \$15,000, you are resident in St. Lucia and you reinvest the money here at 18%! That is a joke; that destroys the whole object of the Bill. I would like to hear the Hon. Premier on this point; do not let him look at other hon. members when they shake their heads at that; I am suggesting that you postpone the consideration of this matter and get the Attorney General to explain it to you. I suggest that you agree to that. It is common knowledge that if you use the word "resident" that can mean resident overnight. There is nothing wrong in postponing this matter rather than that we should pass something and it is wrong. (A MEMBER: Let them pass it.) No, I am suggesting to the Premier that he should postpone this Clause. You cannot get around the argument which I have used, when the hon. member gives reasons for repealing the whole Act as he has given. You can ask the Clerk who is a Solicitor about this matter and he will advise you or you should take the opinion of Counsel.

Hon. Dr. H. G. H. CUMMINS: Frankly, Sir, I am not a lawyer, but looking at the matter, I presume that when this paragraph says "resident", I do not think it would mean resident temporarily; I think it means permanently resident.

Mr. MOTTLEY: On a point of order. Where in this Act does it say so?
11.45 p.m.

I hope the Hon. Premier has listened carefully to what I said. There is nothing here to say that it means permanent residence or whether it means residence in the way I defined it. When the Minister of Communications spoke, he said that if the Act was repealed it would affect those people who already had mortgages in this country. If the defeasances are there, he is forgetting that the great majority are judgments. As this stands, you can foreclose right away.

The Bill states that "for the purposes of sub-section (1) of this section, the term 'firm' means an unincorporate body of two or more individuals, or one or more individuals and one or more corporations, or two or more corporations, who have entered into partnership with one another with a view to carrying on business for profit." I means that Alleyne Arthur can foreclose 6,000 people; but you cannot do it.

Mr. Chairman, if you were not in the Chair, you would be able to go over there and tell them what is right.

Hon. Dr. H. G. H. CUMMINS: Mr. Chairman, I would suggest that we go ahead and pass the Act and then if there is anything wrong with it, it would be amended by the Other Place.

Mr. MOTTLEY: That is not fair. I will say that I have always felt that the Premier was big; do not come down in my estimation. What I am saying is either true or it is not true. You are taking advice from the Minister, but you should consult the Clerk on this, it can only mean one or two things.

I beg to move that further consideration of this Bill be postponed.

Hon. Dr. H. G. H. CUMMINS: I am not going to undertake to amend it in the House. Any amendment can be done in consultation with the Attorney General.

Mr. MOTTLEY: I said here that I would vote with

you on the general policy of amending the Act. Now we have gone into Committee and I find that there is something wrong, is it fair to say: "let us pass it and then let it be amended by the Other Place?" The right thing to do would be to postpone it. I will vote for the Bill today, but if we are not satisfied with the wording and there is anything in my argument, you should postpone it. It is not manly for you to say: "Let us pass it and then let the Other Place amend it."

Hon. R. G. MAPP: Mr. Chairman, I see the fear which the hon. member is expressing. (Mr. MOTTLEY: I have no fear.) He is trying to establish the fact that a person may leave this island and take up residence temporarily somewhere else and be regarded as a resident under this Act and take advantage of this Act, whereas it is not intended for such a transaction. I take it that is what he means, but it depends on what is the legal interpretation of the word "resident". If a man takes up residence in an island for two or three months, could he be regarded as a resident? I consider that "resident" means something more permanent.

Mr. MOTTLEY: If you see something valid in my fears, why not postpone this? In the Bill you have "any individual resident or domiciled elsewhere"; it is not a matter of what the draughtsman says; the interpretation must be put here, otherwise the Police Magistrate or Judge who has to interpret it can interpret it to mean a temporary resident unless you say what "resident" means. This is something which you have drafted and which has not been made abundantly clear. Why suggest that we should pass it and then if there is anything wrong let the Other Place amend it and send it back? That is not fair.

I beg to move that you do now report progress and ask for leave to sit again.

Mr. TALMA: In seconding that motion, I should like to say that if the corrections and censures made by the hon. senior member for the City had been made by a Lawyer or Solicitor, they might have been accepted by the Premier and his Council of Ministers, but coming as they did from a layman of a very high calibre and a man who has knowledge of Law - because he can tell the Minister of Communications who mentioned the 3% and 4% rate of interest that all Judgements carry automatically at 6% - they will not accept. Normally unless it is specifically stated in the Judgment itself, it carries automatically a 6% and it has been so since 1932 when I was clerk in a legal office. When he tries to give the impression that the rate of interest is 3% or 4%, he does not know what he is talking about. Not only has this been explained by the hon. junior member for St. John and my colleague, but in similar language the hon. senior member for the City has explained the pitfalls of this Bill in no uncertain terms which a baby can understand; but it does not seem as though certain members of the Government can understand, and the backbenchers who are seised with the facts are now in dread of the Government leaving them. Certain members of the Government up to now are not thoroughly convinced, but although I am not a Lawyer, yet at first glance one can understand the difference between "resident" and "domicile". You are using the word "resident" in contradistinction to the word "domicile".

11.55 p.m.

It means people ordinarily resident and who have just signed a document as in contradistinction to people permanently living here. If the Government, comprised of such outstanding men as that Government is over there, cannot understand a simple point like that, you may as well resign because you cannot understand what you are doing. This is a rotten state of affairs and it is very bad in principle.

Now, Mr. Chairman, in my mind, I feel that whoever has been the architect of this Bill has in some ingenious manner deceived the Government and made the last insertion without the knowledge of certain members of the Government. I am inclined to feel from my knowledge of the Government that somebody who has been the architect of this Bill has ingeniously gone and inserted those two words. Members of the Government have been hoodwinked; other-

wise they would not be enjoying or occupying the position which they now occupy. They are trapped, and they are in a position from which they cannot emerge. It seems as if the word "resident" crept into the Bill and if the Hon. Premier would refer back to his files, he will see how the Bill read in the first instance.

Hon. Dr. H. G. H. CUMMINS: Mr. Chairman, I want to say that I accept the motion for the postponement. I am not one of those hon. members who think that they are omniscient like the hon. member who has just sat down. I am not a lawyer and there are some people who studied law for years and have not got any further, I have never tried to study law; therefore I am not ashamed to say that I am ignorant of the law. I accept the motion for the postponement and I am going back to the legal draughtsman with the Bill and get the right interpretation.

The question that Mr. CHAIRMAN report progress and ask for leave to sit again was put and resolved in the without division.

Mr. SPEAKER resumed the Chair and reported accordingly.

AMENDMENTS OF LEGISLATIVE COUNCIL TO CUSTOMS TARIFF (AMENDMENT) NO. 2 ACT CONSIDERED

Mr. SPEAKER: The next Order of the Day stands in the name of the Hon. Premier: To move the consideration of the amendments of the Honourable the Legislative Council to the Bill intitled the Customs Tariff (Amendment) No. 2 Act, 1958.

Hon. Dr. H. G. H. CUMMINS: Mr. Speaker, this Bill has just a few verbal amendments to the Custom Tariff Act, 1958. On the first page there is just an extension of the line between "for classification" and "for duty". That line stopped a little way down and did not extend to the top.

Then there is an amendment for the word "strength" which appears twice in the Item: "112 - 04 - 2 Brandy exceeding the strength of proof." Then there is the deletion of the last line on that page as it appears over on the next page. Then there is a similar thing as regards the line which I just mentioned occurring on page 2.

I beg to move that these amendments be now read a first time.

Hon. D. D. GARNER: I beg to second that.

Mr. TUDOR: Mr. Speaker, before the question is put I would like to know who wrote up these particular amendments and why they did not come to us.

Mr. SPEAKER: I understand that they are just verbal amendments.

Mr. TUDOR: Well we do not know what we are doing and we cannot debate amendments from the Other Place if they are not written up and there is no argument to say that they are just trivial. These amendments should be circulated to hon. members, and we have always said that it is discourteous on the part of the Ministers not to have them circulated and, more so, where the amendments are said to be small.

Hon. Dr. H. G. H. CUMMINS: Mr. Speaker, I would like to explain that where amendments are verbal, such as these where one or two words are struck out, there is no need to print them and that has been the rule. Where amendments affect a material particular, they are printed and circulated.

Mr. SPEAKER: Hon. members must not think I am imposing on them, but I must remind this House for the past 12 years since I have been a member, amendments of this kind have not been circulated. These amendments are just verbal as anyone can see. Looking at them I see the word "strength" was put in twice when it should be only put in once. Then there is a line which does not extend up to the top. Amendments of this nature to be printed would be a waste of time. However, if hon. members

insist, I will do as bidden. Are you insisting?

Mr. TUDOR: Your Honour's information is good enough for me. I would not insist.

Mr. BARROW: Mr. Speaker, I do not want to establish a precedent but what hon. members deprecate is that no explanation was given. If that was given we did not hear. Merely to say that the amendments were verbal was in my opinion not sufficient.
12.05 a.m.

Spelling which would alter the intention of the Bill, may be the amendment which they are trying to bring about. If the hon. member would treat us with the courtesy of telling us what is the nature of the amendments, we would not ask Your Honour to incur any unnecessary expense on the Public Treasury in having amendments of this kind printed. We would like a further explanation; on any other occasion

Hon. Dr. H. G. H. CUMMINS: On a point of order. I distinctly said the same thing as Your Honour has said, that the line does not extend to the top.

Mr. BRANCKER: Mr. Speaker, another reason why we were reluctant to agree with these amendments is that earlier in this meeting, we were confronted with some amendments which no hon. member had any opportunity of studying - the amendments to the Beach Protection Act. However, we accept your assurance, and we do not want our agreeing to proceed with these amendments to be taken as creating any precedent. We could not hear what the Hon. Minister said when he was introducing these amendments; more audible were the remarks of another member on that side of the House than those of the Hon. Minister.

The question that these amendments be now read a second time was put and resolved in the affirmative without division.

On the motion of Hon. Dr. H. G. H. CUMMINS seconded by Hon. D. D. GARNER, the amendments were agreed to.

LEGISLATIVE COUNCIL'S AMENDMENTS TO THE STATISTICS BILL

Mr. SPEAKER: There are another lot of amendments which have been returned by the Other Place. These are amendments to the Bill to provide for the taking of censuses and for the collection, compilation, analysis and publication of certain statistical information and for other matters relating thereto.

The amendments are as follows:-

In Section 2 where the words "in the case of a company or corporation," occur, the word "a" has been repeated twice and one "a" has been cut out. Further on in the same section over the page where the word "statistician" appears, the first "s" was not quite discernible, and that has been made more visible. Then in sub-section (1) of Section 6 where the words "statistics relating to all of the matters" occur, the words "or any" have been inserted after the word "all". In Sub-section (1) (a) of Section 7 where the words "such periodical or information" occur, the word "other" has been inserted after the word "or". Then in Sub-section (2) of the same Section, a comma has been inserted after the word "shall"; in Section 8 a comma has been inserted after the word "behalf". In Section 9 (a), the word "purposes" has been used instead of the word "purpose", and in the same Section in the proviso, the word "or" has been inserted after the word "abstract". In Section 10 (a), the word "of" has been inserted after the word "value"; in Section 11, the comma has been left out after the word "authority" and it has been inserted. In Section 12, the word "to" has been inserted after the word "then"; in Section 13 (b) the word "and" has been inserted after the word "which" and in Sub-clause (3) the word "should" should have been "shall", and finally, in Item No. 12 of the First Schedule, the word "societies" has been wrongly spelt. Those are the amendments to this Bill.
12.15 a.m.

Mr. BRANCKER: Mr. Speaker, we take no exception to proceeding with these amendments without having them circulated.

Hon. Dr. H. G. H. CUMMINS: Mr. Speaker, I beg to move that the amendments to the Statistics Bill be now read a first time.

Hon. D. D. GARNER: I beg to second that.
On the separate motions of Hon. Dr. H. G. H. CUMMINS seconded in each case by Hon. D. D. GARNER the amendments were read a second time and agreed to.

Mr. SPEAKER: There are other amendments from the Other Place to the Bill to amend the Larceny Act, 1868. The amendments are similar to those dealt with in the other Bill and are as follows:-

To insert the word "a" in sub-section 2(b) of Section 2 between the words "of" and "misdemeanour"; and to insert the word "shall" in sub-section 3 of Section 2 between the words "funds" and "be".

Mr. BRANCKER: Likewise, Mr. Speaker, we take no objection to proceeding with these amendments without having them circulated.

On the separate motions of Hon. Dr. H. G. H. CUMMINS seconded in each case by Hon. D. D. GARNER, the amendments to the Bill to amend the Larceny Act were read a first and second time and agreed to.

Hon. R. G. MAPP: Mr. Speaker, that is the end of Government Business.

Mr. SPEAKER: We will now commence Private Members' Business.

Mr. CRAWFORD: Mr. Speaker, I am asking leave to take Order No. 5 under Private Members' Business as the next Order of the Day.

Hon. D. D. GARNER: Mr. Speaker, due to the lateness of the night, advantage is being taken of us.

Mr. CRAWFORD: Mr. Speaker, you said I can go ahead. This Address reads as follows:-

THE HOUSE OF ASSEMBLY TO HIS EXCELLENCY THE GOVERNOR

The House desires to draw to the attention of Your Excellency that there is an acute shortage of agricultural labour in Dutch Guiana (Surinam) and that foreign labour shall be required to assist in reaping the crop which is scheduled to begin in August.

2. The House would point out that so urgent is the necessity to increase the country's agricultural labour force that last year prisoners from jail were hired by the authorities to assist in cane harvesting and respectfully requests that adequate steps be taken to meet the demand from the surplus labour force in Barbados.

I shall not be very long, Sir, but I merely want to suggest to Government....

Mr. SPEAKER: What is the number of this Order?

Mr. CRAWFORD: This is an Address dealing with agriculture in Dutch Guiana.

Mr. SPEAKER: That is Order No. 7.

Mr. CRAWFORD: Mr. Speaker, I am asking leave to take Order No. 7 as the first Order of the day under Private Members' Business.
12.25 a.m.

I said, Sir, that I merely want to draw to the attention of the Government that there is this very acute shortage of labour in Surinam. Not only was this matter not raised on the floor of the House before because for the last two or three weeks we had no time to deal with Private Member's

Business but because I was advised in Surinam last year that I should await the results of the General Elections which took place there last month before asking the Government to make investigation into the matter for the simple reason that the Government which was then in power and which obviously was on its way out did not want to commit itself. I should say that the Government which was then in power got two seats at the last General Elections and the Opposition has got into power.

As the Address emphasises, so acute was the shortage last year that the plantation authorities with the assistance of the Governmental authorities allowed prisoners from the gaol to go and reap the crop in order to get it through in time. Now, the crop starts in August; I went to the biggest plantation there myself. It was called Marienbed and the manager assured me that he would welcome the approach through the authorities in Barbados to the authorities in Surinam with a view to providing him with labour to assist in getting off the harvest and those who wanted to remain could remain afterwards. The figure which he mentioned was about 200 or 300 and he told me that he had accommodation for about 50 workers and if an early approach was made, it would give him time to get housing accommodation for the remainder.

I do not want to delay this House with any detailed account but I want to refer to the fact that some years ago - in 1946 I think it was - an attempt was made to settle agricultural workers from this Island in Surinam, and it was unsuccessful; but I gather that even the Surinam people themselves were not surprised that it was unsuccessful because wages at that time were generally low and the general conditions were bad, and in addition to that there was no proper housing. Since then the Surinam Government in conjunction with the Trade Union there have done a tremendous lot in making good the conditions of agricultural workers and last year the wages of agricultural workers were actually higher than what they are in Barbados; so that workers from here who may emigrate there would not have the same discomfiture as they did during the earlier attempt.

My suggestion would be that the Government should immediately make direct contact by means of an official delegation to the Surinam Government authorities as well as to the management of Marienbed which is the largest estate there and finalise at an early date the arrangements to supply them with the additional labour which they require from the surplus labour force in Barbados. It would not be enough really to sit here and write somebody in Surinam. I am in a position to state that they need assistance. At the end of November last year, they were still trying to reap the crop, and to get it finished in time, they had to approach the Government for release of prisoners at the scheduled rates of pay.

I may say that there has been an attempt to mechanise the harvesting of canes but this has not been successful because they ratoon the canes for a much longer period than we do and they say that the machines destroy the crop. In consequence of other industrial operations in Surinam, especially bauxite and the Five-Year Plan which includes the construction of a dam for hydro-electric purposes as well as the putting down of an aluminium plant, it is almost impossible to get workers in agriculture. I read only a few days ago a report in which it was stated that in another eight or nine months, there would be absolutely no unemployment in that country, so comprehensive is their development programme.

Mr. TALMA: Mr. Speaker, I beg to second that motion and in so doing, I would like to say that since 1939 I have been aware of the great shortage of labour not only in Surinam but in Cayenne. It was in 1939 that I had the privilege of sending the first batch of workers to Cayenne and I sent about 85 of them there. That was long before the Barbados Labour Government dreamt of emigration schemes or attempted to put any of those schemes into practice. I did that without the help of the Government when I was a member of the Barbados Progressive League which had just come into existence. The late Mr. A. Graham Gittens was also a member of the Progressive League and he tried to

claim credit of having done that. As a matter of fact, the then Labour Commissioner wanted to push me over the coals for doing that without the consent of Government.

Hon. Dr. H. G. H. CUMMINS: Mr. Speaker, I rise on a point of order. The hon. member mentioned something about the Government of that day. Was it a Labour Government to which he was referring?

Mr. TALMA: There was no Labour Government then. There was a Labour Party which had just come into existence. The Barbados Progressive League was then born and I think Your Honour would know that because we were both foundation members. I think you would know that the late Mr. A. Graham Gittens tried to claim credit for the Party for something which I did, and not the Party. I did it through my brother who was then in Martinique; therefore, Sir, I am aware of the shortage of agricultural workers both in Surinam and in Cayenne.

12.35 a.m.

I feel very heartening to see that the hon. senior member for St. Philip has put himself in the role of being an ambassador on behalf of the agricultural workers in touring, at his own expense, parts of Surinam and Cayenne, in search of work for agricultural workers and employees in this country. The hon. member has undertaken work which should be done by the Government. The Government should send out their ambassador in search of work for people like displaced coopers, agricultural workers, and the unemployed generally. We find the hon. senior member for St. Philip, at his own expense, investigating all the various fields of labour to see whether any assistance can be given to the unemployed workers in this island. I feel very happy in seconding the motion for the passing of this Address, and I think that the Government will be well advised, not merely to rely on cables which is the usual practice, but to send down the Hon. Minister of Labour and some agricultural adviser or some person like Mr. Clive Beckles who would really go in search of employment for all workers.

The hon. member made mention of emigration in 1946. Mr. Blackman who was then a member of the Government, made investigations at that time but the scheme turned out to be unsuccessful; but because that scheme was unsuccessful at that time, it does not necessarily mean that this one will be unsuccessful. With this rampant unemployment which we have in this Island, I think we should investigate all possible fields of endeavour for people who rely on a one-crop economy, people who are out of work and who are in dire need.

The question that this Address do now pass was put and resolved in the affirmative without division.

Mr. SPEAKER: I will ask the hon. senior member for St. Philip to present this Address in the proper quarter.

Mr. CRAWFORD: As Your Honour pleases.

ADJOURNMENT

The Order Paper having been fixed.

Hon. Dr. H. G. H. CUMMINS: I beg to move that this House do now adjourn until Tuesday next, 8th July, 1958, at 3 o'clock p.m.

Hon. F. E. MILLER: I beg to second that.

Mr. MOTTLEY: Mr. Speaker, before you put the question, I should just like to give notice of my intention to discuss, at the next meeting of this House, the Ambulance Service at the General Hospital and of the Police Department. Let the Hon. Minister, therefore, come prepared with the facts.

The question that this House do now adjourn until Tuesday next, 8th July, 1958, at 3 o'clock p.m. was put and resolved in the affirmative without division, and Mr. SPEAKER adjourned the House accordingly.

12.45 a.m.